



Board of Trustees

December 22, 2023

MOTION

To authorize the administration to transfer \$10-\$15 million to a new account with Corient after evaluating the University's current cash and money market accounts.

Ali R. Salehi, Chair

Date

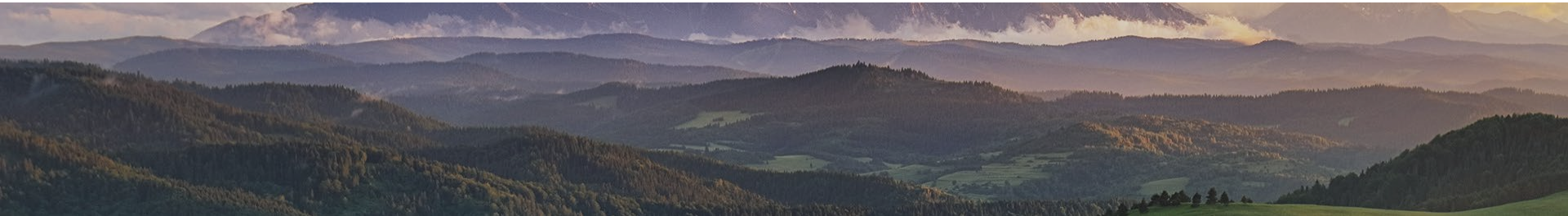


December 15, 2023

PRESENTED BY:

Robert C. Quinn, CFA®, CFP® ■ Partner, Wealth Advisor ■ robert.quinn@corient.com ■ (781) 896-7857

Dule Laflamme, CFA® ■ Partner, Portfolio Manager ■ duke.laflamme@corient.com ■ (781) 896-7702



CORIENT

Agenda

I. Investment Philosophy and Process

II. Fixed Income Cash Reinvestment

III. WSU Passive Equity Investment

IV. Current WSU Portfolio

V. Fee Reduction

I. Investment Philosophy and Process



Team Model Designed to Deliver Optimal Outcomes

Westfield State University

CORIENT INVESTMENT COMMITTEE

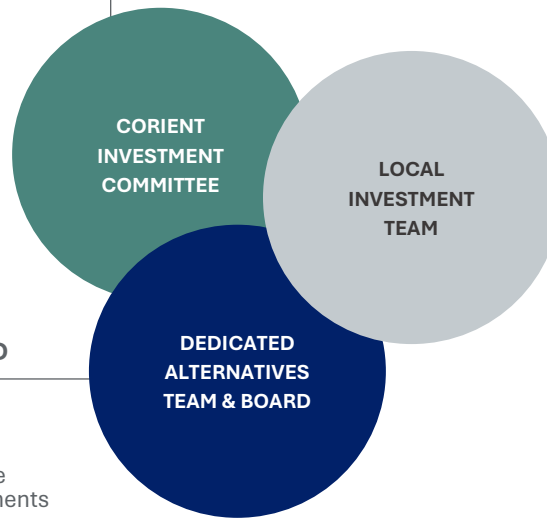
- Identifying compelling investment strategies across the spectrum
- Analyzing markets for risks and opportunities
- Maximizing cost-efficiency by leveraging our scale

LOCAL INVESTMENT TEAM

- Corient Boston has a dedicated team of investment professionals that works collaboratively with our Wealth Advisors
- Leveraging our collective expertise to design a customized portfolio for you
- Evaluating portfolios to enhance client outcomes

ALTERNATIVE INVESTMENTS TEAM & BOARD

- Identifying and accessing attractive alternative investments
- Providing strategic direction and oversight on the sizing and implementation of alternative investments
- Building compelling alternative portfolios



Our Comprehensive Investment Platform

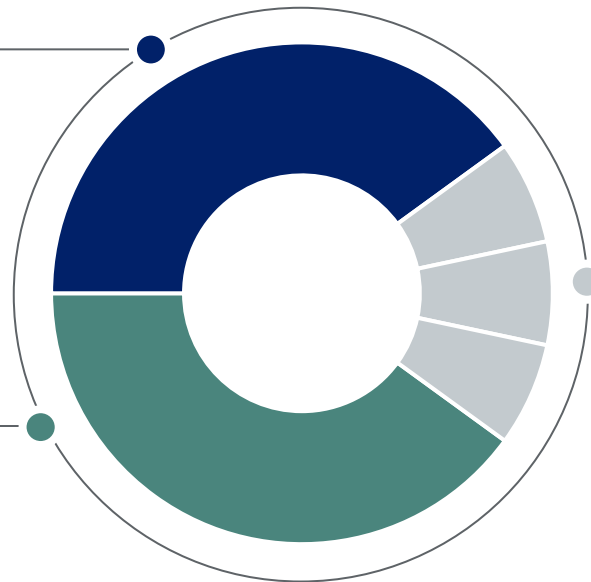
Westfield State University

FIXED INCOME

Core bond exposure balancing client tax circumstances, diversification, and the broad fixed income opportunity set

EQUITIES

Globally diversified public equities seeking to provide long-term growth for portfolios



ALTERNATIVE ASSETS

Provide diversifying exposures seeking to enhance risk-adjusted returns

- Growth Potential
- Income Generating
- Diversifying Exposures

Allocation shown is for illustrative purposes only.

CORIENT

Our Comprehensive Investment Platform

Westfield State University

Asset Allocation Drives Returns

We believe the targeted mix between **equities** and **fixed income** will be the primary driver of long-term portfolio results

This mix will vary due to client circumstances and risk tolerance

We are careful to consider client objectives and personal preferences when designing the optimal portfolio



CORIENT



Our Goal is to Deliver the Best Results

Westfield State University

TAILORED

- **Client First** As fiduciaries, we always put our clients' interests before our own
- **Goals Focused** We build portfolios based on our clients' unique goals, risk tolerance, and time horizon
- **Outcome Oriented** Our entire system seeks to deliver the financial growth and security that our clients demand

STRATEGIC

- **Long-Term** Our approach seeks to succeed through business cycles with custom asset allocation and investment strategies
- **Opportunistic** We are targeted in identifying opportunities emerging from market inefficiencies and nimble in our ability to take advantage of them
- **Focused** Our team of seasoned experts are dedicated to navigating markets and delivering results

RIGOROUS

- **Risk Managed** We utilize balanced, diversified portfolios to mitigate concentrated risks in markets and investments
- **Data-Driven** We ground our decisions in thorough analysis, positioning ourselves to make informed decisions
- **Adaptive** As markets evolve, so do we, adapting our approach to incorporate new tools and innovative strategies

DISCIPLINED

- **Rational** We follow time-tested processes to avoid investment mistakes based on irrationality or emotion
- **Cost-Conscious** We seek to lower investment costs to deliver higher net returns to clients
- **Tax-Conscious** We employ strategies to help avoid unnecessary tax obligations for our clients

Tax strategies are employed for planning purposes only and are not intended to replace professional tax, legal or accounting advice. Please consult your tax, legal and accounting professionals to discuss your unique tax circumstances.

Our Process to Drive Success

Westfield State University



Our Process to Drive Success

Westfield State University

MONITORING

- Regular portfolio management meetings
- Look-through exposures and risks
- Stress test against adverse market environments

REPORTING

- Transparent performance and fees
- Measured against objectives and goals



Ongoing Management Process

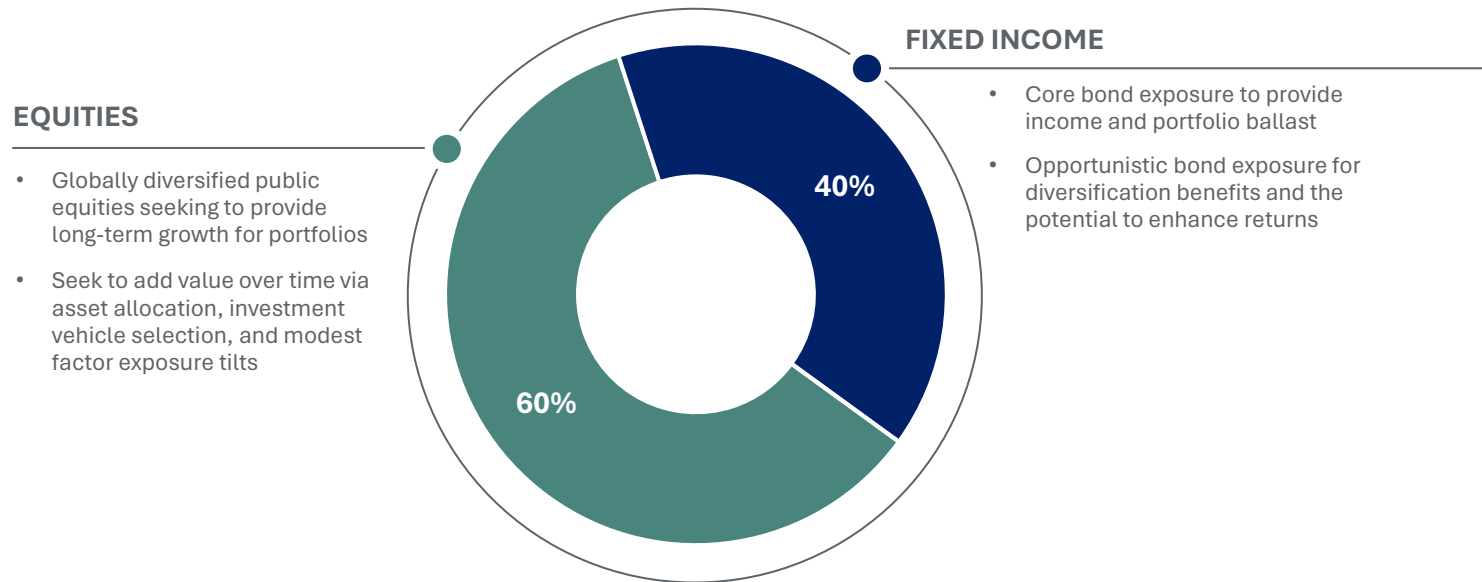
RISK MANAGEMENT

- Emphasis on risk/volatility contribution
- Awareness of correlation properties
- Designed to weather economic cycle shifts

TRADING

- Rebalance as needed
- Tax loss harvest as opportunities arise
- Implement global opportunistic tilts
- Efficiently execute manager changes

Westfield State University: Benchmark Allocation



Allocation shown is for illustrative purposes only.

Fixed Income: A Core Satellite Approach

Westfield State University

CORE FIXED INCOME

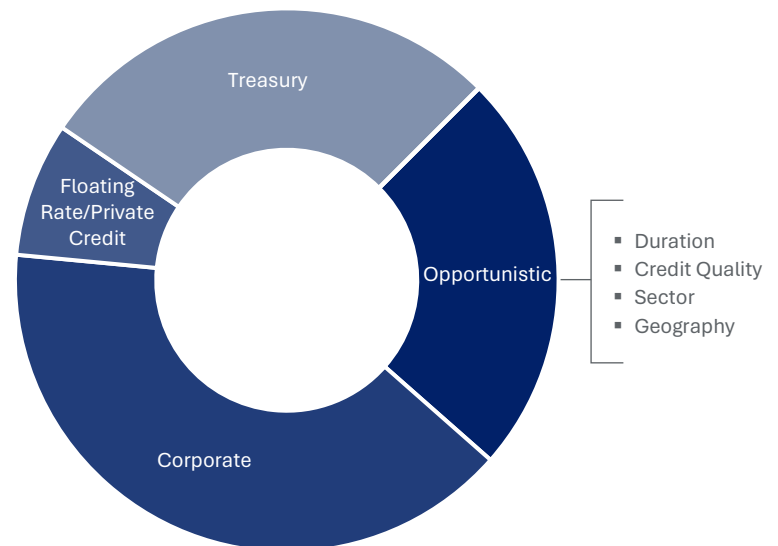
Build out the core portion of the portfolio utilizing individual bonds managed by Corient

- Seek to balance interest rate and credit risk based on market conditions.
- Focus on investment grade rated securities.
- Primarily constructed of corporate bonds and U.S. Government obligations.
- Flexibility to allocate to municipal bonds when attractive.
- Customized portfolio tailored to Colby-Sawyer.

OPPORTUNISTIC FIXED INCOME

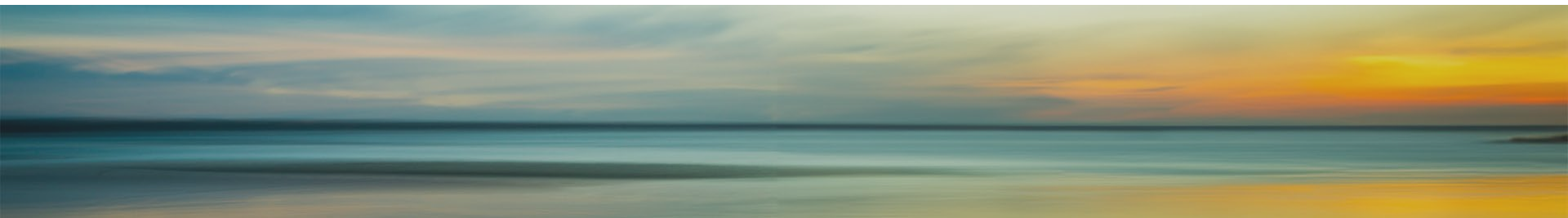
Provide wide flexibility for highly active managers to opportunistically shift capital across the fixed income spectrum

- Unconstrained mandates across global fixed income sectors.
- Managers will often deviate substantially from benchmark weights, asset classes, credit quality, and duration characteristics.
- We recommend an allocation to private credit and/or floating rate loans to protect against rising interest rates and take advantage of high current income.



The strategies presented are for illustrative purposes only and may not be utilized in all circumstances. Alternate strategies may be recommended based on the client's unique financial circumstances. Allocation shown is for illustrative purposes only.

II. Fixed Income Cash Reinvestment



Money Market to Corporate Bond Ladder

Westfield State University

The rationale for moving from a money market fund to a portfolio of 3–6-year corporate bonds is to lock in today's higher rates for a longer period. This opportunity assumes that the Federal Reserve (Fed) is near the end of its current rate tightening cycle and will at some point in 2024 begin to cut the Fed Funds Rate.

Current Investment – MMDT Cash Portfolio – Current Yield 5.62%

The MMDT Cash Portfolio is a diversified portfolio of high-quality money market instruments that seeks to obtain the highest possible level of current income consistent with preservation of capital and liquidity. The portfolio holds high-quality securities issued by banks, special purpose vehicles, financial and non-financial commercial paper, and other miscellaneous instruments. The securities have very short maturities, ranging from 1-180 days, with a weighted average maturity of 37 days. The short maturity profile is designed to minimize the interest rate risk in the portfolio however it does lead to another risk. In an environment where short-term interest rates are declining, the maturity profile leads to reinvestment risk. In simple terms, as securities mature, they are reinvested into lower yielding securities, which puts downward pressure on the yield that investors will earn.

Money Market to Corporate Bond Ladder

Westfield State University

Example of Falling Rates Impact on MMDT Fund Yield

If the fund is currently paying a yield of 5.62% and interest rates dropped by 1.0% in a day (a drop of this magnitude would likely occur over a longer time period), in 37 days, the fund's yield will have decreased by 1.0% to 4.62%.

Reinvestment risk

Given current market expectation, reinvestment risk is one that should be considered when determining the suitability of holding a money market fund. As of November 20th, the market was pricing in expectations of just under 4 rate cuts totaling about 1% through year-end 2024.

Proposed Investment – 3-6 Year Corporate Bond Portfolio – Current Yield 4.85%

Building a ladder portfolio of high-quality (A-Rated or better) bonds with maturities of 3-6 years provides the opportunity to lock in today's higher rates for a longer period than will likely be available in the MMDT Cash Portfolio. While the portfolio does have more interest rate risk, the high likelihood that the bonds will be held to maturity eliminates this risk.

Money Market to Corporate Bond Ladder

Westfield State University

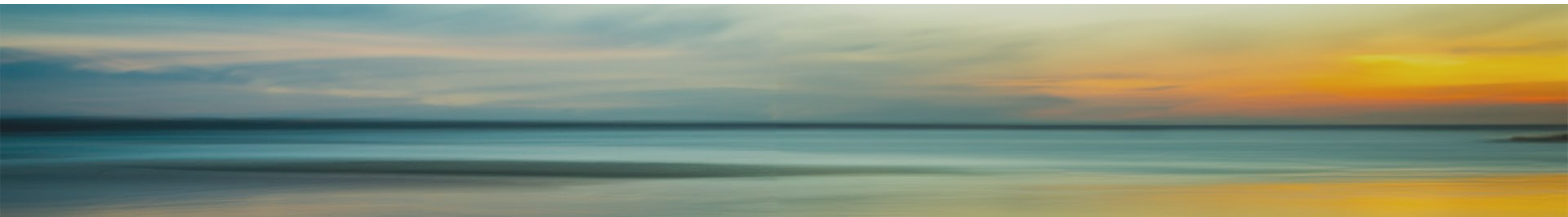
Example of Falling Rates Impact on Corporate Bond Portfolio

If the portfolio is currently paying a yield of 4.85% and interest rates dropped by 1.0%, there would be no impact on the yield earned in the portfolio until bond maturities occurred in three years.

Recommendation

Sell $\frac{1}{2}$ of the current money market holdings and reinvest the proceeds into a 3–6-year corporate bond portfolio. The proposed change would decrease the current yield from 5.62% to 4.85%, a reduction of roughly \$39,000 for the remainder of the fiscal year. In return for this near-term reduction in income, the portfolio will continue to earn 4.85% on half of the portfolio for at least the next three years. The half that remains in the money market fund will be available for any liquidity needs and can be resized as those needs become clear in the coming years.

III. WSU Passive Equity Allocation



Equity: A Thoughtful Passive Approach

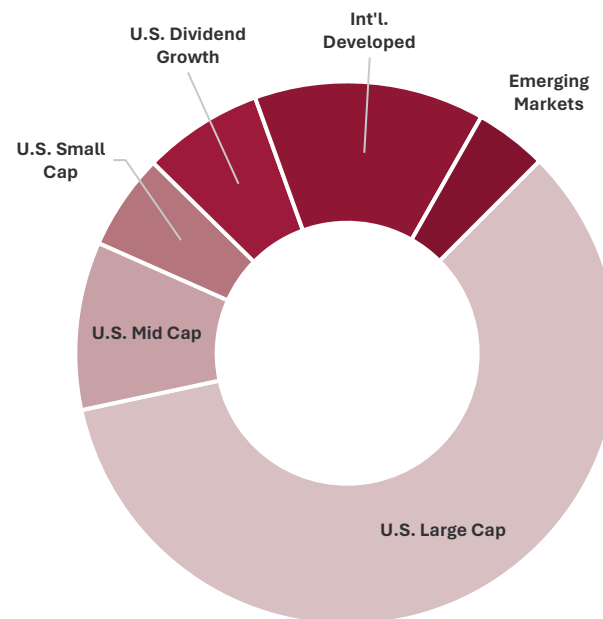
CORE EQUITIES

Achieve highly efficient, low-cost exposure to majority of the investable stock universe

- Customizable
- ETF strategies
- Direct Index separate accounts
- According to data compiled by S&P Global, broad market indices tend to outperform the majority of actively managed funds, mainly over medium- to long-term investment horizons.

OTHER CONSIDERATIONS

- Focus on low-cost vehicles that provide efficient broad market exposure
- Seek to add value over time via asset allocation, investment vehicle selection, and modest factor exposure tilts
- Favor S&P index construction methodology to screen out non-earners
- May incorporate an allocation to U.S. Dividend Growth equities over time which we believe may offer superior risk-adjusted returns through the cycle



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Westfield State University: Benchmark Portfolio Allocation

12/31/22 Returns

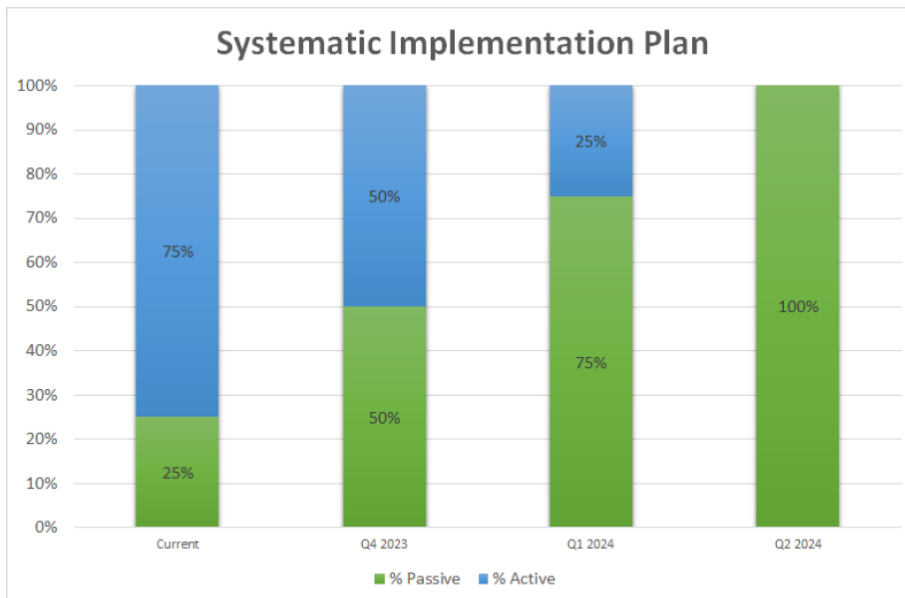
Asset Class	Classification	Ticker	% Total	Expense	1 Yr	3 Yr	5 Yr	10 Yr	
				Ratio					
Fixed Income	Core Bonds	DVI	38%	0.00%	-8.3	-1.5	0.5	0.9	Individual Securities
Money Market	Cash	BIL	2%	0.14%	1.4	0.6	1.1	0.6	Government MMF
Fixed Income			40%						
S&P 500 (IVV)	U.S. Equity	IVV	30%	0.03%	-18.2	7.7	9.4	12.5	Passive
US Mid Cap (IJH)	U.S. Equity	IJH	4%	0.05%	-13.1	7.2	6.6	10.7	Passive
US Small Cap (IJR)	U.S. Equity	IJR	5%	0.06%	-16.2	5.7	5.8	10.8	Passive
International Developed (VEA)	International Developed	VEA	15%	0.04%	-15.4	1.2	1.6	4.9	Passive
Emerging Market (VWO)	Emerging Market	VWO	6%	0.05%	-18.2	-1.5	-0.3	1.5	Passive
Equity			60%	0.02%	-13.3%	2.4%	3.8%	5.9%	Passive

Source Factset. Returns annualize for over 1 yr. Past Performance is not indicative of future performance
For Illustrative purposes only. WSU's actual asset allocation will differ

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Passive Equity Implementation Timeline – December 2023

Passive Asset Allocation Target: 60% Equities, 40% Bonds and Cash

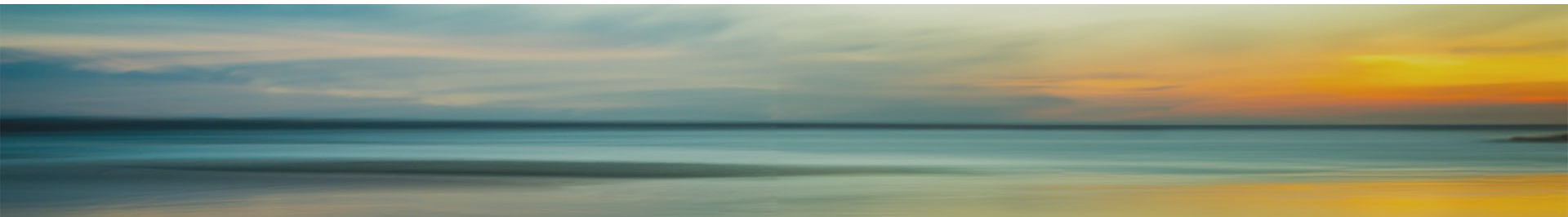


Implementation Notes:
Incremental invest each quarter to reach strategic allocation by Q2 2024

- Increase passive Investments from 25% to 50% beginning in the Fourth quarter of 2023, moving in 25% increments until passive investments equals 100% in Q2 24

Corient One-On-One Purposes Only. Not for Outside Distribution.

IV. WSU Portfolio November 30 2023



Westfield State University: Recommended Portfolio Allocation

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WESTFIELD STATE UNIVERSITY

Account Portfolio Summary

2859536

October 1, 2019 to November 30, 2023

Portfolio Summary

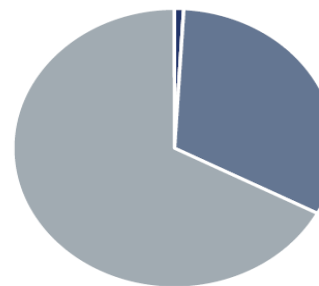
Change in Value	10/1/2019 - 11/30/2023	Year to Date
Beginning Market Value	\$19,893,939	\$21,826,500
Additions	\$7,358	\$0
Withdrawals	(\$294,043)	(\$78,712)
Income Received	\$1,793,515	\$351,177
Change in Investment Value	\$2,771,226	\$2,073,029
Ending Market Value	\$24,171,994	\$24,171,994

Realized Gains/Losses	10/1/2019 - 11/30/2023	Year to Date
Short Term	(\$210,992)	\$64,618
Long Term	\$533,097	\$99,473
Total Realized Gain/Loss	\$322,105	\$164,091

Estimated Annual Income

Taxable	\$429,652
Total	\$429,652

Portfolio Allocation as of 11/30/2023



Asset Class	Market Value	% of Assets	Est. Income	Current Yield
Cash & Equivalents	\$222,425	0.92 %	\$9,867	4.44 %
Fixed Income	\$7,690,639	31.82 %	\$196,486	2.55 %
Equity	\$16,258,931	67.26 %	\$223,298	1.38 %
Total Portfolio	\$24,171,994	100.00 %	\$429,652	1.77 %

CORIENT

November 30, 2023

Total Return*

Asset Class	Market Value	Year to Date	Rolling 1-Year	Rolling 2-Year	Rolling 3-Year	Rolling 5-Year	Annualized Since 7/1/2023	Annualized Inception to Date	Inception Date
Cash & Equivalents	\$222,425	2.10 %	2.15 %	1.15 %	0.77 %	-	1.23 %		10/1/2019
Fixed Income	\$7,690,639	4.32 %	4.60 %	1.19 %	0.77 %	-	2.55 %		
Equity	\$16,258,931	15.51 %	9.23 %	-3.78 %	4.05 %	-	2.17 %		10/1/2019
Domestic Large Cap	\$10,723,578	19.25 %	11.85 %	-4.25 %	5.67 %	-	3.50 %		10/1/2019
Domestic Mid Cap	\$1,475,439	16.34 %	10.56 %	3.14 %	2.85 %	-	2.28 %		0/1/2019
Domestic Small Cap	\$1,009,430	2.91 %	-1.64 %	-1.12 %	7.80 %	-	-2.19 %		10/1/2019
International Developed	\$1,816,396	8.61 %	4.59 %	-5.44 %	0.14 %	-	-2.23 %		10/1/2019
International Emerging	\$1,234,087	6.78 %	4.27 %	-5.95 %	-2.34 %	-	0.71 %		10/1/2019
Total Portfolio	\$24,171,994	10.84 %	7.11 %	-2.24 %	2.67 %	-	2.07 %		10/1/2019

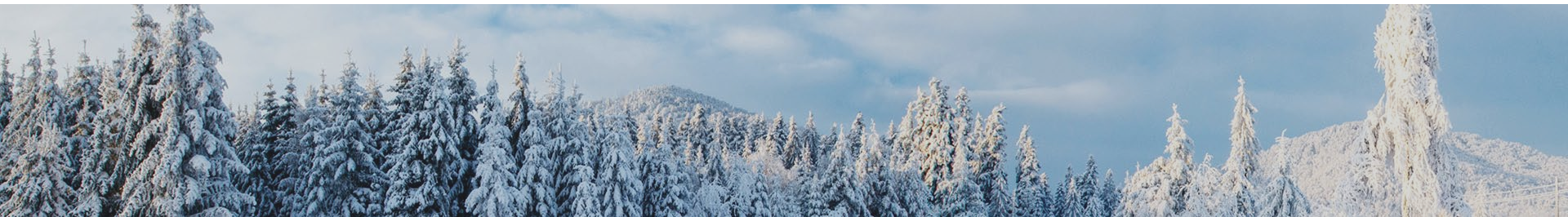
Index Comparison

Benchmark	Year to Date	Rolling 1-Year	Rolling 2-Year	Rolling 3-Year	Rolling 5-Year	Annualized Since 7/1/2023	Annualized Inception to Date (10/1/2019)
Westfield State University Custom Benchmark	10.02 %	7.34 %	-1.09 %	2.89 %	-	1.45 %	
60% ACWI / 40 % Intermediate US Gov/Credit	11.07 %	8.37 %	-1.18 %	2.67 %	-	1.99 %	
MSCI EM (Emerging Markets) Growth (TR Net)	3.18 %	1.84 %	-11.27 %	-8.61 %	-	-0.14 %	
Russell 2000	4.20 %	-2.57 %	-7.94 %	1.13 %	-	-3.60 %	
Russell 2500	6.06 %	-0.25 %	-5.44 %	3.26 %	-	-2.51 %	
Bloomberg Intermediate US Aggregate	2.15 %	1.88 %	-3.91 %	-2.94 %	-	0.52 %	-
Bloomberg Intermediate US Gov/Credit Bond	2.86 %	2.67 %	-2.91 %	-2.31 %	-	1.34 %	
Bloomberg 1-3 Month T-Bill	4.65 %	5.02 %	3.08 %	2.06 %	-	2.27 %	
S&P 500 (Base 1936)	20.80 %	13.84 %	1.66 %	9.76 %	-	3.34 %	
MSCI EAFE (TR Net)	12.27 %	12.36 %	0.48 %	3.80 %	-	0.54 %	
S&P 500 Energy Sector	-1.31 %	-4.21 %	29.86 %	38.25 %	-	4.46 %	

* All periods ending 11/30/2023. Rates of return Net of Fees. Excludes unmanaged assets. Returns annualized for periods greater than one year.

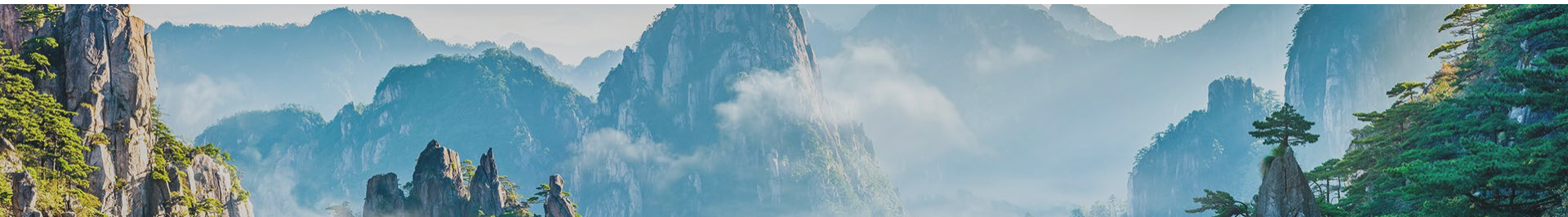
Preliminary

V. Fee Reduction



Short Term Cash Reserve Investment 0.15%

Long-term portfolio at 50% discount resulting
in an annualized fee of 0.32%



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Thank You



CONTENT DISCLOSURE

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Westfield State University
Executive Committee

Investment Strategy

December 22, 2023

Summary

The Investment Subcommittee of the Board of Trustees recommended changes to our current investment strategy regarding cash reserves, given shifting economic conditions. The intent is to optimize short-term cash investment options, lock in predictable returns, and ensure liquidity utilizing short-term corporate bond investments.

The recommendation is to shift underperforming money market funds to higher performing bond funds managed by our current investment advisor, Corient.

A new account at Corient is required to segregate current investments from the new cash investments. The strategy is to separate long-term investments and payouts from short-term investments and payouts, to better align annual income distributions. The Trust Fund Management Policy (#604) requires Board approval to set up new accounts holding University funds.

Investment Details

The University maintains several money market funds at multiple institutions with varying rates. The current money market rates vary from 1.52% to 5.62%. The recommendation is to shift a total of \$10M from two accounts at our local banks to the Corporate Bond Portfolio as recommended by our investment advisors. At current rates, the bond portfolio is yielding 4.34% for at least the next three years. Fees associated with the bond portfolio are .15%, reducing the net yield to 4.19%.

The primary advantage of this approach is to lock in fixed returns as a hedge against interest rate risk, as predictions indicate the federal government is likely to reduce interest rates next year. This strategy also provides liquidity if cash is required for any unplanned events.

The University would maintain current money market funds that exceed the projected yield on the bond portfolio and re-evaluate this position early next year to determine if additional funds should be invested in the bond portfolio.

The goal is to be able to transfer the \$10M (\$7M from BB, \$3M WB) by the end of the calendar year. As you know, markets are changing daily and swift action is required to be able to lock in current bond yields as described above. The complete analysis on this strategy is included in Corient's December 15, 2023, report to the Investment Subcommittee (pages 13-15).

Recommendation

Approve the motion allowing the University to set up a new account with Corient as described and shift \$10M in underperforming money market funds to the new bond portfolio fund.