



I AM A VISIONARY.

ENDOWMENT FUND REPORT

The Year in Review

The University of Manitoba endowment fund earned a return of 4.9% over the past fiscal year, helping the fund reach a market value of \$393 million. This sum is made up of \$357 million in the University Investment Trust (UIT) and a further \$36 million in the Specific Trust Funds. New donations were also a big part of this growth as \$16 million in gifts were received by the UIT, and another \$6 million was donated to the Specific Trusts.

“Where we are shapes who we are. Our environment challenges us not only to adapt, but to innovate, to invent, to grow and to create. At the University of Manitoba, we are embracing the unexpected, defying convention, and carving a new path.”

~ Dr. David T. Barnard
President, University of Manitoba

Over the past 10 years the UIT has doubled in size, growing from \$178 million to its current level of \$357 million. During this time, the UIT has funded \$79 million in faculty programs, teaching, chairs, research and library acquisitions, and it has paid another \$50 million to students in the form of scholarships, bursaries and prizes. These figures confirm that the endowment fund continues to be an integral part of the University of Manitoba, as it helps the institution achieve its many goals. A healthy and growing endowment becomes an extremely beneficial asset to the University. The fund’s ability to provide enduring support to beneficiaries while continuing to grow in size and scope is a testament to the generosity of donors and to the dedicated work of university staff and volunteers. This fund’s growth, coupled with the successful changes made to its investment management, will make the next 10 years a time to look forward to.

The fund’s one-year return of 4.9% was relatively strong, outperforming the policy benchmark return of 2.3%. The policy benchmark is a weighted average return of each mandate’s benchmark index, and it provides a good measure of how the fund is performing against the general marketplace and our peer group. Despite its lower absolute return, 4.9% proves to be a very strong relative return for institutional investment strategies in Canada. The primary catalyst for the endowment’s over-performance compared to the combined indices was the Canadian equity return of -0.9% (vs. the S&P/TSX Index return of -9.8%). Burgundy Asset Management’s portfolio has realized strong returns since its inception in 2009, and has provided the fund with great downside protection as the portfolio has weathered well through a challenging Canadian marketplace.

The real estate fund managed by GWL Realty Advisors continues to provide the fund with large returns and low volatility. One of the principal reasons real estate was added as an asset class was its low correlation with bonds and equities, and its higher-than-expected returns over bonds. The real estate allocation replaced part of the bond allocation in the portfolio, and that has served the fund well as it has been the highest earning asset class over the past two years.



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The annualized investment performance of the fund is as follows:

ANNUALIZED INVESTMENT PERFORMANCE AS AT MARCH 31, 2012

	1 YEAR	2 YEARS	3 YEARS	4 YEARS
Total Portfolio	4.9%	8.6%	12.0%	2.9%
Canadian Bonds	7.3%	6.2%	4.0%	4.8%
Canadian Equities	-0.9%	9.6%	18.6%	3.5%
U.S. Equities	11.2%	11.2%	15.7%	4.1%
International Equities	-2.1%	1.3%	7.8%	-4.5%
Canadian Real Estate	17.1%	12.3%	8.5%	5.7%

Each year the endowment fund also benefits from new gifts received from its many donors, and this year was no exception. As noted earlier, a total of \$16 million in donations was received by the UIT, and a further \$6 million was gifted to the Specific Trusts. These gifts were either added to existing accounts, or were part of the 63 new individual endowed accounts set up during the year. New accounts and new gifts to existing accounts add to the base through which the endowment supports a variety of programs and initiatives. Many new endowed accounts are established to support students through various awards. This funding provides a growing student body with access to post-secondary education, and also plays an important role in enhancing the student experience. Other gifts are directed at programs and initiatives that keep the University vibrant and add to both the learning experience of students, and to the knowledge of faculty and researchers. With this support, the University can advance its mission in different and new directions, and also maintain existing funding for many of its long-standing and successful programs.

FAST FACTS:

- In 2011-12, \$16 million in donations were directed to the University Investment Trust
- \$6 million was directed to Specific Trusts in the past fiscal year
- 63 new individual endowment funds were set up in 2011-2012
- The UIT has doubled in size over the last 10 years, growing from \$178 million to its current level of \$357 million
- In the last 10 years, the UIT has funded \$79 million in faculty programs, teaching, chairs, research and library acquisitions
- \$50 million in scholarships, bursaries and prizes has been awarded to students in the past 10 years



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University of Manitoba Endowment Fund

FINANCIAL HIGHLIGHTS FOR THE PAST 5 YEARS

Fiscal Year

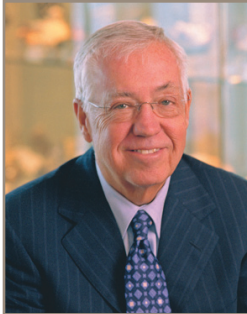
	2012	2011	2010	2009	2008
Market Value of UIT (in thousands)	\$357,105	\$342,284	\$300,965	\$249,779	\$307,069
Annual Return of the UIT	4.9%	12.4%	18.8%	-20.0%	-4.2%
Market Value of the Specific Trusts	\$35,504	\$28,187	\$37,747	\$32,565	\$35,211
Total Market Value of All Funds	\$392,609	\$370,471	\$338,712	\$282,344	\$342,280
Asset Allocation of the UIT (as of March 31)					
Canadian Fixed Income	14.3%	13.9%	14.5%	20.8%	18.9%
Canadian Equity	37.7%	39.8%	37.7%	30.1%	35.5%
US Equity	19.4%	18.4%	18.9%	18.6%	20.0%
International (EAFE) Equity	12.8%	13.7%	14.3%	13.1%	15.1%
Canadian Real Estate	15.8%	14.2%	14.6%	17.4%	10.5%
Donations (in thousands)					
- to the UIT	\$15,641	\$17,141	\$12,157	\$23,179	\$19,505
- to the Specific Trusts	\$5,960	\$5,390	\$9,714	\$5,923	\$9,600
Spending Allocation (in thousands)	\$15,176	\$14,259	\$14,027	\$13,569	\$13,163
By Purpose:					
Faculty and School Support	37.4%	38.7%	38.9%	39.8%	40.0%
Student Awards	37.3%	37.1%	35.9%	35.7%	35.4%
Chairs and Professorships	11.8%	10.0%	9.9%	10.0%	9.3%
Research	7.4%	6.8%	7.0%	7.4%	7.5%
Library Support	4.1%	4.1%	4.1%	3.2%	2.6%
Other	2.0%	3.3%	4.2%	3.9%	5.2%
Expenses of the Fund (in thousands)					
- Investment management	\$1,746	\$1,596	\$1,382	\$974	\$740
- Custodial, performance, consulting, and administrative	\$963	\$902	\$728	\$450	\$340
total as a % of average market value	0.72%	0.71%	0.63%	0.51%	0.33%



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THE IMPACT OF ENDOWMENTS

Transformative endowment bolsters teaching and research



Clayton Riddell's endowment fund has a profound impact on education and research in the Clayton H. Riddell Faculty of Environment, Earth, and Resources.

Clayton H. Riddell (BSc [Hons]/59, DSc/04) the namesake of the Clayton H. Riddell Faculty of Environment, Earth, and Resources, has been making a major impact on the faculty in several ways through the endowment fund he has established. The faculty's mission is to study the earth, its environment, resources and its people. Since the fund was established in 2003 through a generous \$10 million gift from Riddell, the faculty has become one of the world's premier institutes for conducting research, teaching and outreach on the future of the environment.

In addition to helping recruit and retain top quality faculty members, the endowment fund provides for research grants that in turn leverage funding from national granting bodies, like the Canada Excellence Research Chair program. The endowment fund also helps purchase state-of-the-art equipment, develop new areas of curriculum and course delivery and establish scholarships for outstanding undergraduate and graduate students. The faculty has also invested in three new tenure track faculty positions, post-doctoral and research associated positions, graduate students, and support staff.

Support from the fund has also been used to develop an integrated communications strategy to convey the unique and interdisciplinary nature of the faculty.

Norman Halden, dean of the faculty, emphasizes the fact that Riddell's gift was established as an unrestricted fund, giving the faculty the ability to apply funds to areas that are considered to be of high priority.

"The impact of this fund has been huge," Halden says. "We have used it to support several student scholarships and we've also used it to leverage major equipment installations. It's given us a lot of flexibility and competitiveness."

A distinguished graduate of the Department of Geological Sciences, an honorary degree recipient of the University of Manitoba, as well as an officer of the Order of Canada, Riddell is a leading entrepreneur in Canada's energy sector who has served on several scientific, industry and volunteer boards.

The long-term impact of Riddell's gift will continue to be felt over time throughout Manitoba, Canada and the world.

Endowment fund makes a big difference to future doctor



Vincent Lim is just one of the students who benefit from endowments set up to fund student awards.

Vincent Lim, a third-year medical student at the University of Manitoba, doesn't like to be confined by limitations. That's why he has chosen an educational and career path that he feels gives him the most opportunity.

"A large part of what drew me to medicine is the endless possibilities," he says. "One has the choice to steer their career into whatever direction they wish. One can choose to become a heart surgeon or a pediatrician, or even a pediatric heart surgeon if they have ambitions to do so."

Student awards and bursaries are helping Lim and students like him reach their potential in their fields of study. Lim, for instance, is the recipient of the Wallace Grant Bursary in Medicine, an academic award that supports undergraduate students in the Faculty of Medicine.

The late Dr. Wallace Grant (MD/44) had a distinguished career in pediatrics and child psychiatry. As a medical student, Dr. Grant's tuition was paid in part by an anonymous donor who was also a physician. As an expression of gratitude to this anonymous benefactor and, in memory of her husband, Rae Lilian Grant established the Wallace Grant Bursary in Medicine to support and encourage future medical professionals as they pursue their post-secondary education.

For Lim, knowing that there are donors who know what he is going through as a student and are willing to give back is very significant.

"I am very grateful for their generosity because these awards are a great help and ease some of the financial burden," he says. "I have other colleagues who have been given bursaries as well. They too, are very thankful for the generosity of the individuals responsible for creating the awards."