

SPRING 2024

Investment Report



TOWSON UNIVERSITY
FOUNDATION



TU
TOWSON
UNIVERSITY™

Patience and Discipline...

I'm thrilled to update you on our investment activities for the spring quarter. Despite market volatility and economic uncertainty, our strategy continues to show resilience and consistent progress.

Regarding interest rates, the Fed's uncertain stance has historically posed challenges. However, the current bond market presents attractive yields and pricing, mitigating some risks. We continue to optimize our fixed income structure in collaboration with our advisor, Marquette Associates, balancing cash, treasury exposure and duration across sectors.

In equity markets, high valuations persist, particularly among the "Magnificent 7." We continue to be diversified in the quality and value-oriented segments for potential rewards over time. Despite the underweight allocation to international stocks, we maintain positions in both developed and emerging sectors, following guidelines.

Our alternative allocation via the University System of Maryland Foundation continues to deliver stability during volatile equity markets.

Our commitment remains steadfast in safeguarding and growing the Towson University Foundation Endowment. We continue monitoring market developments, making incremental and strategic adjustments to seize opportunities and manage risks.

In closing, as we approach the end of another solid quarter, our focus remains on supporting the needs of the university, advancing the goals of the foundation and perpetually fostering scholarship opportunities. Your partnership and trust are integral to our success, and we look forward to continuing this journey together.

Warm regards,



Ira Cox '88
TUF Investment Committee Chair



Managing the Market Downturn



David and Alena Schwaber

The TU Foundation Approach

The 2022 economic downturn and market uncertainty challenged even the most seasoned investment advisers and affected investors globally. For the last two years, the TUF has taken a proactive approach that many have called surprising—in a very good way! The TUF has allocated a pool of funds, from its strategic reserves, to match additional new donor gifts, ensuring that awards will continue to be made, particularly for the funds that are underwater. For those, like David and Alena Schwaber who invested at the peak of the market, it hurt more. “The foundation was proactive in approaching me,” says David. “They put up half of the funding to make my endowment whole.” All three students who benefitted from the Schwabers’ endowments were taken care of. “That’s what I appreciated most.”

The TUF Investment Committee closely monitors the university’s endowment to ensure continued growth.

“We wanted to be forthright with our donors. It was the right thing to do.”



BRIAN DEFILIPPIS
VP, University Advancement, Towson University
Executive VP, Towson University Foundation

“This is our mission—to ensure the investments of our donors become investments in the TU experience.”



KIM FABIAN
Chair of the TU Advancement Committee

2024 Grant Awards

For the sixth year, the TU Foundation recognized and rewarded the outstanding work happening in the TU community with grants totaling close to \$100,000. “This year we are supporting projects and programs in three of our colleges, student affairs and Strategic Partnerships & Applied Research (SPAR),” says Kim Fabian, chair of the TU Advancement Committee. “This is our mission—to ensure the investments of our donors become investments in the TU experience.”

Read more about the 2024 TU Foundation Grant Awards.

Spring 2024 Investment Report

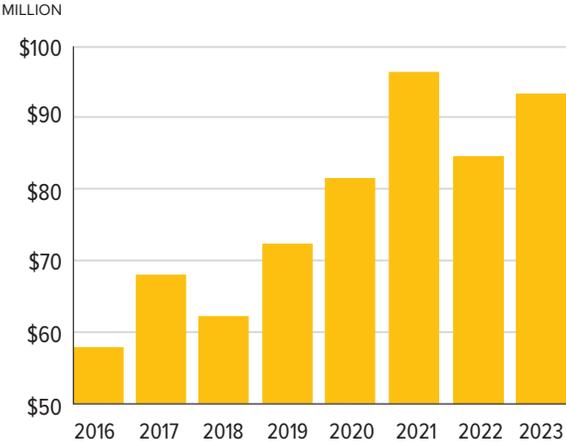
Performance Results: TU Foundation Strong Net-of-Fee Results

	Performance ending Dec. 31, 2023			
	1-Year	3-Year	5-Year	10-Year
TU Foundation Endowment	12%	4.7%	9.2%	7.0%
Policy Target Index	17.1%	3.4%	9.4%	7.2%
Peer Ranking* (1=Best, 100=Worst)	72**	24	22	15

TUF ranks in the top 15th percentile over 10 years against peers.

*Source: InvMetrics All E&F \$50 million-\$250 million
 ** The TUF took a defensive position in managing its portfolio in 2023 which resulted in a peer ranking decline. The TUF continues to rank in the top 15th percentile against peers over a 10-year period.

Endowment Portfolio Value by FY



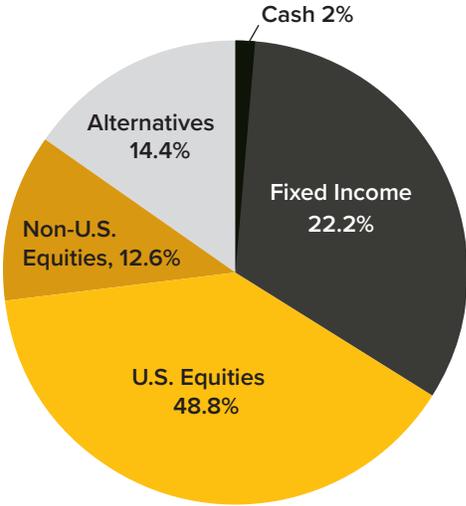
2023 Achievements

- Maintained defensive allocation
- Took advantage of higher-yielding treasury bonds
- Examined markets, opportunities and potential asset classes
- Disciplined rebalancing while meeting liquidity needs

ESG Report

- No direct fossil fuel investments
- 7% allocation to ESG managers
- 100% ESG endowment available for interested donors

Asset Allocation



Strong Risk-Adjusted Returns**

- 0.09%** Annualized Alpha
- 83.9%** Down Market Capture
- 1.9%** Lower Standard Deviation

**5 Years Ending June 30, 2023, Relative to Policy Benchmark

2023 Grant Awards Making a Difference



DR. NANCY GRASMICK Leadership Institute

The Dr. Nancy Grasmick Leadership Institute

Signature Forum – Integrity Ignited: Embracing Optimism for Transformational Leadership

In fall 2023, Towson University and the Dr. Nancy Grasmick Leadership Institute (NGLI) hosted the 2023 Signature Forum – **Ignite Integrity: Embracing Optimism for Transformational Leadership**, made possible in part, by a 2023 grant from the TU Foundation. More than 500 corporate, nonprofit and government officials gathered to inspire, network, teach and model ethical leadership and decision-making. They were joined by 24 Baltimore County high school juniors in the **Outstanding Young Women Leaders Program** and 25 TU students in the **Towson University Student Leadership Advisory Council**.

Special guest, Lt. Gov. Aruna Miller, spoke about her leadership journey. The Signature Forum keynote was Jackie Insinger, a nationally recognized speaker and coach in cognitive psychology and interpersonal dynamics and author of “Spark Brilliance.”

Following the keynote, a leadership panel representing a variety of industries and organizations discussed the challenges faced by leaders in building functional and productive teams in today’s workforce culture. Panelists included: Calvin Butler, (Exelon), Dr. Mohan Suntha (UMMS) and Rachael Monroe (Harry and Jeanette Weinberg Foundation).

The hope is that the signature forum becomes an annual event and continues to impact and build ethical leaders, grows the regional economy and showcases Towson University.



“We hope the Towson University Foundation will partner with us to make the signature forum an annual event.”

ERIN MORAN

Executive Director, Dr. Nancy Grasmick Leadership Institute

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