

SPRING 2022

Investment Report



TOWSON UNIVERSITY
FOUNDATION



For 50 years, the Towson University Foundation (TUF) has been supporting university initiatives and has delivered more than 10,000 scholarship awards totaling nearly \$20 million. Over the last two years, it has been an honor to serve as investment committee chair after many years as a foundation board member. Success metrics continue to be in our favor thanks to the board, Marquette Associates and of course, our generous donors.

In the 1990s, friends of the university and I began conversations about honoring the first Black graduates of Towson University. Within two years, The Barnes-Harris Endowment became a reality. Being engaged from the fund's inception provided me with the unique opportunity to understand and appreciate vision, investment, growth and how, managed properly, assets can potentially pay dividends eternally. TUF was much smaller then, simpler and less complex. In fact, money markets were paying 5-7%, and we owned little beyond U.S. stocks and government bonds. Times have certainly changed as has our committee, external partnerships and portfolio composition. As an alumnus, being involved during TU's greatest growth years has been energizing, especially considering the TU brand maturity, campus expansion, broadening diversity and growth of educational opportunities.

Front and center in the nonprofit investment universe today is ESG awareness and social responsibility. From an investment perspective, ESG consideration involves employing environmental, social and governance factors to evaluate companies and risks and explore opportunities. As a committee, we have developed an ESG-aware strategy and an ESG model to honor specific donor interests.

As we entered 2022, we appeared to be headed toward a more normal environment. Now, the world is challenged with a new and unexpected black swan event. While economics, politics and financial uncertainties prevail, the investment committee must be vigilant in maintaining the investment process through ongoing consultant engagement, continuing our education and maintaining the open architecture investment environment that brought the TUF to this point. We will continue to collaborate, leverage our collective experiences and look forward to the next 50 years.

Sincerely,

Ira Cox '88
TUF Investment Committee Chair



Computing for Young Girls— Benefits from TUF

Presented in partnership with the nonprofit organization **Girls Who Code**, and with support from the **Towson University Foundation** and the College of Education, **Computing for Young Girls** promotes equity in computing and education and focuses on underrepresented minorities, including women, students with special needs and those from low-income or refugee families. The program also fosters diverse teacher education by encouraging underserved women to consider choosing education and computing in education as a future career path.

The **Girls Who Code Club** is a free, after-school program for 6–12th grade girls. Beginning in February 2020, the pilot program was offered to 20 girls from the greater Baltimore area in seven, two-hour sessions. Since that time, five more **Girls Who Code Club** gatherings have been held. In fall 2021, the **Girls Who Code** and **Robotics Club** explored robotics for the first time using new VEXcode VR software. During the sessions, the girls created a series of codes to clean the coral reef in VEXcode VR and participated in numerous missions. The girls also coded various projects including a “Draw a House Challenge,” which included creating code to instruct a VR robot to draw a house.

Impact on TU students

TU undergraduate and graduate students were invited to join the project. Five, including four preservice teachers and a doctoral student, served as session assistants and planners, facilitators for online interactions, data collectors and student recruiters, co-presenters to groups and organizations, and research assistants.

In spring 2022, the TU-COE **Girls Who Code Club** will become a regular TU program, sustained through the College of Education at TU.

CLUB COORDINATOR: Mahnaz Moallem, professor of learning technology and research and chair of the Department of Educational Technology and Literacy at Towson University

PROJECT LEADER: Qing Li, educational technology professor at Towson University

4

Total clubs
over two years



95 girls served from
Maryland to Texas



50+% from
marginalized/
minority groups



60+ coding projects
completed with focus on
important social issues



Role Model Talk:
Chris Stephenson,
Computer Science
Education Program
at Google



24 sessions+ online
sessions continue

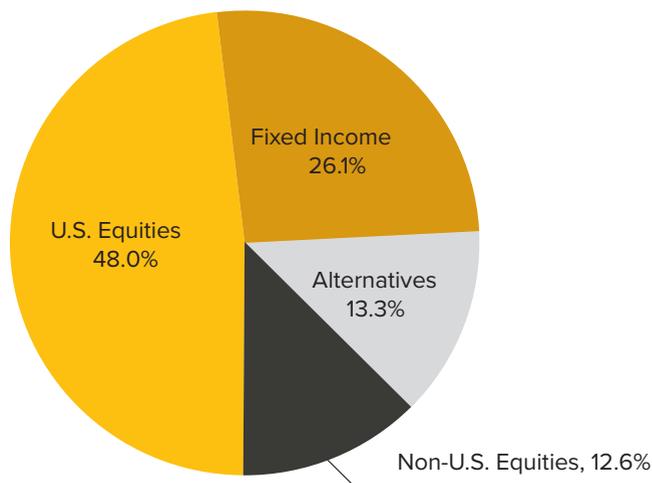
2021 Achievements

- Established ESG goals and fossil fuel divestment philosophy
- Divested direct fossil fuel exposure from fixed income portfolio
- Allocated \$5 million to a dedicated ESG equity manager
- 10-year performance ranks in the top 7th percentile

ESG Report

- No direct fossil fuel investments
- 6% allocation to ESG managers
- 100% ESG endowment for interested donors

Asset Allocation



Performance Results:

TU Foundation Strong Net-of-Fee Results

	Performance ending December 31, 2021			
	1-Year	3-Year	5-Year	10-Year
TU Foundation Endowment	15.1%	15.8%	11.5%	10.3%
Policy Index	13.9%	15.4%	11.0%	10.5%
Peer Ranking* (1=Best, 100=Worst)	32	32	24	13

- TUF ranks in the top 13th percentile over 10 years against peers (after first 6 months of FY 2022).

*Source: InvMetrics All E&F \$50 million-\$250 million

**Five years ending June 30, 2021; relative to policy benchmark

Strong Risk-

Adjusted Returns**

0.5%

Annualized Alpha

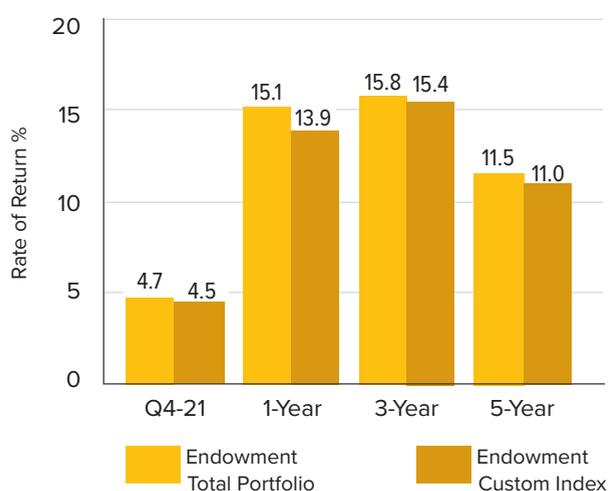
93.3%

Down Market
Capture

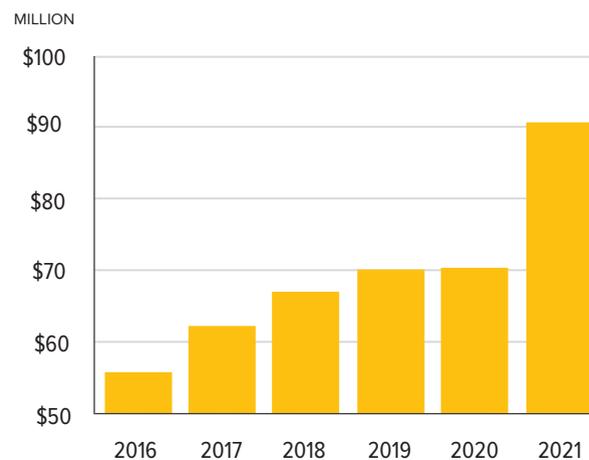
0.3%

Lower Standard
Deviation

Return Summary Ending December 31, 2021



Endowment Growth by FY



NACUBO FY 2021 Results: TU Foundation Outperforms

	Performance ending June 30, 2021			
	1-Year	3-Year	5-Year	10-Year
TU Foundation Endowment	28.5%	11.9%	11.5%	9.3%
NACUBO: All Public Colleges & Universities	30.3%	11.9%	11.2%	9.3%
NACUBO: \$51 Million to \$100 Million Endowments	26.6%	11.1%	10.5%	8.0%

- TUF outperforms all public colleges and universities by 1% over a 10-year time period.
- TUF outperforms peers of a similar size by 1.3% over a 10-year period.

Board of Directors

OFFICERS

J. William Murray '08, '11, President

President, Murray Group

Christopher J. Cavallaro '01, Secretary

AVP, Market Manager, SECU of Maryland, Inc.

Salvatore Correnti '82, Vice President

Investment Advisory Counselor

Christopher Evans '93, Treasurer

Senior Vice President/Business Banking Manager

Baltimore, Wells Fargo Bank, N.A.

Kim Fabian '88, Vice President

Non-Profit Leadership Consultant

Edna Primrose '84, Vice President

Founder and President, Differenza

David M. Vahos, Vice President

CFO & Treasurer, BGE

DIRECTORS

Raymond J. Brusca '80

Human Resources Executive/Lawyer

Thomas Coard '00

Branch Manager & Licensed Realtor, Long & Foster

Ira W. Cox MBA, CIMA, CPWA '88

Senior Vice President, AMUNDI Asset Management, Distribution Americas

Douglas Erdman '80

President, Community Realty Company, Inc.

Paul-Sean Gray '88

VP for Government Programs, Mind Over Machines

Anthony Hamlett Sr. '76

FBA Consulting, LLC

Stephanie Johnson '95

Senior Director, System Web Services, University of Maryland Medical System

Eric M. Kruk '97

Vice President, Legg Mason

(Acquired by Franklin Templeton)

Honorable Theresa A. Lawler

Retired Judge, Baltimore County

Edward McDonald '78

Commissioner, MD Port Administration

Rosemary Meyer

Partner & Regional Leader, KPMG, LLP

Kelly A. Powers, Esq.

Principal, Miles & Stockbridge P.C.

Howard J. Rosen, CPA

President, Rosen, Sapperstein & Friedlander, Chartered

Jeffrey J. Smith '90

Senior Vice President, Baltimore Complex Manager, Janney Montgomery Scott

Shanna N. Warburton-Barnes '99

Marketing Director, PM Consulting Group

EX-OFFICIO OFFICERS

Kim Schatzel, Ph.D.

President, Towson University

John J. Mease Jr.

VP & CFO, Towson University Foundation, Inc.

Brian DeFilippis

*VP University Advancement, Towson University
EVP, Towson University Foundation*

Shohreh Kaynama '76

*Dean, College of Business & Economics
Towson University*

Benjamin Lowenthal

*VP Administration & Finance,
Towson University*

Todd Langenberg

AVP Development, Towson University

INVESTMENT COMMITTEE

Ira W. Cox '88, Chair

Salvatore Correnti '82

Christopher Evans '93

Paul-Sean Gray '88

Eric M. Kruk '97

J. William Murray '08, '11

Jeffrey J. Smith '90