

TREASURER'S REPORT

1. **Division and Department:** Finance and Administration Division, Budget and Financial Planning, Treasury Management, and Facilities Management Departments
2. **General Fund Budget Performance:** Oakland University's (University) FY2016 full-year enrollment is projected to be comparable to budget, with tuition revenue tracking slightly above budget. Monthly State appropriation payments, \$4,397,444, are being received according to the State of Michigan's Public Act 85 of 2015. General Fund expenditures are tracking consistent with budget and historical spending patterns at this point in the fiscal year, with no major spending variances in any division or unit.

Attachment A reflects the status of the FY2016 General Fund budget increases relative to the University's three strategic goals and information technology upgrades.

A monthly budget monitoring process managed by the Budget and Financial Planning Office helps ensure budget management accountability.

3. **Investment Performance:** A summary of the results of the University's working capital and endowment investment activities is presented in the *Cash and Investments Report, September 30, 2015 and 2014* (Attachment B). Reports from the University's investment advisors will be made by representatives from UBS (Attachment C) and the Commonfund (Attachment D).

Investment performance associated with the working capital pool for the month and quarter ended September 30, 2015 exceeds benchmarks, despite being down overall. Monthly and quarterly performance in equities was negative; however the decline was less than that of the benchmarks. Fixed income performance for the quarter showed positive results, experiencing returns consistent with benchmark performance.

The University's endowment portfolio performance for the quarter ended September 30, 2015 was down, and unfavorable to benchmarks.

Results from NACUBO's FY2014 annual endowment survey revealed that the University's endowment portfolio met or exceeded the average investment performance of similar sized university endowments for the one, five, and ten year time periods.

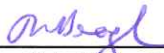
The University's investment managers continue to adhere to a long-term investment strategy that focuses on outperforming identified benchmarks over time.

Liquidity of both the working capital and endowment investments remains strong. The University's investments are being managed according to the Board's policies and approvals.

**Treasurer's Report
Oakland University
Board of Trustees Special Formal Session
October 22, 2015
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4. **Debt Management:** The *Capital Debt Report, September 30, 2015* (Attachment E) shows the University's outstanding principal, rate of interest, weighted average cost of capital, type of debt, annual debt service, maturity, and purpose of each debt issuance, and information about the University's two swap arrangements. The University's debt, which has a weighted average cost of capital of 3.644%, is being managed according to the Board's policies and approvals.
5. **Construction Report:** The *Construction Report, September 30, 2015* (Attachment F) includes budget information, source of funding, forecasted final costs, and comments for all ongoing capital projects over \$500,000, as required by Board policy. All projects have been properly approved and are within budget.
6. **University Reviews/Approvals:** The Treasurer's Report and attachments were prepared by the Budget and Financial Planning, Treasury Management, and Facilities Management Departments, and reviewed by the Treasury Committee, Vice President for Finance and Administration and Treasurer to the Board of Trustees, and President.
7. **Attachments:**
 - A. FY2016 General Fund Budget Increases Supporting Strategic Plan Goals
 - B. Cash and Investments Report, September 30, 2015 and 2014
 - C. UBS Board Report, October 22, 2015
 - D. Commonfund Treasury 3rd Quarter 2015 Commentary
 - E. Capital Debt Report, September 30, 2015
 - F. Construction Report, September 30, 2015

Submitted to the President
on 10/19, 2015 by



John W. Beaghan
Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on 10/20, 2015
to the Board of Trustees for Approval



George W. Hynd
President

Oakland University
FY2016 General Fund Budget Increases
Supporting Strategic Plan Goals
October 16, 2015

Strategic Goal #1

Foster student success through a robust teaching and learning environment and comprehensive student services.

Financial Aid	\$4,160,237	Complete - strategy implemented and funds being disbursed
Faculty - CAS (3) SHS (1)	365,968	Complete -Criminal Justice, Psychology, Graphic Design, Public Health
Faculty - SECS (2)	256,680	Proposals for faculty with active research agendas are under review
Faculty - SBA (2)	356,500	Proposals for faculty with active research agendas are under review
Faculty - SON (2)	213,900	Proposals for faculty with active research agendas are under review
Faculty - SHS (1)	99,820	Proposals for faculty with active research agendas are under review
Academic Advisors (4)	326,480	Positions posted
Retention and General Education	525,260	Assistant Registrar hired, UTS System Engineer position being prepared to post, part-time Grant Administrator increased to full-time, Elsevier Science Direct library collection electronic journals funded
Handicapped Accomodations	125,000	Complete - funds allocated to Student Support Services
Graham Health Center Psychologists (2)	176,160	Complete - Psychologists hired
Oakland University Trustee Academic Success (OUTAS) Program	71,947	Complete - Retention Coordinator hired
	<u>\$6,677,952</u>	

Strategic Goal #2

Be recognized as a strong research and scholarly environment focused on creative endeavors and on the discovery, dissemination and utilization of knowledge.

Library Collections	\$79,824	Complete - funds allocated
Specialized Labs and Teaching Spaces	197,660	SHS Instructional equipment ordered, other needs under consideration
Research Support and Equipment	300,000	Needs are being evaluated
	<u>\$577,484</u>	

Strategic Goal #3

Become a leader in serving the needs and aspirations of our communities and region through expanded community relationships, institutional reputation and visibility, and engagement.

Enhanced Career Services and Internships	\$350,000	Proposals for incremental staffing are under review
	<u>\$350,000</u>	
One-Time Deferred IT Upgrades	\$5,360,000	Purchasing complete for DegreeWorks, Campus Reporting (Argos), Virtual Computing Lab, and E-Builder; for other initiatives - RFP's developed, software alternatives being reviewed, negotiating with vendors, and planning best strategic solutions
	<u>\$5,360,000</u>	

Oakland University
Cash and Investments Report
September 30, 2015 and 2014

	Fair Market Value September 30, 2014	Fair Market Value September 30, 2015	Strategic Allocation 9/30/2015	Total Return Month Ending 9/30/2015	Benchmark Month Ending 9/30/2015	Total Return Qtr. Ending 9/30/2015	Benchmark Qtr. Ending 9/30/2015
Working Capital ⁽¹⁾							
Equity Funds	\$ 40,377,459	\$ 41,921,454	22.44%	-1.64%	-2.47%	-4.39%	-6.44%
Fixed Income Funds	88,240,720	80,723,336	43.21%	0.36%	0.41%	0.50%	0.58%
Cash and Cash Equivalents	50,826,613	64,182,042	34.35%	0.00%	0.00%	0.01%	0.00%
Working Capital Pool Total	<u>\$ 179,444,792</u>	<u>\$ 186,826,832</u>	<u>100.00%</u>	<u>-0.21%</u>	<u>-0.38%</u>	<u>-0.77%</u>	<u>-1.19%</u>
Endowment ⁽²⁾							
Equity Funds	\$ 52,691,315	\$ 51,400,711	65.36%			-8.94%	-8.95%
Fixed Income Funds	15,603,465	14,669,350	18.65%			-1.07%	0.09%
Hedge Funds	6,091,821	7,934,664	10.09%			-0.58%	-3.29%
Real Assets	5,104,171	3,857,718	4.91%			-16.14%	-7.36%
Private Equity	693,292	783,623	1.00%			6.34%	6.34% ⁽³⁾
Cash	2	907	0.00%			0.00%	0.00%
Endowment Pool Total	<u>\$ 80,184,066</u>	<u>\$ 78,646,974</u>	<u>100.00%</u>			<u>-6.99%</u>	<u>-5.82%</u>

Comments:

The working capital pool is higher than the previous year mainly due to accumulated investment income and increases in enrollment and tuition.
The endowment pool is lower than the prior year mainly due to declines in market values.

⁽¹⁾ The Commonfund serves as the advisor for the University's Working Capital pool.

⁽²⁾ UBS serves as the advisor for the University's Endowment pool.

⁽³⁾ Private Equity performance is not benchmarked, therefore, the benchmark comparison is set to actual.

Benchmarks for Investments are:

For Equities: S&P Small cap 600 Index, S&P 500 (Relative Weighted)

For Fixed Income: Barclays Capital Aggregate Bond Index, Merrill Lynch 1-3 Treasury Index, Barclays Capital 1-3 year US Gov./Credit Bond Index (Relative Weighted)

For Overnight Sweep - Money Market Fund: Lipper Institutional Money Market Fund Index

For Endowment Equities: Russell 2000, Russell Mid Cap Growth & Value, Russell 1000 Growth & Value, MSCI EAFE International MSCI Emerging Markets (Relative Weighted)

For Endowment Fixed Income: Barclays Government Corporate Index, Barclays US Tips, Merrill Lynch High Yield, Citigroup World Government Bond (Relative Weighted)

For Endowment Hedge Funds: HFRI Fund Wgt Comp Index, HFRI Fund of funds Diversified Index, Barclay's CTA Index, HFRX Eq Hedge (Relative Weighted)

For Endowment Real Assets: NAREIT and Lipper Glb Nat Res

For Endowment Cash: City Group T-Bill (90 Day)

Returns are reported net of fees, benchmarks are shown gross.



October 22, 2015

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Oakland University Endowment Review - Periods Ending June 30 and September 30, 2015

Manager	September 30, 2015 (QTR end)			June 30, 2015 (Fiscal year)			Account #
	Value	Category	% Alloc Return	Value	Category	% Alloc Return	
Bahl & Gaynor SMA LCV	\$ 3,002,492		3.8% -6.28%	\$ 3,268,737		3.9% 3.46%	TZXX815
Sun America MF LCV	3,210,238		4.1% -5.58%	3,399,831		4.0% 4.13%	TZXX034
Alger MF LCG	5,278,688		6.7% -7.84%	4,364,855		5.2% N/A	TZXX824
S&P 500 SPDR ETF	4,082,677		5.2% -6.41%	5,727,008		6.8% 7.35%	TZXX824
Loomis Sayles SMA LCG	5,431,963		6.9% -2.67%	5,628,258		6.7% 9.06%	TZXX537
MFS MCV MF	3,231,765		4.1% -7.98%	3,512,044		4.2% 4.28%	TZXX826
Alliance Bern MCG MF	3,574,272		4.5% -12.44%	4,081,860		4.8% 9.63%	TZXX837
Russell Mid Cap ETF	3,174,980		4.0% -8.05%	3,462,913		4.1% 6.48%	TZXX837
Nuveen NWQ SCV MF	2,559,672		3.3% -12.48%	2,595,625		3.1% 3.38%	TZXX827
Russell 2000 ETF	2,515,204		3.2% -11.91%	2,664,762		3.2% 6.57%	TZXX827
Franklin SCG MF	3,110,640		4.0% -16.85%	3,741,048		4.4% 5.78%	TZXX035
American Fds SCW MF	2,434,966		3.1% -11.02%	2,741,701		3.3% 9.22%	TZXX840
American Fds Int Gr MF	2,922,555		3.7% -9.91%	3,242,779		3.9% -0.01%	TZXX836
MFS Int Value MF	3,110,379		4.0% -4.52%	3,257,515		3.9% 1.71%	TZXX829
MSCI EAFE ETF	1,330,684		1.7% -10.23%	1,448,842		1.7% -4.36%	TZXX836
Oppenheimer EM MF	1,122,533		1.4% -17.36%	1,567,882		1.9% -10.61%	TZXX796
MSCI EM ETF	1,307,004		1.7% -18.01%	1,358,316		1.6% -5.77%	TZXX796
Equities Total	51,400,711		65.4% -8.94%	56,063,976		66.6% 5.67%	
Western Asset Mgt	2,971,129		3.8% 0.94%	2,955,012		3.5% 1.03%	TZXX819
FCI SMA	4,786,529		6.1% 1.52%	4,034,367		4.8% 1.85%	TZXX811
Blackrock MF	2,366,961		3.0% -1.05%	2,391,399		2.8% 1.00%	TZXX873
SEIX High Yield SMA	2,843,647		3.6% -2.97%	3,052,786		3.6% 1.27%	TZXX812
Templeton GI Bd MF	1,701,085		2.2% -5.83%	2,896,364		3.4% -1.93%	TZXX839
Fixed Income Total	14,669,351		18.7% -1.07%	15,329,928		18.2% 0.67%	
Baron REIT MF	2,376,882		3.0% -9.97%	2,639,994		3.1% 7.83%	TZXX820
Prudential Nat Res MF	1,256,412		1.6% -22.98%	1,631,357		1.9% -34.99%	TZXX004
GoldmanSachs MLP MF	224,424		0.3% -31.78%	328,973		n/a N/A	TZXX223
Real Asset Total	3,857,718		4.9% -16.14%	4,600,324		5.5% -16.00%	
Alphakeys HF	1,249,610		1.6% 2.95%	1,213,795		1.4% 13.07%	TZXX777
Arden HF/Skybridge	1,443,413		1.8% -0.97%	1,209,228		1.4% 5.19%	TZXX851
Abbey HF	1,528,436		1.9% 3.86%	1,471,666		1.7% 24.55%	TZXX707
Alkeon HF	1,939,766		2.5% -4.00%	2,020,694		2.4% 11.76%	TZXX036
Prisma HF	1,523,437		1.9% -3.31%	1,575,660		1.9% 5.04%	TZXX874
Blue Mountain	250,002		0.3% N/A			N/A	TZXX535
Alternative Inv. Total	7,934,664		10.1% -0.58%	7,491,043		8.9% 11.57%	
Neuberger Berman	783,623		1.0% 6.34%	736,928		0.9% 10.41%	TZXX778
Private Equity Total	783,623		1.0% 6.34%	736,928		0.9% 10.41%	
Money Market Total	907		0.0%	-		0.0% 0.01%	
Endowment Total	\$ 78,646,974		-6.99%	\$ 84,222,199		3.67%	

This report is provided for information purposes only at your request. Your UBS Financial Services Inc. account statements and confirmations are the official record of your holdings, balances, transactions and security values. The information is based upon the market value of your account(s) as of the close of business on 9/30/2015 and June 30, 2015 and is subject to daily market fluctuation. UBS Financial Services Inc. does not provide tax or legal advice. Past performance is no guarantee of future returns. The above values were taken from your June 30 and September 30, 2015 UBS statements.

The above return percentages were taken from the portfolio management reports previously supplied.



Oakland University
Endowment Investment Review
Periods ending June 30, 2015 and September 30, 2015

Market Review:

Concerns related to China's slowing economy and the Fed's decision to delay interest rate hikes have caused considerable volatility to worldwide markets, including the US. While a bit disconcerting, these events are not considered significant enough to derail the global economy or that of the US on a long term basis. There will be continued volatility as these issues work themselves out.

UBS continues its preference for equities over bonds. We remain constructive on global equities with strong focus on developed markets. We favor Eurozone equities aided by earnings growth which turned positive in 1st quarter 2015, improving economic data and the European Central Bank's (ECB) accommodative stance. We also find value in Japan as the weak yen supports the earnings outlook in the midst of the QE tailwind. In the US, our preference remains small cap followed by mid cap and large cap.

China's recent troubles have caused considerable havoc to worldwide equity markets. The risk to our economy is related to both our direct and indirect relationship to China. Exports to China make up approximately 8% of U.S. total export volume. Since our exports constitute approximately 13% of U.S. Gross Domestic Product, exports to China make up about 1% of our GDP. U.S. S&P 500 companies make about 2% of their total revenues from sales to China. Certainly, some U.S. companies could be hurt worse than others. Apple, for example, whose sales in China are expected to surpass those in the U.S., could be hurt by China's slower growth.

The recent collapse in commodity prices, especially crude oil, has been fast and furious. We do not expect the current price of oil to be sustainable at these prices.

Within Fixed Income, benchmark yields remain low – both in the US and in the Eurozone. German ten year bonds are barely above zero, and Switzerland became the first sovereign ever to issue a ten year bond with a negative yield. We maintain our preference for corporate bonds and high yield over government bonds. We continue to wait for the Fed to begin raising interest rates. Any increase will be gradual and should continue to support current monetary policy.

UBS Financial Services:

At UBS, our commitment to helping our clients reach their goals has never been stronger. We're proud to be recognized for delivering excellence on behalf of our clients and for bringing the full resources of our global firm to bear on their needs. These recent awards are a strong affirmation of our model and our commitment to wealth management:

- Best Global Bank by *Euromoney* for 2014
- #1 ranking in Scorpio Partnership's list of the world's biggest wealth managers for the second straight year with \$1.97 trillion in wealth management assets globally with a presence in over 50 countries



- The 2014 *Thomson Reuters Extel Survey* rankings: #1 pan-European Equity House for our EMEA Equities business for the eleventh consecutive year; #1 in Equity Sales and #1 in Equity Trading and Execution for the fifth consecutive year

Investment Performance Recap:

For the fiscal year ended June 30, 2015, the Oakland University Endowment returned 3.67% net of fees. These numbers compare well against the benchmarks used. The S&P 60%/BC Agg 40% was up 5.28% for the period. The MSCI ACWI 65%/BC GI Agg 35% was down -1.70% for the same period.

The quarter ended September 30, 2015 proved to be a difficult quarter for performance. The overall portfolio was down -6.99% net of fees. This compares to the S&P 60%/BC Agg 40% return for the same period of -3.39% and the MSCI ACWI 65%/BC GI Agg 35% of -5.82%.

Oakland University

3rd Quarter 2015 Commentary

September 30, 2015

Commonfund Treasury+

commonfund

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About Commonfund

Commonfund was founded in 1971 as an independent nonprofit investment firm with a grant from the Ford Foundation. Commonfund today manages customized investment programs for endowments, foundations and pension funds. Among the pioneers in applying the endowment model of investing to institutional investors, Commonfund provides extensive investment flexibility using independent investment sub-advisers for discretionary outsourcing engagements, single strategies and multi-asset solutions. Investment programs incorporate active and passive strategies in equities and fixed income, hedge funds, commodities and private capital. All securities are distributed through Commonfund Securities, Inc., a member of FINRA. For additional information about Commonfund, please visit www.commonfund.org.

Commonfund 3rd Quarter 2015 Commentary

Portfolio Highlights

- The construction of the Oakland operating portfolio combines Commonfund's diversified and open architecture approaches to investing. The Liquidity Funds allocation, which is approximately 25 percent of the overall portfolio, has been constructed using multiple managers. Three of the managers represent the Commonfund Treasury Access program while the remaining liquidity is with Comerica and Fifth Third Banks. The Contingency Funds allocation, which is approximately 50 percent of the overall portfolio, is allocated amongst three investments programs. This allocation consists of two Commonfund programs, a total of six underlying managers, and a pre-existing investment in the J.P. Morgan Short-Term Bond Fund. The Core Funds allocation, which is approximately 25 percent of the overall portfolio, blends the Commonfund Core Equity program with a low-volatility equity strategy, the SSG Equity program. In all, the Core allocation consists of five managers that have been vetted and have long-standing relationships with Commonfund. Overall, the portfolio is designed to maintain Oakland's liquidity needs while enhancing returns using a diversified investment strategy that has the appropriate risk profile for a pool of operating funds.
- Oakland's operating portfolio outperformed its benchmarks in the third quarter ending September 30, 2015 returning -1.26 percent as compared to the policy benchmark return of -1.31 percent. The quarter was extremely volatile as events in Greece and China had a global effect that resulted in a -6.44 percent return for the S&P 500. Oakland's portfolio was impacted by negative equity returns; however, the SSG Equity (low volatility) strategy proved to be a very effective downside protector of capital in this environment outperforming the S&P 500 index by 499 basis points for the quarter. Positive returns in the Contingent allocation (high quality fixed income) partially offset the negative Core allocation returns. Overall, the portfolio gave back some of the positive performance from fiscal year 2015, but proved resilient in a volatile and ultimately negative quarter for risk assets.
- In the twelve months ending June 30, 2015 (fiscal year end) Oakland University's Treasury+ portfolio returned 3.54 percent marking a solid first year for the portfolio. This performance equated to adding \$4,521,590 to the operating portfolio over the fiscal year. Overall, the portfolio performed above its goal of 3-month T-bill +150 basis points target by 202 basis points. Changes in the portfolio included

Past performance is no guarantee of future results.
Depicted returns are net of fees. Please see important notes.

replacing a legacy equity position (Huntington Situs) with the SSG Equity (low volatility) program, lowering the volatility of the portfolio, as well as being able to outperform its benchmark by 499 basis points.

- Looking to the remainder of 2015, we are cautiously positive on risk assets, particularly U.S. equities, given the improving domestic economic backdrop. In September, the FOMC, to the surprise of many, voted to hold policy steady but set the stage for what will likely be a rate hike later this year or early next year. At this juncture, the Fed's forecast plan is still a slow and gradual adjustment in monetary policy. We project that the Fed will raise the funds rate target 25 basis points every two or three FOMC meetings until early 2017. We still believe that the risk of a near term inflation problem remains extremely low.

TREASURY YIELDS

	6/30/2015	9/30/2015	Change
3 Month	0.01%	-0.02%	-0.03%
2 Year	0.64%	0.63%	-0.01%
5 Year	1.65%	1.36%	-0.29%
10 Year	2.35%	2.04%	-0.32%
30 Year	3.12%	2.85%	-0.27%

Source: Bloomberg

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Investment Report

PERFORMANCE - TREASURY SOLUTIONS PORTFOLIO

As of September 30, 2015

Performance Item	QTD	FYTD	CYTD	FY Ending 6/30/2015	Since Inception 7/1/2014
BlackRock TempFund	0.03	0.03	0.09	0.08	0.09
IMoney Net	0.00	0.00	0.00	0.00	0.00
ML 0-3 Month Treasury Bill	0.01	0.01	0.01	0.01	0.02
State Street Inst Liquid Reserves Fund	0.03	0.03	0.08	0.11	0.11
IMoney Net	0.00	0.00	0.00	0.00	0.00
ML 0-3 Month Treasury Bill	0.01	0.01	0.01	0.01	0.02
JP Morgan Prime MM Fund	0.03	0.03	0.09	0.07	0.08
IMoney Net	0.00	0.00	0.00	0.00	0.00
ML 0-3 Month Treasury Bill	0.01	0.01	0.01	0.01	0.02
Liquidity Funds	0.03	0.03	0.08	0.09	0.09
Intermediate Term Fund	0.31	0.31	1.13	0.85	0.93
ML 1-3 Yr Treasury	0.31	0.31	0.98	0.88	0.95
Contingent Asset Portfolio, LLC	0.52	0.52	1.43		
ML 1-3 Yr Treasury	0.31	0.31	0.98		
High Quality Bond Fund	0.83	0.83	1.14	2.21	2.44
Barclays Capital US Aggregate Bond Index	1.23	1.23	1.13	1.86	2.48
Contingency	0.56	0.56	1.27	1.77	1.87
Core Equity Fund	-7.83	-7.83	-5.68	7.77	-0.54
S&P 500	-6.44	-6.44	-5.29	7.42	0.40
Strategic Solutions Equity Fund, LLC	-1.45	-1.45	1.26		
S&P 500	-6.44	-6.44	-5.29		
Core	-4.67	-4.67	-2.29	8.28	2.57
Total Portfolio	-1.26	-1.26	-0.23	3.54	1.78
Policy Benchmark ¹	-1.31	-1.31	-0.74	2.49	0.92
Traditional Benchmark ²	0.32	0.32	1.12	1.52	1.48

Benchmark Scopes and Weightings:

¹35.0% ML 1-3 Yr Treasury; 25.0% S&P 500; 25.0% 3 Month Tbill; 15.0% Barclays Capital US Aggregate Bond Index

²100.0% 3 Month Tbill + 150

Source: Commonfund Client Reporting Portal

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Depicted returns are net of fees. Please see important notes.

MANAGER ALLOCATION AND PERFORMANCE - TREASURY SOLUTIONS PORTFOLIO

As of September 30, 2015

Marketable Funds	AUM	Bucket % AUM	Fund % of Sub- Account	Manager % AUM	QTD 09/30/2015 Returns
Liquidity Funds					
BlackRock TempFund	\$0.00		0.00%	0.00%	0.03%
State Street Inst Liquid Reserves Fund	\$12,010,916.82		18.71%	6.43%	0.03%
JP Morgan Prime MM Fund	\$0.00		0.00%	0.00%	0.03%
Comerica Bank*	\$1,840,308.61		2.87%	0.99%	
Fifth Third Bank*	\$50,330,816.15		78.42%	26.94%	
Total Liquidity Funds	\$64,182,041.58	34.35%			
Contingency					
JPM Short - Term Bond Fund*	\$15,737,929.86		19.50%	8.42%	
Intermediate Term Fund	\$20,670,463.22		25.61%		0.31%
IRM Inc	\$8,268,185.00			4.43%	0.35%
Logan Circle Partners	\$6,821,252.86			3.65%	0.36%
SIT Fixed Income Advisors	\$5,167,615.81			2.77%	0.44%
Transition Account	\$413,409.26			0.22%	
High Quality Bond Fund	\$24,077,985.44		29.83%		0.83%
IRM Inc.	\$9,944,207.99			5.32%	0.92%
Rimrock Capital	\$4,093,257.52			2.19%	1.48%
Wamco	\$9,968,285.97			5.34%	0.63%
Transition Account	\$72,233.96			0.04%	
Contingent Asset Portfolio	\$20,236,958.24		25.07%		0.52%
SIT Fixed Income Advisors	\$20,236,958.24			10.83%	0.63%
Total Contingency	\$80,723,336.76	43.21%			
Core					
Strategic Solutions Equity Fund	\$22,607,058.29		53.93%		-1.45%
Martingale Asset Mgmt	\$22,607,058.29			12.10%	-1.37%
Core Equity Fund	\$19,314,396.02		46.07%		-7.83%
Marsico Capital	\$5,214,886.93			2.79%	-5.04%
Martingale Asset Mgmt	\$2,317,727.52			1.24%	-5.28%
Levin	\$5,214,886.93			2.79%	-3.56%
Martingale Core	\$6,566,894.65			3.51%	-7.15%
Total Core	\$41,921,454.31	22.44%			
Total Portfolio	\$186,826,832.65	100.00%			

Source: Commonfund Client Reporting Portal. *Asset balances outside of Commonfund are provided by Oakland University.

Past performance is no guarantee of future results.
 Depicted returns are net of fees. Please see important notes.

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Past performance is no guarantee of future results.
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Comparison of returns calculated on an IRR basis with returns on a time-weighted basis is not appropriate. For a description of the two return calculation methods see "Measuring Investment Returns, Time vs. Dollar-Weighted – What's the Difference?", a copy is available from Commonfund Capital.

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Past performance is no guarantee of future results.
Depicted returns are net of fees. Please see important notes.

**Oakland University
Capital Debt Report
September 30, 2015**

	<u>Principal Remaining</u>	<u>Rate of Interest</u>	<u>Interest Type</u>	<u>FY 16 Debt Service</u>	<u>Expires</u>	<u>Bond Rating</u>	<u>Purpose</u>	<u>Underwriter</u>
Bonded Indebtedness:								
Variable Rate Demand Bonds, Series 1998	\$ 4,600,000	0.030%	Variable	\$ 2,668	2023	Aa3	Sharf Golf Course	Comerica
General Revenue Refunding Bonds, Series 2008	47,855,000	3.373%	Variable/Hedged	3,067,640	2031	Aa3	Refunded 2001 Bonds - Nicholson, Pawley, OC Expansion, Elec. Upgrade	Lehman
General Revenue Bonds, Series 2012	43,340,000 ⁽¹⁾	4.075%	Fixed	2,948,650	2042	A1	Engineering Center	Barclay's and 5/3rd
General Revenue Bonds, Series 2013A	57,860,000 ⁽²⁾	4.028%	Fixed	3,893,400	2043	A1	Housing, Parking, Playing Fields	BOAML and 5/3rd
General Revenue Refunding Bonds, Series 2013B	21,185,000	2.995%	Fixed	2,303,876	2026	A1	Refunded 2004, 1995 Bonds - Sports, Recreation and Athletics Center	5/3rd and BOAML
General Revenue Refunding Bonds, Series 2014	27,200,000 ⁽³⁾	3.562%	Fixed	1,968,950	2039	A1	Refunded 2009 Bonds - HHB, Infrastructure Projects	JP Morgan Chase
Other Capital Debt:								
2005 ESA II Loan	12,753,777	3.785%	Fixed	1,302,687	2027		Energy Services Agreement II	
2012 Golf Car Lease	257,000	1.980%	Fixed	88,234	2017		Golf Cars	
2013 Golf Equipment Lease	58,048	1.980%	Fixed	44,149	2017		Golf Equipment	
2014 Central Heating Co-Gen	14,225,000 ⁽⁴⁾	3.880%	Fixed	-	2031		Combined Heat and Power Co-Generation System	
2015 High Volume Digital Printer	72,600	4.940%	Fixed	23,665	2019		Replace Central Printing Services B/W Printer	
	<u>\$ 229,406,425</u>	<u>3.644%</u> ⁽⁵⁾		<u>\$ 15,643,920</u>				

⁽¹⁾ The 2012 Bonds were issued with an original issue premium of \$4,970,795, resulting in total bond proceeds of \$49,125,795.

⁽²⁾ The 2013A Bonds were issued with an original issue premium of \$7,141,047, resulting in total bond proceeds of \$65,001,047.

⁽³⁾ The 2014 Bonds were issued with an original issue premium of \$4,383,960, resulting in total bond proceeds of \$32,443,960.

⁽⁴⁾ The 2014 Certificates of Participation were issued with an original issue premium of \$1,729,013 resulting in total proceeds of \$15,954,013.

⁽⁵⁾ Weighted Average Cost of Capital

Debt covenant compliance:

The University has a general revenue covenant in many of its borrowing agreements including bonded debt and other capital debt. These covenants are consistent in all University debt agreements and commit the University to maintain "General Revenues" to exceed the sum of twice annual debt service on senior debt and one times annual debt service on subordinate debt each fiscal year. At June 30, 2015, the University recorded \$255,183,910 in qualified General Revenues while the calculated debt service covenant requirement amounted to \$31,129,123. The University exceeds its debt covenant requirements by a multiple of 8.2.

	<u>Counterparty</u>	<u>Current Notional Amount</u>	<u>Termination Present Value</u>	<u>Counterparty Rating</u>	<u>Purpose/Comment</u>
Debt-Based Derivatives:					
Constant Maturity Swap (CMS)	JP Morgan Chase Bank	\$ 31,765,000	\$ 1,828,142	Aa3	Yield curve swap paying over \$30K per month.
Interest Rate Swap - Synthetically Fix 2008 Bonds	Dexia Credit Local	47,855,000	(9,164,030)	Baa3	Current low variable rates = High termination costs.

The CMS is performing as expected because the yield curve is relatively normal at this time. Cumulative earnings on the CMS swap total \$3.7 million. Current extremely low variable interest rates (0.02% annualized) drive up present values to terminate.

The Termination Present Value is dynamic, changing daily depending on interest rates and eventually becoming zero at the end of the swap agreement.

This Interest Rate Swap fixes the interest rate paid on the bond issue at 3.373% for the life of the bond issue (and the swap agreement).

Oakland University's underlying credit rating, according to Moody's Investors Service's Global Rating Scale, is A1 - Stable.

Bond Ratings:

The rating on the variable rate bonds reflects the current rating of the letter of credit provider.

The rating on the fixed rate bonds reflects the University's underlying credit rating at the time the bonds were issued.

Oakland University
CONSTRUCTION REPORT
 September 30, 2015

Item	JCOS Approval/Notification Required	Original Budget	Revised Project Budget	Actual Expenditures to Date	Forecast of Final Cost	Source of Funding	
1 Engineering Center Fund Number 70494 Status: Renovation in Dodge Hall and New Construction 100%, working on punch list and added work Board of Trustees Approved: October 31, 2011 Projected Completion Date: New building August 2014 Dodge Hall renovation February 2015	Yes	11/4/2011	\$ 74,551,700	\$ 74,551,700	\$ 72,317,168	\$ 74,551,700	\$44,551,700 - 2012 General Revenue Bonds \$30,000,000 - State Appropriations
2 New Student Housing - Oak View Fund Number 70459 Status: CLOSED Board of Trustees Approved: December 3, 2012 Projected Completion Date: August 2014	Yes	6/30/2013	\$ 29,950,000	\$ 29,950,000	\$ 29,946,687	\$ 29,946,687	\$29,950,000 - 2013A General Revenue Bonds
3 P-32 Parking Structure Fund Number 70468 Status: CLOSED Board of Trustees Approved: February 12, 2013 Projected Completion Date: August 2014	Yes Updated	6/30/2013 6/30/2015	\$ 22,831,000	\$ 20,778,795	\$ 20,778,390	\$ 20,778,390	\$22,831,000 - 2013A General Revenue Bonds (\$2,052,205) - Transferred to Meadow Brook Road Culvert Project
4 Central Heating Plant Project - CoGen Fund Number 70395 Status: Construction 35% Board of Trustees Approved: October 7, 2013 Projected Completion Date: May 2016	Yes	12/1/2013	\$14,401,198	\$14,401,198	\$4,419,828	\$14,401,198	\$14,401,198 - 2014 Certificates of Participation
5 HTHW / UTS / O'Dowd Windows Fund Number: 70849 Status: CLOSED Board of Trustees Approved: July 2, 2009 Projected Completion Date: November 2014	Yes	2/4/2010	\$ 11,000,000	\$ 11,000,000	\$ 10,999,907	\$ 10,999,907	\$11,000,000 - 2009 General Revenue Bonds
6 Upper Field Expansion Fund Number 70469 Status: Construction 100%, working on punch list and waiting on final invoices Board of Trustees Approved: February 12, 2013 Projected Completion Date: April 2015	Yes	6/30/2013	\$ 7,850,000	\$ 7,850,000	\$ 7,787,042	\$ 7,850,000	\$ 7,850,000 - 2013A General Revenue Bonds
7 Elliott Tower Fund Number: 70448 Status: Construction 100%, working on punch list and waiting on final invoices Board of Trustees Approved: December 21, 2012 Projected Completion Date: May 2015	Yes Updated	12/21/2012 6/30/2015	\$ 6,500,000	\$ 6,690,000	\$ 6,676,690	\$ 6,690,000	\$ 6,500,000 - #39641 Elliott Tower Gift \$ 190,000 - #23546 Unrestricted Gift Fund

Oakland University
CONSTRUCTION REPORT
 September 30, 2015

Item	JCOS Approval/Notification Required	Original Budget	Revised Project Budget	Actual Expenditures to Date	Forecast of Final Cost	Source of Funding		
Projects in Progress - over \$500,000								
8	Athletic Dome Replacement Fund Number: 70453 Status: Construction 100%, working on punch list and waiting on final invoices Board of Trustees Approved: May 7, 2014 Project Completion Date: December 2014	Yes Updated	6/30/2014 6/30/2015	\$ 4,900,000	\$ 5,083,875	\$ 5,068,796	\$ 5,083,875	\$ 4,900,000 - #24556 Athletic Dome Financing \$ 183,875 - #24556 Athletic Dome Financing
9	Hamlin Hall Plumbing Renovation Phase II Fund Number: 70317 Status: CLOSED Board of Trustees Approved: February 24, 2014 Projected Completion Date: November 2014	Yes	6/30/2014	\$ 2,895,000	\$ 2,895,000	\$ 2,885,043	\$ 2,885,043	\$ 2,895,000 - #45489 Residence Halls
10	Meadow Brook Road Culvert Fund Number: 70376 Status: Construction 100%, working on punch list and waiting on final invoices Board of Trustees Approved: March 6, 2015 Projected Completion Date: October 2015	Yes	6/30/2015	\$ 2,871,200	\$ 2,871,200	\$ 2,079,750	\$ 2,871,200	\$ 2,052,205 - Transferred from P-32 Parking Structure \$ 32,354 - Transferred from Library Drive Extension \$ 786,641 - #24350 Capital Project Supplement Fund
11	NFH Renovation of Communication Core Fund Number: 70956 Status: Phase I Construction 90%, phase II to start August 2015 Board of Trustees Approved: December 3, 2012 Projected Completion Date: December 2015	Yes	12/21/2012	\$ 2,425,533	\$ 2,425,533	\$ 1,916,888	\$ 2,425,533	\$ 1,012,782 - #70956 IT Infrastructure Projects \$ 1,024,219 - #70955 IT Strategic Planning \$ 388,532 - #12147 Technology Fund
12	Library Drive Extension Fund Number: 70466 Status: Construction 100%, waiting on final invoices Board of Trustees Approved: February 12, 2013 Projected Completion Date: August 2014	Yes Updated	6/30/2013 6/30/2015	\$ 1,950,000	\$ 1,917,646	\$ 1,887,048	\$ 1,917,646	\$ 1,950,000 - 2013A General Revenue Bonds (\$ 32,354) - Transferred to Meadow Brook Road Culvert Project
13	Facilities Management Building Fund Number: 70467 Status: CLOSED Board of Trustees Approved: February 12, 2013 Projected Completion Date: August 2014	Yes	6/30/2013	\$ 1,750,000	\$ 1,750,000	\$ 1,744,302	\$ 1,744,302	\$ 1,750,000 - 2013A General Revenue Bonds
14	Vandenberg Lower Level Dining Fund Number: 70323 Status: Construction 100%, waiting on final invoices Board of Trustees Approved: May 7, 2014 Projected Completion Date: October 2014	Yes Updated	6/30/2014 6/30/2105	\$ 1,431,536	\$ 1,331,536	\$ 1,302,724	\$ 1,331,536	\$ 1,431,536 - #45489 Residence Halls Rooms (\$100,000) - #45489 Residence Halls Rooms
15	Furniture Replacement for Hill & Van Wagner Fund Number: 70378 Status: Design Phase Projected Completion Date: November 2015	No		\$ 856,915	\$ 856,915	\$ 741,392	\$ 856,915	\$ 856,915 - #45489 Residence Halls
16	BRS HTHW Replacement Fund Number: 70447 Status: 100% Completed, waiting on final invoices Projected Completion Date: November 2014	No		\$ 750,000	\$ 750,000	\$ 665,566	\$ 750,000	\$ 750,000 - #24350 Capital Project Supplement

Oakland University
CONSTRUCTION REPORT
 September 30, 2015

Item	JCOS Approval/Notification Required	Original Budget	Revised Project Budget	Actual Expenditures to Date	Forecast of Final Cost	Source of Funding
Item Projects in Progress - over \$500,000						
17	East Vandenberg Hall Renovation Fund Number: 70361 Status: Engineering phase Projected Completion Date: September 2015	\$ 515,620	\$ 644,920	\$ 482,175	\$ 644,920	\$ 644,920 - #45489 Residence Halls
18	Walton Adams Marquee Sign Fund Number: 70373 Status: Engineering Phase Projected Completion Date: May 2016	\$ 573,223	\$ 573,223	\$ 24,520	\$ 573,223	\$ 573,223 - #43841 MBMF Administrative
19	Temporary Parking for FY13/14 Fund Number: 70689 Status: CLOSED Projected Completion Date: August 2014	\$ 560,000	\$ 575,105	\$ 575,105	\$ 575,105	\$ 560,000 - #24350 Capital Project Supplement \$ 15,105 - #24350 Capital Project Supplement
TOTAL PROJECTS IN PROGRESS		\$188,562,925	\$186,896,646	\$ 172,299,021	\$ 186,877,180	

Notes:

1. Revised Project Budget equals the Original Budget plus all approved changes to the budget.
2. Projects are added to the report when a funding source has been identified and a plant fund is authorized for the project.
3. The project status will be reported as "completed" when the "actual expenditures to date" equals the "forecast", TMA work order system ties to Banner, and no additional expenditures or work is anticipated on the project.
4. A project whose status has been reported as complete to the Board will be removed from the report for the next Board meeting.