UNIVERSITY OF MANITOBA REPORT ON THE
UNIVERSITY INVESTMENT TRUST
2016-2017

IN 2017 WE MARK the University of Manitoba's 140th anniversary, and celebrate the thousands of U of M graduates who have gone out into the world, taking with them the spirit of learning and discovery that makes all of us proud to be members of this community. Our alumni become leaders and mentors who inspire today's students to reach for their dreams.

In the midst of our Front and Centre campaign, it is clear that many of us want to provide guidance and assistance to these future graduates. Generous endowed gifts to the University Investment Trust (UIT), under each pillar of the campaign, present unique opportunities to encourage growth and learning.

With over $20 million available to invest in our students just this past year through the UIT, it appears we are well on our way to laying the groundwork of support that will ensure their success. And this will only continue to grow through the prudent management of the fund and the generosity of our donors.

While we won’t be here to marvel at the innovative discoveries of the next 140 years, the UIT will ensure that the visionary spirit of these funds lives on for generations.

— David T. Barnard, Ph.D., President and Vice-Chancellor
University of Manitoba

THE UIT AT A GLANCE

- Market value at March 31, 2017: $677.2 million
- Growth in market value over 2016: $93.5 million
- New gifts: $19.9 million
- Spending allocation generated: $20.8 million
- Total individual funds: 2,200
- Annualized investment returns:
  - One-year: 16.5 per cent
  - Three-year: 9.7 per cent
  - Five-year: 12.8 per cent
  - 10-year: 7.0 per cent
  - 15-year: 7.5 per cent

The University of Manitoba’s newUIT spending policy has increased the average annual spending value for endowment funds to 18.1 per cent more than they were two years ago.
THE YEAR IN REVIEW

Established in 1989, the University Investment Trust (UIT) now comprises over 2,200 individual endowment funds and provides substantial and enduring funding to the University of Manitoba.

A new spending policy implemented in January 2016 has significantly increased the annual funding available from our endowment funds. In addition, it was a favourable year of investing with a one-year return of 16.5 per cent, outperforming our policy benchmark return by 1.2 per cent.

These endowed gifts have had a big impact on our university priorities through the Front and Centre campaign. Indigenous achievement, graduate student support, research excellence, outstanding student experience and places and spaces are all areas that new funds have benefitted, creating opportunities for students and researchers to attain new discoveries and realize their educational goals.

UIT PERFORMANCE HIGHLIGHTS

The market value of the University of Manitoba's University Investment Trust (UIT), at March 31, 2017, reached $677.2 million, compared to $583.7 million a year ago. The UIT, comprised of approximately 2,200 individual named donor accounts, relies on the financial oversight of the Trust Investment Committee to ensure it is managed in accordance with the Investment Policy Statement.

Over the past 10 years the UIT has grown from $312.4 million to $677.2 million due to a combination of $156.1 million in new gifts and investment returns. The 10-year annualized return for the fund is 7.0 per cent. The Trust Investment Committee sets an asset mix in order to meet the fund’s long-term payout requirement, which is currently set at 4.25 per cent of a rolling 48 month average of market values of the fund.

Specific Trust Funds are funds that are invested outside of the UIT. The stated purpose of these funds have a shorter time frame, so investments tend to be more liquid, shorter duration fixed income instruments. The Specific Trust Funds had a market value of $64.7 million at March 31, 2017 and are primarily earmarked for large capital projects such as the Active Living Centre and the Tachie Arts Project.

The annual return of the UIT over the past fiscal year was 16.5 per cent. The return is a combination of interest, dividends, capital gains on the sale of investments and the appreciation in value of the portfolio due to changes in the market price of investments. An annual return of 16.5 per cent is favourable; on an absolute basis it exceeds the spending payout plus expenses, and on a relative basis it exceeds the portfolios benchmark return of 15.3 per cent by 1.2 per cent.

ENDOWED CHAIR TO MOVE MS RESEARCH FORWARD

A $2 million investment from the Waugh Family Foundation has formed the basis for a world-class multiple sclerosis (MS) research program in the Rady Faculty of Health Sciences.

In addition to funding ongoing research projects into novel treatments, clinical drug trials, care approaches and the prevention of MS, the gift will also support a new endowed research chair. Dr. Ruth Ann Marrie, associate professor in the departments of Internal Medicine (Neurology) and Community Health Sciences, is the inaugural recipient.

“I am honoured to be the first person to hold the Waugh Family Chair in Multiple Sclerosis Research,” says Marrie. “This will support the continued expansion of our research program, which aims to understand the causes of MS, factors that influence outcomes in MS and to improve the quality of life for affected persons and their families.”
PLANT SCIENCE RENOVATIONS TO BENEFIT GENERATIONS OF RESEARCHERS

After providing decades of valuable support to individual graduate students in plant science, food science and agricultural economics, the William B. Malchy Graduate Fellowship was withdrawn by the fund contact in 2014 and redirected to a capital project that will have a lasting impact on generations of agri-food researchers through renovations to the University’s seed processing and storage facilities.

Having access to state-of-the-art facilities on campus is critical to field programs

Having access to state-of-the-art facilities on campus is critical to field programs run by the Department of Plant Science. The extensive renovations begun in 2016 have already reduced seed loss through processing and handling and increased the amount and quality of seed storage space, allowing experiments to rotate through the facility more quickly and efficiently.

Students are benefiting from having access to the tools and technologies used in their field, which are preparing them for work environments now and into the future.

SCHOLARSHIP PROGRAM CELEBRATES 15 YEARS OF STUDENT SUCCESS

Over 200 Faculty of Law students have reaped the benefits of the Pitblado Scholarship Program, thanks to the vision and generosity of James [BComm/53, LLD/05] and Sandra Pitblado [LLD/17].

Established in 2001, the program honours Jim’s grandfather and father, Isaac and Edward Pitblado—both important figures in the legal profession in Winnipeg—by awarding scholarships to the top 10 per cent of law students in their first and second years of study. Kathleen McCandless [LLB/06] was an early recipient of the scholarship in 2004 and 2005, and lauds the program for its impact on her academic and professional success.

“Being a Pitblado Scholar allowed me the freedom to focus on my studies,” said McCandless. “But more than that, it gave me the motivation that allowed me to succeed. It set me up for success and opened opportunities for me.”

Jim and Sandra Pitblado’s initial gift to the fund was in excess of $1 million; however, after seeing so many students thrive in their studies, the philanthropic couple gifted an additional $500,000 to the fund in September 2016.

At an event celebrating the achievements of the Pitblado Scholars, Jim Pitblado told the crowd of alumni and current students: “We wanted to invest in young people who will make a difference. You will be role models; you will give back to your community. We are so gratified to make this investment and see the outcome.”
Bursary Based in Indigenous Knowledge

Caring for others can be a complex endeavour. In the field of Social Work, it includes being knowledgeable and perceptive of the needs, beliefs and cultures of those being cared for.

Florence Brownridge has seen many advancements over her 35-year career as a social worker, but recognizes that more education is needed on Indigenous forms of caring. In 2016, Brownridge gave an endowed gift of $25,000 to establish an award for graduate students pursuing studies in the Master of Social Work Based in Indigenous Knowledges Program (MSW-IK) at the University of Manitoba.

The MSW-IK Program focuses on Indigenous caring rooted in the traditional knowledge, values, social structures and healing practices of Indigenous peoples. Brownridge says the special training “should assist graduates to serve Indigenous individuals, families and communities more effectively” by exploring Indigenous forms of caring applicable to the unique circumstances of Indigenous clients and communities in both rural and urban areas.

Brownridge’s gift, coupled with her existing bursary for undergraduate students in the Faculty of Social Work, will help to ensure this new methodology in social work becomes firmly established.

“Donations such as the Brownridge gift help ensure that this ground-breaking and important program is available to the students who would otherwise not be able to attend,” says Michael Hart, director of the MSW-IK. “This gift of support for students in this program is a true example of reconciliation in action, where barriers to advanced education are being directly addressed.”

Aunt’s Selfless Act Inspires Indigenous Bursary Fund

When Tony Williams’ [BSc (Hons)/77] great-aunt Sally left a $1,000 inheritance to support his education, she likely never imagined that her generosity would go on to help future generations of university students.

Her gift financed Williams’ first year of studies in the Faculty of Science, laying the foundation for his honours degree in actuarial mathematics and a highly successful career as an actuary.

“It was really kind of a selfless act that helped me out a lot, and I never really forgot that all those years,” says Williams. “I developed an interest in helping other people if I was ever able to.”

That interest led Williams to make a $100,000 gift to the University of Manitoba in 2015 to establish the Lewis Bursary in honour of his great-aunt Sally Lewis. The bursary will foster Indigenous student success in the Faculty of Science, creating a foundation for learning that helps develop the leaders of tomorrow.
ASSET ALLOCATION OF THE UNIVERSITY INVESTMENT TRUST
As of March 31, 2017

- Canadian Equity: 29.4%
- U.S. Equity: 30.0%
- International Equity: 16.3%
- Canadian Real Estate: 15.8%
- Canadian Fixed Income: 8.5%

SPENDING ALLOCATION (BY PURPOSE) $23.3 MILLION
As of March 31, 2017

- Student Awards: 40.1%
- Faculty and School Support: 33.8%
- Chairs and Professorships: 12.7%
- Research: 7.4%
- Libraries: 3.6%
- Other: 2.4%
University Of Manitoba Endowment Fund

FINANCIAL HIGHLIGHTS (by fiscal year)

MARKET VALUE OF THE UNIVERSITY INVESTMENT TRUST AND SPECIFIC TRUSTS
(in thousands)

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<th>2013</th>
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<th>2015</th>
<th>2016</th>
<th>2017</th>
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<tr>
<td>Market Value of the UIT</td>
<td>$423,942</td>
<td>$510,548</td>
<td>$576,795</td>
<td>$584,863</td>
<td>$677,171</td>
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<td>Market Value of the Specific Trusts</td>
<td>$48,126</td>
<td>$44,880</td>
<td>$55,164</td>
<td>$45,036</td>
<td>$64,690</td>
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<tr>
<td>Total Market Value of All Funds</td>
<td>$472,068</td>
<td>$555,428</td>
<td>$631,959</td>
<td>$629,899</td>
<td>$741,861</td>
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ANNUAL RETURN OF THE UNIVERSITY INVESTMENT TRUST

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<tr>
<td>Annual Return of the UIT</td>
<td>15.5 %</td>
<td>19.8 %</td>
<td>13.6 %</td>
<td>-0.1 %</td>
<td>16.5 %</td>
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<tr>
<td>Policy Benchmark Return</td>
<td>10.5 %</td>
<td>17.7 %</td>
<td>15.3 %</td>
<td>0.2 %</td>
<td>15.3 %</td>
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DONATIONS TO THE UNIVERSITY INVESTMENT TRUST AND SPECIFIC TRUSTS (in thousands)

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<th>2015</th>
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<tr>
<td>Donations to the UIT</td>
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<tr>
<td>Donations to the Specific Trusts</td>
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<td>$5,833</td>
<td>$3,952</td>
<td>$5,632</td>
<td>$4,044</td>
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