HOW FAR CAN WE GO?
At the University of Manitoba, we are defined by a spirit that constantly asks this question. We inspire our graduates to carry it with them into whatever field they choose. And as we develop trailblazers and innovators who will help build a better world, we encourage our philanthropic community to join us in this pursuit.

This is why we are embarking on the $500-million Front and Centre philanthropic campaign, the largest campaign ever undertaken in Manitoba. Our ambitious plan focuses on five priorities that are reflective of the opportunities and needs of our province: Indigenous achievement, graduate student support, research excellence, outstanding student experience, and places and spaces.

Through their support, our donors foster the achievements of the students, faculty, and alumni who help shape our province and nation. Those who endow their gifts make an enduring impact, because their support lasts for generations.

As you will read, our investment management principles are ensuring that the University Investment Trust distributes more financial support to our people and programs each year. We take our responsibility to protect our funds’ capital seriously. This year, our students, researchers, and academic programs received more than $18 million in support because of the generosity and foresight of our donors.

Thank you for choosing to invest in us.

— David T. Barnard, Ph.D., President and Vice-Chancellor
University of Manitoba
The University Investment Trust (UIT) is among the top 10 largest Canadian university endowment funds of its kind, and is an integral source of funding for the University. In the last five years alone, the fund has disbursed more than $80 million to help shape our future leaders and foster innovation and discovery.

Made up of nearly 2,100 individual endowment funds, the continued growth of the UIT and the income it distributes is a testament to the generosity of University of Manitoba donors.

BUILDING ACADEMIC PROGRAMMING THAT SUPPORTS SUCCESS

The Engineering Access Program (ENGAP) reached a milestone this spring, when Rene O’Laney became its 100th graduate. O’Laney, a member of Sagkeeng First Nation, completed his civil engineering degree with support from the program, which is partly funded through endowment funds.

ENGAP provides academic, social and financial support to Indigenous students pursuing a degree in engineering. Randy Herrmann, ENGAP director, says O’Laney is a great role model for the program: "Rene is a father, husband and active member of his community, living in Sagkeeng First Nation while he completed his degree. An excellent student, he is a carpenter by trade—a mature student without the high school background to get into Engineering—and incorporates almost everything about whom our program strives to help."

O’Laney is working with faculty member Dr. Dimos Polyzois, to develop sustainable housing for Manitoba First Nations. His own community has been affected by mold in houses, and O’Laney hopes to improve construction methods to build a healthier environment for the kids in his community.

“I wanted to be able to give back something to my community, which supported me all these years,” he explains. “I realized that if I received further education, I might be able to use it to help others.”

O’Laney has also inspired his own family – both his daughter and his cousin have enrolled in ENGAP citing O’Laney as their role model. It is this type of inspiration that has helped us develop the goals in our Indigenous achievement campaign pillar. ENGAP is an example of a targeted investment that will help Manitoba become a centre of excellence for Indigenous education and research.

“I wanted to be able to give back something to my community, which supported me all these years”
THE UIT: CREATING OPPORTUNITIES

Generous donors and sound investment management have helped the UIT grow to a market value of $576.8 million as at March 31, 2015. This is an increase of $66.2 million over 2014.

New gifts of $12.3 million and an annual return of 13.6 per cent account for the growth. This helped the UIT generate an $18.4 million spending allocation for the 2015-16 fiscal year — up from last year’s distribution of $17 million.

Endowment funds support the University of Manitoba’s core needs and create opportunities that position our students at the forefront of global education. Endowment funds create a profound impact—from bursaries that ensure access to education and travel stipends that enable students to participate in international competitions, to chairs and professorships that attract and retain top academics.

STEADY GROWTH: UIT MANAGEMENT AND PERFORMANCE

The UIT’s return of 13.6 per cent in 2014-15 met spending targets and investment management expenses of the fund. It also grew the purchasing power of the fund, protecting the capital contributed by donors against inflation.

On an absolute basis, and relative to the returns of the University of Manitoba’s peer group, the UIT’s performance was positive. On a relative basis against its benchmark, the UIT’s annual return was below the benchmark return of 15.3 per cent. This underperformance is mostly attributed to our Canadian equity portfolio’s return of 2.3 per cent last year, versus the S&P/TSX index return of 6.9 per cent.

The University is confident that its asset mix and investment managers are performing and managing their mandates true to their investment philosophies. Their investment styles and equity holdings continue to be in line with the philosophy and processes that have added value to the University of Manitoba’s portfolios over full market cycles, thus meeting the investment objectives of the UIT. Despite its lag over the past 12 months, the Canadian equity portfolio demonstrates very strong mid-term and long-term returns for the UIT.

Our approach is focused on steady long-term gains that enable us to consistently increase spending allocations year over year. The UIT’s three-, four-, and five-year returns, which have seen our capital grow, help ensure our students and scholars have the support they need today and for generations to come.

FUELING RESEARCH AND INNOVATION

Endowment funds fuel research and innovation at the University of Manitoba. Generous donors are helping our researchers and scholars make discoveries that have a transformative effect on the world.

One of these funds is the Mindermar Professorship in Human Simulation which supports one of the country’s most comprehensive simulation teaching facilities. Mindermar Professor Dr. Robert Brown is helping enhance health education and patient safety by identifying ways to incorporate simulation-based learning into health professionals’ training. This allows future doctors to practice procedures like delivering a breech baby or attending to a gunshot victim in a hospital-like setting before they ever treat a real patient.

“Through the support of the Rady Family Foundation, Mindel Olenick and Marjorie and Morley Blankstein, I am leading studies that help us better integrate technology into health care education. This work will advance the practice of simulation-based education,” says Dr. Brown. “Here in the Faculty of Health Sciences it will improve learning outcomes for our own students. Additionally, I am fortunate to help develop the next cohort of human simulation researchers by providing guidance to a Fellow in human simulation each year.”

“I am leading studies that help us better integrate technology into health care education.”

Ernest Rady and Dr. Robert Brown
CULTIVATING FUTURE LEADERS

At the University of Manitoba, it is our hope that every student who needs financial support has access to a scholarship or bursary. These awards make a tangible difference to those who want to pursue their dreams of a post-secondary education, like Kaleigh Warden.

In 2008, Warden received the Dr. Bonnie J. Trodden Scholarship in Dental Hygiene in 2008. Today she is a successful professional who takes an active role in her community. She credits the scholarship with helping to shape her future.

“The Bonnie Trodden Scholarship was a true honour to receive and allowed me some financial security as I continued my studies in dental hygiene. I still vividly recall meeting [Dr. Trodden] at our faculty awards ceremony and feeling so touched that she was actually there and wanted to support someone that she didn’t know and had never met,” says Warden. “The scholarships I received as a student gave me a sense of pride and accomplishment that I still carry with me as a practicing registered dental hygienist. With that pride I also feel a sense of duty to make those donors proud, which motivates me towards continued professional success.”

The award was created by faculty member Dr. Bonnie Trodden to reward high achieving students. Trodden passed away in 2014, but her loved ones and former colleagues continue to honour her legacy by growing her endowment fund to support new generations of oral health leaders.

“...and to preserve the long-term capital of the UIT. The spending policy is based on a hybrid formula that pays out an inflationary increase over last year’s payout, plus an additional amount based on a four per cent spending rate of the 60-month rolling average of market values of each endowment fund.”

Expenses of the UIT:
- As a percentage of average market value: 0.76 per cent
- Investment management: $2.46 million
- Custodial, performance, consulting, and administrative: $1.65 million

UIT EXPENSES

The UIT incurs expenses related to managing and safe-keeping assets. Investment management fees for portfolio management make up the most significant portion of overall expenses. Other expenses include fees for custodians, third-party performance measurement, performance analytics, and internal administrative fees.

SPECIFIC TRUSTS

At March 31, 2015, the UIT’s specific trust funds were worth $55.2 million, up more than $10 million from last year’s total of $44.9 million.

Specific trust funds primarily support shorter-term projects. Currently, the bulk of these funds consist of gifts and funding for capital projects such as the Taché Arts Project and the Active Living Centre, cornerstones of the Front and Centre campaign.
HELDING GRADUATE STUDENTS
REACH THEIR POTENTIAL

Shortly after beginning his graduate studies in 2012, Eric Garcia’s family hit a rough patch that left him uncertain about his future. Financing his education was a challenge, until he received the Ruth Asper Scholarship in Physical Education, Kinesiology and Recreation.

The award helped him continue his full-time program without taking on a part-time job. More than just a financial boon, the award was meaningful to Garcia on a personal level.

“It reminded me that there are people out there that want me to succeed and reach my full potential,” he says.

Today, Garcia is a clinical kinesiologist with the Winnipeg Regional Health Authority, helping people on hemodialysis to enjoy a better quality of life.

Manitoba’s capacity for innovation will grow with an increased number of exceptional graduate students, like Eric Garcia. Investments in our graduate student support campaign pillar will help lead our province into an era of unprecedented prosperity.

“It reminded me that there are people out there that want me to succeed and reach my full potential.”

DEVELOPING SPACES TO
IGNITE CREATIVITY

We can enhance our community’s quality of life through new and improved environments for learning, discovery and engagement. Our campaign pillar, places and spaces, will encourage investment and foster academic and personal success.

In 1982, a generous gift from distinguished alumnus, Senator William “Bill” Benidickson helped create a reading room for Arts students in the Fletcher Argue Building.

An active member of his class, Benidickson was the Faculty of Arts Senior Stick, part of a winning debate team, member of the Glee Club, and star of a production of “The Dear Departed”.

He enlisted in the Royal Canadian Air Force at the outbreak of World War II, rising to the rank of Wing Commander. After the war, Benidickson entered the political arena. He was elected to Parliament in 1945 and developed a reputation of being unbeatable, winning six consecutive re-elections.

In 1965, Benidickson was appointed to Canada’s Senate, where he served for 20 years.

More than 30 years after his initial gift, Benidickson’s endowment continues to enhance the University. In 2013, the fund was used to refurbish and expand the existing space, which was then named the Benidickson Reading Room.

Joe Kelly, current Arts Senior Stick, is among the students who enjoy the space. “Its modern style and refreshing look are a breath of fresh air,” says Kelly. “This space has offered students a much-needed venue where they can focus on their studies.”

Benidickson Reading Room
ANNUALIZED INVESTMENT PERFORMANCE
As of March 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>1 YEAR</th>
<th>2 YEARS</th>
<th>3 YEARS</th>
<th>4 YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Portfolio</strong></td>
<td>13.6%</td>
<td>16.7%</td>
<td>16.3%</td>
<td>13.3%</td>
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<tr>
<td>Benchmark</td>
<td>15.3%</td>
<td>16.5%</td>
<td>14.2%</td>
<td>10.9%</td>
</tr>
<tr>
<td><strong>Canadian Fixed Income</strong></td>
<td>9.1%</td>
<td>4.8%</td>
<td>4.8%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>10.5%</td>
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<td>6.9%</td>
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<tr>
<td><strong>Canadian Equities</strong></td>
<td>2.3%</td>
<td>11.5%</td>
<td>13.2%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>6.9%</td>
<td>11.4%</td>
<td>9.6%</td>
<td>4.4%</td>
</tr>
<tr>
<td><strong>U.S. Equities</strong></td>
<td>29.9%</td>
<td>32.5%</td>
<td>27.2%</td>
<td>23.0%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>29.3%</td>
<td>30.9%</td>
<td>25.7%</td>
<td>22.0%</td>
</tr>
<tr>
<td><strong>International Equities</strong></td>
<td>21.7%</td>
<td>22.5%</td>
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<tr>
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<td>14.2%</td>
<td>21.0%</td>
<td><strong>n/a</strong></td>
<td><strong>n/a</strong></td>
</tr>
<tr>
<td><strong>Canadian Real Estate</strong></td>
<td>6.8%</td>
<td>8.3%</td>
<td>11.4%</td>
<td>12.8%</td>
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<tr>
<td>Benchmark</td>
<td>8.6%</td>
<td>9.4%</td>
<td>10.6%</td>
<td>11.8%</td>
</tr>
</tbody>
</table>

ASSET ALLOCATION OF THE UNIVERSITY INVESTMENT TRUST
As of March 31, 2015

- Canadian Equity: 30.7%
- U.S. Equity: 27.8%
- International (EAFE) Equity: 16.4%
- Canadian Real Estate: 14.0%
- Canadian Fixed Income: 11.1%

SPENDING ALLOCATION (BY PURPOSE) $18.4 MILLION
As of March 31, 2015

- Student Awards: 39.1%
- Faculty and School Support: 35.6%
- Chairs and Professorships: 11.5%
- Research: 7.7%
- Libraries: 3.7%
- 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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Value of the UIT</th>
<th>Market Value of the Specific Trusts</th>
<th>Total Market Value of All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$342,284</td>
<td>$28,187</td>
<td>$370,471</td>
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<tr>
<td>2012</td>
<td>$357,105</td>
<td>$35,504</td>
<td>$392,609</td>
</tr>
<tr>
<td>2013</td>
<td>$423,942</td>
<td>$48,126</td>
<td>$472,068</td>
</tr>
<tr>
<td>2014</td>
<td>$510,548</td>
<td>$44,880</td>
<td>$555,428</td>
</tr>
<tr>
<td>2015</td>
<td>$576,795</td>
<td>$55,164</td>
<td>$631,959</td>
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ANNUAL RETURN OF THE UNIVERSITY INVESTMENT TRUST

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Return of the UIT</th>
<th>Policy Benchmark Return</th>
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<tbody>
<tr>
<td>2011</td>
<td>12.4 %</td>
<td>13.1 %</td>
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<tr>
<td>2012</td>
<td>4.9 %</td>
<td>2.3 %</td>
</tr>
<tr>
<td>2013</td>
<td>15.5 %</td>
<td>10.5 %</td>
</tr>
<tr>
<td>2014</td>
<td>19.8 %</td>
<td>17.7 %</td>
</tr>
<tr>
<td>2015</td>
<td>13.6 %</td>
<td>15.3 %</td>
</tr>
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</table>

DONATIONS TO THE UNIVERSITY INVESTMENT TRUST AND SPECIFIC TRUSTS (in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Donations to the UIT</th>
<th>Donations to the Specific Trusts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$17,141</td>
<td>$5,390</td>
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<tr>
<td>2012</td>
<td>$15,641</td>
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<td>$11,013</td>
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<tr>
<td>2014</td>
<td>$8,511</td>
<td>$5,833</td>
</tr>
<tr>
<td>2015</td>
<td>$12,331</td>
<td>$3,952</td>
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</tbody>
</table>