Long-Term Investment Pool (LTIP) Overview

Tim Reading, Senior Director of Investments
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Key Topics

• What is the LTIP and how does it work?
• What are the key priorities that the LTIP supports?
• How does the LTIP measure success?
• What is the LTIP invested in?
• What are the key areas of focus for the LTIP team?
• Who is responsible for managing the LTIP?
LTIP Market Value

Since FY 2000, the LTIP has grown more than five-fold. Through the first six months of FY 2024 the LTIP has increased in value from $7.38B to $7.60B and generated $344M in investment income.
Since FY2000, annual distributions from the LTIP to support university priorities have grown more than six-fold from $46M to $289M.

- Based on 2023 LTIP performance, FY2024 distribution is estimated to be $305M.
Distributions from the LTIP

Annual payments based on a five-year average.

- 4.5% distributed on an annual basis.
- Policy provides steady, reliable funding for campus priorities.

**FY23 Distributions: $289.1M**

- Academic Strategic Priorities: $91.2M
- Educational Support and Facilities: $66.8M
- Student Financial Aid: $53.9M
- Faculty Support: $41.7M
- Wexner Medical Center: $21.2M
- Research: $12.3M
- Public Service: $1.7M
- Pending: $0.3M
Measurement of LTIP Performance

- Over time, LTIP seeks to generate ~8% annualized returns.
- Since July 1, 2020, the LTIP has generated $2.4 billion in total gains.
- During this same time period, the LTIP generated a total return of 46.0% compared to a return of 29.7% for the benchmark, resulting in $792 million of gains in excess of being invested in the benchmark.
- LTIP performance has also been strong relative to peer institutions. Per Cambridge Associates, an industry consultant, OSU’s performance places it in the top quartile versus all other Endowments & Foundations over the last three years.

Note: Total Consolidated Benchmark based on preliminary data for HFRI and Cambridge Associates Indices. Finalized numbers published approximately four months after quarter end. Results and benchmarks for illiquid categories both reflect a lag of one quarter.
LTIP Asset Allocation as of December 31, 2023

Simple Asset Allocation

- Public Equity: 40.1%
- Private Equity: 26.7%
- Real Estate & Infrastructure: 8.6%
- Legacy Investments: 4.2%
- Hedge Funds & Credit: 19.3%
- Cash & High-Grade Bonds: 1.2%

Granular Asset Allocation

- Cash & High-Grade Bonds: 1.2%
- Liquid Credit: 3.7%
- Hedge Funds: 10.3%
- Legacy Investments: 4.2%
- Illiquid Real Estate: 0.7%
- Liquid Real Estate: 2.6%
- Infrastructure: 5.4%
- Venture Capital: 8.8%
- Growth Equity: 2.0%
- Buyouts: 15.9%
- Emerging Markets: 4.7%
- International Public Equity: 5.5%
- Global Public Equity: 8.5%
- US Public Equity: 21.4%
LTIP Asset Allocation Over Time
LTIP Geographic Exposure

**Public Equity**

- North America: 63.9%
- Europe (Developed): 13.8%
- Asia (Developed): 10.9%
- Asia (Emerging): 9.7%
- Other: 1.7%

**Private Equity**

- North America (Developed): 59.0%
- Europe (Developed): 27.6%
- Asia (Emerging): 5.9%
- Latin America (Emerging): 4.2%
- Other: 3.4%

**Public + Private Equity**

- North America: 62.0%
- Europe (Developed): 19.3%
- Asia (Developed): 7.2%
- Asia (Emerging): 8.2%
- Latin America (Emerging): 2.1%
- Other: 1.2%

**MSCI ACWI**

- North America: 64.2%
- Europe (Developed): 16.9%
- Asia (Developed): 8.2%
- Asia (Emerging): 8.1%
- Latin America (Emerging): 1.1%
- Middle East and Africa (Emerging): 1.1%
- Other: 0.4%

Note: Exposures are derived from Intercontinental Exchange (ICE) methodology, which is risk-based and not purely domicile-based. This results in minor variation vs. MSCI ACWI. Other includes cash and weights to regions under 1%.
Long-Term Areas of Focus

Core Themes by Asset Class

- **Public Equity**
  - Build exposure to proven compounders.
  - Add niche managers focused on certain geographies, sectors or capitalization.
  - Retain passive index exposure.

- **Private Equity**
  - Target smaller managers with sector focus.
  - Grow Venture Capital exposure.

- **Real Assets**
  - Expect gradual reduction in Legacy Investments.
  - Grow exposure to Digital Infrastructure.

- **Hedge Funds**
  - Grow Hedge Funds with uncorrelated return profile.
  - Seek niche Liquid Credit and Illiquid Credit strategies with attractive risk/return attributes.

- **Cash & High-Grade Bonds**
  - Maintain underweight to long-term target.
Managing the LTIP

- Multiple groups and individuals at OSU assist in ensuring that the LTIP is invested in the best possible manner to generate strong risk adjusted returns

  - **OSU Board of Trustees Investment Committee** – Fiduciary group responsible for ensuring that LTIP is managed in accordance with Investment Policy.
  - **Investment Working Group** – Non-fiduciary group of 10 individuals that provide advice to CFO and CIO on asset allocation, governance and investments.
  - **CFO** – Responsible for oversight of investment program, operations and reporting. Reviews and approves new investment managers.
  - **CIO & Office of Investments Staff** – Responsible for managing investment program, operations and reporting including sourcing, evaluating and monitoring investment managers.
  - **Investment Managers** – External investment funds hired by the LTIP to invest in various asset classes (e.g. Public Equity, Private Equity, Credit). Managers have full discretion, but must adhere to their investment mandate.
Office of Investments Organization Chart

VP & Chief Investment Officer
Vishnu Srinivasan

Liquid Strategies
Timothy Reading – Senior Director of Investments
Drake Sims – Investment Analyst
Christina Paliyannis – Investment Analyst

Investment Operations
Renee Schlade – Director of Operations

Illiquid Strategies
Samir Sidani – Senior Director of Investments
Aaron Estrel – Senior Investment Analyst
Shanelle Aranha – Investment Analyst

Executive Assistant
Jo’Vanna Zanders
# IWG Member Biographies

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<tr>
<th>IWG Member</th>
<th>Role</th>
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| Kent Stahl | IWG Chair, Liquid Subcommittee | Retired CIO of Wellington Management  
OSU BOT: Public Member, Finance & Investment Committee  
Board of Directors: Diebold Nixdorf, Longfellow Investment Advisors, Dogwood Healthcare Trust |
| Richard Charlton | Governance Subcommittee | Chairman emeritus and founder of New England Pension Consultants (NEPC) |
| Sandor Hau | Illiquid Subcommittee | Managing Director at Charlesbank Capital Partners/Head of Opportunistic Credit Investing  
Formerly Managing Director at Nomura and Goldman Sachs |
| Lisa Howie | Illiquid Subcommittee | CFO of Smith College Endowment  
Formerly Director of Investments at Yale University Endowment |
| James Klingbeil | Illiquid Subcommittee | Chairman of Klingbeil Capital Management  
OSU BOT: Charter Member, Finance & Investment Committee (Vice Chair), Master Planning & Facilities  
Board of Directors: United Dominion Realty Trust |
| Matt Magee | Liquid Subcommittee | Partner and Head of Investment Strategy & Research at Adage Capital Management  
OSU Foundation: Board and Audit Committee Member |
| Greg Mattiko | Liquid Subcommittee | Portfolio Manager at Wellington Management with a focus in Emerging Markets  
Formerly Portfolio Manager at JP Morgan Asset Management |
| Martin Murrer | Illiquid Subcommittee | Partner at Muirfield Capital Management  
Formerly at SageLink Advisors, Salomon Brothers, Goldman Sachs, DLJ and Merrill Lynch  
Board of Directors: Catholic Charities of the Archdiocese of New York |
| Ron Ongaro | Governance Subcommittee | Morgan Stanley Wealth Management  
Former Managing Director at Goldman Sachs |
| Ashi Parikh | Liquid Subcommittee | Formerly CEO and CIO of RidgeWorth Investments  
Board of Directors: PNC Funds (Independent Trustee), World Methodist Council Endowment Fund, Action Ministries |

In addition to the individuals mentioned above, the IWG also includes two OSU staff members: Mike Papadakis (CFO) and Anne Garcia (General Counsel).
Add any questions in the comment section