



WAYNE STATE UNIVERSITY

Treasury – Annual Investment Update
Board of Governors
Budget and Finance Committee
April 28, 2023



Cash Pool Investment Program

Advisor - NEPC



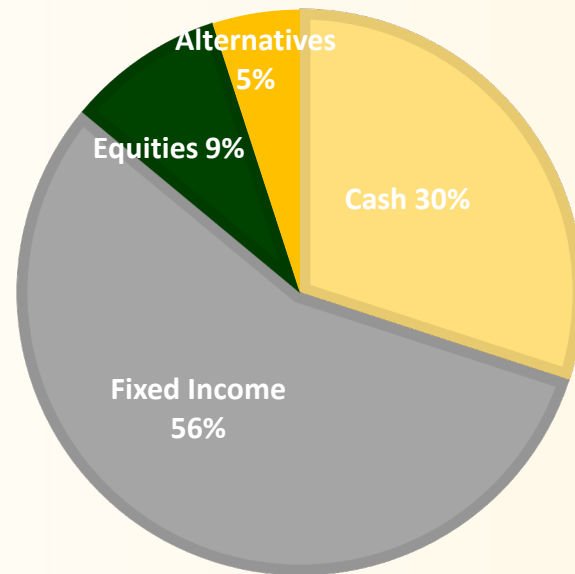
Cash Pool Investment Program Background

- The Cash Pool represents the cash reserves and working capital for the University, with the main objective to generate income to support the budget while protecting principal and maintaining sufficient liquidity
 - Inflows are largely dependent on tuition and fees, sponsored programs and state appropriations
Outflows are driven by general disbursements, payroll and debt service payments
 - The University has access to \$50 million total line of credit facilities with two financial institutions that are used periodically throughout the year to support liquidity needs due to the cyclical nature of cash flows
- The BOG approved a new asset allocation September 2018 with the objective to add to income stream of the portfolio, and grow the portfolio to improve the reserves and the overall financial condition of the University
- The cash pool transitioned to a new asset allocation beginning January 2019 and was complete October 2019
- The Cash Pool is segregated into three tiers, with each tier having a separate asset allocation with targeted thresholds and/or ranges. Each tier is established with distinct objectives and eligible investments
- As of February 28, 2023, the cash pool was approximately \$610 million and was comprised of allocations to cash, fixed income, equities, alternatives and real assets
 - Includes proceeds from Series 2018A, 2019A and 2020A debt issuances
- New England Pension Consultants (NEPC) oversees the Cash Pool Investment Portfolio on a discretionary basis as the Outsourced Chief Investment Officer (OCIO)

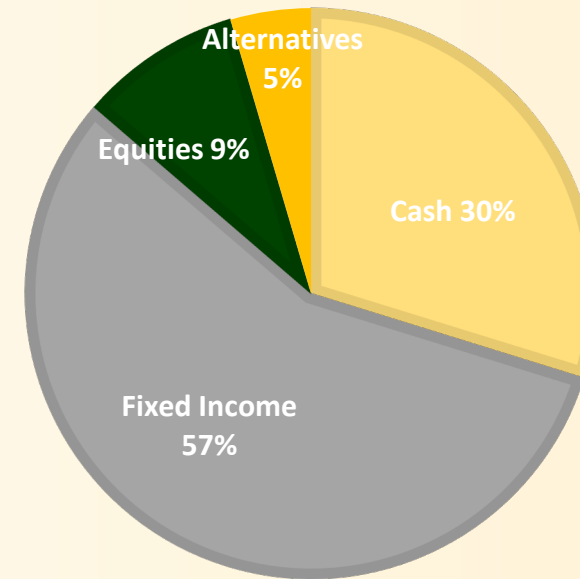


Cash Pool's expanded asset allocation achieves multiple objectives of liquidity, income generation, capital preservation and growth

Policy Asset Allocation



Actual Asset Allocation*



*As of February 28, 2023



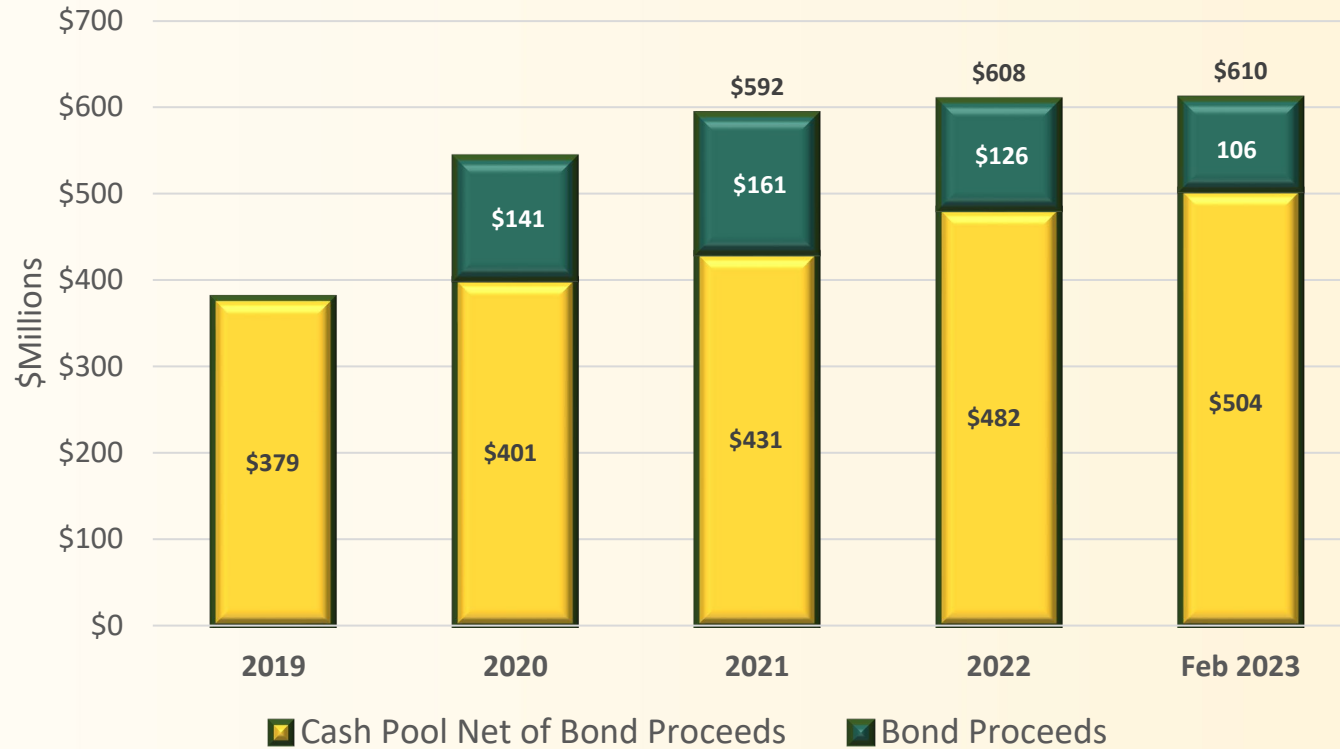
Includes Liquidity Pool, Liquidity Reserve Pool and Diversified Pool
Includes bond proceeds



Cash Pool continues to provide sufficient liquidity for the University's operating needs

Total Investments*

(As of September 30, 2022)



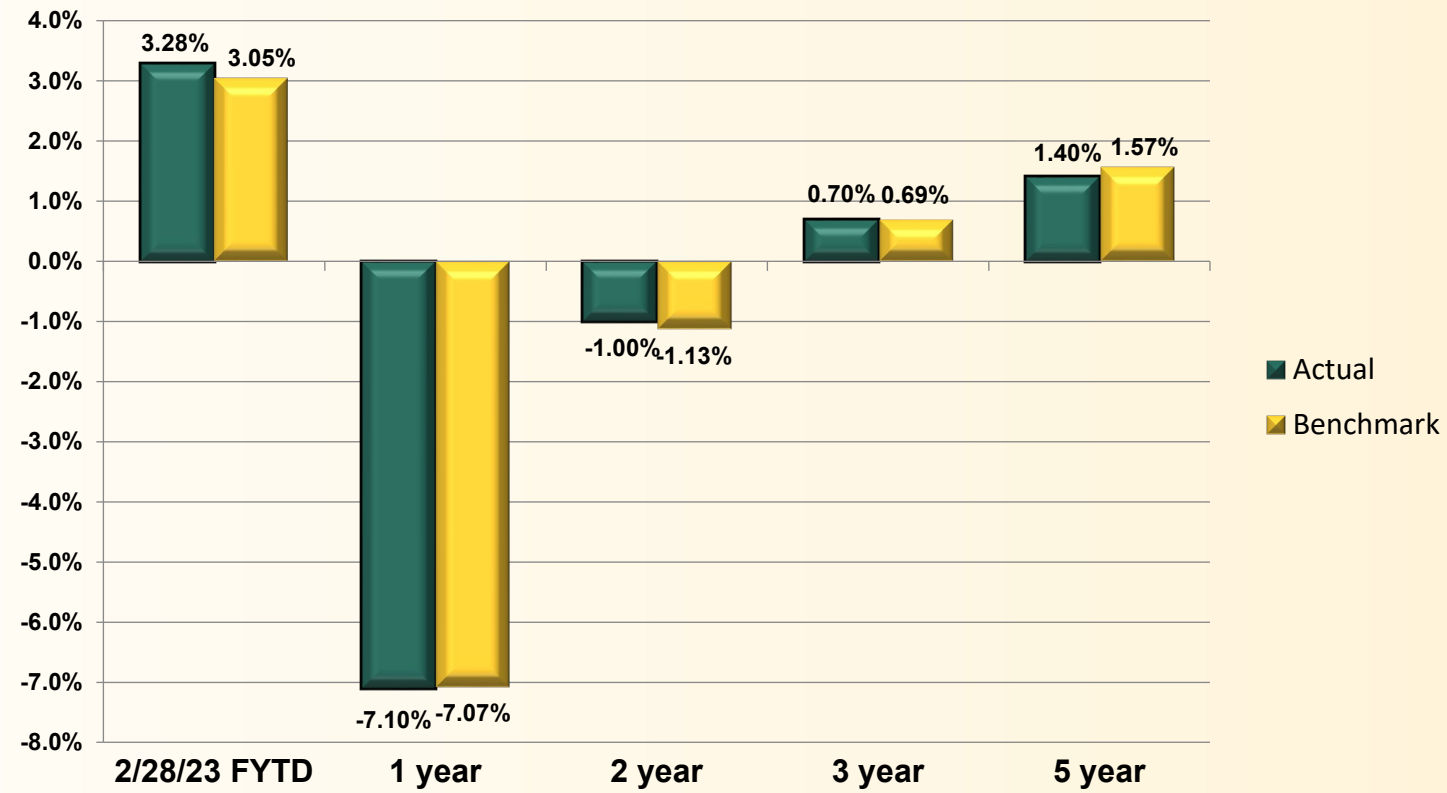
Transition to new asset allocation complete October 2019
 Performance net of investment sub-manager fees
 *Excludes PEPPAP account

Cash Pool Performance

(Net of Fees)

Performance

(Performance as of September 30, 2022)



Performance net of investment sub-manager fees

QUESTIONS?

