



**YOUNGSTOWN
STATE
UNIVERSITY**

**BOARD OF TRUSTEES
INVESTMENT COMMITTEE
Allen L. Ryan, Jr., Chair
Charles T. George, Vice Chair
All Trustees are Members**

**Wednesday, June 21, 2023
10:30 a.m. or immediately following
previous meeting**

**Board Room
Tod Hall**

AGENDA

- A. Disposition of Minutes for Meeting**
- B. Old Business**
- C. Committee Items**

1. Discussion Item

- C.1.a. = Tab 1 a. June 21, 2023 Quarterly Portfolio Asset Allocation and Investment Performance Review**
John Colla, Clearstead, will report.

2. Action Items

- C.2.a. = Tab 2 a. Resolution to Amend the Youngstown State University Non-Endowment Asset Allocation Guidelines**
John Colla, will report.
- C.2.b. = Tab 3 b. Resolution to Modify Investment of the University's Non-Endowment and Endowment Funds Policy, 3356-3-10**
Neal McNally, Vice President for Finance and Business Operations, will report.

- D. New Business**
- E. Adjournment**





June 21, 2023

**YOUNGSTOWN STATE
UNIVERSITY**



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INSIGHTS & NEWS

PUBLICATIONS	PODCAST & VIDEOS	PR, AWARDS, INITIATIVES, & BLOGS
<p>CLEARPOINT 2023 Outlook Private Strategy Considerations in Dislocated Markets HSA: The Third Leg of the Stool</p> <p>RESEARCH CORNER Weekly Updates from our Investment Office</p> <p>MARKET UPDATES February: Debt Ceiling March: Recent Market Events – Banking Sector</p> <p>MARKET MINUTE Review of January 2023 Review of February 2023 Review of March 2023</p>	 <p>Podcast Episode 10: Private Credit & ESG Considerations</p> <p>VIDEOS 1Q23 Quarterly Insights About Clearstead Private Wealth Management Institutional Investment Consulting The Investment Office</p>	<p>PR Clearstead Advisors Acquires Santa Fe-Based Avalon Trust</p> <p>AWARD 2022 NAPA Top DC Advisor Teams*</p>  <p>INITIATIVE Sustainable Clearstead 2022 Impact Report</p> <p>BLOGS Annual Firm Update: Review of 2022 EmpowHER 2022 Woman of the Year: Karen Buckley</p>

*The National Association of Plan Advisors (NAPA) Top DC Advisor Teams list is an independent listing produced annually by NAPA. The data reported was as of 12/31/2022. The NAPA Top DC Advisor Teams list is based on self-reported data from RIA firms, regulatory disclosures and NAPA's research. The listing is based on RIAs that provide services to defined contribution plans in the following primary areas: assets under advisement for DC plans supported, total number of DC plans supported, % of total firm revenue from DC plan support. This award does not evaluate the quality of services provided to clients and is not indicative of the practice's future performance. While Clearstead is a member of NAPA, neither participating RIA firms nor their employees pay a fee to NAPA in exchange for inclusion in the NAPA Top DC Advisor Teams list.

CONTENTS

1. Initiatives
2. Capital Markets Update
3. Non-Endowment Assets: Performance & Asset Allocation Review
 - Fixed Income Positioning
 - Current Portfolio Update
4. Investment Policy & Asset Allocation Guidelines **(ACTION)**

APPENDIX

Endowment Assets: Performance & Asset Allocation Review

Supporting Information



INITIATIVES

2023 CALENDAR YEAR INITIATIVES

		1Q	2Q	3Q	4Q	COMMENTS:
STRATEGIC / ADMINISTRATIVE	Investment Policy Review		✓			Updates with Discretion Decision
	Strategic Asset Allocation Review			<input type="checkbox"/>		
	Peer Review			<input type="checkbox"/>		
	2024 Oversight Dashboard				<input type="checkbox"/>	
	STAR Ohio/Plus Annual Review		✓			Completed in June 2023
PORTFOLIO	Fixed Income Review		✓			
	Alternative Investments Review	✓				March '23: Real Assets
	Global Equity Review				<input type="checkbox"/>	
	Invnt Manager Recommendation	✓				Infrastructure Manager Recommendation
PERFORMANCE	Capital Markets Review	✓	✓	<input type="checkbox"/>	<input type="checkbox"/>	
	Quarterly Performance Review	✓	✓	<input type="checkbox"/>	<input type="checkbox"/>	
	Endowed Account Review / Oversight	✓	✓	<input type="checkbox"/>	<input type="checkbox"/>	
OTHER	Fee Review			<input type="checkbox"/>		
	ORC Compliance Review			<input type="checkbox"/>		
	Clearstead Firm Update	✓				
	Investment Structure Review	✓				

LAST REVIEWED	
Investment Policy:	03/02/2022
Strategic Asset Allocation:	03/02/2022
Fee Review:	09/20/2022

MEETING SCHEDULE	
1Q:	March 1, 2023
2Q:	June 21, 2023
3Q:	September 19, 2023
4Q:	December 6, 2023



CAPITAL MARKETS UPDATE

QUARTERLY THEMES

WHAT HAPPENED LAST QUARTER?

- Three separate narratives had their day in the sun: soft landing, no landing, and hard landing
 - January was risk-on; February was risk-off; March was bad for small caps and financials
- Equity and fixed income markets were volatile throughout the quarter influenced by interest rate movements, inflation trending lower, banking sector issues, and a potential recession, though all generated strong returns
 - S&P 500 +7.5%; MSCI EAFE +8.5%; MSCI Emerging Markets +4.0%; Bloomberg Aggregate Bond +3.0%
- Economy strengthened modestly in Q1 compared to 2022, but outlook for full CY2023 is murky

LOOKING FORWARD:

- Fed-induced recession risks are increasing as the effects of tighter financial conditions unfold
 - Slower growth, margin pressures on top of regional banking pressure and potential weakness in real-estate
 - Markets still unsure what a potential recession in 2023 will mean for corporate earnings
- Debt ceiling saga likely to culminate in late Q2/early Q3; expect noise around that timeframe which ultimately gets resolved (no default)
- Volatility is likely to remain elevated, so understanding liquidity needs is important during what are expected to be choppy markets
- Last year's repricing pushed yields much higher, and coupled with the uncertain environment, bodes well for fixed income returns

Source: Clearstead, Federal Reserve, Bloomberg LP. As of 3/31/2023. Past performance is not an indicator of future results.

HISTORICAL ASSET CLASS RETURNS

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Q1 2023
Sm/Mid 36.8%	Large Cap 13.7%	Large Cap 1.4%	Sm/Mid 17.6%	Em Mkt 37.3%	Cash 1.9%	Large Cap 31.5%	Sm/Mid 20.0%	Large Cap 28.7%	Cash 1.5%	Dev Intl 8.5%
Large Cap 32.4%	Sm/Mid 7.1%	US Bonds 0.6%	Hi Yld 17.5%	Dev Intl 25.0%	US Bonds 0.0%	Sm/Mid 27.8%	Large Cap 18.4%	Sm/Mid 18.2%	Hdg Fnds -4.7%	Large Cap 7.5%
Dev Intl 22.8%	US Bonds 6.0%	Cash 0.1%	Large Cap 12.0%	Large Cap 21.8%	Glb Bond -0.9%	Dev Intl 22.0%	Em Mkt 18.3%	Dev Intl 11.3%	Hi Yld -11.2%	Em Mkt 4.0%
Hdg Fnds 9.0%	Hdg Fnds 3.4%	Hdg Fnds -0.3%	Em Mkt 11.2%	Sm/Mid 16.8%	Hi Yld -2.3%	Em Mkt 18.4%	Hdg Fnds 10.9%	Hdg Fnds 6.5%	US Bonds -13.0%	Hi Yld 3.7%
Hi Yld 7.4%	Hi Yld 2.5%	Dev Intl -0.8%	US Bonds 2.7%	Glb Bond 9.3%	Hdg Fnds -4.0%	Hi Yld 14.4%	Glb Bond 9.5%	Hi Yld 5.4%	Dev Intl -14.5%	Sm/Mid 3.4%
Cash 0.1%	Cash 0.0%	Sm/Mid -2.9%	Glb Bond 1.9%	Hdg Fnds 7.8%	Large Cap -4.4%	US Bonds 8.8%	Dev Intl 7.8%	Cash 0.1%	Large Cap -18.1%	Glb Bond 3.1%
US Bonds -2.0%	Em Mkt -2.2%	Hi Yld -4.6%	Dev Intl 1.0%	Hi Yld 7.5%	Sm/Mid -10.0%	Hdg Fnds 8.4%	US Bonds 7.5%	US Bonds -1.5%	Sm/Mid -18.4%	US Bonds 3.0%
Em Mkt -2.6%	Glb Bond -2.8%	Glb Bond -4.8%	Hdg Fnds 0.5%	US Bonds 3.5%	Dev Intl -13.8%	Glb Bond 5.0%	Hi Yld 6.2%	Em Mkt -2.5%	Glb Bond -19.6%	Hdg Fnds 1.6%
Glb Bond -4.9%	Dev Intl -4.5%	Em Mkt -14.9%	Cash 0.3%	Cash 0.9%	Em Mkt -14.6%	Cash 2.3%	Cash 0.5%	Glb Bond -8.2%	Em Mkt -20.1%	Cash 1.1%

Past performance is not an indicator of future results. Asset classes represented by: Large Cap – S&P 500 Index; Sm/Mid – Russell 2500 Index; Dev Intl – MSCI EAFE Index; Em Mkt – MSCI Emerging Markets Index; Hi Yld – Bank of America Merrill Lynch U.S. High Yield Master II; US Bonds – Barclays Capital U.S. Aggregate; Glb Bond – Barclays Capital Global Treasury ex US; Hdg Fnds – HFRI FOF: Diversified Index; Cash – Merrill Lynch 91-day Tbill. Data as of 3/31/2023. Source: Morningstar Direct.

LOOKING BEYOND FED RATE HIKES AND RECESSIONS

S&P 500 AFTER RATE HIKE CYCLE BEGINS

FIRST FED RATE HIKE	MONTHS AFTER FIRST RATE HIKE TO RECESSION START	1 YEAR	3 YEARS	5 YEARS	10 YEARS
April 25, 1946	31	-18.9%	-2.4%	+11.2%	+16.8%
April 15, 1955	28	+31.4%	+7.9%	+12.3%	+12.6%
September 12, 1958	19	+22.3%	+15.6%	+12.2%	+11.1%
July 17, 1963	No Recession	+25.6%	+11.5%	+11.7%	+7.8%
November 20, 1967	25	+19.5%	+0.4%	+8.2%	+4.2%
January 15, 1973	10	-17.9%	-2.8%	-1.4%	+7.1%
August 31, 1977	29	+12.5%	+14.1%	+9.6%	+18.5%
September 26, 1980	10	-6.3%	+16.3%	+12.9%	+13.9%
September 4, 1987	34	-13.4%	+4.3%	+9.3%	+14.7%
February 4, 1994	No Recession	+4.8%	+21.9%	+24.2%	+11.10%
June 30, 1999	21	+7.2%	-9.2%	-2.3%	-2.2%
June 30, 2004	42	+6.3%	+11.7%	-2.1%	+7.8%
December 16, 2015	No Recession	+11.3%	+10.7%	+14.5%	n/a
March 16, 2022	TBD	-7.6%	TBD	TBD	TBD
Average	25 Months	+5.5%	+7.7%	+9.3%	+10.3%

Avoiding the temptation to react to the prospects of recession favors long-term investors.

Source: Clearstead, Bloomberg LP, Charles Schwab, as of 30-March-2023. All periods greater than one year are annualized returns. Past performance is not a guarantee of future results

MARKETS PERFORMANCE: MAY UPDATE

- May was a negative month (overall)—good for U.S. large cap growth, but challenging for everything else
 - Very narrow market for what worked—magnificent seven (Apple, Nvidia, Google, Amazon, Tesla, Microsoft, and Meta) explain 100% of S&P 500 return CYTD
- In equity markets U.S. mid and small caps lagged as regional banks remained under pressure; growth outpaced value, but less of a difference between growth & value indices overseas.
- In fixed income, yields moved higher which led to negative returns during the month; high-yield modestly outperformed; U.S. Dollar strengthened
- May was a month of shifting narratives; better than expected earning season and an early month Fed meeting giving way to debt ceiling talks and ultimately to AI euphoria

MARKET	2022	Jan-23	Feb-23	Mar-23	Apr-23	May-23	YTD
S&P 500	-18.1%	6.3%	-2.5%	3.7%	1.6%	0.4%	9.6%
Russell 2000	-20.5%	9.8%	-1.7%	-4.8%	-1.8%	-0.9%	-0.1%
MSCI EAFE	-14.5%	8.1%	-2.1%	2.5%	2.8%	-4.2%	6.8%
MSCI EM	-20.1%	7.9%	-6.5%	3.0%	-1.1%	-1.7%	1.1%
MSCI China	-21.9%	11.8%	-10.4%	4.5%	-5.2%	-8.4%	-9.1%
MSCI ACWI	-18.0%	7.2%	-2.8%	3.2%	1.5%	-1.0%	8.0%
Bloomberg US Agg Bond	-13.0%	3.1%	-2.6%	2.5%	0.6%	-1.1%	2.5%
Bloomberg High Yield Bond	-11.2%	3.8%	-1.3%	1.1%	1.0%	-0.9%	3.6%
Bloomberg Muni Bond	-8.5%	2.9%	-2.3%	2.2%	-0.2%	-0.9%	1.7%

Source: Bloomberg 5/31/2023. Past performance is not an indicator of future results.



**NON-ENDOWMENT ASSETS:
PERFORMANCE & ASSET ALLOCATION
REVIEW**

OPERATING & SHORT-TERM POOL INVESTMENTS

	Ticker	Account Type	Begin Market Value \$	Market Value 03/31/2023	% of Portfolio
Total Operating & Short Term			\$13,560,592	\$26,829,002	30.3
Federated Hermes Government Obligations Fund	GOIXX	Cash	\$13,467,679	\$26,735,168	30.2
STAR Ohio		Cash	\$92,748	\$93,834	0.1

The market value of the University's Operating & Short-Term Reserve Pool fluctuates quarter-over-quarter with operational cash flow, as depicted above.

Current yields for investments are:

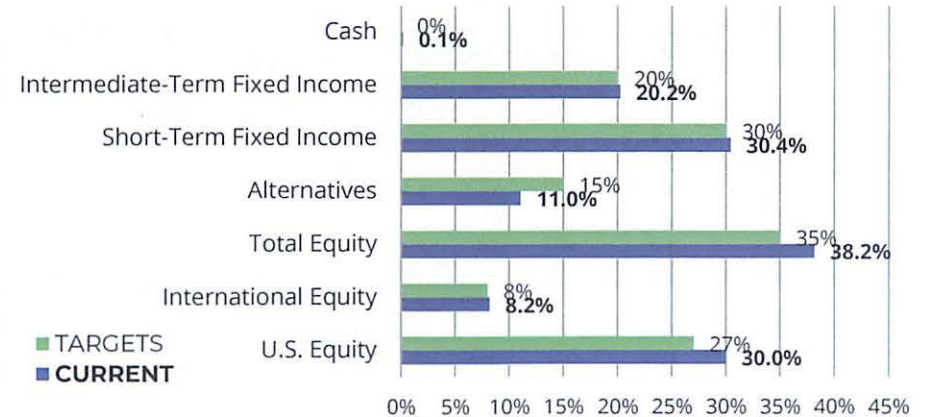
- Federated Hermes Government Obligations Fund: **4.91%**
- STAR Ohio: **5.38%**

NON-ENDOWMENT PERFORMANCE REVIEW (AS OF 3/31/2023)

NON-ENDOWMENT ASSETS	MARKET VALUE (\$MM)	TRAILING PERIODS								CALENDAR YEARS			SINCE INCEPTION ⁴
		QTD	FYTD	CYTD	1 YR	3 YR	5 YR	7 YR	10 YR	2021	2020	2019	
Total Non-Endowment Assets	\$88.495	3.3%	4.3%	3.3%	-1.4%	7.1%	4.4%	4.7%	3.9%	7.8%	9.5%	11.5%	3.9%
<i>Benchmark¹</i>		2.5%	3.8%	2.5%	-0.2%	4.2%	3.2%	3.3%	2.8%	4.3%	5.9%	8.7%	3.0%
Operating & Short-Term Pool	\$26.829	1.0%	2.3%	1.0%	2.4%	0.9%	1.5%	1.2%	0.9%	0.0%	1.1%	2.4%	0.7%
<i>Benchmark²</i>		1.1%	2.3%	1.1%	2.4%	0.8%	1.4%	1.2%	0.9%	0.0%	0.8%	2.3%	0.7%
Long-Term Pool	\$61.666	3.6%	4.9%	3.6%	-3.7%	7.3%	4.2%	5.0%	4.5%	9.5%	8.8%	15.3%	4.7%
<i>Benchmark³</i>		3.6%	4.8%	3.6%	-2.6%	6.9%	4.5%	5.0%	4.4%	8.0%	10.0%	14.2%	4.5%

LONG-TERM POOL ASSET ALLOCATION

	CURRENT	TARGETS	RANGE	+ / -
U.S. Equity	30.0%	27%	20-35%	3.0%
International Equity	8.2%	8%	0-15%	0.2%
Total Equity	38.2%	35%	25-45%	3.2%
Alternatives	11.0%	15%	0-20%	-4.0%
Short-Term Fixed Income	30.4%	30%	25-45%	0.4%
Intermediate-Term Fixed Income	20.2%	20%	10-30%	0.2%
Cash	0.1%	0%	0-5%	0.1%



1) 45% BofA Merrill Lynch 91-Day T-Bill / 17% BofA Merrill Lynch US Corp & Gov 1-3 Yrs / 11% BBgBarc US Govt/Credit Int TR / 8% Total Alternatives Benchmark / 15% Russell 3000 / 4% MSCI EAFE.
 2) 95% BofA Merrill Lynch 91-Day T-Bill / 5% Barclays 1-3 Yr. Govt.
 3) 27% Russell 3000 / 8% MSCI EAFE / 15% Total Alternatives Benchmark / 30% BofA Merrill Lynch US Corp & Gov 1-3 Yrs / 20% BBgBarc US Govt/Credit Int TR.
 4) Inception date for Long-Term and Short-Term Pools: June 2010, Inception Date for Total Non-Endowment Assets: March 2004.

LONG-TERM POOL PERFORMANCE REVIEW: APRIL UPDATE

	Market Value 04/01/2023	Market Value 04/30/2023	% of Portfolio	1 Mo (%)	FYTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	Inception (%)	Inception Date
Total University Assets	\$88,495,304	\$81,988,530	100.0	0.6	5.0	4.0	2.0	5.8	4.5	4.0	Apr-04
<i>Total Policy Benchmark¹</i>				<i>0.6</i>	<i>4.4</i>	<i>3.1</i>	<i>2.4</i>	<i>3.4</i>	<i>3.3</i>	<i>3.1</i>	
Total Operating & Short Term	\$26,829,002	\$19,909,398	100.0	0.4	2.7	1.4	2.8	1.1	1.5	0.7	Jul-10
<i>Total Operating & Short Term Benchmark²</i>				<i>0.3</i>	<i>2.6</i>	<i>1.4</i>	<i>2.7</i>	<i>0.9</i>	<i>1.4</i>	<i>0.7</i>	
Federated Hermes Government Obligations Fund	\$26,735,168	\$19,815,175	99.5	0.4	2.7	1.4	2.8	0.9	1.2	1.8	Oct-21
<i>90 Day U.S. Treasury Bill</i>				<i>0.3</i>	<i>2.7</i>	<i>1.4</i>	<i>2.8</i>	<i>1.0</i>	<i>1.4</i>	<i>1.9</i>	
STAR Ohio	\$93,834	\$94,223	0.5	0.4	3.1	1.6	3.2	1.2	-	1.6	Jul-18
<i>90 Day U.S. Treasury Bill</i>				<i>0.3</i>	<i>2.7</i>	<i>1.4</i>	<i>2.8</i>	<i>1.0</i>	<i>1.4</i>	<i>1.4</i>	
Total Long Term/ Reserves Pool	\$61,666,302	\$62,079,132	100.0	0.7	5.7	4.3	1.3	5.6	4.3	4.8	Jul-10
<i>Total Long Term/ Reserves Fund Benchmark³</i>				<i>0.8</i>	<i>5.7</i>	<i>4.5</i>	<i>2.0</i>	<i>5.3</i>	<i>4.6</i>	<i>4.5</i>	
Total Equity	\$23,537,241	\$23,776,042	38.3	1.0	11.6	7.6	2.5	14.3	8.8	11.6	Jul-10
Total Domestic Equity	\$18,499,343	\$18,649,445	30.0	0.8	11.2	7.1	1.8	14.8	10.3	13.2	Jul-10
<i>Russell 3000 Index</i>				<i>1.1</i>	<i>10.9</i>	<i>8.3</i>	<i>1.5</i>	<i>14.1</i>	<i>10.6</i>	<i>13.3</i>	
Vanguard Institutional Index	\$12,376,327	\$12,569,031	20.2	1.6	11.7	9.2	2.6	14.5	11.4	13.7	Jul-10
<i>S&P 500 Index</i>				<i>1.6</i>	<i>11.7</i>	<i>9.2</i>	<i>2.7</i>	<i>14.5</i>	<i>11.4</i>	<i>13.7</i>	
Vanguard Mid Cap Index Adm	\$2,966,458	\$2,944,089	4.7	-0.8	7.7	3.1	-2.7	13.2	8.0	11.2	Oct-10
<i>Vanguard Mid Cap Index Benchmark</i>				<i>-0.8</i>	<i>7.7</i>	<i>3.1</i>	<i>-2.7</i>	<i>13.3</i>	<i>8.0</i>	<i>11.3</i>	
Loomis Sayles Sm Growth N	\$1,601,484	\$1,598,335	2.6	-0.2	13.0	4.2	2.9	11.0	7.5	6.4	Sep-19
<i>Russell 2000 Growth Index</i>				<i>-1.2</i>	<i>9.4</i>	<i>4.8</i>	<i>0.7</i>	<i>7.8</i>	<i>4.0</i>	<i>4.6</i>	
Victory Integrity Small Value Y	\$1,555,074	\$1,537,991	2.5	-1.1	11.3	1.7	1.0	23.3	5.6	9.9	Oct-10
<i>Russell 2000 Value Index</i>				<i>-2.5</i>	<i>0.2</i>	<i>-3.1</i>	<i>-8.0</i>	<i>15.4</i>	<i>3.7</i>	<i>8.6</i>	
Total International Equity	\$5,037,898	\$5,126,597	8.3	1.8	12.9	9.2	5.4	12.5	3.8	5.1	Oct-10
<i>MSCI EAFE (Net)</i>				<i>2.8</i>	<i>18.6</i>	<i>11.5</i>	<i>8.4</i>	<i>11.7</i>	<i>3.6</i>	<i>5.4</i>	
William Blair International Growth I	\$2,322,406	\$2,344,049	3.8	0.9	13.0	9.4	2.5	8.8	3.8	6.8	Jul-12
<i>MSCI AC World ex USA (Net)</i>				<i>1.7</i>	<i>11.9</i>	<i>8.7</i>	<i>3.0</i>	<i>9.7</i>	<i>2.5</i>	<i>5.5</i>	
Dodge & Cox Internat'l Stock	\$2,715,492	\$2,782,548	4.5	2.5	12.7	8.8	7.5	15.4	3.1	5.3	Oct-10
<i>MSCI EAFE (Net)</i>				<i>2.8</i>	<i>18.6</i>	<i>11.5</i>	<i>8.4</i>	<i>11.7</i>	<i>3.6</i>	<i>5.4</i>	
Total Alternatives	\$6,814,959	\$6,801,452	11.0	-0.2	2.2	0.3	-2.0	2.8	0.7	0.9	Mar-15
<i>Total Alternatives Benchmark⁴</i>				<i>0.4</i>	<i>2.5</i>	<i>1.1</i>	<i>-0.3</i>	<i>6.1</i>	<i>2.8</i>	<i>2.5</i>	
Weatherlow Offshore Fund I Ltd CI IIA	\$4,502,265	\$4,488,758	7.2	-0.3	2.7	0.4	-2.4	6.6	5.3	-5.7	Jul-21
<i>HFRI Fund of Funds Composite Index</i>				<i>0.4</i>	<i>2.5</i>	<i>1.1</i>	<i>-0.3</i>	<i>6.1</i>	<i>3.1</i>	<i>-1.7</i>	
H.I.G. Whitehorse Principal Lending Offshore Feeder Fd, L.P.	\$2,312,694	\$2,312,694	3.7	0.0	4.0	0.0	-	-	-	4.0	Jul-22

LONG-TERM POOL PERFORMANCE REVIEW: APRIL UPDATE

	Market Value 04/01/2023	Market Value 04/30/2023	% of Portfolio	1 Mo (%)	FYTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	Inception (%)	Inception Date
<i>Credit Suisse Leveraged Loan Index</i>											
Total Fixed Income	\$31,260,231	\$31,447,558	50.7	0.6	2.1	2.8	1.0	-0.1	1.8	1.8	Jul-10
<i>Total Fixed Income Benchmark⁶</i>				<i>0.4</i>	<i>1.3</i>	<i>2.2</i>	<i>1.1</i>	<i>-0.8</i>	<i>1.5</i>	<i>1.5</i>	
JPMorgan Core Bond	\$5,133,055	\$5,169,981	8.3	0.6	0.9	4.2	-0.2	-2.1	1.6	1.0	Sep-17
<i>Blmbg. U.S. Aggregate Index</i>				<i>0.6</i>	<i>0.5</i>	<i>3.6</i>	<i>-0.4</i>	<i>-3.1</i>	<i>1.2</i>	<i>0.6</i>	
YSU Intermediate Term Bond	\$4,321,681	\$4,350,169	7.0	0.7	1.8	3.1	1.5	-1.2	2.0	3.1	Apr-04
<i>Blmbg. Intermed. U.S. Government/Credit</i>				<i>0.6</i>	<i>1.3</i>	<i>3.0</i>	<i>1.0</i>	<i>-1.5</i>	<i>1.6</i>	<i>2.8</i>	
PGIM High Yield R6	\$3,036,980	\$3,074,305	5.0	1.2	6.6	4.3	0.2	5.0	3.6	4.0	Jan-17
<i>Blmbg. U.S. Corp: High Yield Index</i>				<i>1.0</i>	<i>8.3</i>	<i>4.6</i>	<i>1.2</i>	<i>4.7</i>	<i>3.3</i>	<i>3.7</i>	
YSU Short Term Bond	\$12,669,817	\$12,717,163	20.5	0.4	1.6	1.9	1.5	-0.1	1.6	2.2	Apr-04
<i>ICE BofA 1-3 Yr. Gov/Corp</i>				<i>0.3</i>	<i>1.2</i>	<i>1.8</i>	<i>1.1</i>	<i>-0.5</i>	<i>1.4</i>	<i>2.0</i>	
Lord Abbett Short Duration Income I	\$6,098,698	\$6,135,941	9.9	0.6	1.9	2.3	0.9	1.6	1.8	1.8	Apr-18
<i>ICE BofA 1-3 Yr. Gov/Corp</i>				<i>0.3</i>	<i>1.2</i>	<i>1.8</i>	<i>1.1</i>	<i>-0.5</i>	<i>1.4</i>	<i>1.3</i>	
Total Cash & Cash Equivalents	\$53,871	\$54,080	0.1	0.4	2.6	1.3	2.8	1.0	1.1	1.1	Apr-18
<i>90 Day U.S. Treasury Bill</i>				<i>0.3</i>	<i>2.7</i>	<i>1.4</i>	<i>2.8</i>	<i>1.0</i>	<i>1.4</i>	<i>1.4</i>	
PNC Govt MMkt	\$53,871	\$54,080	0.1	0.4	2.6	1.3	2.8	1.0	1.1	1.1	Apr-18
<i>90 Day U.S. Treasury Bill</i>				<i>0.3</i>	<i>2.7</i>	<i>1.4</i>	<i>2.8</i>	<i>1.0</i>	<i>1.4</i>	<i>1.4</i>	

¹90 Day U.S. Treasury Bill: 45.00%, Russell 3000 Index: 15.00%, Blmbg. Intermed. U.S. Government/Credit: 11.00%, MSCI EAFE (Net): 4.00%, ICE BofA 1-3 Yr. Gov/Corp: 17.00%, Total Alternatives Benchmark: 8.00%

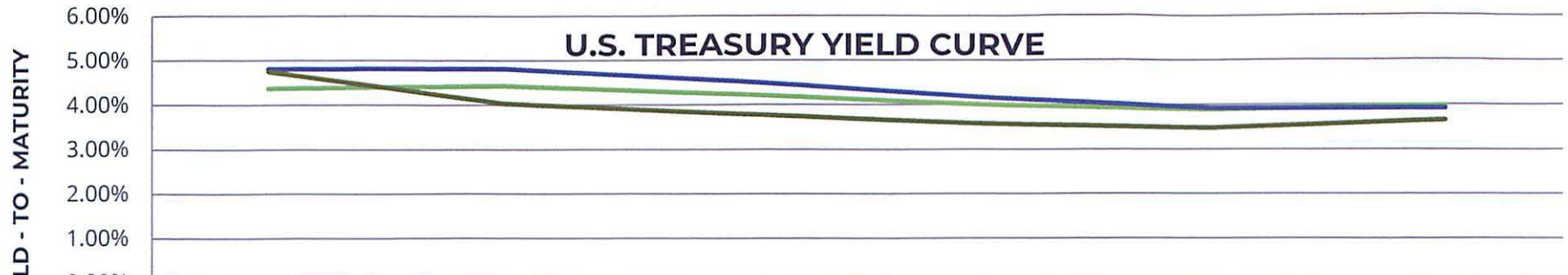
²90 Day U.S. Treasury Bill: 95.00%, Blmbg. 1-3 Govt: 5.00%

³Russell 3000 Index: 27.00%, Blmbg. Intermed. U.S. Government/Credit: 20.00%, MSCI EAFE (Net): 8.00%, ICE BofA 1-3 Yr. Gov/Corp: 30.00%, Total Alternatives Benchmark: 15.00%

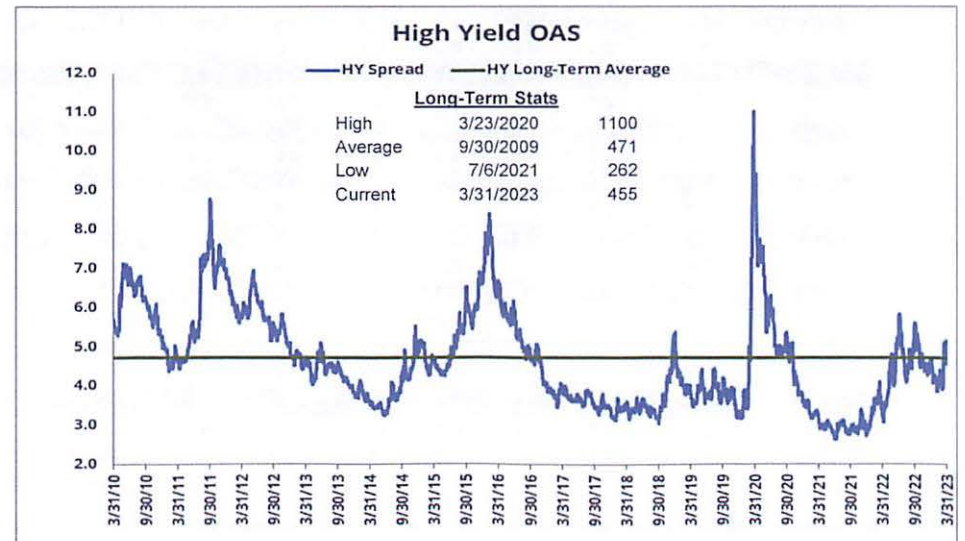
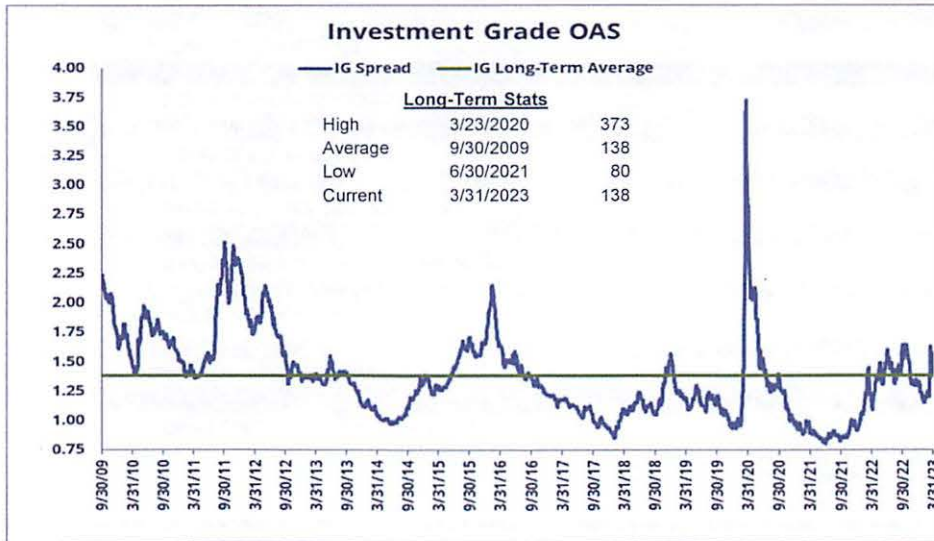
⁴HFRI Fund of Funds Composite Index: 100.00%

⁵Blmbg. Intermed. U.S. Government/Credit: 36.00%, ICE BofA 1-3 Yr. Gov/Corp: 64.00%

FIXED INCOME: YIELD CURVE AND CREDIT SPREADS

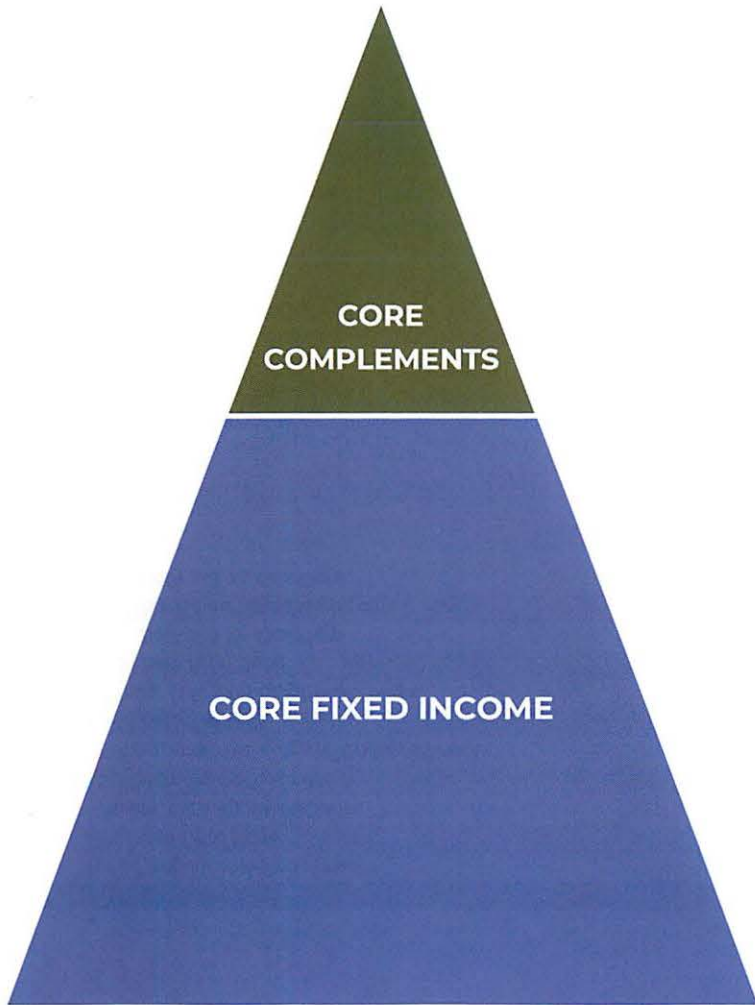


	3M	2Y	3Y	5Y	10Y	30Y
12/31/2022	4.37%	4.43%	4.23%	4.01%	3.88%	3.97%
2/28/2023	4.81%	4.82%	4.53%	4.18%	3.92%	3.92%
3/31/2023	4.75%	4.03%	3.79%	3.58%	3.47%	3.65%
YTD Change	0.38%	-0.40%	-0.44%	-0.43%	-0.41%	-0.32%



Source: Bloomberg. Data as of 3/31/2023. Past performance is not an indicator of future results.

FIXED INCOME PORTFOLIO STRUCTURE



CHARACTERISTICS

- Diversification
- Lower correlation to core fixed income
- Enhanced yield
- Credit risk
- Currency risk

INVESTMENTS

- Emerging markets
- High yield bonds
- Bank loans
- Tactical strategies
- Inflation hedge (TIPS)
- Global bonds

CHARACTERISTICS

- Hedge against equity volatility
- Income and stability
- Interest rate risk
- Deflation hedge

INVESTMENTS

- Investment grade; government and agencies, corporate, and mortgages
- Asset backed securities
- Intermediate-term maturities

FIXED INCOME PERFORMANCE

	% of Portfolio	QTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2021 (%)	2020 (%)	2019 (%)	Inception (%)	Inception Date
Total Fixed Income	40.7	1.4	-6.7	-3.4	-0.6	1.1	1.4	1.2	0.1	5.2	6.6	1.7	Jul-10
<i>Total Fixed Income Benchmark</i>		<i>1.1</i>	<i>-5.4</i>	<i>-3.1</i>	<i>-0.7</i>	<i>0.9</i>	<i>1.0</i>	<i>1.0</i>	<i>-0.8</i>	<i>4.5</i>	<i>5.0</i>	<i>1.3</i>	
JPMorgan Core Bond	6.8	1.2	-12.3	-6.9	-2.1	0.3	1.1	1.2	-1.1	8.1	8.3	0.3	Sep-17
<i>Blmbg. U.S. Aggregate Index</i>		<i>1.9</i>	<i>-13.0</i>	<i>-7.5</i>	<i>-2.7</i>	<i>0.0</i>	<i>0.9</i>	<i>1.1</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>	
YSU Intermediate Term Bond	5.8	1.7	-8.0	-4.7	-0.8	1.1	1.4	1.3	-1.3	7.5	7.2	3.0	Apr-04
<i>Blmbg. Intermed. U.S. Government/Credit</i>		<i>1.5</i>	<i>-8.2</i>	<i>-4.9</i>	<i>-1.3</i>	<i>0.7</i>	<i>1.1</i>	<i>1.1</i>	<i>-1.4</i>	<i>6.4</i>	<i>6.8</i>	<i>2.7</i>	
PGIM High Yield R6	4.0	3.7	-11.5	-3.0	-0.1	2.7	5.2	4.3	6.5	5.7	16.3	3.5	Jan-17
<i>Blmbg. U.S. Corp: High Yield Index</i>		<i>4.2</i>	<i>-11.2</i>	<i>-3.3</i>	<i>0.0</i>	<i>2.3</i>	<i>5.0</i>	<i>4.0</i>	<i>5.3</i>	<i>7.1</i>	<i>14.3</i>	<i>3.2</i>	
YSU Short Term Bond	17.1	1.1	-3.3	-1.9	0.0	1.1	1.1	1.0	-0.4	3.7	4.3	2.1	Apr-04
<i>ICE BofA 1-3 Yr. Gov/Corp</i>		<i>0.9</i>	<i>-3.8</i>	<i>-2.1</i>	<i>-0.3</i>	<i>0.9</i>	<i>1.0</i>	<i>0.9</i>	<i>-0.4</i>	<i>3.3</i>	<i>4.1</i>	<i>1.9</i>	
Lord Abbett Short Duration Income I	7.0	1.1	-4.6	-1.8	-0.2	1.3	1.9	1.7	1.1	3.2	5.6	1.4	Apr-18
<i>ICE BofA 1-3 Yr. Gov/Corp</i>		<i>0.9</i>	<i>-3.8</i>	<i>-2.1</i>	<i>-0.3</i>	<i>0.9</i>	<i>1.0</i>	<i>0.9</i>	<i>-0.4</i>	<i>3.3</i>	<i>4.1</i>	<i>1.0</i>	

FIXED INCOME LOOK THROUGH ANALYSIS

Current Portfolio	16.5%	13.9%	19.5%	40.5%	9.6%	100.0%	
	JP Morgan Core Bond	YSU Int Term Bond	Lord Abbett Short Duration Income	YSU Short-Term Bond	PGIM High Yield	Current Portfolio	Bloomberg Aggregate Bond Index
Expense Ratio	0.50%	0.15%	0.38%	0.15%	0.38%	0.27%	
Strategy AUM (\$1,000,000)	\$36,630	-	\$48,680	-	\$17,700		
Current Wgtd. Avg. Coupon	3.16%	2.94%	4.33%	2.58%	5.62%	3.36%	2.79%
Yield to Maturity	5.14%	4.52%	6.19%	4.73%	8.45%	5.41%	4.40%
Average Maturity	7.73	4.52	2.06	1.90	5.86	3.64	8.50
Effective Duration	6.39	3.71	1.85	1.77	3.82	3.01	6.50
Quality Issue						AA	
AAA	61%	58%	37%	69%	10%	54%	73%
AA	4%	1%	4%	0%	0%	2%	3%
A	12%	18%	17%	16%	0%	14%	11%
BBB	16%	23%	32%	15%	7%	19%	13%
BB	0%	0%	3%	0%	40%	4%	0%
B	0%	0%	3%	0%	29%	3%	0%
CCC & Below & Not Rated	6%	0%	3%	0%	15%	3%	0%
U.S. Treasury	36%	36%	6%	46%	4%	31%	41%
U.S. Agency	1%	14%	0%	4%	0%	4%	2%
Invnt. Grade Corporates	24%	50%	45%	48%	7%	40%	25%
High Yield Corporates	0%	0%	5%	0%	78%	8%	0%
Non-Agency ABS/CMOs	6%	0%	23%	0%	2%	6%	0%
Non-Agency MBS/CMBS	5%	0%	15%	0%	0%	4%	2%
Mort.-Passthrough	26%	0%	3%	1%	0%	5%	27%
Leveraged/Bank Loans	0%	0%	4%	0%	3%	1%	0%
Municipals	0%	0%	0%	0%	0%	0%	0%
Non-U.S. Developed	0%	0%	0%	0%	0%	0%	3%
Emerging Markets	0%	0%	0%	0%	2%	0%	0%
Non-Dollar	0%	0%	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%
Cash	2%	0%	0%	1%	4%	1%	0%

The Long-Term Pool's fixed income portfolio characteristics:

- 1% yield advantage over the core aggregate bond index
- Lower duration, or interest rate sensitivity than the index
- High credit quality portfolio with over 50% in AAA securities

CURRENT PORTFOLIO UPDATE

YOUNGSTOWN STATE UNIVERSITY

AS OF MAY 30, 2023

	TICKER	INVESTMENT STRATEGY	MARKET VALUE (CURRENT)	% OF PORTFOLIO	POLICY TARGET	POLICY RANGE	TACTICAL +/-
Total Operating & Short Term			\$19,909,399	100.0%	100.0%		
Operating Assets			\$19,909,399	100.0%		60-100%	
Federated Hermes Govt Obligations	FOGXX	Money Market	\$19,815,176	99.5%			
Star Ohio*	-	Cash Equivalent	\$94,223	0.5%			
Total Long Term Reserves Pool			\$61,540,925	100.0%	100.0%		
Domestic Equity			\$18,647,429	30.3%	27.0%	20-35%	3.3%
Large Cap			\$12,698,221	20.6%			
Vanguard Instl Index	VINIX	Large Cap Core	\$12,698,221	20.6%			
Small/Mid Cap			\$5,949,208	9.7%			
Vanguard Mid Cap Index Adm	VIMAX	Mid-Cap Core	\$2,888,109	4.7%			
Loomis Sayles Small Growth N2	LSSNX	Small Cap Growth	\$1,558,660	2.5%			
Victory Integrity Small Cap Value Y	VSVIX	Small Cap Value	\$1,502,438	2.4%			
International Equity			\$5,013,699	8.1%	8.0%	0-15%	0.1%
William Blair International Growth I	BIGIX	Foreign Growth	\$2,329,065	3.8%			
Dodge & Cox International Stock	DODFX	Foreign Value	\$2,684,634	4.4%			
Total Equity			\$23,661,128	38.4%	35.0%	25-45%	3.4%
Alternatives			\$6,801,452	11.1%	15.0%	0-20%	-3.9%
H.I.G. Principal Lending Fund*	-	Private Credit	\$2,312,694	3.8%			
Apollo Infrastructure Opps Fund III		Real Assets	\$0	0.0%			
Weatherlow Fund*	-	Hedge FoF	\$4,488,758	7.3%			
Fixed Income			\$31,078,029	50.5%	50.0%	35-75%	0.5%
Short Term Fixed Income			\$18,697,204	30.4%	30.0%	25-45%	0.4%
YSU Short Term Bond	-	Short-Term Fixed	\$12,606,623	20.5%			
Lord Abbett Short Duration	LLDYX	Short-Term Fixed	\$6,090,582	9.9%			
Intermediate Fixed Income			\$12,380,825	20.1%	20.0%	10-30%	0.1%
JPMorgan Core Bond Fund R6**	JCBUX	Core Plus Fixed	\$5,063,825	8.2%			
YSU Intermediate Term Fixed	-	Interm-Term Fixed	\$4,289,137	7.0%			
Prudential High Yield Bond R6	PHYQX	High Yield	\$3,027,863	4.9%			
Cash & Cash Equivalents			\$315	0.0%	0.0%	0-5%	0.0%
Equity Account Cash	-	Money Market	\$315	0.0%			
Total University Assets			\$81,450,323				

*As of 03/31 or 4/30.

**Held at JPMorgan.



**INVESTMENT POLICY & ASSET
ALLOCATION GUIDELINES**

INVESTMENT POLICY & ASSET ALLOCATION GUIDELINES (ACTION)

- As a follow up to the Board's decision to delegate Clearstead discretion at its last meeting, Clearstead has proposed revisions to the University's Investment Policy and Asset Allocation Guidelines that aligns the language regarding roles and responsibilities to the new governance structure
- Please refer to the supporting documents that presents the revisions in red-line format for the Board's review
- One other proposed revision throughout the documents is the reference to the Investment Committee, which should be updated from "Subcommittee" to "Committee"



APPENDIX



**ENDOWMENT ASSETS:
PERFORMANCE & ASSET ALLOCATION
REVIEW**

ENDOWMENT ASSETS: PERFORMANCE & ASSET ALLOCATION (AS OF 3/31/2023)

ENDOWMENT ASSETS	MARKET VALUE (\$MM)	ASSET ALLOCATION	COMPOSITION	TRAILING PERIODS							CALENDAR YEARS			SINCE INCEPTION ³
				QTD	FYTD	CYTD	1 YR	3 YR	5 YR	7 YR	2021	2020	2019	
YSU Endowment Fund	\$13.761	67% Equity / 3% Alts / 30% Fixed Income & Cash	Stocks, Bonds, Mutual Funds	3.0%	5.9%	3.0%	-8.8%	12.5%	7.9%	8.0%	20.9%	16.3%	23.8%	8.0%
			Benchmark ¹	6.4%	7.6%	6.4%	-6.8%	13.1%	8.8%	9.7%	20.6%	16.2%	25.6%	9.7%
			Benchmark ²	5.7%	6.1%	5.7%	-6.3%	9.9%	7.3%	8.0%	15.9%	14.7%	22.2%	8.2%

COMPLIANCE

- Asset Allocation Guidelines: 70% Equities (60-80%) / 30% Cash & Fixed Income (20-40%) **(IN COMPLIANCE)**

HOLDINGS

- Equity Mutual Funds – 11% (4 Mutual Funds & ETFs)
- Stocks – 56% (30-60 U.S. Large/Mid-Cap Stocks)
- Alternatives – 3% (Real Estate Mutual Fund)
- Fixed Income Mutual Funds – 2% (Federated Total High Yield)
- Individual Bonds – 25% (10-15 Individual Bonds: U.S. Corporate / Gov't / Asset Backed Debt)
- Cash – 3%

1) Benchmark: 75% S&P 500 / 25% BBg US Aggregate.

2) Benchmark: 60% S&P 500 / 40% BBg US Aggregate.

3) Inception date: 06/2013.



SUPPORTING INFORMATION

U.S. ECONOMIC PROJECTIONS: FED BATTLES INFLATION

FEDERAL RESERVE BOARD MEMBERS & BANK PRESIDENTS

		2023	2024	2025	LONGER RUN*
GDP	March 2023	0.4%	1.2%	1.9%	1.8%
	December 2022	0.5%	1.6%	1.8%	1.8%
	September 2022	1.2%	1.7%	1.8%	1.8%
	June 2022	1.7%	1.9%		1.8%
Unemployment Rate	March 2023	4.5%	4.6%	4.6%	4.0%
	December 2022	4.6%	4.6%	4.5%	4.0%
	September 2022	4.4%	4.4%	4.3%	4.0%
	June 2022	3.9%	4.1%		4.0%
Core PCE Inflation	March 2023	3.6%	2.6%	2.1%	
	December 2022	3.5%	2.5%	2.1%	
	September 2022	3.1%	2.3%	2.1%	
	June 2022	2.7%	2.3%		
Federal Funds Rate	March 2023	5.1%	4.3%	3.1%	2.5%
	December 2022	5.1%	4.1%	3.1%	2.5%
	September 2022	4.6%	3.9%	2.9%	2.5%
	June 2022	3.8%	3.4%		2.5%
# of implied 25 bps rate changes/year	March 2023	3	-3	-5	
	December 2022	3	-4	-4	
	September 2022	1	-3	-4	
	June 2022	2	-2		

*Longer-run projections: The rates to which a policymaker expects the economy to converge over time – maybe in five or six years – in the absence of further shocks and under appropriate monetary policy.

Source: Clearstead, U.S. Federal Reserve 3/22/2023

INFLATION STILL HIGH ACROSS THE GLOBE

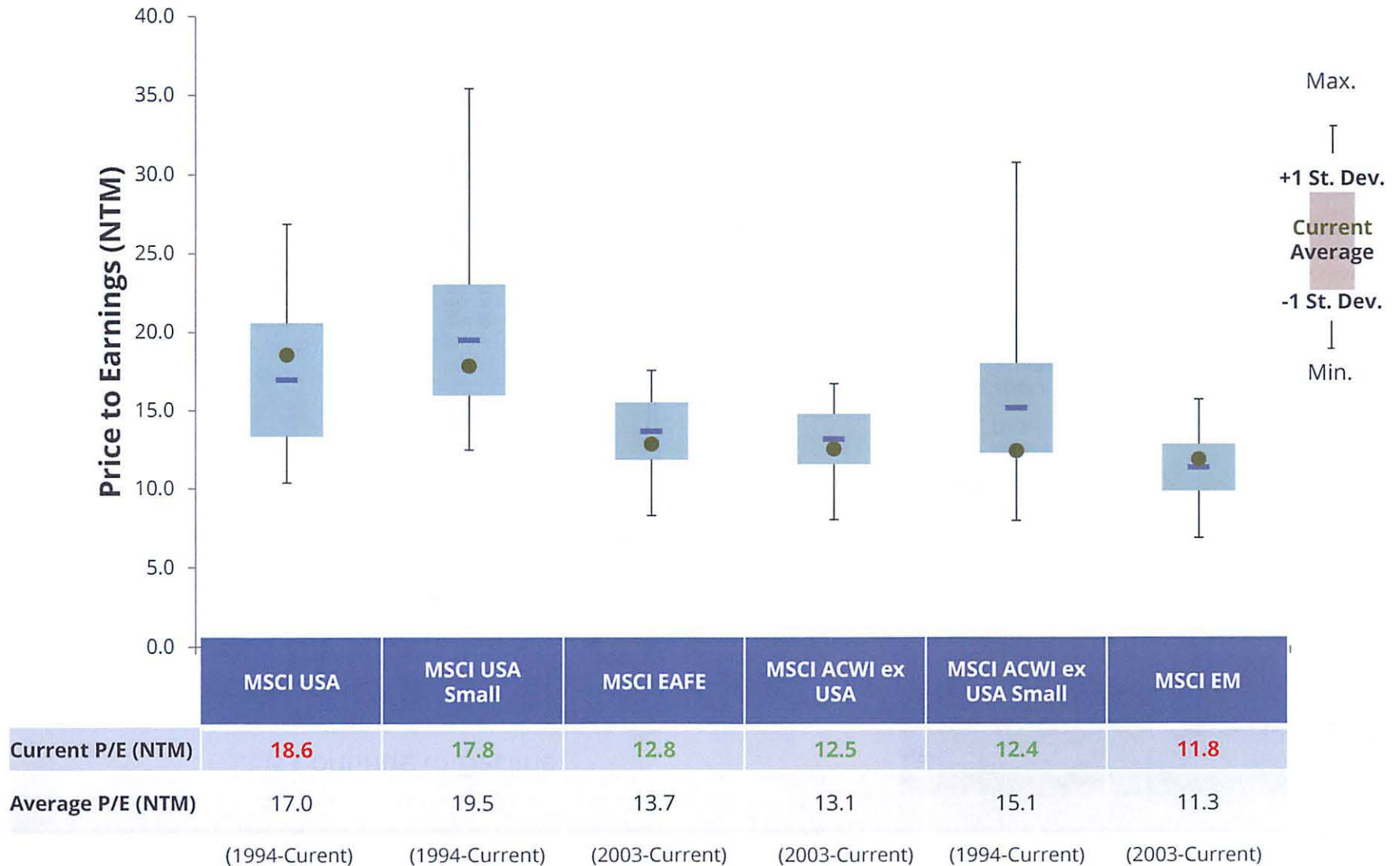
Global Headline CPI - Year-over-Year % Change

	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	
Dev. Markets																										
US	1.7	2.6	4.2	5.0	5.4	5.4	5.3	5.4	6.2	6.8	7.0	7.5	7.9	8.5	8.3	8.6	9.1	8.5	8.3	8.2	7.7	7.1	6.5	6.4	6.0	
EU	0.9	1.3	1.6	2.0	1.9	2.2	3.0	3.4	4.1	4.9	5.0	5.1	5.9	7.5	7.5	8.1	8.6	8.9	9.1	10.0	10.7	10.0	9.2	8.5	8.5	
Japan	-0.5	-0.4	-1.1	-0.8	-0.5	-0.3	-0.4	0.2	0.1	0.6	0.8	0.5	0.9	1.2	2.5	2.5	2.4	2.6	3.0	3.0	3.7	3.8	4.0	4.3	3.3	
UK	0.4	0.7	1.5	2.1	2.5	2.0	3.2	3.1	4.2	5.1	5.4	5.5	6.2	7.0	9.0	9.1	9.4	10.1	9.9	10.1	11.1	10.7	10.5	10.1	10.4	
Canada	1.1	2.2	3.4	3.6	3.1	3.7	4.1	4.4	4.7	4.7	4.8	5.1	5.7	6.7	6.8	7.7	8.1	7.6	7.0	6.9	6.9	6.8	6.3	5.9	5.2	
Australia	0.9	1.1	1.1	1.1	3.8	3.8	3.8	3.0	3.0	3.0	3.5	3.5	3.5	5.1	5.1	5.1	6.1	6.1	6.1	7.3	7.3	7.3	7.8	7.8	7.8	
Switzerland	-0.5	-0.2	0.3	0.6	0.6	0.7	0.9	0.9	1.2	1.5	1.5	1.6	2.2	2.4	2.5	2.9	3.4	3.4	7.3	7.2	7.2	7.2	7.2	7.2	7.2	
Norway	3.3	3.1	3.0	2.7	2.9	3.0	3.4	4.1	3.5	5.1	5.3	3.2	3.7	4.5	5.4	5.7	6.3	6.8	6.5	6.9	7.5	6.5	5.9	7.0	6.3	
Sweden	1.4	1.7	2.2	1.8	1.3	1.4	2.1	2.5	2.8	3.3	3.9	3.7	4.3	6.0	6.4	7.3	8.7	8.5	8.9	10.8	10.9	11.5	12.3	11.7	12.0	
Asia																										
China	-0.2	0.4	0.9	1.3	1.1	1.0	0.8	0.7	1.5	2.3	1.5	0.9	0.9	1.5	2.1	2.1	2.5	2.7	2.5	2.8	2.1	1.6	1.8	2.1	1.0	
India	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.4	4.5	4.8	5.6	5.8	5.0	5.4	6.3	7.0	6.2	5.8	5.9	6.5	6.1	5.4	5.8	6.2	6.2	
Indonesia	1.4	1.4	1.4	1.7	1.3	1.5	1.6	1.6	1.7	1.7	1.9	2.2	2.1	2.6	3.5	3.6	4.4	4.9	4.7	6.0	5.7	5.4	5.5	5.3	5.5	
Malaysia	0.1	1.7	4.7	4.4	3.4	2.2	2.0	2.2	2.9	3.3	3.2	2.3	2.2	2.2	2.3	2.8	3.4	4.4	4.7	4.5	4.0	4.0	3.8	3.7	3.7	
S Koreas	1.4	1.9	2.5	2.6	2.4	2.6	2.6	2.4	3.2	3.8	3.7	3.6	3.7	4.1	4.8	5.4	6.0	6.3	5.7	5.6	5.7	5.0	5.0	5.2	4.8	
Taiwan	1.4	1.2	2.1	2.5	1.8	1.9	2.3	2.6	2.6	2.9	2.6	2.8	2.3	3.3	3.4	3.4	3.6	3.4	2.7	2.8	2.7	2.4	2.7	3.1	2.4	
Latin America																										
Brazil	5.2	6.1	6.8	8.1	8.4	9.0	9.7	10.3	10.7	10.7	10.1	10.4	10.5	11.3	12.1	11.7	11.9	10.1	8.7	7.2	6.5	5.9	5.8	5.8	5.6	
Chile	2.8	2.9	3.3	3.6	3.8	4.5	4.8	5.3	6.0	6.7	7.2	7.7	7.8	9.4	10.5	11.5	12.5	13.1	14.1	13.7	12.8	13.3	12.8	12.3	11.9	
Colombia	1.6	1.5	2.0	3.3	3.6	4.0	4.4	4.5	4.6	5.3	5.6	6.9	8.0	8.5	9.2	9.1	9.7	10.2	10.8	11.4	12.2	12.5	13.1	13.3	13.3	
Mexico	3.8	4.7	6.1	5.9	5.9	5.8	5.6	6.0	6.2	7.4	7.4	7.1	7.3	7.5	7.7	7.7	8.0	8.2	8.7	8.7	8.4	7.8	7.8	7.9	7.6	

Bloomberg Inflation Monitor as of 3/31/2023

- Inflation has started to ease in select markets, but remain uncomfortably high in most countries
 - The US, Brazil, and the EU have started to see meaningful declines
 - Only China, and to a lesser extent Taiwan, have seen negligible increases

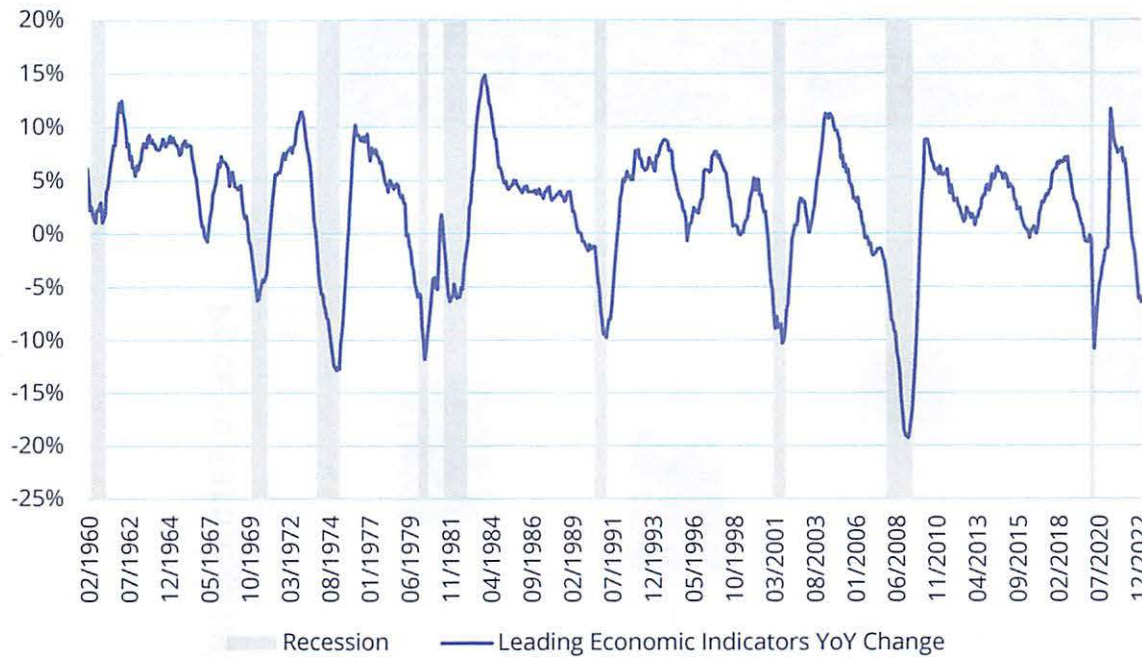
GLOBAL EQUITY VALUATIONS Q1-23



Source: Bloomberg. Data as of 3/31/2023. Average taken over full index history.

U.S. LEADING INDICATORS GO NEGATIVE

LEIs Continue to Decline



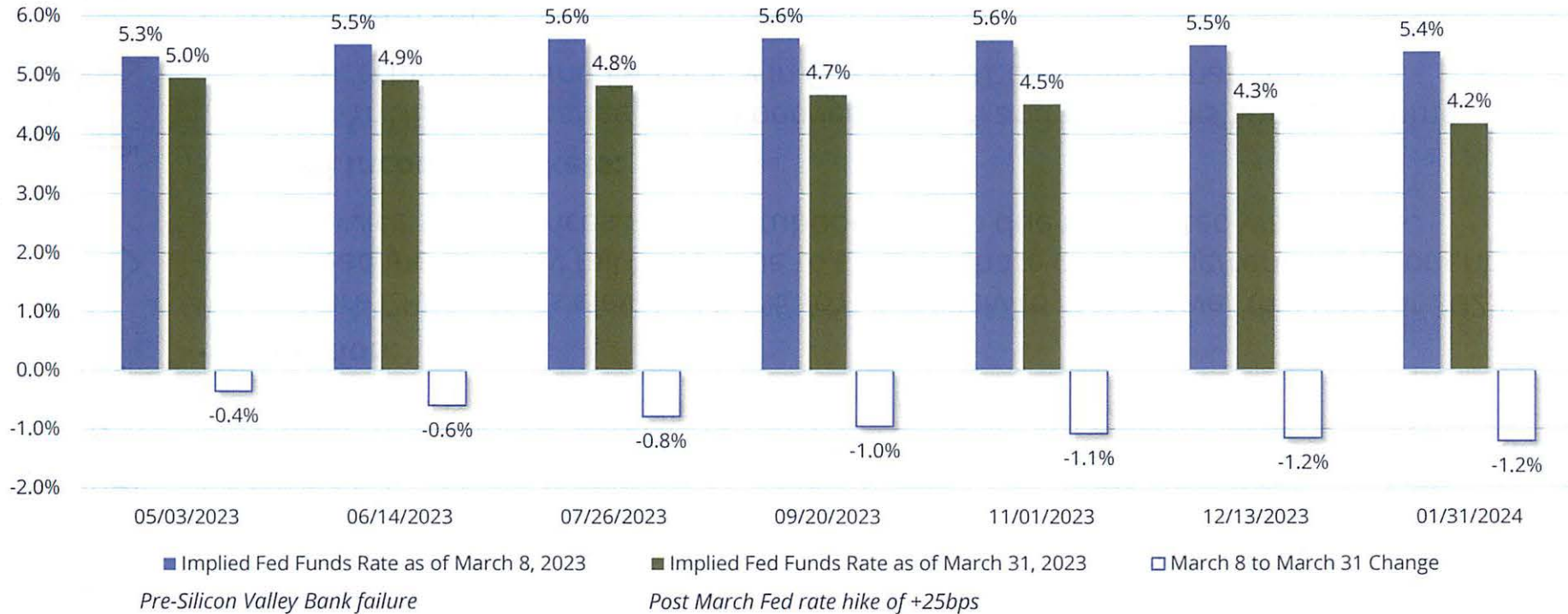
- The U.S. LEI index is highly correlated with real economic growth and is predictive of the economy by seven months.
- The rate of change in the U.S. LEI has slowed for eleven consecutive months.
- Nine of the ten U.S. LEI sub indices are negative with “Unemployment Claims” expected to be negative in late H1-2023.
- “Unemployment Claims” likely to remain positive for the near term given the tight labor market but should soften in the face of a slowing economy and eventually turn negative.

LEI Component	Current Reading	H1-2023 Expectations
Average weekly hours in manufacturing	Negative	Negative
Average weekly initial claims for unemployment insurance	Positive	Negative
Manufacturers' new orders for consumer goods and materials	Negative	Negative
ISM® Index of New Orders	Negative	Negative
Manufacturers' new orders for nondefense capital goods excluding aircraft orders	Negative	Negative
Building permits for new private housing units	Negative	Negative
S&P 500® Index of Stock Prices	Negative	Negative
Leading Credit Index™	Negative	Negative
Interest rate spread (10-year Treasury bonds less federal funds rate)	Negative	Negative
Average consumer expectations for business conditions	Negative	Negative

Source: Clearstead, The Conference Board, Bloomberg LP, March 22, 2023

MARKET EXPECTATIONS FOR FED

MARKET EXPECTATIONS FOR A PIVOT ARE BACK



- Before the failure of Silicon Valley Bank and Signature Bank, markets were anticipating the Fed to hold rates above 5%...higher for longer
- Markets are putting the odds of a +25bps rate hike at the May meeting at below 50%; we will have to see how financial conditions evolve, where inflation data comes in, and the big question of what other potential additional stresses in the banking system show up

Source: Bloomberg LP, data as of 3/31/2023

H1-2023: THE BIG PICTURE



- **Labor Market:**

- U.S. may track to 75k-175k jobs per month in Q2-2023; unemployment rate may rise but remain <4.0% by mid-2023; average hourly wages remain >4% YoY.



- **Manufacturing:**

- Contraction in manufacturing activity has begun due to weakening global growth; supply-chain disruptions in the rear-view mirror; input prices falling.



- **Services:**

- Services industry softens further; spending headwind from inflation is easing, but headwinds from tightening credit conditions are increasing.



- **Inflation:**

- Core CPI remains elevated (>5% YoY) but likely to move lower throughout 2023; headline CPI may fall faster due to smaller share of housing/rents component; Service sector prices remain stubbornly high due to elevated wage costs.



- **Fixed Income Markets:**

- 10-Yr UST likely range bound between 3.25% and 4.25% this Spring/Summer; some uncertainty around Fed policy in Q2-2023; QT continues unabated.



- **Equity Markets:**

- Heightened volatility remains in H1-2023; range bound S&P \approx 3,600 to 4,000, but risk is skewed to the downsides as 2023 earnings growth is under pressure; hard-landing scenario is growing more likely.

S&P 500 EARNINGS & REVENUES – CY2023



- Q1-23 expectations have declined to -7%, but then slowly improve in Q2 & Q3-23
- Nominal sales growth for each of the next few quarters is essentially zero—this suggest declines in sales volumes for 2023
- Full-year, CY2023 EPS growth is expected to be 1.5%

Source(s): FactSet (4/6/23), Past performance is not an indicator of future results.

EXECUTIVE SUMMARY

	Market Value 01/01/2023	Market Value 03/31/2023	% of Portfolio	1st Quarter 2023 (%)
Total University Assets	\$73,068,111	\$88,494,947	100.0	3.3
<i>Total Policy Benchmark¹</i>				2.5
Total Operating & Short Term	\$13,560,592	\$26,829,002	30.3	1.0
<i>Total Operating & Short Term Benchmark²</i>				1.1
Total Long Term/ Reserves Pool	\$59,507,519	\$61,665,945	69.7	3.6
<i>Total Long Term/ Reserves Fund Benchmark³</i>				3.6
Total Domestic Equity	\$18,169,862	\$18,499,343	20.9	6.3
<i>Russell 3000 Index</i>				7.2
Total International Equity	\$4,886,661	\$5,037,898	5.7	7.3
<i>MSCI EAFE (Net)</i>				8.5
Total Alternatives	\$6,707,158	\$6,814,601	7.7	0.4
<i>Total Alternatives Benchmark</i>				0.7
Total Fixed Income	\$29,734,356	\$31,260,231	35.3	2.1
<i>Total Fixed Income Benchmark⁴</i>				1.8
Total Cash & Cash Equivalents	\$9,481	\$53,871	0.1	0.9
<i>90 Day U.S. Treasury Bill</i>				1.1

1) Total Policy Benchmark: 45% ICE BofA 91 Days T-Bills / 17% ICE BofA 1-3 Yr US Corp & Govt / 11% BBgBarc US Govt/Credit Int / 8% Total Alternatives Benchmark / 15% Russell 3000 / 4% MSCI EAFE.

2) Total Operating & Short-Term Benchmark: 95% ICE BofA 91 Days T-Bills / 5% BBgBarc US Govt 1-3 Yr.

3) Total Long-Term / Reserves Fund Benchmark: 27% Russell 3000 / 8% MSCI EAFE / 15% Total Alternatives Benchmark / 30% ICE BofA 1-3 Yr US Corp & Govt / 20% BBgBarc US Govt/Credit Int,

4) Total Alternatives Benchmark: 100% HFRI Fund of Funds Composite.

5) Total Fixed Income Benchmark: 64% ICE BofA 1-3 Yr US Corp & Govt / 36% BBgBarc US Govt/Credit Int.

ASSET ALLOCATION GUIDELINES COMPLIANCE

Total Plan Asset Allocation Policy	Range	Current
Operating & Short-Term Pool	0% - 50%	30%
Long Term/ Reserves Pool	50% - 100%	70%

Operating & Short-Term Pool		Range	Current
Operating Assets		60% - 100%	100%
Short-Term Assets		0% - 40%	0%

Long Term/ Reserves Pool	Target	Range	Current
Domestic Equity	27%	20% - 35%	30%
International Equity	8%	0% - 15%	8%
Total Equity	35%	25% - 45%	38%
Alternatives	15%	0%-20%	11%
Short-Term Fixed Income	30%	25% - 45%	31%
Intermediate Fixed Income	20%	10% - 30%	20%
Cash & Cash Equivalents	0%	0% - 5%	0%

In Line Within Tolerance Review

SCHEDULE OF ASSETS

	Ticker	Account Type	Begin Market Value \$	Market Value 03/31/2023	% of Portfolio
Total University Assets			\$73,068,111	\$88,494,947	100.0
Total Operating & Short Term			\$13,560,592	\$26,829,002	30.3
Federated Hermes Government Obligations Fund		Cash	\$13,467,679	\$26,735,168	30.2
STAR Ohio		Cash	\$92,748	\$93,834	0.1
Total Long Term/ Reserves Pool			\$59,507,519	\$61,665,945	69.7
Total Domestic Equity			\$18,169,862	\$18,499,343	20.9
Vanguard Institutional Index	VINIX	US Stock Large Cap Core	\$11,773,488	\$12,376,327	14.0
Vanguard Mid Cap Index Adm	VIMAX	US Stock Mid Cap Core	\$3,027,372	\$2,966,458	3.4
Loomis Sayles Sm Growth N	LSSNX	US Stock Small Cap Growth	\$1,663,983	\$1,601,484	1.8
Victory Integrity Small Value Y	VSVIX	US Stock Small Cap Value	\$1,705,019	\$1,555,074	1.8
Total International Equity			\$4,886,661	\$5,037,898	5.7
William Blair International Growth I	BIGIX	International	\$2,142,607	\$2,322,406	2.6
Dodge & Cox Internat'l Stock	DODFX	International	\$2,744,054	\$2,715,492	3.1
Total Alternatives			\$6,707,158	\$6,814,601	7.7
Weatherlow Offshore Fund I Ltd CI IIA		Hedge Fund	\$4,471,886	\$4,501,907	5.1
H.I.G. Whitehorse Principal Lending Offshore Feeder Fd, L.P.		Direct Lending	\$2,235,273	\$2,312,694	2.6
Total Fixed Income			\$29,734,356	\$31,260,231	35.3
JPMorgan Core Bond	WOBDX	US Fixed Income Core	\$4,958,462	\$5,133,055	5.8
YSU Intermediate Term Bond		US Fixed Income Core	\$4,220,753	\$4,321,681	4.9
PGIM High Yield R6	PHYQX	US Fixed Income High Yield	\$2,947,261	\$3,036,980	3.4
YSU Short Term Bond		US Fixed Income Short Term	\$12,479,880	\$12,669,817	14.3
Lord Abbett Short Duration Income I	LLDYX	US Fixed Income Short Term	\$5,128,000	\$6,098,698	6.9
Total Cash & Cash Equivalents			\$9,481	\$53,871	0.1
PNC Govt MMkt	PKIXX	Cash	\$9,481	\$53,871	0.1

ATTRIBUTION OF MARKET VALUE

TOTAL UNIVERSITY ASSETS

	Q2-2022	Q3-2022	Q4-2022	Q1-2023	One Year
Total University Assets					
Beginning Market Value	\$102,269,338	\$77,012,438	\$89,310,042	\$73,068,111	\$102,269,338
Contributions	-	\$14,000,897	\$2,048	\$20,000,000	\$34,002,945
Distributions	-\$20,000,000	-\$5,475	-\$19,013,567	-\$7,000,000	-\$46,019,042
Net Cash Flows	-\$20,000,000	\$13,995,422	-\$19,011,519	\$13,000,000	-\$12,016,097
Net Investment Change	-\$5,256,899	-\$1,697,818	\$2,769,588	\$2,426,836	-\$1,758,294
Ending Market Value	\$77,012,438	\$89,310,042	\$73,068,111	\$88,494,947	\$88,494,947
Change \$	-\$25,256,899	\$12,297,604	-\$16,241,932	\$15,426,836	-\$13,774,391

LONG-TERM POOL

	Q2-2022	Q3-2022	Q4-2022	Q1-2023	One Year
Total Long Term/ Reserves Pool					
Beginning Market Value	\$64,052,942	\$58,753,018	\$56,949,726	\$59,507,519	\$64,052,942
Contributions	-	\$897	\$2,048	-	\$2,945
Distributions	-	-\$4,578	-\$13,567	-	-\$18,145
Net Cash Flows	-	-\$3,681	-\$11,519	-	-\$15,200
Net Investment Change	-\$5,299,925	-\$1,799,612	\$2,569,312	\$2,158,426	-\$2,371,798
Ending Market Value	\$58,753,018	\$56,949,726	\$59,507,519	\$61,665,945	\$61,665,945
Change \$	-\$5,299,925	-\$1,803,292	\$2,557,793	\$2,158,426	-\$2,386,998

PERFORMANCE SUMMARY

	QTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
Total University Assets	3.3	-1.4	0.3	7.1	4.4	4.7	3.9	-7.8	7.8	9.5	3.9	Apr-04
<i>Total Policy Benchmark¹</i>	<i>2.5</i>	<i>-0.2</i>	<i>0.4</i>	<i>4.2</i>	<i>3.2</i>	<i>3.3</i>	<i>2.8</i>	<i>-4.7</i>	<i>4.3</i>	<i>5.9</i>	<i>3.0</i>	
Total Operating & Short Term	1.0	2.4	1.2	0.9	1.5	1.2	0.9	1.4	0.0	1.1	0.7	Jul-10
<i>Total Operating & Short Term Benchmark²</i>	<i>1.1</i>	<i>2.4</i>	<i>1.1</i>	<i>0.8</i>	<i>1.4</i>	<i>1.2</i>	<i>0.9</i>	<i>1.2</i>	<i>0.0</i>	<i>0.8</i>	<i>0.7</i>	
Total Long Term/ Reserves Pool	3.6	-3.7	-1.0	7.3	4.2	4.9	4.5	-11.2	9.5	8.8	4.7	Jul-10
<i>Total Long Term/ Reserves Fund Benchmark³</i>	<i>3.6</i>	<i>-2.6</i>	<i>-0.4</i>	<i>6.8</i>	<i>4.5</i>	<i>5.0</i>	<i>4.4</i>	<i>-9.7</i>	<i>8.0</i>	<i>10.0</i>	<i>4.5</i>	
Total Domestic Equity	6.3	-7.7	1.6	19.3	10.2	11.9	11.6	-17.7	26.9	18.5	13.2	Jul-10
<i>Russell 3000 Index</i>	<i>7.2</i>	<i>-8.6</i>	<i>1.2</i>	<i>18.5</i>	<i>10.5</i>	<i>12.0</i>	<i>11.7</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>13.3</i>	
Total International Equity	7.3	-3.8	-2.8	14.9	3.6	6.9	5.4	-17.6	10.0	16.7	5.0	Oct-10
<i>MSCI EAFE (Net)</i>	<i>8.5</i>	<i>-1.4</i>	<i>-0.1</i>	<i>13.0</i>	<i>3.5</i>	<i>6.2</i>	<i>5.0</i>	<i>-14.5</i>	<i>11.3</i>	<i>7.8</i>	<i>5.2</i>	
Total Alternatives	0.4	-3.4	-3.1	4.8	0.7	1.8	-	-6.9	5.3	-3.7	0.9	Mar-15
<i>Total Alternatives Benchmark⁴</i>	<i>0.7</i>	<i>-1.9</i>	<i>-0.4</i>	<i>7.4</i>	<i>2.8</i>	<i>3.5</i>	<i>-</i>	<i>-5.3</i>	<i>6.2</i>	<i>5.4</i>	<i>2.5</i>	
Total Fixed Income	2.1	-1.2	-2.0	0.3	1.7	1.4	1.4	-6.7	0.1	5.2	1.8	Jul-10
<i>Total Fixed Income Benchmark⁵</i>	<i>1.8</i>	<i>-0.5</i>	<i>-1.9</i>	<i>-0.7</i>	<i>1.3</i>	<i>1.1</i>	<i>1.1</i>	<i>-5.4</i>	<i>-0.8</i>	<i>4.5</i>	<i>1.4</i>	
Total Cash & Cash Equivalents	0.9	2.4	1.2	0.8	1.0	-	-	1.5	0.0	0.4	1.0	Apr-18
<i>90 Day U.S. Treasury Bill</i>	<i>1.1</i>	<i>2.5</i>	<i>1.3</i>	<i>0.9</i>	<i>1.4</i>	<i>1.2</i>	<i>0.9</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>1.4</i>	

1) Total Policy Benchmark: 45% ICE BofA 91 Days T-Bills / 17% ICE BofA 1-3 Yr US Corp & Govt / 11% BBgBarc US Govt/Credit Int / 8% Total Alternatives Benchmark / 15% Russell 3000 / 4% MSCI EAFE.

2) Total Operating & Short-Term Benchmark: 95% ICE BofA 91 Days T-Bills / 5% BBgBarc US Govt 1-3 Yr.

3) Total Long-Term / Reserves Fund Benchmark: 27% Russell 3000 / 8% MSCI EAFE / 15% Total Alternatives Benchmark / 30% ICE BofA 1-3 Yr US Corp & Govt / 20% BBgBarc US Govt/Credit Int.

4) Total Alternatives Benchmark: 100% HFRI Fund of Funds Composite.

5) Total Fixed Income Benchmark: 64% ICE BofA 1-3 Yr US Corp & Govt / 36% BBgBarc US Govt/Credit Int.

PERFORMANCE REPORT CARD

	% of Portfolio	QTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2021 (%)	2020 (%)	2019 (%)	Inception (%)	Inception Date
Total University Assets	100.0	3.0	-7.9	-0.3	2.8	3.6	4.3	3.8	7.8	9.5	11.5	3.8	Apr-04
<i>Total Policy Benchmark</i>		<i>2.7</i>	<i>-4.7</i>	<i>-0.3</i>	<i>1.7</i>	<i>2.6</i>	<i>3.0</i>	<i>2.7</i>	<i>4.3</i>	<i>5.9</i>	<i>8.7</i>	<i>2.9</i>	
Total Operating & Short Term	18.6	1.0	1.6	0.8	0.9	1.4	1.1	0.8	0.0	1.1	2.4	0.7	Jul-10
<i>Total Operating & Short Term Benchmark</i>		<i>0.8</i>	<i>1.2</i>	<i>0.6</i>	<i>0.7</i>	<i>1.2</i>	<i>1.0</i>	<i>0.7</i>	<i>0.0</i>	<i>0.8</i>	<i>2.3</i>	<i>0.6</i>	
Federated Hermes Government Obligations Fund	18.4	0.8	1.4	0.7	0.5	1.0	0.8	0.6	0.0	0.3	1.8	1.2	Nov-21
<i>90 Day U.S. Treasury Bill</i>		<i>0.8</i>	<i>1.5</i>	<i>0.7</i>	<i>0.7</i>	<i>1.3</i>	<i>1.1</i>	<i>0.8</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.3</i>	
JPMorgan 100% U.S. Tr Sec MM Inst	0.0	0.8	1.4	0.7	0.6	1.1	0.9	0.6	0.0	0.3	2.0	0.6	Oct-11
<i>90 Day U.S. Treasury Bill</i>		<i>0.8</i>	<i>1.5</i>	<i>0.7</i>	<i>0.7</i>	<i>1.3</i>	<i>1.1</i>	<i>0.8</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>0.7</i>	
STAR Ohio	0.1	0.9	1.7	0.9	0.8	-	-	-	0.1	0.7	2.3	1.3	Jul-18
<i>90 Day U.S. Treasury Bill</i>		<i>0.8</i>	<i>1.5</i>	<i>0.7</i>	<i>0.7</i>	<i>1.3</i>	<i>1.1</i>	<i>0.8</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.2</i>	
Total Long Term/ Reserves Pool	81.4	4.4	-11.3	-1.5	1.8	3.3	4.5	4.4	9.5	8.8	15.3	4.5	Jul-10
<i>Total Long Term/ Reserves Fund Benchmark</i>		<i>4.2</i>	<i>-9.7</i>	<i>-1.3</i>	<i>2.3</i>	<i>3.6</i>	<i>4.6</i>	<i>4.3</i>	<i>8.0</i>	<i>10.0</i>	<i>14.2</i>	<i>4.3</i>	
Total Domestic Equity	24.9	8.4	-17.7	2.2	7.4	8.8	11.0	12.1	26.9	18.5	30.4	12.9	Jul-10
<i>Russell 3000 Index</i>		<i>7.2</i>	<i>-19.2</i>	<i>0.8</i>	<i>7.1</i>	<i>8.8</i>	<i>11.0</i>	<i>12.1</i>	<i>25.7</i>	<i>20.9</i>	<i>31.0</i>	<i>13.0</i>	
Vanguard Institutional Index	16.1	7.5	-18.1	2.6	7.6	9.4	11.5	12.5	28.7	18.4	31.5	13.3	Jul-10
<i>S&P 500 Index</i>		<i>7.6</i>	<i>-18.1</i>	<i>2.7</i>	<i>7.7</i>	<i>9.4</i>	<i>11.5</i>	<i>12.6</i>	<i>28.7</i>	<i>18.4</i>	<i>31.5</i>	<i>13.3</i>	
Vanguard Mid Cap Index Adm	4.1	9.0	-18.7	0.6	6.2	7.3	9.5	11.1	24.5	18.2	31.0	11.3	Oct-10
<i>Vanguard Mid Cap Index Benchmark</i>		<i>9.0</i>	<i>-18.7</i>	<i>0.6</i>	<i>6.2</i>	<i>7.3</i>	<i>9.5</i>	<i>11.1</i>	<i>24.5</i>	<i>18.2</i>	<i>31.1</i>	<i>11.3</i>	
Loomis Sayles Sm Growth N	2.3	8.0	-22.8	-7.8	4.5	7.8	10.1	11.5	10.2	34.3	26.7	5.8	Sep-19
<i>Russell 2000 Growth Index</i>		<i>4.1</i>	<i>-26.4</i>	<i>-13.0</i>	<i>0.6</i>	<i>3.5</i>	<i>7.1</i>	<i>9.2</i>	<i>2.8</i>	<i>34.6</i>	<i>28.5</i>	<i>3.6</i>	
Victory Integrity Small Value Y	2.3	13.5	-7.7	11.1	7.7	4.6	8.3	9.5	33.6	1.2	23.1	10.0	Oct-10
<i>Russell 2000 Value Index</i>		<i>8.4</i>	<i>-14.5</i>	<i>4.7</i>	<i>4.7</i>	<i>4.1</i>	<i>8.2</i>	<i>8.5</i>	<i>28.3</i>	<i>4.6</i>	<i>22.4</i>	<i>9.1</i>	
Total International Equity	6.7	14.5	-17.6	-4.8	1.9	1.9	5.3	5.1	10.0	16.7	26.7	4.5	Oct-10
<i>MSCI EAFE (Net)</i>		<i>17.3</i>	<i>-14.5</i>	<i>-2.4</i>	<i>0.9</i>	<i>1.5</i>	<i>4.5</i>	<i>4.7</i>	<i>11.3</i>	<i>7.8</i>	<i>22.0</i>	<i>4.6</i>	
<i>MSCI AC World ex USA (Net)</i>		<i>14.3</i>	<i>-16.0</i>	<i>-4.8</i>	<i>0.1</i>	<i>0.9</i>	<i>4.8</i>	<i>3.8</i>	<i>7.8</i>	<i>10.7</i>	<i>21.5</i>	<i>3.7</i>	
William Blair International Growth I	2.9	12.6	-28.3	-11.6	1.0	2.1	4.9	4.9	9.0	32.0	30.7	6.1	Jul-12
<i>MSCI AC World ex USA (Net)</i>		<i>14.3</i>	<i>-16.0</i>	<i>-4.8</i>	<i>0.1</i>	<i>0.9</i>	<i>4.8</i>	<i>3.8</i>	<i>7.8</i>	<i>10.7</i>	<i>21.5</i>	<i>4.9</i>	
Dodge & Cox Internat'l Stock	3.8	16.0	-6.8	1.7	1.9	1.2	5.2	4.8	11.0	2.1	22.8	4.7	Oct-10
<i>MSCI EAFE (Net)</i>		<i>17.3</i>	<i>-14.5</i>	<i>-2.4</i>	<i>0.9</i>	<i>1.5</i>	<i>4.5</i>	<i>4.7</i>	<i>11.3</i>	<i>7.8</i>	<i>22.0</i>	<i>4.6</i>	

PERFORMANCE REPORT CARD

	% of Portfolio	QTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2021 (%)	2020 (%)	2019 (%)	Inception (%)	Inception Date
Total Alternatives	9.1	1.4	-7.4	-1.3	-2.1	0.2	1.7	-	5.3	-3.7	14.3	0.8	Mar-15
<i>Total Alternatives Benchmark</i>		<i>1.8</i>	<i>-5.2</i>	<i>0.3</i>	<i>2.0</i>	<i>2.5</i>	<i>3.2</i>	<i>-</i>	<i>6.2</i>	<i>5.4</i>	<i>11.7</i>	<i>2.4</i>	
Weatherlow Offshore Fund I Ltd CI IIA	6.1	1.6	-8.9	-1.9	6.3	5.7	5.0	5.5	5.6	24.7	13.6	-7.1	Jul-21
<i>HFRI Fund of Funds Composite Index</i>		<i>1.8</i>	<i>-5.2</i>	<i>0.3</i>	<i>3.7</i>	<i>3.0</i>	<i>3.3</i>	<i>3.5</i>	<i>6.2</i>	<i>10.9</i>	<i>8.4</i>	<i>-2.8</i>	
H.I.G. Whitehorse Principal Lending Offshore Feeder Fd, L.P.	3.0	0.0	-	-	-	-	-	-	-	-	-	1.8	Jul-22
<i>Credit Suisse Leveraged Loan Index</i>		<i>2.3</i>	<i>-1.1</i>	<i>2.1</i>	<i>2.3</i>	<i>3.2</i>	<i>4.3</i>	<i>3.8</i>	<i>5.4</i>	<i>2.8</i>	<i>8.2</i>	<i>3.5</i>	
Total Fixed Income	40.7	1.4	-6.7	-3.4	-0.6	1.1	1.4	1.2	0.1	5.2	6.6	1.7	Jul-10
<i>Total Fixed Income Benchmark</i>		<i>1.1</i>	<i>-5.4</i>	<i>-3.1</i>	<i>-0.7</i>	<i>0.9</i>	<i>1.0</i>	<i>1.0</i>	<i>-0.8</i>	<i>4.5</i>	<i>5.0</i>	<i>1.3</i>	
JPMorgan Core Bond	6.8	1.2	-12.3	-6.9	-2.1	0.3	1.1	1.2	-1.1	8.1	8.3	0.3	Sep-17
<i>Blmbg. U.S. Aggregate Index</i>		<i>1.9</i>	<i>-13.0</i>	<i>-7.5</i>	<i>-2.7</i>	<i>0.0</i>	<i>0.9</i>	<i>1.1</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>	
YSU Intermediate Term Bond	5.8	1.7	-8.0	-4.7	-0.8	1.1	1.4	1.3	-1.3	7.5	7.2	3.0	Apr-04
<i>Blmbg. Intermed. U.S. Government/Credit</i>		<i>1.5</i>	<i>-8.2</i>	<i>-4.9</i>	<i>-1.3</i>	<i>0.7</i>	<i>1.1</i>	<i>1.1</i>	<i>-1.4</i>	<i>6.4</i>	<i>6.8</i>	<i>2.7</i>	
PGIM High Yield R6	4.0	3.7	-11.5	-3.0	-0.1	2.7	5.2	4.3	6.5	5.7	16.3	3.5	Jan-17
<i>Blmbg. U.S. Corp: High Yield Index</i>		<i>4.2</i>	<i>-11.2</i>	<i>-3.3</i>	<i>0.0</i>	<i>2.3</i>	<i>5.0</i>	<i>4.0</i>	<i>5.3</i>	<i>7.1</i>	<i>14.3</i>	<i>3.2</i>	
YSU Short Term Bond	17.1	1.1	-3.3	-1.9	0.0	1.1	1.1	1.0	-0.4	3.7	4.3	2.1	Apr-04
<i>ICE BofA 1-3 Yr. Gov/Corp</i>		<i>0.9</i>	<i>-3.8</i>	<i>-2.1</i>	<i>-0.3</i>	<i>0.9</i>	<i>1.0</i>	<i>0.9</i>	<i>-0.4</i>	<i>3.3</i>	<i>4.1</i>	<i>1.9</i>	
Lord Abbett Short Duration Income I	7.0	1.1	-4.6	-1.8	-0.2	1.3	1.9	1.7	1.1	3.2	5.6	1.4	Apr-18
<i>ICE BofA 1-3 Yr. Gov/Corp</i>		<i>0.9</i>	<i>-3.8</i>	<i>-2.1</i>	<i>-0.3</i>	<i>0.9</i>	<i>1.0</i>	<i>0.9</i>	<i>-0.4</i>	<i>3.3</i>	<i>4.1</i>	<i>1.0</i>	
Total Cash & Cash Equivalents	0.0	16.7	17.3	8.3	5.6	-	-	-	0.0	0.4	1.5	4.0	Apr-18
<i>90 Day U.S. Treasury Bill</i>		<i>0.8</i>	<i>1.5</i>	<i>0.7</i>	<i>0.7</i>	<i>1.3</i>	<i>1.1</i>	<i>0.8</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.3</i>	
PNC Govt MMkt	0.0	0.9	1.6	0.8	0.7	-	-	-	0.0	0.4	2.0	-	Apr-18
<i>90 Day U.S. Treasury Bill</i>		<i>0.8</i>	<i>1.5</i>	<i>0.7</i>	<i>0.7</i>	<i>1.3</i>	<i>1.1</i>	<i>0.8</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.3</i>	

- 1) Total Policy Benchmark: 45% ICE BofA 91 Days T-Bills / 17% ICE BofA 1-3 Yr US Corp & Govt / 11% BBgBarc US Govt/Credit Int / 8% Total Alternatives Benchmark / 15% Russell 3000 / 4% MSCI EAFE.
 2) Total Operating & Short-Term Benchmark: 95% ICE BofA 91 Days T-Bills / 5% BBgBarc US Govt 1-3 Yr.
 3) Total Long-Term / Reserves Fund Benchmark: 27% Russell 3000 / 8% MSCI EAFE / 15% Total Alternatives Benchmark / 30% ICE BofA 1-3 Yr US Corp & Govt / 20% BBgBarc US Govt/Credit Int,
 4) Total Alternatives Benchmark: 100% HFRI Fund of Funds Composite.
 5) Total Fixed Income Benchmark: 64% ICE BofA 1-3 Yr US Corp & Govt / 36% BBgBarc US Govt/Credit Int.



DEFINITIONS & DISCLOSURES

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Information provided is general in nature, is provided for informational purposes only, and should not be construed as investment advice. Any views expressed are based upon the data available at the time the information was produced and are subject to change at any time based on market or other conditions. Clearstead disclaims any liability for any direct or incidental loss incurred by applying any of the information in this presentation. All investment decisions must be evaluated as to whether it is consistent with their investment objectives, risk tolerance, and financial situation.

Past performance is no guarantee of future results. Investing involves risk, including risk of loss. Diversification does not ensure a profit or guarantee against loss. All indices are unmanaged and performance of the indices includes reinvestment of dividends and interest income, unless otherwise noted. An investment cannot be made in any index. Although bonds generally present less short-term risk and volatility than stocks, bonds do contain interest rate risk (as interest rates rise, bond prices usually fall and vice versa) and the risk of default, or the risk that an issuer will be unable to make income or principal payments. Additionally, bonds and short-term investments entail greater inflation risk, or the risk that the return of an investment will not keep up with increases in the prices of goods and services, than stocks. Lower-quality debt securities generally offer higher yields, but also involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Any fixed income security sold or redeemed prior to maturity may be subject to loss. The municipal market is volatile and can be significantly affected by adverse tax, legislative, or political changes and by the financial condition of the issuers of municipal securities. Interest rate increases can cause the price of a debt security to decrease. A portion of the dividends you receive may be subject to federal, state, or local income tax or may be subject to the federal alternative minimum tax. Generally, tax-exempt municipal securities are not appropriate holdings for tax-advantaged accounts such as IRAs and 401(k)s. Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets. The securities of smaller, less well-known companies can be more volatile than those of larger companies. Growth stocks can perform differently from the market as a whole and other types of stocks and can be more volatile than other types of stocks. Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time. The commodities industry can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions. Changes in real estate values or economic conditions can have a positive or negative effect on issuers in the real estate industry, which may affect your investment.

Index Definitions:
The **S&P 500 Index** is a broad-based market index, comprised of 500 large-cap companies, generally considered representative of the stock market as a whole. The **S&P 400 Index** is an unmanaged index considered representative of mid-sized U.S. companies. The **S&P 600 Index** is a market-value weighted index that consists of 600 small-cap U.S. stocks chosen for market size, liquidity and industry group representation.
The **Russell 1000 Value Index**, **Russell 1000 Index** and **Russell 1000 Growth Index** are indices that measure the performance of large-capitalization value stocks, large-capitalization stocks and large-capitalization growth stocks, respectively. The **Russell 2000 Value Index**, **Russell 2000 Index** and **Russell 2000 Growth Index** are indices that measure the performance of small-capitalization value stocks, small-capitalization stocks and small-capitalization growth stocks, respectively. The **Russell Midcap Value Index**, **Russell Midcap Index** and **Russell Midcap Growth Index** are indices that measure the performance of mid-capitalization value stocks, mid-capitalization stocks and mid-capitalization growth stocks, respectively. The **Russell 2500 Value Index**, **Russell 2500 Index** and **Russell 2500 Growth Index** measure the performance of small to mid-cap value stocks, small to mid-cap growth stocks, respectively, commonly referred to as "SMID" cap. The **Russell 3000 Value Index**, **Russell 3000 Index** and **Russell 3000 Growth Index** measure the performance of the 3,000 largest U.S. value stocks, 3,000 largest U.S. stocks and 3,000 largest U.S. growth stocks, respectively, based on total market capitalization.
The **Wilshire 5000 Index** represents the broadest index for the U.S. equity market, measuring the performance of all U.S. equity securities with readily available price data. The **Wilshire Micro Cap Index** is a market capitalization weighted index comprised of all stocks in the Wilshire 5000 Index below the 2,501st rank.
The **MSCI EAFE (Europe, Australasia, Far East) Index** is designed to measure developed market equity performance, excluding the U.S. and Canada. The **MSCI Emerging Markets (EM) Index** is designed to measure global emerging market equity performance. The **MSCI World Index** is designed to measure global developed market equity performance. The **MSCI World Index Ex-U.S. Index** is designed to measure the equity market performance of developed markets and excludes the U.S. The **MSCI Europe Index** is an unmanaged index considered representative of developed European countries. The **MSCI Japan Index** is an unmanaged index considered representative of stocks of Japan. The **MSCI Pacific ex-Japan Index** is an unmanaged index considered representative of stocks of Asia Pacific, excluding Japan.

The **U.S. 10-Year Treasury Yield** is generally considered to be a barometer for long-term interest rates.
Merrill Lynch 91-day T-bill Index includes U.S. Treasury bills with a remaining maturity from 1 up to 3 months.
The Barclays Capital® (BC) U.S. Treasury Index is designed to cover public obligations of the U.S. Treasury with a remaining maturity of one year or more. The **BC Aggregate Bond Index** is an unmanaged, market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The **BC U.S. Credit Bond Index** is designed to cover publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements; bonds must be SEC-registered to qualify. The **BC U.S. Agency Index** is designed to cover publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate instruments issued by the U.S. Government. The **BC CMBS Index** is designed to mirror commercial mortgage-backed securities of investment-grade quality (BBB+/BBB- or above) using Moody's, S&P, and Fitch respectively, with maturity of at least one year. The **BC MBS Index** covers agency mortgage-backed pass-through securities (both fixed and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FHLM) and Freddie Mac (FHLMC). The **BC U.S. Municipal Bond Index** covers the U.S. dollar-denominated, long-term tax-exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The **BC TIPs Index** is an unmanaged market index made up of U.S. Treasury Inflation-Linked Index securities. The **BC U.S. Government Bond Index** is a market value-weighted index of U.S. Government fixed-rate debt issues with maturities of one year or more. The **BC ABS Index** is a market value-weighted index that covers fixed-rate asset-backed securities with average lives greater than or equal to one year and that are part of a public deal; the index covers the following collateral types: credit cards, auto, home equity loans, stranded-cost utility (rate-reduction bonds), and manufactured housing. The **BC Global Aggregate Index** is composed of three sub-indices; the U.S. Aggregate Index, Pan-European Aggregate Index, and the Asian-Pacific Aggregate Index. In aggregate the index is created to be a broad-based measure of the performance of high-yield fixed-rate debt issues with a remaining maturity of 10 years or more. The **BC U.S. Corporate High-Yield Index** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. The **BC Intermediate Corporate Index** includes dollar-denominated debt from U.S. and non-U.S. industrial, utility, and financial institutions issuers with a duration of 1-10 years. The **BC U.S. Treasury Long Index** is an unmanaged index representing public obligations of the U.S. Treasury with a remaining maturity of one year or more. The **BC U.S. Government 10 Year Treasury Index** measures the performance of U.S. Treasury securities that have a remaining maturity of less than 10 years. The **BC BAA Corporate Index** measures the performance of the taxable Baa rated fixed-rate U.S. dollar-denominated corporate bond market. The **BC Global Treasury ex US Index** includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade or higher. The **BC Emerging Market Bond Index** is an unmanaged index that total returns for external-currency-denominated debt instruments of the emerging markets. The **BC U.S. Securitized Bond Index** is a composite of asset-backed securities, including residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS), and other asset-backed securities. The **BC Unlevered Index** represents the union of the U.S. Aggregate Index, the U.S. High Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, and the non-ERISA portion of the CMBS Index. The **BC 1-3 Year Government Credit Index** is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years. The **BC Long-Term Government Index** is an unmanaged index reflecting performance of the long-term government bond market. The **BC Intermediate Aggregate Index** measures the performance of intermediate-term investment grade bonds. The **BC Intermediate 1-3 Year Government/Credit Index** measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

The **Bank of America NA U.S. High Yield Index** tracks the performance of below investment grade US Dollar Denominated corporate bonds publicly issued in the US market. Qualifying bonds have at least one year remaining term to maturity, are fixed coupon schedule and minimum outstanding of \$100 million.
The **HFRF Funds of Funds Index (HFRF FOF)** is an equal weighted index designed to measure the performance of hedge fund of fund managers. The more than 800 multi-strategy constituents are required to have at least \$50 million in assets under management and a trading track record spanning at least 12 months. The index includes both on and offshore funds and all returns are reported in USD.
The **NCREIF Property Index (NPI)** represents quarterly time series composite total rate of return measure of a very large pool of individual commercial real estate properties acquired in the private market. The index represents apartments, hotels, industrial properties, office buildings and retail properties which are at least 60% occupied and owned or controlled, at least in part by tax-exempt institutional investors or its designated agents. In addition these properties that are included must be investment grade, non-agricultural and income producing and all development projects are excluded. Constituents included in the NPI be valued at least quarterly, either internally or externally, using standard commercial real estate appraisal methodology. Each property must be independently appraised a minimum of once every five years.
The **FTSE NAREIT All REITs Index** is a market capitalization-weighted index that is designed to measure the performance of all tax-qualified Real Estate Investment Trusts (REITs) that are listed on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ National Market List.
The **Dow Jones U.S. Select Real Estate Securities Index** is a float-adjusted market capitalization-weighted index of publicly traded real estate securities such as real estate investment trusts (REITs) and real estate operating companies (REOCs).
The **Cambridge PE Index** is a representation of returns for over 70% of the total dollars raised by U.S. leveraged buyout, subordinated debt and special situation managers from 1986 to December 2007. Returns are calculated based on the pooled time weighted return and are net of all fees. These pooled means represent the end to end rate of return calculated on the aggregate of all cash flows and market values reported by the general partners of the underlying constituents in the quarterly and annual reports.

The **University of Michigan Consumer Sentiment Index** is a consumer confidence index published monthly by the University of Michigan and Thomson Reuters. The index is normalized to have a value of 100 in December 1964.
VIX - The CBOE Volatility Index (VIX) is based on the prices of eight S&P 500 index put and call options.
Gold - represented by the dollar spot price of one troy ounce.
WTI Crude - West Texas Intermediate is a grade of crude oil and is a benchmark in oil pricing.

The **Affordability Index** measures of a population's ability to afford to purchase a particular item, such as a house, indexed to the population's income.
The **Homeownership %** is computed by dividing the number of owner-occupied housing units by the number of occupied housing units or households.
HFRF Emerging Markets: Asia ex-Japan, Global Index, Latin America Index, Russia/Eastern Europe Index. The constituents of the HFRF Emerging Markets Index are selected according to their Regional Investment Focus only. There is no Investment Strategy criteria for inclusion in these indices. Funds classified as Emerging Markets have a regional investment focus in one of the following geographic areas: Asia ex-Japan, Russia/Eastern Europe, Latin America, Africa or the Middle East. **HFRF EH: Energy/Biotech/Materials** strategies which employ investment processes designed to identify opportunities in securities in specific niche areas of the market in which the Manager maintains a level of expertise which exceeds that of a market generalist. **HFRF EH: Equities** Market Neutral strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. **HFRF EH: Quantitative Directional** strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. **HFRF EH: Short-Biased** strategies employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying overvalued companies. **HFRF EH: Technology/Healthcare** strategies employ investment processes designed to identify opportunities in securities in specific niche areas of the market in which the Manager maintains a level of expertise which exceeds that of a market generalist in identifying opportunities in companies engaged in all development, production and application of technology, biotechnology and as related to production of pharmaceuticals and healthcare industry. **HFRF ED: Distressed** restructuring strategies which employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings. **HFRF ID: Merger Arbitrage** strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction. **HFRF ID: Private Issue/Regulation D** strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are primarily private and illiquid in nature. **HFRF Macro Systematic Diversified** strategies have investment processes typically as function of mathematical, algorithmic and technical models, with little or no influence of individuals over the portfolio positioning. **HFRF RV: Fixed Income - Asset Backed** includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a fixed income instrument backed physical collateral or other financial obligations (loans, credit cards) other than those of a specific corporation. **HFRF RV: Fixed Income - Convertible Arbitrage** includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a corporate fixed income instrument. **HFRF RV: Multi-Strategy** employ an investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread contains a fixed income, derivative, equity, real estate, MLP or combination of these or other instruments. **HFRF RV: Yield Alternatives** index strategies employ an investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread contains a derivative, equity, real estate, MLP or combination of these or other instruments. Strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager.

The **Consumer Price Index (CPI)** is an inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation. The CPI is published monthly. Unless otherwise noted, the CPI figure is as of the date this report is created.
The **Credit Suisse Leveraged Loan Index** is a market value-weighted index that represents the investable universe of the U.S. dollar-denominated leveraged loan market.
The **Dow Jones-US Commodity Index** measures the performance of the commodities market. It consists of exchange-traded futures contracts on physical commodities that are weighted to account for the economic significance and market liquidity of each commodity.
The **S&P 500 Value Index**, **Index S&P 500 Index** and **S&P 500 Growth Index** are a broad-based market index that measure the performance of large-capitalization value companies, large-capitalization stocks and large-capitalization growth companies, respectively. The **S&P 400 MidCap Value**, **Index S&P MidCap 400 Index** and **S&P 400 MidCap Growth Index** are indices that measure the performance of mid-sized value companies, mid-sized growth companies and mid-sized growth companies, respectively. The **S&P 600 SmallCap Index** is a market value weighted index that consists of 600 small-cap U.S. stocks chosen for market size, liquidity and industry group representation. The **S&P 900 Index** combines the large cap S&P 500 and the S&P MidCap 400. **S&P Completion Index TR** is a sub-index of the S&P Total Market Index (TMI), including all stocks eligible for the S&P 1100 and excluding all current constituents of the S&P 500. **S&P Global Ex US Property Index** defines and measures the investable universe of publicly traded property companies domiciled in developed and emerging markets excluding the U.S.
The **Russell 1000 Value Index**, **Russell 1000 Index** and **Russell 1000 Growth Index** are indices that measure the performance of large-capitalization value stocks, large capitalization stocks and large capitalization growth stocks, respectively. The **Russell 2000 Value Index**, **Russell 2000 Index** and **Russell 2000 Growth Index** are indices that measure the performance of small-capitalization value stocks, small-capitalization stocks and small-capitalization growth stocks, respectively. The **Russell Midcap Value Index**, **Russell Midcap Index** and **Russell Midcap Growth Index** are indices that measure the performance of mid-capitalization value stocks, mid-capitalization stocks and mid-capitalization growth stocks, respectively. The **Russell 2500 Value Index**, **Russell 2500 Index** and **Russell 2500 Growth Index** measure the performance of small to mid-cap value stocks, small to mid-cap growth stocks, respectively, commonly referred to as "SMID" cap. The **Russell 3000 Value Index**, **Russell 3000 Index** and **Russell 3000 Growth Index** measure the performance of the 3,000 largest U.S. value stocks, 3,000 largest U.S. stocks and 3,000 largest U.S. growth stocks, respectively, based on total market capitalization. The **Russell Microcap Index** measures the performance of the microcap segment of the U.S. equity market. The **Russell Top 200 Value Index** measures the performance of the especially large cap segment of the U.S. equity universe represented by stocks in the largest 200 by market cap that exhibit value characteristics. The **Russell Developed ex-US Large Cap Index** measures the performance of the largest investable securities in developed countries globally, excluding companies assigned to the United States.



DEFINITIONS & DISCLOSURES

The **Wilshire 5000 Index** represents the broadest index for the U.S. equity market, measuring the performance of all U.S. equity securities with readily available price data. The **Wilshire Micro Cap Index** is a market capitalization-weighted index comprised of all stocks in the Wilshire 5000 Index below the 2,501st rank. The **Wilshire 4500 Index** is comprised of all stocks in the Wilshire 5000 minus the stocks in the S&P 500. The **Wilshire Real Estate Securities Index (RESI)** is comprised of publicly traded real estate securities.

All MSCI Indexes are gross, defined as With Gross Dividends: Gross total return indices reinvest as much as possible of a company's dividend distributions. The reinvested amount is equal to the total dividend amount distributed to persons residing in the country of the dividend-paying company. Gross total return indices do not, however, include any tax credits. The **MSCI EAFE (Europe, Australasia, Far East) Gross Index** is designed to measure developed market equity performance, excluding the U.S. and Canada. The **MSCI Emerging Markets (EM) Gross Index** is designed to measure global emerging market equity performance. The **MSCI World Gross Index** is designed to measure global developed market equity performance. The **MSCI World Index Ex-U.S. Gross Index** is designed to measure the equity market performance of developed markets and excludes the U.S. The **MSCI Japan Gross Index** is an unmanaged index considered representative of developed European countries. The **MSCI Pacific ex. Japan Gross Index** is an unmanaged index considered representative of stocks of Asia Pacific countries excluding Japan. The **MSCI AC (All Country) Asia ex Japan Gross Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of Asia, excluding Japan. The **MSCI ACWI Gross Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding US. The **MSCI ACWI ex US Small Cap Growth Gross Index** is a market capitalization weighted total return index measured in U.S. dollars based on share prices and reinvested net dividends that is designed to measure the equity market performance of the small cap growth segments of developed and emerging markets, excluding the U.S. The **MSCI Canada Gross Index** is designed to measure the performance of the large and midcap segments of the Canada market. The **MSCI EAFE Small Cap Gross Index** measures the performance of small cap stocks in Europe, Australasia, and Far Eastern markets. The **MSCI EAFE Value Gross Index** is a market capitalization weighted index that monitors the performance of value stocks from Europe, Australasia, and the Far East. The **MSCI EM Latin America Gross Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The **MSCI Pacific Free ex Japan Gross Index** measures the performance of the Australian, Hong Kong, New Zealand, and Singapore equity markets. The **MSCI World Small Cap Gross Index** is designed to measure the equity market performance of the small cap segment of developed markets. The **MSCI US Small Cap 1750 Gross Index** represents the universe of small capitalization companies in the US equity market. The **MSCI US Mid Cap 450 Index** represents the universe of medium capitalization companies in the US equity market. The **MSCI US Mid Cap Value Index** represents the value companies of the MSCI US Mid Cap 450 Index. The **MSCI US Prime Market 750 Index** represents the growth companies of the MSCI US Prime Market 750 Index.

The **Barclays Capital (BC) U.S. Treasury Index** is designed to cover public obligations of the U.S. Treasury with a remaining maturity of one year or more. The **BC Aggregate Bond Index** is an unmanaged, market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The **BC U.S. Credit Bond Index** is designed to cover publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements; bonds must be SEC-registered to qualify. The **BC U.S. Agency Index** is designed to cover publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government. The **BC CMBS Index** is designed to mirror commercial mortgage-backed securities of investment-grade quality (Baa3/BBB-/BBB- or above) using Moody's, S&P, and Fitch respectively, with maturity of at least one year. The **BC MBS Index** covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARMs) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The **BC U.S. Municipal Bond Index** covers the U.S. dollar-denominated, long-term tax-exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, and pre-refunded bonds. The **BC US TIPS Index** is an unmanaged market index made up of U.S. Treasury inflation-linked index securities. The **BC U.S. Government Bond Index** is a market value-weighted index of U.S. Government fixed-rate debt issues with maturities of one year or more. The **BC ABS Index** is a market value-weighted index that covers fixed-rate asset-backed securities with average lives greater than or equal to one year and that are part of a public deal; the index covers the following collateral types: credit cards, auto, home equity loans, stranded cost utility (rate reduction bonds), and manufactured housing. The **BC Global Aggregate Index** is composed of three sub indices: the U.S. Aggregate Index, the Pan-European Aggregate Index, and the Asian-Pacific Aggregate Index. In aggregate the index is created to be a broad based measure of the performance of investment grade fixed rate debt on a global scale. The **BC U.S. Corporate Long AA Index** is an unmanaged index representing public obligations of U.S. corporate and specified foreign debentures and secured notes with a remaining maturity of 10 years or more. The **BC U.S. Corporate High-Yield Index** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. The **BC Intermediate Corporate Index** includes dollar-denominated debt from U.S. and non-U.S. industrial, utility, and financial institutions issuers with a duration of 1-10 years. The **BC U.S. Treasury Long Index** is an unmanaged index representing public obligations of the U.S. Treasury with a remaining maturity of one year or more. The **BC U.S. Government 10 Year Treasury Index** measures the performance of U.S. Treasury securities that have a remaining maturity of less than 10 years. The **BC BAA Corporate Index** measures the performance of the taxable Baa rated fixed-rate U.S. dollar-denominated corporate bond market. The **BC Global Treasury ex US Index** includes government bonds issued by investment grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade or higher. The **BC Emerging Market Bond Index** is an unmanaged index that total return for external-currency-denominated debt instruments of the emerging markets. The **BC U.S. Securitized Bond Index** is a composite of asset-backed securities, collateralized mortgage-backed securities (CMBS), and fixed rate mortgage-backed securities. The **BC Quality Distribution AAA, B, and CC-D Indices** measure the respective credit qualities of U.S. corporate and specified foreign debentures and secured notes. The **BC Universal Index** represents the union of the U.S. Aggregate Index, the U.S. High Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, and the non-ERISA portion of the CMBS Index. The **BC 1-3 Year Government Credit Index** is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years. The **BC 1-5 Year Government Credit Index** is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to five years. The **BC Long-term Government Index** is an unmanaged index reflecting performance of the long-term government bond market. The **BC Intermediate Aggregate Index** measures the performance of intermediate term investment grade bonds. The **BC Intermediate 1-3 Year Government Credit Index** measures the performance of U.S. dollar-denominated U.S. Treasury, government related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years. The **BC U.S. 1-3 Year Government Bond Index** is composed of treasury bond and agency bond indices that have maturities of one to five years. The **BC 1-3 Year US Treasury Index** measures the performance of U.S. Treasury securities that have a maturity of 1 to 3 years. The **BC Government Credit Index** measures the performance of U.S. Government and corporate bonds rated investment grade or better, with maturities of at least one year.

The **BC High Yield Index** covers the universe of fixed rate, non-investment grade debt: Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g. Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step up coupon structures, and 144As are also included. The **BC Intermediate Government Index** measures the performance of intermediate U.S. government securities. The **BC Intermediate Government/Credit Bond Index** measures the performance of intermediate term U.S. government and corporate bonds. The **BC U.S. Long Term Corporate Index** measures the performance of investment grade, fixed rate, taxable securities issued by industrial, utility, and financial companies, with maturities greater than 10 years. The **BC Global Credit Hedged USD Index** contains investment grade and high yield credit securities from the Multiverse represented in US Dollars on a hedged basis. The **BC Long + U.S. Credit Index** measures the performance of investment grade corporate debt and agency bonds that are dollar-denominated and have a maturity of greater than 10 years. The **BC U.S. Govt/Credit 5-10 Year Index** includes all medium and larger issues of U.S. Government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities between 5 and 10 years and are publicly issued. The **Cambridge U.S. Private Equity Index** is a representation of returns for over 70% of the total dollars raised by U.S. leveraged buyout, subsidiary debt and special situation managers from 1986 to December 2007. Returns are calculated based on the pooled time weighted return and are net of all fees. These pooled means represent the end to end rate of return calculated on the aggregate of all cash flows and market values reported by the general partners of the underlying constituents in the quarterly and annual reports. Please Note: the performance of this index lags by 1 quarter.

The **Bank of America (BoFA) Merrill Lynch (ML) 91-day T-Bill Index** includes U.S. Treasury bills with a remaining maturity from 1 up to 3 months. The **BoFA ML U.S. High Yield Master Index & Bank of America ML U.S. High Yield Master II Index** track the performance of below investment grade US Dollar Denominated corporate bonds publicly issued in the US market. Qualifying bonds have at least one year remaining term to maturity, are fixed coupon schedule and minimum outstanding of \$100 million. The **BoFA ML All US Convertible Index** consists of convertible bonds traded in the U.S. dollar denominated investment grade and non investment grade convertible securities sold into the U.S. market and publicly traded in the United States. The **BoFA ML US Corp & Govt 1-3 Yrs Index** tracks the performance of U.S. dollar-denominated investment grade corporate and corporate public debt issued in the U.S. domestic bond market with at least 1 yr and less than 3 yrs remaining to maturity, including U.S. Treasury, U.S. agency, foreign government, supranational and corporate securities. The **BoFA ML U.S. High-Yield BB-B Constrained Index** is a market capitalization-weighted index of below-investment-grade corporate debt publicly issued in the U.S. domestic market. The **BoFA Merrill Lynch US Year Treasury 1-3 Year Index** tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years. The **BoFA ML Treasury 1 Year Index** tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year. The **BoFA ML Treasury Current 2 Year Index** tracks the most recently issued 2 year U.S. Treasury note. The **BoFA ML CMBS Fixed Rate AAA Index** is a subset of the BoFA ML U.S. Fixed Rate CMBS Index including all securities rated AAA. The **BoFA ML U.S. Fixed Rate CMBS Index** tracks the performance of U.S. dollar-denominated investment-grade fixed rate commercial mortgage-backed securities publicly issued in the U.S. domestic market. The **BoFA ML U.S. Dollar 3-Month LIBOR Index** represents the London interbank offered rate (LIBOR) with a constant 3 month average maturity.

The **Clid Select MLP Index** is a USD denominated, price return index, comprised of the common units of up to 30 of the most liquid master limited partnerships in the Energy Sector. The **Clitgroup World Government Index (WGBI) 1-5 Year Hedged USD Index** is a comprehensive measure of the total return performance of the government bond markets of approximately 22 countries with maturities ranging from one to five years. The **Clitgroup WGBI Index** is a market capitalization weighted bond index consisting of the government bond markets of the multiple countries. The **Clitgroup World Government Index** is a comprehensive measure of the total return performance of the government bond markets of the multiple countries, excluding the U.S. The **Clitgroup 3-Month US Treasury Bill Index** performance is an average of the last 3-month Treasury Bill issues.

The **NCREIF Property Index (NPI)** represents quarterly time series composite total rate of return measure of a very large pool of individual commercial real estate properties acquired in the private market. The index represents apartments, hotels, industrial properties, office buildings, and retail properties which are at least 60% occupied and owned or controlled, at least in part by tax-exempt institutional investors or its designated agent. In addition these properties that are included must be investment grade, non-agricultural and income producing and all development projects are excluded. Constituents included in the NPI are valued at least quarterly, either internally or externally, using standard commercial real estate appraisal methodology. Each property must be independently appraised a minimum of once every three years. Please Note: the performance of this index lags by 1 quarter. The **NCREIF Timberland Index** is a quarterly time series composite return measure of investment performance of a large pool of individual timber properties acquired in the private market for investment purposes only.

The **Investment Intermediate Government Bond Index** is measured using a one bond portfolio with a maturity near 5 years.

The **JP Morgan Emerging Markets Bond Index Plus (EMBI+) Index** tracks total returns for traded external debt instruments (external meaning foreign currency denominated fixed income) in the emerging markets. The **JP Morgan GBI Global ex-US Index** represents the total return performance of major non-U.S. bond markets.

The **HFRF Funds Index (HFRF FDI)** is an equal weighted index designed to measure the performance of hedge fund of fund managers. The more than 800 multi-strategy constituents are required to have at least \$50 million in assets under management and a trading track record spanning at least 12 months. The index includes both on and offshore funds and all returns are reported in USD. **HFR Relative Value Index** tracks investment managers who maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other asset classes. Returns are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager. RV position may be involved in corporate transactions also, but as opposed to ED exposure, the investment thesis is predicated on realization of a pricing discrepancy between related securities, as opposed to the outcome of the corporate transaction. **HFRF Fund of Funds Conservative Index** is an equal-weighted index representing funds or funds that invest with multiple managers, focused on consistent performance and lower volatility via absolute strategies. **HFRF ED: Merger Arbitrage** strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction.

The **FTSE All-World ex US Index** comprises large and midcap stocks providing coverage of developed and emerging markets, excluding the U.S. The **FTSE NAREIT Developed Index** is a global market capitalization weighted index composed of listed real estate securities from developed market countries in North America, Europe, and Asia. The **FTSE NAREIT Developed ex US Index** is a global market capitalization weighted index composed of listed real estate securities from developed market countries in North America, Europe, and Asia, excluding the U.S. The **FTSE High Dividend Yield Index** comprises stocks that are characterized by higher than average dividend yields, and is based on the US component of the FTSE Global Equity Index Series (GEIS). The **FTSE NAREIT All REITS Index** is a market capitalization-weighted index that is designed to measure the performance of all tax-qualified Real Estate Investment Trusts (REITs) that are listed on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ National Market List. The **FTSE NAREIT Equity REIT Index** is an unmanaged index reflecting performance of the U.S. real estate investment trust market.

The **Consumer Price Index (CPI)** is an inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation. The CPI is published monthly. Please Note: the performance of this index lags by 1 month.

The **Credit Suisse Leveraged Loan Index** is a market value-weighted index designed to represent the investable universe of the U.S. dollar-denominated leveraged loan market. The **Dow Jones (DJ) US Commodity Index** measures the performance of the commodities market. It consists of exchange-traded futures contracts on physical commodities that are selected to account for the economic significance and market liquidity of each commodity. The **DJ U.S. Total Stock Market Index** is an all-inclusive measure composed of all U.S. equity securities with readily available prices. The **DJ U.S. Completion Total Stock Market Index** is a subset of the DJ U.S. Total Stock Market Index that excludes components of the S&P 500. The **Dow Jones U.S. Select Real Estate Securities Index** is a float-adjusted market capitalization-weighted index of publicly traded real estate securities such as real estate investment trusts (REITs) and real estate operating companies (REOCs).

The **Dow Jones Target Date (Today, 2010, 2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055) Indices** were created to benchmark portfolios of stocks, bonds and cash. Each index is made up of composite indices representing these three asset classes. The asset class indices are weighted differently within each target date index depending on the time horizon. Each month the allocations among the asset class indices are rebalanced to reflect an increasingly conservative asset mix.

The **Morningstar Lifetime Allocation Index Series** consists of 13 indexes (Income, 2000, 2005, 2010, 2015, 2020, 2025, 2030, 2035, 2040, 2045, 2050, 2055) available in three risk profiles: aggressive, moderate, and conservative. The indexes are built on asset allocation methodologies developed by Ibbotson Associates, a leader in asset allocation research and a Morningstar company since 2006. The indexes provide pure asset class exposure to global equities, global fixed income, commodities, and Treasury Inflation Protected Securities (TIPS) by using existing Morningstar indices as allocation building blocks. The portfolio allocations are held in proportions appropriate to the U.S. investor's number of years until retirement. The Conservative, Moderate and Aggressive risk profiles are for investors who are comfortable with below-average exposure to equity market volatility, investors who are comfortable with average exposure to equity market volatility and well-funded investors who are comfortable with above average exposure to equity market volatility, respectively.

These reports are not to be construed as an offer or the solicitation of an offer to buy or sell securities mentioned herein. Information contained in these reports are based on sources and data believed reliable. The information used to construct these reports was received via a variety of sources. These reports are for informational purposes only and are not intended to satisfy any compliance or regulatory conditions set forth by any governing body of the securities industry. These reports do not take the place of any brokerage statements, any fund company statements, or tax forms. You are urged to compare this report with the statement you receive from your custodian covering the same period. Differences in positions may occur due to reporting dates used and whether certain assets are not maintained by your custodian. There may also be differences in the investment values shown due to the use of differing valuation sources and methods. Past performance is no guarantee of future results. Investing involves risk, including risk of loss. Diversification does not ensure a profit or guarantee against loss.

This evaluation report has been prepared for the exclusive use of a specific client and no part of it may be used by any investment manager without permission of that client and Clearstead.

Evaluation of investment managers covers both quantitative and qualitative aspects. In addition to the investment performance evaluation, we monitor ownership structure, track key employee information, and hold regular meetings with each investment management organization employed by our clients.

The data presented in this report has been calculated on a time-weighted rate of return basis. All returns are net of investment advisory fees, but gross of Clearstead advisory fees and custodian fees, unless otherwise labeled. The deduction of Clearstead advisory fees and custodian fees would have the effect of decreasing the indicated investment performance.

The performance data shown represent past performance. Past performance is not indicative of future results. Current performance data may be lower or higher than the performance data presented.

Returns for periods longer than one year are annualized. Latin number is independently rounded.

A current copy of Hartland & Co.'s ADV-Part 2 is available to all clients upon request.



**YOUNGSTOWN
STATE
UNIVERSITY**

**RESOLUTION TO AMEND THE
YOUNGSTOWN STATE UNIVERSITY
NON-ENDOWMENT ASSET ALLOCATION GUIDELINES**

WHEREAS, the Investment Committee of the Board of Trustees of Youngstown State University is responsible for developing sound and consistent asset allocation guidelines and setting forth an investment structure for managing the University's assets pursuant to University policy 3356-3-10; and

WHEREAS, the Investment Committee has consulted with the University's Investment advisors and recommends edits to the Non-Endowment Asset Allocation Guidelines.

NOW, THEREFORE, BE IT RESOLVED, that the Investment Committee of the Board of Trustees of Youngstown State University does hereby approve the changes to the Non-Endowment Asset Allocation Guidelines, attached hereto.

**Board of Trustees Meeting
June 22, 2023
YR 2023-**

YOUNGSTOWN STATE UNIVERSITY
Asset Allocation and Other Investment Guidelines
Investment of Non-Endowment University Funds
Revised May 2023

ASSET ALLOCATION GUIDELINES

The Assets of the University are to be allocated between short-term assets and long-term assets. The Asset Allocation section of the Policy is specifically intended to address short-term assets and long-term assets as two distinct asset pools of the University's balance sheet assets.

The objectives that the University has established in conjunction with a comprehensive review of the current and projected financial requirements are as follows:

1. The strict adherence to the Ohio Revised Code and the authority granted under Ohio Revised Code §3345.05. Specifically:
 - a. ORC 3345.05 (C)(1): A minimum of 25% of the average amount of the University's investment portfolio over the course of the previous fiscal year must be invested in securities of the United States government or of its agencies or instrumentalities, the treasurer of state's pooled investment program, obligations of this state or any political subdivision of this state, certificates of deposit of any national bank located in this state, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system, as a reserve.
 - b. ORC 3345.05 (C)(2): Eligible funds above those that meet the conditions described in ORC 3345.05 (C)(1) may be pooled with other institutional funds and invested in accordance with section 1715.52 of the Revised Code.

The Operating and Short-Term Pool will be comprised of cash and short-term assets required for working capital, liquidity purposes, and other short-term needs. It is understood that assets classified as short-term are to be maintained primarily in cash and cash equivalents, and may also invest partially in short term fixed income (guidelines defined within), in order to meet the daily liquidity needs of the University. The asset allocation guidelines of the Operating and Short-Term Pool are outlined in the table below.

The Long-Term / Reserves Pool are investments with a time horizon in excess of one year. It is assumed that financial needs of the University ranging from one to five years will be maintained in fixed income investments. It is further assumed that any equity or alternative investments will have a time horizon greater than five years. As shown in the table below,

short-term and intermediate-term fixed income, alternative investments, and equity are classified as long-term assets.

Based on the investment objectives and risk tolerances stated in these guidelines, the following asset allocation strategy is considered appropriate for the University's investment Assets:

Operating & Short Term Pool		Allocation	
Asset Class/Investment Strategy	Pool Target	Pool Range	Total Range
Total Cash/Operating Assets	n/a	60-100%	
Total Short-Term Fixed Income	n/a	0-40%	
			0-50%
Long Term/Reserves Pool			
Total Domestic Equity	27%	20-35%	
Total International Equity	8%	0-15%	
Total Equity	35%	25-45%	
Total Alternatives	15%	0-20%	
Total Short-Term Fixed Income	30%	25-45%	
Total Intermediate-Term Fixed Income	20%	10-30%	
Cash	0%	0-5%	
	100%		50-100%

According to the University's Policy, the operating and short term funds of the non-endowment funds are allocated to the Operating and Short-Term Pool of the asset allocation guidelines. Adequate balance of 60 to 100% of the pool will be invested in cash and cash equivalents in order to provide the University with liquidity to meet its operational needs. The Pool may also invest 0-40% in 1-3 year average maturity U.S. Government fixed income investments. The Operating and Short Term Pool should represent 0-50% of the total market value of the Investments. Although the actual percentage will fluctuate with market conditions, levels in excess of 50% will result in rebalancing the Investments to target levels. The Committee will review the pool level allocations on a quarterly basis.

According to the University's Policy, funds with a longer time horizon are allocated to the Long-Term / Reserves Pool. This Pool will be comprised of short-term fixed income, intermediate-term fixed income, alternative investments, and equity.

Short-term fixed income should normally represent 30% of the total market value of the Pool. Although the actual percentage will fluctuate with market conditions, short-term fixed income levels in excess of 45% or below 25% will result in rebalancing the short-term fixed income component of the pool to its target level. The Committee will review the short-term fixed income allocation on a quarterly basis.

Intermediate-term fixed income should normally represent 20% of the total market value of the pool. Although the actual percentage will fluctuate with market conditions, short-term fixed income levels in excess of 30% or below 10% will result in rebalancing the intermediate-term fixed income component of the pool to its fixed income target level. The Committee will review the intermediate-term fixed income allocation on a quarterly basis.

Up to 10% of the fixed income investments in the Long Term Pool may be made in below investment grade debt (high yield).

The equity component should normally represent 35% of the total market value of the long-term pool. Although the actual percentage of equities will vary with market conditions, equity levels in excess of 45% or below 25% will result in rebalancing the equity component of the fund to its equity target level. The Committee will review the equity allocation on a quarterly basis.

The alternative investments component should normally represent 15% of the total market value of the long-term pool. Although the actual percentage will vary with market conditions, levels in excess of 20% will result in rebalancing the alternatives component of the fund to its target level. The Committee will review the alternative allocation on a quarterly basis.

Depending upon market conditions, the percentage allocation to each asset class may fluctuate within the above policy ranges. Such strategic allocations should be reviewed and approved by the Investment Committee on an ongoing basis. In the event that the allocation to a certain investment Pool and asset class falls above or below the above established ranges, the investment consultant will rebalance the portfolio in a prudent and timely manner.

Investment objectives and guidelines will be established for each separate account investment manager. Mutual funds are not subject to the Guidelines set forth below. As it relates to the investment consultant's selection and retention decisions regarding mutual funds, the stated Guidelines should be used as references.

CASH AND CASH EQUIVALENTS GUIDELINES

Such investments should be prudently diversified and would include:

- any instrument issued by, guaranteed by, or insured by the U.S. Government, agencies, or other full faith instruments;
- commercial paper issued by domestic corporations which is rated both "P-1" and "A-1" by Moody's and Standard & Poor's, respectively;
- certificates of deposit, bankers acceptances, or other such irrevocable primary obligations from a list of approved banks provided by the managers; and
- commingled, short-term cash reserve funds managed generally in accordance with the principles set forth above.

FIXED INCOME GUIDELINES

The objective of the fixed-income portion of the Assets shall be both to provide a secure, above-average stream of income (i.e., income in excess of U.S. Treasury Bill rates) and to provide a relatively stable market value base. The following directions are intended to apply to all fixed-income investment managers:

- Within the Operating and Short Term Pool, non-cash investments are limited to U.S. government only fixed income securities with a 1 to 3 year average maturity and duration +/- 20% of the stated benchmark.
- Fixed-income investments may include U.S. and Non-U.S. issues of Government and Agency obligations, marketable corporate bonds, mortgage or asset-backed bonds, and preferred stocks with sinking funds as deemed prudent by the investment managers.
- Fixed income investments are to be prudently diversified by security type, with an emphasis toward avoiding concentrated positions in any one fixed income sector or security type.
- Fixed-income portfolio maturity, as measured by portfolio duration, should be in the range of 80% to 120% of the applicable benchmark.
- Below investment grade fixed income investments are permissible up to 10% of the total fixed income allocation; however, the total portfolio will seek an average weighted credit quality of "A" or better by Standard & Poor's
- No more than 5% of the fixed income investments, at market, shall be invested in securities of any one issuer, except Government and Agency obligations, without the Committee's prior approval.
- Cash equivalent investments (maturities less than one year) are permitted, up to 10% of the total market value of the account, when the managers' investment policies discourage longer-term commitments. However, the Committee must be consulted in the event that the manager chooses to increase its cash equivalent position beyond 10% of the assets under its supervision.
- Investment assets allocated to fixed income investment management firms and institutions shall be properly diversified so as to avoid over concentration with any one investment manager or institution.

EQUITY GUIDELINES

The objective of the equity portion of the Assets shall be to provide for potential growth of principal with a long term time horizon. The use of both passively managed equity index strategies and actively managed mutual funds, collective trusts, separate accounts, and comingled funds are permitted. The following acceptable sub asset classes will serve as a guideline for equity investments:

- A. Large Cap Domestic - common stocks or equivalents listed on an established stock market (e.g., NYSE, AMEX, NASDAQ) and readily marketable with market capitalization generally exceeding \$5 billion. Non-marketable securities may not be purchased or held without prior approval from the Committee. As used herein, “generally exceeding \$5 billion” means that greater than 67% of the value of the portfolio is invested in securities when the market capitalization of which exceeds \$5 billion.

- B. Small/Mid Cap Domestic - common stocks or equivalents listed on an established stock market (e.g., NYSE, AMEX, NASDAQ) and readily marketable with market capitalization generally exceeding \$500 million. Non-marketable securities may not be purchased or held without prior approval from the Committee. As used herein, “generally exceeding \$500 million” means that greater than 67% of the value of the portfolio is invested in securities when the market capitalization of which exceeds \$500 million.

- C. International - common stocks or equivalents listed on an established stock market (e.g., NYSE, AMEX, NASDAQ, FTSE, NIKKEI, DAX) and readily marketable with market capitalization generally exceeding \$1 billion. Non-marketable securities may not be purchased or held without prior approval from the Committee. As used herein, “generally exceeding \$1 billion” means that greater than 50% of the value of the portfolio is invested in securities when the market capitalization of which exceeds \$1 billion.

Equity Diversification

Each investment manager should diversify the portfolio in an attempt to minimize the impact of substantial losses in any specific industry or issue. Therefore, each equity account:

- May not invest more than approximately 5% of the account valued at cost in a given issuer, unless its prospective benchmark / index has greater than a 5% allocation to a specific issuer; In this case, the manager must not exceed an allocation 5% of the account higher than the index weighting.
- May not invest more than approximately 10% of the account valued at market in a given issuer.
- Large Cap, Mid Cap and Small Cap Domestic - Shall be broadly diversified by industry or sector groups and not represent over concentration relative to the mandate’s relevant benchmark. Additionally, domestic equity managers

shall limit international-domiciled securities to 10% of their portfolio value, absent Committee approval.

- International – Shall be broadly diversified by country, industry or sector groups and not represent over concentration relative to the mandate’s relevant benchmark; and limit emerging market exposure to 25% of total international exposure.
- Global – Shall be diversified between domestic and international equities and follow an investment strategy consistent with its mandate’s benchmark that it is seeking to outperform; global equity managers may invest in both developed and developing markets and must ensure ample diversification across industry and sector groups.

ALTERNATIVE INVESTMENT GUIDELINES

Alternative investments are investments that are not included in the traditional assets of cash, equities, and fixed income. Alternative investments include categories such as hedge funds, private equity, private debt, real estate, commodities, tactical asset allocation strategies, etc.

The objective of the alternative investments shall be to promote diversification and provide risk-limiting characteristics with the goal of long-term return potential and lower overall portfolio volatility.

It is the responsibility of the investment consultant to conduct acceptable levels of due diligence on any investment categorized as an alternative investment. The investment consultant will provide education from time-to-time on alternatives to the Committee of the risks and rewards of the asset class, as well as the underlying risks and characteristics of the alternative investment vehicle. Any due diligence information conducted by the investment consultant can be requested by the Committee for review and documentation.

Investments in private strategies, hedge funds and fund-of-funds, real estate, real assets, and commodities, among other types of alternative strategies, are permissible to the extent that they are established within the asset allocation guidelines. Alternative investments may be accessed through mutual funds, comingled funds, and partnerships, among other types of institutional investment vehicles that offer proper diversification and prudent risk levels.

PROHIBITED INVESTMENTS

The following categories of securities and strategies are not considered appropriate at the present time:

- Private Placements
- Unregistered or Restricted Stock
- Margin Trading/Short Sales
- Commodities, Commodity Contracts, Precious Metals, or Gems (excluding liquid mutual funds)

- Real Estate Property (excluding REITs and other comingled Real Estate strategies)
- Guaranteed Insurance Contacts
- Securities Lending; pledging or hypothecating securities

VOTING OF PROXIES AND TRADE EXECUTION

The investment manager shall vote proxies for separately managed accounts on behalf of the University. The Investment Committee will vote all mutual fund proxies or default to a third party to act in its best interest.

The Committee expects the purchase and sale of its securities to be made in a manner designed to receive the combination of best price and execution.

RESPONSIBILITIES OF THE INVESTMENT MANAGERS FOR SEPARATELY MANAGED ACCOUNTS

The guidelines below are applicable to all investment managers that manage money for the University on a separate account basis. However, any mutual or comingled fund retained by the University will not be expected to adhere to these responsibilities.

Adherence to Policy Guidelines

The Assets are to be managed in accordance with the Policy guidelines herein or expressed by separate written instructions when deviation is deemed prudent and desirable. Written instructions amending this Policy document must be authorized by the Committee and will be communicated through the University's Vice President for Finance and Administration or the investment consultant.

Discretionary Authority

The investment managers are expected to exercise complete investment discretion within the boundaries of the restrictions outlined in these guidelines. Such discretion includes decisions to buy, hold, or sell equity or fixed-income securities (including cash equivalents) in amounts and proportions reflective of each manager's current investment strategy.

Communication

The investment consultant and Committee encourage, and the investment managers are responsible for, frequent and open communication with the Committee and the investment consultant on all significant matters pertaining to the investment of the Assets. These communications would generally be addressed to the University's Vice President for Finance and Administration or investment consultant.

The Committee recognizes that the Policy requires periodic re-examination and, perhaps, revision if it is to continue to serve as a working document to encourage effective investment management. Whenever an investment manager believes that the Policy should be altered, it is the responsibility of the manager to initiate written communication with the Committee.

Reporting

The Committee expects each investment manager to forward, on a timely basis, quarterly reports containing portfolio activity, valuations at market, and quarterly strategy updates. This information may be compiled and summarized by the investment consultant for the Committee.

Compliance with Prudence and Diversification Measures

As fiduciaries, the investment managers are expected to diversify the portfolio to minimize the risk of large losses. The managers are expected to invest the Assets with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with such aims. Furthermore, the investment managers are expected to acknowledge in writing their intentions to comply with the Policy as it currently exists or as modified by the Committee from time to time.

RESPONSIBILITIES OF THE INVESTMENT CONSULTANT

The investment consultant is responsible for implementing the investment program within the framework of the University's policies and guidelines and the following responsibilities:

- reviewing asset allocation and investment strategy on an annual basis to determine if the current strategy meets the cash flow needs of the University and is maximizing the long-term total return of the Assets;
- selecting investment managers for the University's Assets that fit within policies and guidelines that will assist in achieving each Pool's objectives;
- evaluating and monitoring all separately managed accounts to ensure that each investment manager is adhering to the issued Policy guidelines;
- communicating with all investment management organizations on a quarterly basis to determine portfolio composition and to ascertain information concerning organizational change. (Each portfolio is to be reviewed for style drift through portfolio holdings and returns-based style analysis. Additionally, each portfolio is to be reviewed for prohibited investments on an ongoing basis);
- providing a quarterly performance evaluation report and assessment of the University's Assets;
- monitoring the equity holdings of the total portfolio to determine if any one holding represents a percentage weighting that exceeds 10% of the total portfolio and alerting the Committee when the portfolio violates this Policy;
- reviewing asset allocation on a quarterly basis to determine if the current levels are consistent with the asset allocation guidelines stated in this document;

- monitoring the performance of each investment manager retained by the University to determine if the investment product is out-performing the appropriate benchmark over rolling 3 and 5-year time periods; and
- monitoring the performance of the total portfolio to determine if the collective investment strategy is outperforming the appropriate benchmarks over rolling 3 and 5-year time periods.

EVALUATION AND REVIEW

The objective of the evaluation and review process is to monitor the progress of the Assets in achieving the overall investment objectives. Performance will be measured and reviewed periodically by the Committee and their consultants. Particular attention will be directed toward:

- determining whether the total funds are achieving their stated objectives;
- determining whether the investment managers are performing satisfactorily in relation to both the objectives set forth in this Policy, as a primary consideration, and to other investment organizations managing similar pools of capital and the recognized market indices;
- determining whether the investment managers are adhering to the guidelines set forth herein;
- the relative total portfolio return and volatility versus established benchmarks and peers;
- any issue involving the management of the investment assets;
- asset allocation structure in light of evolving markets, strategies, and fund requirements;
- reviewing benchmarks at least annually to determine appropriateness;
- determining whether the investment managers are adhering to their stated philosophy and style; and
- determining whether the overall policies and objectives continue to be appropriate, reasonable, and achievable.

REVIEW OF INVESTMENT RESULTS

On a regular basis, but not less than once annually, the Committee will review actual progress of the funds versus the investment environment. The regular review will include:

- absolute market and total portfolio returns;
- relative total portfolio return and volatility versus established benchmarks and peers;
- asset allocation structure in light of evolving markets, strategies, and fund requirements;
- adherence to guidelines;
- individual manager performance versus established benchmarks and peers;
- the continuing appropriateness of this Policy; and
- any issue involving the management of the funds' assets.

The performance of each individual investment manager will be reviewed on a quarterly basis with appropriate benchmarks as agreed upon from time to time by the Investment Committee.

Total Fund, Pool level, and asset class returns will be measured as follows:

Total Fund: Weighted average benchmark based on the asset allocation targets identified with these guidelines using the below referenced market indices.

Pool level: Weighted average benchmark based on the asset allocation targets identified with these guidelines using the below referenced market indices.

Asset Class	Benchmark
Operating / Short Term Pool	
Cash	90-Day U.S. T-Bill
Short Term Fixed Income	Bloomberg 1-3 Year Government Index / Bloomberg 1-5 Year Government Index
Long Term / Reserves Pool	
Domestic Equity	Russell 3000 Index
International Equity	MSCI EAFE Index, MSCI ACWI ex US Index
Global Equity	MSCI ACWI Index
Intermediate Fixed Income	Bloomberg Aggregate Index, Bloomberg Intermediate Govt./Credit Index
Short Term Fixed Income	ICE BofA 1-3 Year US Corp & Govt Index, Bloomberg 1-5 Year US Corp & Govt Index
Alternative Investments	CPI+3%, HFRI Fund-of-Funds Index, HFRI Equity Hedge Index, Other Applicable Alternative Benchmarks, FTSE NAREIT Developed Index
Cash	90-Day U.S. T-Bill

YOUNGSTOWN STATE UNIVERSITY
Asset Allocation and Other Investment Guidelines
Investment of Non-Endowment University Funds
Revised May 2023

ASSET ALLOCATION GUIDELINES

The Assets of the University are to be allocated between short-term assets and long-term assets. The Asset Allocation section of the Policy is specifically intended to address short-term assets and long-term assets as two distinct asset pools of the University's balance sheet assets.

The objectives that the University has established in conjunction with a comprehensive review of the current and projected financial requirements are as follows:

1. The strict adherence to the Ohio Revised Code and the authority granted under Ohio Revised Code §3345.05. Specifically:
 - a. ORC 3345.05 (C)(1): A minimum of 25% of the average amount of the University's investment portfolio over the course of the previous fiscal year must be invested in securities of the United States government or of its agencies or instrumentalities, the treasurer of state's pooled investment program, obligations of this state or any political subdivision of this state, certificates of deposit of any national bank located in this state, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system, as a reserve.
 - b. ORC 3345.05 (C)(2): Eligible funds above those that meet the conditions described in ORC 3345.05 (C)(1) may be pooled with other institutional funds and invested in accordance with section 1715.52 of the Revised Code.

The Operating and Short-Term Pool will be comprised of cash and short-term assets required for working capital, liquidity purposes, and other short-term needs. It is understood that assets classified as short-term are to be maintained primarily in cash and cash equivalents, and may also invest partially in short term fixed income (guidelines defined within), in order to meet the daily liquidity needs of the University. The asset allocation guidelines of the Operating and Short-Term Pool are outlined in the table below.

The Long-Term / Reserves Pool are investments with a time horizon in excess of one year. It is assumed that financial needs of the University ranging from one to five years will be maintained in fixed income investments. It is further assumed that any equity or alternative investments will have a time horizon greater than five years. As shown in the table below, short-term and intermediate-term fixed income, alternative investments, and equity are classified as long-term assets.

Based on the investment objectives and risk tolerances stated in these guidelines, the following asset allocation strategy is considered appropriate for the University's investment Assets:

Operating & Short Term Pool		Allocation	
Asset Class/Investment Strategy	Pool Target	Pool Range	Total Range
Total Cash/Operating Assets	n/a	60-100%	
Total Short-Term Fixed Income	n/a	0-40%	
			0-50%
Long Term/Reserves Pool			
Total Domestic Equity	27%	20-35%	
Total International Equity	8%	0-15%	
Total Equity	35%	25-45%	
Total Alternatives	15%	0-20%	
Total Short-Term Fixed Income	30%	25-45%	
Total Intermediate-Term Fixed Income	20%	10-30%	
Cash	0%	0-5%	
	100%		50-100%

According to the University's Policy, the operating and short term funds of the non-endowment funds are allocated to the Operating and Short-Term Pool of the asset allocation guidelines. Adequate balance of 60 to 100% of the pool will be invested in cash and cash equivalents in order to provide the University with liquidity to meet its operational needs. The Pool may also invest 0-40% in 1-3 year average maturity U.S. Government fixed income investments. The Operating and Short Term Pool should represent 0-50% of the total market value of the Investments. Although the actual percentage will fluctuate with market conditions, levels in excess of 50% will result in rebalancing the Investments to target levels. The [Subcommittee Committee](#) will review the pool level allocations on a quarterly basis.

According to the University's Policy, funds with a longer time horizon are allocated to the Long-Term / Reserves Pool. This Pool will be comprised of short-term fixed income, intermediate-term fixed income, alternative investments, and equity.

Short-term fixed income should normally represent 30% of the total market value of the Pool. Although the actual percentage will fluctuate with market conditions, short-term fixed income levels in excess of 45% or below 25% will result in rebalancing the short-term fixed income component of the pool to its target level. The [Subcommittee Committee](#) will review the short-term fixed income allocation on a quarterly basis.

Intermediate-term fixed income should normally represent 20% of the total market value of the pool. Although the actual percentage will fluctuate with market conditions, short-term fixed income levels in excess of 30% or below 10% will result in rebalancing the intermediate-term fixed income component of the pool to its fixed income target level. The [Subcommittee Committee](#) will review the intermediate-term fixed income allocation on a quarterly basis. Up to 10% of the fixed income investments in the Long Term Pool may be made in below investment grade debt (high yield).

The equity component should normally represent 35% of the total market value of the long-term pool. Although the actual percentage of equities will vary with market conditions, equity levels in excess of 45% or below 25% will result in rebalancing the equity component of the fund to its equity target level. The ~~Subcommittee~~Committee will review the equity allocation on a quarterly basis.

The alternative investments component should normally represent 15% of the total market value of the long-term pool. Although the actual percentage will vary with market conditions, levels in excess of 20% will result in rebalancing the alternatives component of the fund to its target level. The ~~Subcommittee~~Committee will review the alternative allocation on a quarterly basis.

Depending upon market conditions, the percentage allocation to each asset class may fluctuate within the above policy ranges. Such strategic allocations should be reviewed and approved by the Investment ~~Subcommittee~~Committee on an ongoing basis. In the event that the allocation to a certain investment Pool and asset class falls above or below the above established ranges, the ~~Consultant should make a recommendation to the Investment Subcommittee to~~investment consultant will rebalance the portfolio in a prudent and timely manner.

Investment objectives and guidelines will be established for each separate account investment manager. Mutual funds are not subject to the Guidelines set forth below. As it relates to the investment consultant's selection and retention decisions regarding mutual funds, the stated Guidelines should be used as references.

CASH AND CASH EQUIVALENTS GUIDELINES

Such investments should be prudently diversified and would include:

- any instrument issued by, guaranteed by, or insured by the U.S. Government, agencies, or other full faith instruments;
- commercial paper issued by domestic corporations which is rated both "P-1" and "A-1" by Moody's and Standard & Poor's, respectively;
- certificates of deposit, bankers acceptances, or other such irrevocable primary obligations from a list of approved banks provided by the managers; and
- commingled, short-term cash reserve funds managed generally in accordance with the principles set forth above.

FIXED INCOME GUIDELINES

The objective of the fixed-income portion of the Assets shall be both to provide a secure, above-average stream of income (i.e., income in excess of U.S. Treasury Bill rates) and to provide a relatively stable market value base. The following directions are intended to apply to all fixed-income investment managers:

- Within the Operating and Short Term Pool, non-cash investments are limited to U.S. government only fixed income securities with a 1 to 3 year average maturity and duration +/- 20% of the stated benchmark.
- Fixed-income investments may include U.S. and Non-U.S. issues of Government and Agency obligations, marketable corporate bonds, mortgage or asset-backed bonds, and preferred stocks with sinking funds as deemed prudent by the investment managers.
- Fixed income investments are to be prudently diversified by security type, with an emphasis toward avoiding concentrated positions in any one fixed income sector or security type.
- Fixed-income portfolio maturity, as measured by portfolio duration, should be in the range of 80% to 120% of the applicable benchmark.
- Below investment grade fixed income investments are permissible up to 10% of the total fixed income allocation; however, the total portfolio will seek an average weighted credit quality of "A" or better by Standard & Poor's
- No more than 5% of the fixed income investments, at market, shall be invested in securities of any one issuer, except Government and Agency obligations, without the ~~Subcommittee's~~ Committee's prior approval.
- Cash equivalent investments (maturities less than one year) are permitted, up to 10% of the total market value of the account, when the managers' investment policies discourage longer-term commitments. However, the ~~Subcommittee~~ Committee must be consulted in the event that the manager chooses to increase its cash equivalent position beyond 10% of the assets under its supervision.
- Investment assets allocated to fixed income investment management firms and institutions shall be properly diversified so as to avoid over concentration with any one investment manager or institution.

EQUITY GUIDELINES

The objective of the equity portion of the Assets shall be to provide for potential growth of principal with a long term time horizon. The use of both passively managed equity index strategies and actively managed mutual funds, collective trusts, separate accounts, and comingled funds are permitted. The following acceptable sub asset classes will serve as a guideline for equity investments:

- A. Large Cap Domestic - common stocks or equivalents listed on an established stock market (e.g., NYSE, AMEX, NASDAQ) and readily marketable with market capitalization generally exceeding \$5 billion. Non-marketable securities may not be purchased or held without prior approval from the Subcommittee Committee. As used herein, “generally exceeding \$5 billion” means that greater than 67% of the value of the portfolio is invested in securities when the market capitalization of which exceeds \$5 billion.
- B. Small/Mid Cap Domestic - common stocks or equivalents listed on an established stock market (e.g., NYSE, AMEX, NASDAQ) and readily marketable with market capitalization generally exceeding \$500 million. Non-marketable securities may not be purchased or held without prior approval from the Subcommittee Committee. As used herein, “generally exceeding \$500 million” means that greater than 67% of the value of the portfolio is invested in securities when the market capitalization of which exceeds \$500 million.
- C. International - common stocks or equivalents listed on an established stock market (e.g., NYSE, AMEX, NASDAQ, FTSE, NIKKEI, DAX) and readily marketable with market capitalization generally exceeding \$1 billion. Non-marketable securities may not be purchased or held without prior approval from the Subcommittee Committee. As used herein, “generally exceeding \$1 billion” means that greater than 50% of the value of the portfolio is invested in securities when the market capitalization of which exceeds \$1 billion.

Equity Diversification

Each investment manager should diversify the portfolio in an attempt to minimize the impact of substantial losses in any specific industry or issue. Therefore, each equity account:

- May not invest more than approximately 5% of the account valued at cost in a given issuer, unless its prospective benchmark / index has greater than a 5% allocation to a specific issuer; In this case, the manager must not exceed an allocation 5% of- the account higher than the index weighting.
- May not invest more than approximately 10% of the account valued at market in a given issuer.

- Large Cap, Mid Cap and Small Cap Domestic - Shall be broadly diversified by industry or sector groups and not represent over concentration relative to the mandate's relevant benchmark. Additionally, domestic equity managers shall limit international-domiciled securities to 10% of their portfolio value, absent ~~Subcommittee~~Committee approval.
- International – Shall be broadly diversified by country, industry or sector groups and not represent over concentration relative to the mandate's relevant benchmark; and limit emerging market exposure to 25% of total international exposure.
- Global – Shall be diversified between domestic and international equities and follow an investment strategy consistent with its mandate's benchmark that it is seeking to outperform; global equity managers may invest in both developed and developing markets and must ensure ample diversification across industry and sector groups.

ALTERNATIVE INVESTMENT GUIDELINES

Alternative investments are investments that are not included in the traditional assets of cash, equities, and fixed income. Alternative investments include categories such as hedge funds, private equity, private debt, real estate, commodities, tactical asset allocation strategies, etc.

The objective of the alternative investments shall be to promote diversification and provide risk-limiting characteristics with the goal of long-term return potential and lower overall portfolio volatility.

~~With the assistance of its investment consultant, it~~It is the responsibility of the ~~Subcommittee~~investment consultant to conduct acceptable levels of due diligence on any investment categorized as an alternative investment. The ~~due diligence process will include obtaining proper education~~investment consultant will provide education from ~~time-to-time on alternatives to the Committee on~~of the risks and rewards of the ~~alternative~~asset class, as well as the underlying risks and characteristics of the alternative investment vehicle. ~~This~~Any due diligence information conducted by the investment consultant can be requested by the Committee for review and documentation~~process must be properly documented and retained.~~

Investments in private strategies, hedge funds and fund-of-funds, real estate, real assets, and commodities, among other types of alternative strategies, are permissible to the extent that they are established within the asset allocation guidelines. Alternative investments may be accessed through mutual funds, comingled funds, and partnerships, among other types of institutional investment vehicles that offer proper diversification and prudent risk levels.

PROHIBITED INVESTMENTS

The following categories of securities and strategies are not considered appropriate at the present time:

- Private Placements
- Unregistered or Restricted Stock
- Margin Trading/Short Sales
- Commodities, Commodity Contracts, Precious Metals, or Gems (excluding liquid mutual funds)
- Real Estate Property (excluding REITs and other comingled Real Estate strategies)
- Guaranteed Insurance Contracts
- Securities Lending; pledging or hypothecating securities

VOTING OF PROXIES AND TRADE EXECUTION

The investment manager shall vote proxies for separately managed accounts on behalf of the University. The Investment [Subcommittee](#)[Committee](#) will vote all mutual fund proxies or default to a third party to act in its best interest.

The [Subcommittee](#)[Committee](#) expects the purchase and sale of its securities to be made in a manner designed to receive the combination of best price and execution.

RESPONSIBILITIES OF THE INVESTMENT MANAGERS FOR SEPARATELY MANAGED ACCOUNTS

The guidelines below are applicable to all investment managers that manage money for the University on a separate account basis. However, any mutual or comingled fund retained by the University will not be expected to adhere to these responsibilities.

Adherence to Policy Guidelines

The Assets are to be managed in accordance with the Policy guidelines herein or expressed by separate written instructions when deviation is deemed prudent and desirable. Written instructions amending this Policy document must be authorized by the [Subcommittee](#)[Committee](#) and will be communicated through the University's Vice President for Finance and Administration or the investment consultant.

Discretionary Authority

The investment managers are expected to exercise complete investment discretion within the boundaries of the restrictions outlined in these guidelines. Such discretion includes decisions to buy, hold, or sell equity or fixed-income securities (including cash equivalents) in amounts and proportions reflective of each manager's current investment strategy.

Communication

The [investment consultant](#) and [Subcommittee](#)[Committee](#) encourages, and the investment managers are responsible for, frequent and open communication with the [Subcommittee](#)[Committee](#) and the investment consultant on all significant matters pertaining to the investment of the Assets. These communications would generally be

addressed to the University's Vice President for Finance and Administration or investment consultant. ~~In this manner, the Subcommittee expects to be advised of any major changes in investment outlook, investment strategy, asset allocation, portfolio structure, market value of the Assets, and other substantive matters affecting the Assets. The Subcommittee also expects to be informed of any significant changes in ownership, organizational structure, financial condition, and/or senior personnel staffing of the investment management organizations.~~

~~All investment managers will be required to meet with the University's Investment Subcommittee at the discretion of the Subcommittee.~~

The SubcommitteeCommittee recognizes that the Policy requires periodic re-examination and, perhaps, revision if it is to continue to serve as a working document to encourage effective investment management. Whenever an investment manager believes that the Policy should be altered, it is the responsibility of the manager to initiate written communication with the SubcommitteeCommittee.

Reporting

The SubcommitteeCommittee expects each investment manager to forward, on a timely basis, quarterly reports containing portfolio activity, valuations at market, and quarterly strategy updates. This information may be compiled and summarized by the investment consultant for the Committee.

Compliance with Prudence and Diversification Measures

As fiduciaries, the investment managers are expected to diversify the portfolio to minimize the risk of large losses. The managers are expected to invest the Assets with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with such aims. Furthermore, the investment managers are expected to acknowledge in writing their intentions to comply with the Policy as it currently exists or as modified by the SubcommitteeCommittee from time to time.

RESPONSIBILITIES OF THE INVESTMENT CONSULTANT

The investment consultant is responsible for implementing the investment program within the framework of the University's policies and guidelines and ~~for providing information and analysis to assist the University with~~ the following responsibilities:

- reviewing asset allocation and investment strategy on an annual basis to determine if the current strategy meets the cash flow needs of the University and is maximizing the long-term total return of the Assets;
- selecting investment managers for the University's Assets that fit within policies and guidelines that will assist in achieving each Pool's objectives;
- evaluating and monitoring ~~reviewing~~ all separately managed accounts to ensure that each investment manager is adhering to the issued Policy guidelines;

- communicating with all investment management organizations on a quarterly basis to determine portfolio composition and to ascertain information concerning organizational change. (Each portfolio is to be reviewed for style drift through portfolio holdings and returns-based style analysis. Additionally, each portfolio is to be reviewed for prohibited investments on an ongoing basis);
- providing a quarterly performance evaluation report and assessment of the University's Assets;
- monitoring the equity holdings of the total portfolio to determine if any one holding represents a percentage weighting that exceeds 10% of the total portfolio and alerting the Subcommittee when the portfolio violates this Policy;
- reviewing asset allocation on a quarterly basis to determine if the current levels are consistent with the asset allocation guidelines stated in this document;
- monitoring the performance of each investment manager retained by the University to determine if the investment product is out-performing the appropriate benchmark over rolling 3 and 5-year time periods; and
- monitoring the performance of the total portfolio to determine if the collective investment strategy is outperforming the appropriate benchmarks over rolling 3 and 5-year time periods.

EVALUATION AND REVIEW

The objective of the evaluation and review process is to monitor the progress of the Assets in achieving the overall investment objectives. Performance will be measured and reviewed periodically by the Subcommittee and their consultants. Particular attention will be directed toward:

- determining whether the total funds are achieving their stated objectives;
- determining whether the investment managers are performing satisfactorily in relation to both the objectives set forth in this Policy, as a primary consideration, and to other investment organizations managing similar pools of capital and the recognized market indices;
- determining whether the investment managers are adhering to the guidelines set forth herein;
- the relative total portfolio return and volatility versus established benchmarks and peers;
- any issue involving the management of the investment assets;

- asset allocation structure in light of evolving markets, strategies, and fund requirements;
- reviewing benchmarks at least annually to determine appropriateness;
- determining whether the investment managers are adhering to their stated philosophy and style; and
- determining whether the overall policies and objectives continue to be appropriate, reasonable, and achievable.

REVIEW OF INVESTMENT RESULTS

On a regular basis, but not less than once annually, the ~~Subcommittee~~Committee will review actual progress of the funds versus the investment environment. The regular review will include:

- absolute market and total portfolio returns;
- relative total portfolio return and volatility versus established benchmarks and peers;
- asset allocation structure in light of evolving markets, strategies, and fund requirements;
- adherence to guidelines;
- individual manager performance versus established benchmarks and peers;
- the continuing appropriateness of this Policy; and
- any issue involving the management of the funds' assets.

The performance of each individual investment manager will be reviewed on a quarterly basis with appropriate benchmarks as agreed upon from time to time by the Investment ~~Subcommittee~~Committee.

Total Fund, Pool level, and asset class returns will be measured as follows:

Total Fund: Weighted average benchmark based on the asset allocation targets identified with these guidelines using the below referenced market indices.

Pool level: Weighted average benchmark based on the asset allocation targets identified with these guidelines using the below referenced market indices.

Asset Class	Benchmark
Operating / Short Term Pool	
Cash	90-Day U.S. T-Bill
Short Term Fixed Income	Bloomberg 1-3 Year Government Index / Bloomberg 1-5 Year Government Index
Long Term / Reserves Pool	
Domestic Equity	Russell 3000 Index
International Equity	MSCI EAFE Index, MSCI ACWI ex US Index
Global Equity	MSCI ACWI Index
Intermediate Fixed Income	Bloomberg Aggregate Index, Bloomberg Intermediate Govt./Credit Index
Short Term Fixed Income	ICE BofA 1-3 Year US Corp & Govt Index, Bloomberg 1-5 Year US Corp & Govt Index
Alternative Investments	CPI+3%, HFRI Fund-of-Funds Index, HFRI Equity Hedge Index, Other Applicable Alternative Benchmarks, FTSE NAREIT Developed Index
Cash	90-Day U.S. T-Bill



**YOUNGSTOWN
STATE
UNIVERSITY**

Explanation of policy modification:

3356-3-10 Investment of the University's Non-Endowment and Endowment Funds.

This policy is being modified to operationalize the resolution passed in March 2023 by the Investment Committee and by the Board of Trustees that moved YSU to an outsourced chief investment officer investment strategy.

Board of Trustees Meeting

June 22, 2023

YR 2023-



**YOUNGSTOWN
STATE
UNIVERSITY**

**RESOLUTION TO MODIFY
INVESTMENT OF THE UNIVERSITY'S NON-ENDOWMENT AND
EDNOWMENT FUNDS POLICY, 3356-3-10**

WHEREAS, University Policies are being reviewed and reconceptualized on an ongoing basis; and

WHEREAS, this process can result in the modification of existing policies, the creation of new policies, or the deletion of policies no longer needed; and

WHEREAS, action is required by the Board of Trustees prior to replacing and/or implementing modified or newly created policies, or to rescind existing policies.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of Youngstown State University does hereby approve the modification of the University Policy stated above and attached hereto.

**Board of Trustees Meeting
June 22, 2023
YR 2023-**

3356-3-10 Investment of the university's non-endowment and endowment funds.

Responsible Division/Office: Finance and Business Operations
Responsible Officer: President
Revision History: September 1998; December 2004; June 2006;
December 2008; June 2010; June 2012;
December 2014; June 2019; June 2023
Board Committee: Investment
Effective Date: **June 22, 2023**
Next Review: 2028

- (A) Policy statement. This policy ensures sufficient liquidity to meet the university's cash flow needs and further ensures compliance with the Revised Code and all other applicable laws and regulations while optimizing opportunities for growth in invested assets in a responsible and prudent manner. The president and the vice president for finance and business operations, or designee, is authorized to invest university funds in compliance with this policy, provisions of section 3345.05 of the Revised Code and all other applicable laws and regulations.
- (1) For the purpose of this policy on the investment of the university's non-endowment and endowment funds (policy), the non-endowment and endowment portfolios shall include:
- (a) All tuition and mandatory fees, registration, non-resident tuition fees, academic fees for the support of on- and off-campus instruction, laboratory and course fees when so assessed and collected, all other fees, deposits, charges, receipts, and income from all or part of the students, all subsidy or other payments from state appropriations, and all other fees, deposits, charges, receipts, and income received. These funds shall be held and administered by the board of trustees.
 - (b) Notwithstanding any provision of the revised code to the contrary, the title to investments made by the board of trustees with funds derived from revenues described above shall not be vested in the state but shall be held in trust by

the board. Such investments shall be made pursuant to this investment policy adopted by the board in public session. Such investments shall be made with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

- (c) It is the intention of the board of trustees that actions taken pursuant to this policy shall be in compliance with all applicable laws as they may be amended from time to time. No university representative, employee, or agent shall take any action prohibited by or fail to take any action required by all applicable laws in carrying out this policy.
- (d) Members of the board of trustees will annually provide to the chair of the board of trustees a statement disclosing the nature, if at all, of any relationship with the financial institutions involved with the university's non-endowment and endowment funds. Any member having a relationship that creates a conflict prohibited by the ethics laws with any investment entity will withdraw from participating in the selection of, or authorizing the contracts of, those investment managers and/or consultants.
- (e) External investment managers, consultants and advisors retained by the university shall immediately notify the chair of the investment committee and the vice president for finance and business operations, or designee, of any potential conflicts of interest which may develop from time to time. In any such situation, the external investment manager, consultant and/or advisor shall identify the nature of the conflict of interest and its potential impact, if any, on the university.
- (f) The university's non-endowment portfolio will remain sufficiently liquid to enable the university to meet all operating requirements. Portfolio liquidity is defined as the maturity or ability to sell a security on short notice near the purchase price of the security. To help retain the desired liquidity, no security shall be purchased that is likely to

have few market makers or poor market bids. Additionally, liquidity shall be assured by keeping an adequate amount of short-term investments to accommodate the cash needs of the university.

- (g) The university's non-endowment and endowment portfolios shall be structured with the objective of attaining the highest possible total return for the investment portfolio while adhering to a prudent level of risk.
- (2) Specific responsibilities of the investment committee of the board of trustees (hereafter referred to as the committee) in the investment process include:
- (a) The application of a total return philosophy of asset management;
 - (b) Developing sound and consistent investment policy guidelines;
 - (c) Setting forth an investment structure for managing the university's assets. This structure includes identification of asset classes, strategic asset allocation, and acceptable asset ranges above and below the strategic asset allocation;
 - (d) Providing guidelines that control the level of overall risk and liquidity assumed for the investment portfolio so that all assets are managed in accordance with stated objectives;
 - (e) Complying with all applicable fiduciary, prudence, due diligence requirements, and with all applicable laws, rules and regulations from various local, state, federal, and international political entities that may impact fund assets;
 - (f) Monitoring and approving the selection of investment managers;
 - (g) Selecting and monitoring an investment consulting organization;

- (h) Communicating clearly the major duties and responsibilities of those accountable for achieving investment results;
 - (i) Evaluating results to assure that the guidelines are being adhered to and the objectives are being met;
 - (j) To review costs of administering and managing the funds and take action as necessary; and
 - (k) Undertaking such work and studies as may be necessary to keep the board of trustees of the university adequately informed as to the status of the investment of the balance sheet assets (the assets).
 - (3) This policy shall be reviewed every five years by the committee or upon the advisement of investment advisors or management. All material changes to the policy will be approved by the committee and submitted to the university's board of trustees for final approval.
- (B) UPMIFA considerations. In accordance with the state of Ohio's adoption of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), effective June 1, 2009, the committee will take the following into consideration when making investment decisions:
- (1) General economic conditions.
 - (2) The possible effect of inflation or deflation.
 - (3) Expected tax consequences.
 - (4) The role that each investment plays within the overall portfolio.
 - (5) Expected total return from income and appreciation.
 - (6) Other resources of the institution.
 - (7) Need of the institution to make distributions and preserve capital.
 - (8) Assets special relationship or special value to the charitable purpose.

- (C) Purpose. Investments shall be managed for the use and benefit of the university in a diversified portfolio that focuses, over time, on the preservation of capital, minimization of cost and risk, maintenance of required levels of liquidity in the overall portfolio to meet cash flow requirements, and compliance with state statute. The non-endowment and endowment portfolios are intended to achieve a reasonable yield balanced with a component invested for longer-term appreciation.
- (1) The purpose of this policy is to assist the university in more effectively supervising and monitoring the investment activities of its assets. This policy is designed to assist university staff and the investment committee with regard to its fiduciary responsibility by:
- (a) Defining the responsibilities of university staff, its investment managers, and its investment consultant;
 - (b) Stating in writing the university's attitudes, expectations, and goals for the investment of the assets;
 - (c) Providing a basis for reviewing investment management organizations in the selection process;
 - (d) Encouraging effective communication between the investment managers, investment consultant, the committee, and Youngstown state university; and
 - (e) Setting objectives against which the performance results of the investment managers, operating within the constraints imposed by the university's policy guidelines, can be measured.
- (2) A primary expectation for university assets is to support the university by providing current income to the university from both non-endowed and endowed funds, managed on behalf of the university by outside investment professionals, while concurrently growing principal. The asset base is dedicated to providing a reliable source of funds for current and future enhancements at the university.
- (D) Parameters.

- (1) Investment assets are to be held by a reputable custodian/trust company. Investment assets are to be held in safe-keeping in the name of the university. Evaluation, selection, and monitoring of the university's custodian will include, but not be limited to, the following factors:
 - (a) Size and scalability of the underlying financial institution;
 - (b) Delivery of competitive safe-keeping and trust services as measured by attributes such as systems functionality, statement delivery, client service, audit controls and reporting capabilities; and
 - (c) Safe-keeping and trust service pricing and fees.
- (2) The management of the non-endowment and endowment funds involves a tradeoff between two competing goals. On the one hand, the funds must preserve capital and maintain liquidity sufficient to distribute cash to fund immediate operating needs and prior spending commitments. To accommodate these objectives, the university will establish the operating and short-term pool. On the other hand, the funds must accumulate capital sufficient to support nominal growth in expenses for existing programs and to establish new quasi-endowment funds. To accommodate these objectives, the university will establish the long-term/reserve pool. The goal of the funds is to accommodate these competing needs by providing adequate short-term liquidity along with long-term capital appreciation.
- (3) The committee recognizes that risk and volatility are present to some degree with all types of investments. However, high levels of risk are to be avoided at the total asset level. This is to be accomplished through diversification by asset class, style of investment manager, and sector and industry limits.
- (4) Selection of investment managers has been delegated to the investment consultant, within the framework of the policies and guidelines approved by the board of trustees.

- (5) A written “Investment Guideline Statement” or prospectus clearly outlining objectives and responsibilities will be in place with each investment manager. For the non-endowment funds, the managers shall have discretion to invest assets in cash reserves as they deem appropriate but will be expected under normal circumstances to be fully invested in their assigned asset class. A manager’s performance will be evaluated against their fully invested passive benchmark and against similar portfolio results. Passive benchmarks will be used for comparative purposes which most closely approximate the investment mandate’s duration, credit quality, security composition, capitalization, style, asset class, etc.
 - (6) To the extent bequests are made to the university via shares of marketable equity securities, the following provisions apply:
 - (a) The policy on bequests as defined by rule 3356-5-07 of the Administrative Code will supersede all provisions within this policy.
 - (b) If the bequest is a non-endowed gift, the securities will be sold as soon as prudently possible.
 - (c) If the bequest is an endowed gift, the securities will be invested as specified by the donor and agreed to by the board of trustees.
- (E) Procedures.
- (1) The vice president for finance and business operations, or designee, shall be accountable to the board of trustees for implementing this policy.
 - (2) The vice president for finance and business operations, or designee, will report to the investment committee at least quarterly on the status of the non-endowment and endowment portfolios.
 - (3) It shall be permissible for the vice president for finance and business operations, or designee, to realize gains and losses if such an action is consistent with the university’s investment goals. Losses and gains realized on the non-endowment portfolio shall be

charged against current income unless otherwise approved by the investment committee.

- (4) Between meetings of the board of trustees, if deemed advisable, other investments not specifically authorized by this policy may be made if approved by the investment committee. Any such actions shall be taken to the board of trustees for review at its next meeting.
- (F) Spending policy. The board has established a spending policy for certain funds. This policy reflects the tradeoffs between short-term liquidity and long-term capital appreciation needs, as described in paragraphs C and D of this policy.
- (1) Non-endowment assets. Non-endowment assets are comprised of operating and non-operating funds and include cash, cash equivalents, and investment assets.
 - (2) Operating funds comprised of cash, cash equivalents, and certain investment assets make up the university's general funds. The use of cash, cash equivalents, and investment assets in these general funds is not subject to any board-approved spending policy as the university's annual operating budget establishes parameters for the use of these funds.
 - (3) The university's remaining non-endowed investment assets are primarily in reserve for project-related funds. Spending within these funds is subject to rule 3356-3-11.1 of the Administrative Code, project-specific spending plans, and various other university operating and financial policies and procedures. If deemed necessary for university operations, university management, working with the investment consultant, has authority to raise an appropriate level of cash from non-operating investments.
 - (4) Income earned on non-endowed investment assets is primarily used to support university operations; thus, it is the policy of the board not to limit annual distributions of realized investment income. The annual operating budget establishes parameters for the use of this income, and the disposition of total annual net operating inflows over outflows requires board approval. Unrealized investment income from non-endowment assets shall

always be non-spendable.

- (5) Endowment assets. It is the policy of the board to set annual distributions each fiscal year to five per cent of the twelve-quarter average of the market value for the preceding twelve calendar quarters ending September thirtieth. Any distribution greater than this would require written justification and approval by the board of trustees. For all other managed funds, distributions are project-specific and, thus, are limited only to the extent needed to sustain appropriate cash flow for the expenditure cycle of the corresponding project.

3356-3-10 Investment of the university's non-endowment and endowment funds.

Responsible Division/Office: Finance and Business Operations
Responsible Officer: President
Revision History: September 1998; December 2004; June 2006;
December 2008; June 2010; June 2012;
December 2014; June 2019; June 2023
Board Committee: ~~Finance and Facilities~~Investment
Effective Date: ~~June 6, 2019~~June 22, 2023
Next Review: ~~2024~~2028

(A) Policy statement. This policy ensures sufficient liquidity to meet the university's cash flow needs and further ensures compliance with the Revised Code and all other applicable laws and regulations while optimizing opportunities for growth in invested assets in a responsible and prudent manner. The president and the vice president for finance and business operations, or designee, is authorized to invest university funds in compliance with this policy, provisions of section 3345.05 of the Revised Code and all other applicable laws and regulations.

(1) For the purpose of this policy on the investment of the university's non-endowment and endowment funds (~~the "policy"~~), the non-endowment and endowment portfolios shall include:

(a) All tuition and mandatory fees, registration, non-resident tuition fees, academic fees for the support of on- and off-campus instruction, laboratory and course fees when so assessed and collected, all other fees, deposits, charges, receipts, and income from all or part of the students, all subsidy or other payments from state appropriations, and all other fees, deposits, charges, receipts, and income received. These funds shall be held and administered by the board of trustees.

(b) Notwithstanding any provision of the revised code to the contrary, the title to investments made by the board of trustees with funds derived from revenues described above shall not be vested in the state but shall be held in trust by

the board. Such investments shall be made pursuant to this investment policy adopted by the board in public session. Such investments shall be made with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

- (c) It is the intention of the board of trustees that actions taken pursuant to this policy shall be in compliance with all applicable laws as they may be amended from time to time. No university representative, employee, or agent shall take any action prohibited by or fail to take any action required by all applicable laws in carrying out this policy.
- (d) Members of the board of trustees will annually provide to the chair of the board of trustees a statement disclosing the nature, if at all, of any relationship with the financial institutions involved with the university's non-endowment and endowment funds. Any member having a relationship that creates a conflict prohibited by the ethics laws with any investment entity will withdraw from participating in the selection of, or authorizing the contracts of, those investment managers and/or consultants.
- (e) External investment managers, consultants and advisors retained by the university shall immediately notify the chair of the investment ~~subcommittee~~committee and the vice president for finance and business operations, or designee, of any potential conflicts of interest which may develop from time to time. In any such situation, the external investment manager, consultant and/or advisor shall identify the nature of the conflict of interest and its potential impact, if any, on the university.
- (f) The university's non-endowment portfolio will remain sufficiently liquid to enable the university to meet all operating requirements. Portfolio liquidity is defined as the maturity or ability to sell a security on short notice near the purchase price of the security. To help retain the desired liquidity, no security shall be purchased that is likely to

have few market makers or poor market bids. Additionally, liquidity shall be assured by keeping an adequate amount of short-term investments to accommodate the cash needs of the university.

- (g) The university's non-endowment and endowment portfolios shall be structured with the objective of attaining the highest possible total return for the investment portfolio while adhering to a prudent level of risk.

- (2) Specific responsibilities of the investment ~~subcommittee of the finance and facilities~~ committee of the board of trustees (hereafter referred to as the "~~subcommittee~~committee") in the investment process include:

- (a) The application of a total return philosophy of asset management;
- (b) Developing sound and consistent investment policy guidelines;
- (c) Setting forth an investment structure for managing the university's assets. This structure includes identification of asset classes, strategic asset allocation, and acceptable asset ranges above and below the strategic asset allocation;
- (d) Providing guidelines that control the level of overall risk and liquidity assumed for the investment portfolio so that all assets are managed in accordance with stated objectives;
- (e) Complying with all applicable fiduciary, prudence, due diligence requirements, and with all applicable laws, rules and regulations from various local, state, federal, and international political entities that may impact fund assets;
- (f) ~~Selecting and monitoring~~ Monitoring and approving the selection of investment managers;
- (g) Selecting and monitoring an investment consulting organization;

- (h) Communicating clearly the major duties and responsibilities of those accountable for achieving investment results;
 - (i) ~~Monitoring and evaluating~~ Evaluating results to assure that the guidelines are being adhered to and the objectives are being met;
 - (j) To ~~control~~ review costs of administering and managing the funds and take action as necessary; and
 - ~~(k) — Taking appropriate action to discharge an investment manager for failure to perform as mutually expected at the time of selecting; and~~
 - ~~(k)~~ (k) Undertaking such work and studies as may be necessary to keep the board of trustees of the university adequately informed as to the status of the investment of the balance sheet assets (the “assets”).
- (3) This policy shall be reviewed every five years by the ~~subcommittee~~ committee or upon the advisement of investment advisors or management. All material changes to the policy will be approved by the ~~subcommittee~~ committee and submitted to the university’s board of trustees for final approval.
- (B) UPMIFA considerations. In accordance with the state of Ohio’s adoption of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), effective June 1, 2009, the ~~subcommittee~~ committee will take the following into consideration when making investment decisions:
- (1) General economic conditions.
 - (2) The possible effect of inflation or deflation.
 - (3) Expected tax consequences.
 - (4) The role that each investment plays within the overall portfolio.
 - (5) Expected total return from income and appreciation.
 - (6) Other resources of the institution.

- (7) Need of the institution to make distributions and preserve capital.
 - (8) Assets special relationship or special value to the charitable purpose.
- (C) Purpose. Investments shall be managed for the use and benefit of the university in a diversified portfolio that focuses, over time, on the preservation of capital, minimization of cost and risk, maintenance of required levels of liquidity in the overall portfolio to meet cash flow requirements, and compliance with state statute. The non-endowment and endowment portfolios are intended to achieve a reasonable yield balanced with a component invested for longer-term appreciation.
- (1) The purpose of this policy is to assist the university in more effectively supervising and monitoring the investment activities of its assets. This policy is designed to assist university staff and the investment ~~subcommittee~~committee with regard to its fiduciary responsibility by:
 - (a) Defining the responsibilities of university staff, its investment managers, and its investment consultant;
 - (b) Stating in writing the university's attitudes, expectations, and goals for the investment of the assets;
 - (c) Providing a basis for reviewing investment management organizations in the selection process;
 - (d) Encouraging effective communication between the investment managers, investment consultant, the ~~subcommittee~~committee, and Youngstown state university; and
 - (e) Setting objectives against which the performance results of the investment managers, operating within the constraints imposed by the university's policy guidelines, can be measured.
 - (2) A primary expectation for university assets is to support the university by providing current income to the university from both

non-endowed and endowed funds, managed on behalf of the university by outside investment professionals, while concurrently growing principal. The asset base is dedicated to providing a reliable source of funds for current and future enhancements at the university.

(D) Parameters.

- (1) Investment assets are to be held by a reputable custodian/trust company. Investment assets are to be held in safe-keeping in the name of the university. Evaluation, selection, and monitoring of the university's custodian will include, but not be limited to, the following factors:
 - (a) Size and scalability of the underlying financial institution;
 - (b) Delivery of competitive safe-keeping and trust services as measured by attributes such as systems functionality, statement delivery, client service, audit controls and reporting capabilities; and
 - (c) Safe-keeping and trust service pricing and fees.
- (2) The management of the non-endowment and endowment funds involves a tradeoff between two competing goals. On the one hand, the funds must preserve capital and maintain liquidity sufficient to distribute cash to fund immediate operating needs and prior spending commitments. To accommodate these objectives, the university will establish the operating and short-term pool. On the other hand, the funds must accumulate capital sufficient to support nominal growth in expenses for existing programs and to establish new quasi-endowment funds. To accommodate these objectives, the university will establish the long-term/reserve pool. The goal of the funds is to accommodate these competing needs by providing adequate short-term liquidity along with long-term capital appreciation.
- (3) The ~~subcommittee~~committee recognizes that risk and volatility are present to some degree with all types of investments. However, high levels of risk are to be avoided at the total asset level. This is

to be accomplished through diversification by asset class, style of investment manager, and sector and industry limits.

~~(4) — The following statements and guidelines are set forth in an effort to provide direction to each of the investment managers that manage separate accounts for the university. Managers are retained to manage separate pools of assets, and funds are allocated to such managers in order to achieve an appropriate, diversified, and balanced asset mix. The subcommittee, from time to time, may shift assets from one manager to another to maintain the appropriate mix. Additionally, the subcommittee recognizes that mutual or commingled funds used by the university may not adhere to these guidelines. However, when selecting mutual or commingled fund products, the subcommittee will refer to these guidelines as a basis to select new funds.~~

~~(5)~~(4) Evaluation, selection, and monitoring of the university's individual investment managers will include, but not be limited to, the following factors:

~~(a) — Each investment manager should have clearly stated investment objectives.~~

~~(b) — The performance (return) and volatility (risk) of each investment manager should be evaluated over time, evaluating performance in light of how closely the investment manager has adhered to its stated investment objectives.~~

~~(c) — The depth and experience of the portfolio manager(s) should be evaluated (both with respect to the current investment portfolio he or she manages and any funds previously managed).~~

~~(d) — The depth and financial stability of the relevant investment fund company should be considered.~~

~~(e) — The fees and expenses charged with respect to such investment management services should be considered.~~
Selection of investment managers has been delegated to the

investment consultant, within the framework of the policies and guidelines approved by the board of trustees.

~~(6)~~(5) A written “Investment Guideline Statement” or prospectus clearly outlining objectives and responsibilities will be in place with each investment manager. For the non-endowment funds, the managers shall have discretion to invest assets in cash reserves as they deem appropriate but will be expected under normal circumstances to be fully invested in their assigned asset class. A manager’s performance will be evaluated against their fully invested passive benchmark and against similar portfolio results. Passive benchmarks will be used for comparative purposes which most closely approximate the investment mandate’s duration, credit quality, security composition, capitalization, style, asset class, etc.

~~(7)~~(6) To the extent bequests are made to the university via shares of marketable equity securities, the following provisions apply:

- (a) The policy on bequests as defined by rule 3356-5-07 of the Administrative Code will supersede all provisions within this policy.
- (b) If the bequest is a non-endowed gift, the securities will be sold as soon as prudently possible.
- (c) If the bequest is an endowed gift, the securities will be invested as specified by the donor and agreed to by the board of trustees.

(E) Procedures.

- (1) The vice president for finance and business operations, or designee, shall be accountable to the board of trustees for implementing this policy.
- (2) The vice president for finance and business operations, or designee, will report to the investment ~~subcommittee~~committee at least quarterly on the status of the non-endowment and endowment portfolios.

- (3) It shall be permissible for the vice president for finance and business operations, or designee, to realize gains and losses if such an action is consistent with the university's investment goals. Losses and gains realized on the non-endowment portfolio shall be charged against current income unless otherwise approved by the investment ~~subcommittee~~committee.
 - (4) Between meetings of the board of trustees, if deemed advisable, other investments not specifically authorized by this policy may be made if approved by the investment ~~subcommittee~~committee. Any such actions shall be taken to the board of trustees for review at its next meeting.
- (F) Spending policy. The board has established a spending policy for certain funds. This policy reflects the tradeoffs between short-term liquidity and long-term capital appreciation needs, as described in paragraphs C and D of this policy.
- (1) Non-endowment assets. Non-endowment assets are comprised of operating and non-operating funds and include cash, cash equivalents, and investment assets.
 - (2) Operating funds comprised of cash, cash equivalents, and certain investment assets make up the university's general funds. The use of cash, cash equivalents, and investment assets in these general funds is not subject to any board-approved spending policy as the university's annual operating budget establishes parameters for the use of these funds.
 - (3) The university's remaining non-endowed investment assets are primarily in reserve for project-related funds. Spending within these funds is subject to rule 3356-3-11.1 of the Administrative Code, project-specific spending plans, and various other university operating and financial policies and procedures. If deemed necessary for university operations, university management, working with the investment consultant, has authority to raise an appropriate level of cash from non-operating investments.
 - (4) Income earned on non-endowed investment assets is primarily used to support university operations; thus, it is the policy of the board not to limit annual distributions of realized investment

income. The annual operating budget establishes parameters for the use of this income, and the disposition of total annual net operating inflows over outflows requires board approval. Unrealized investment income from non-endowment assets shall always be non-spendable.

- (5) Endowment assets. It is the policy of the board to set annual distributions each fiscal year to five per cent of the twelve-quarter average of the market value for the preceding twelve calendar quarters ending September thirtieth. ~~In calculating the twelve-quarter average, census dates of March thirty-first, June thirtieth, September thirtieth, and December thirty-first for the previous three years shall be used.~~ Any distribution greater than this would require written justification and approval by the board of trustees. For all other managed funds, distributions are project-specific and, thus, are limited only to the extent needed to sustain appropriate cash flow for the expenditure cycle of the corresponding project.