



**University  
of Manitoba**

# UM Endowment

VISIONARY INVESTMENTS IN BIGGER FUTURES

2018/19 University Investment Trust (UIT) Annual Report

Your investment creates exceptional student experiences, challenges innovative thinking and inspires leadership for future generations.

The University of Manitoba's endowment – the University Investment Trust (UIT) – is comprised of more than 2,300 funds supported by thousands of donors. Your investment keeps the university at the front and centre of global discovery, attracts the world's brightest minds, powers an engine of innovation and fosters the province's next generation of leaders. Thank you for investing in campus development, research and learning, and overall student experience at the University of Manitoba.

## FINANCIAL HIGHLIGHTS

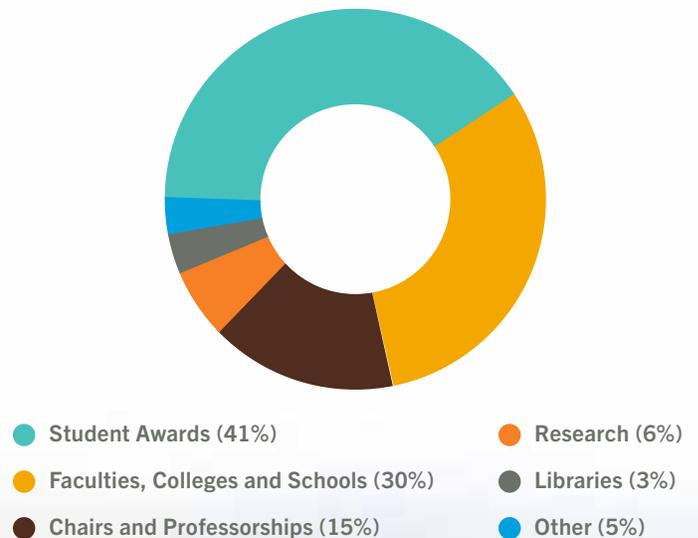
**\$763.2** MILLION AT  
MARCH 31, 2019

**8.7%** ONE-YEAR  
INVESTMENT RETURN

**\$18.8** MILLION  
IN NEW GIFTS

**\$28.0** MILLION  
IN EXPENDITURES

## SPENDING ALLOCATION BY PURPOSE

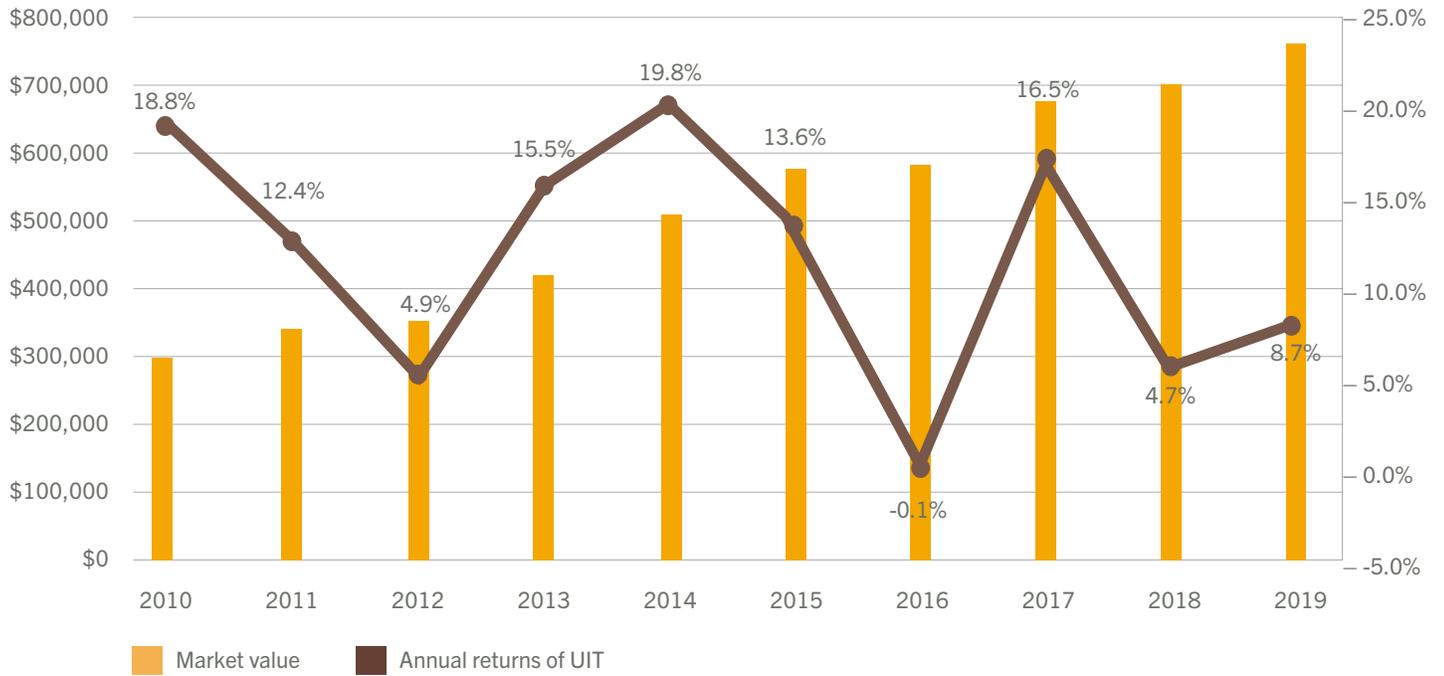


**THE YEAR IN REVIEW:**

**UM ENDOWMENT NEARLY DOUBLES IN BOTH GIFTS AND RETURNS**

The one-year investment return was 8.7%, compared to last year’s 4.7%. New gifts in 2018/2019 totaled \$18.8 million compared to \$10.5 million last year. The fund reached a market value of \$763.2 million and disbursed \$28 million in 2019.

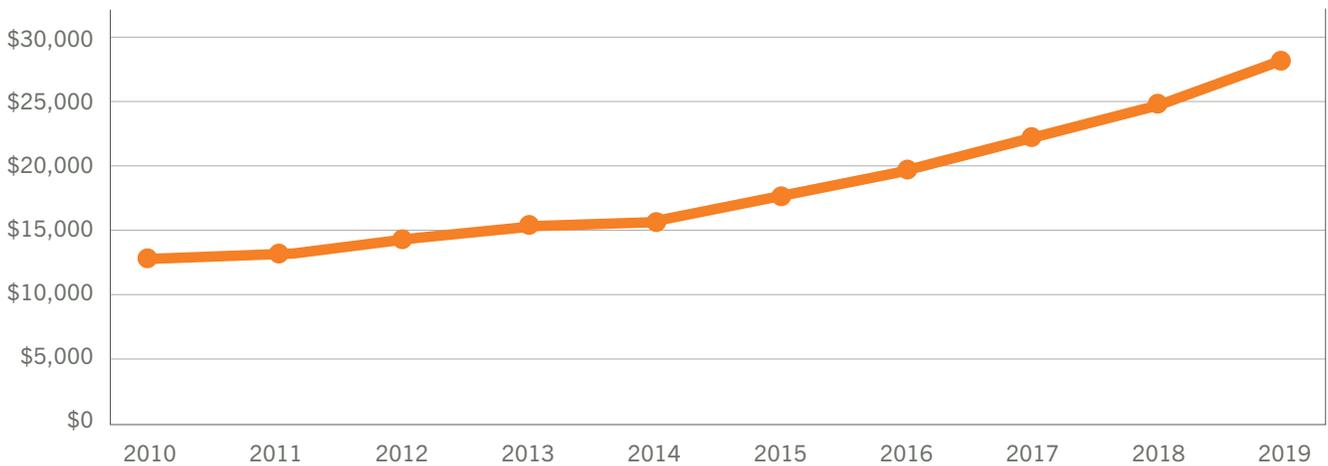
**MARKET VALUE AND ANNUAL RETURNS OF UIT (in thousands)**



**SPENDING POLICY FOR A PROFITABLE FUTURE**

Over the past five years, the fund generated \$116.4 million to support students, faculties and schools, libraries, athletics, research and a variety of other areas.

**SPENDING ALLOCATION (in thousands)**



# Gifts today, funding the future

The five-year annualized return of the fund was 8.5% and the 10-year annualized return was 11.3%, both exceeding the investment objectives of the fund based on the UIT providing for inter-generational equity. The UIT added a new asset class in January 2019, investing in the Brookfield Super-Core Infrastructure Partners Private Fund. This investment is through a limited partnership, and the

university's share of the partnership at March 31, 2019 was valued at \$21.3 million. This investment added further diversification to the overall UIT portfolio, and steady income stream from the investment will provide support for beneficiaries of the fund. It is also an ideal investment for an endowment fund, as it is inflation-linked, has strong downside protection and a long investment timeframe.

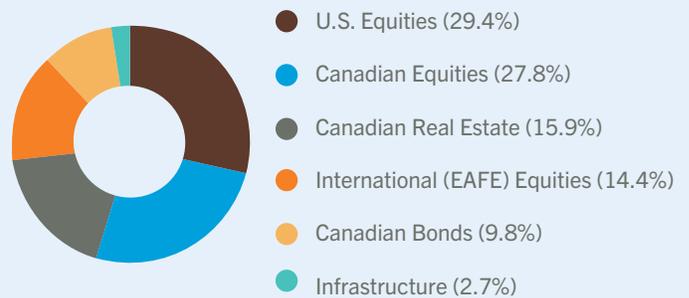
## ANNUALIZED INVESTMENT PERFORMANCE

At March 31, 2019

	1 year	3 years	5 years
<b>Total Portfolio</b>	<b>8.7%</b>	<b>9.9%</b>	<b>8.5%</b>
Benchmark	8.6%	10.0%	8.8%
<b>Canadian Bonds</b>	<b>5.7%</b>	<b>2.1%</b>	<b>3.4%</b>
Benchmark	5.7%	1.8%	3.6%
<b>Canadian Equities</b>	<b>9.8%</b>	<b>9.5%</b>	<b>4.2%</b>
Benchmark	8.1%	9.3%	5.4%
<b>U.S. Equities</b>	<b>13.1%</b>	<b>14.7%</b>	<b>14.7%</b>
Benchmark	13.5%	14.7%	15.2%
<b>International Equities</b>	<b>2.3%</b>	<b>8.0%</b>	<b>10.8%</b>
Benchmark	0.3%	9.0%	6.8%
<b>Canadian Real Estate</b>	<b>7.6%</b>	<b>6.5%</b>	<b>6.2%</b>
Benchmark	9.2%	7.5%	7.4%

10-year return: 11.3%    15-year return: 7.8%

## ASSET MIX (as of March 31)



## INVESTMENT PAYOUT RATES

The University of Manitoba set a long-term payout rate, also referred to as a spending allocation, in order for the current generation to realize a benefit from the UIT. This spending allocation rate is determined with the knowledge that future generations also need to be supported. The payout requirement is currently set at 4.25% of a rolling 48-month average of market value of the UIT.

**Your endowed gifts provide students with exceptional experiences that allow them to realize their own potential and achieve success.**

**Keith McCullough, third-year student in the Faculty of Law and one of the 2018/2019 Pitblado Scholarships recipients, says:**

“I can think of no better gift any person could give to another than to support their education. On behalf of the University of Manitoba scholarship and bursary recipients, thank you so much for your continued investment.

We are working hard to make you proud and to ensure we are one day able to give back to the next generation.”





**Your endowed gifts create opportunities and inspire students to make an impact of their own. Bella Oghieakhi, Master of Arts graduate in Peace and Conflict Studies and 2017/2018 Manavathé Graduate Student Bursary recipient, says:**

“The moral support from donors encouraged my journey in the pursuit of peace and motivated me to ‘pay it forward’ by sponsoring a 5-year-old girl in rural Zimbabwe to attend school.

Donor gifts, like these, are having a significant impact in the lives of individuals from various cultural backgrounds, including mine, and I want to express my gratitude for this, as well. Thank you for influencing the next generation positively.”

	ASSET CLASS	MANAGER
UNIVERSITY INVESTMENT TRUST	Canadian Fixed Income	Cidel Asset Management
	Canadian Equities and International Equities	Burgundy Asset Management
	Canadian Real Estate	GWL Realty Advisors
	U.S. Equities	J.P. Morgan Asset Management
	Infrastructure	Brookfield Asset Management
SPECIFIC TRUSTS	Canadian Fixed Income and Cash Equivalents	BMO Nesbitt Burns
	Canadian Fixed Income, Canadian and Foreign Equities	Jarislowsky Fraser
OTHER	Investment Consulting	Aon
	Custodian	CIBC Mellon
	Performance Measurement	BNY Mellon
	Corporate Banking	Toronto-Dominion Bank

## TRUST INVESTMENT COMMITTEE

### UNIVERSITY STAFF AND MEMBERS OF THE BOARD OF GOVERNORS

**Lynn Zapshala-Kelln**, Vice-President (Administration), Chair  
**Carla Buchanan**, Manager, Financial Reporting  
**David Collins**, Vice-Provost, (Integrated Planning and Academic Programs)  
**Norman Halden**, Dean, Clayton H. Riddell Faculty of Environment, Earth, and Resources  
**Tom Hay**, Comptroller  
**Jeff Lieberman**, Chair, Board of Governors  
**Lance McKinley**, Director, Treasury Services

### COMMUNITY MEMBERS

**Wayne Anderson**, President, St. Boniface Pallet Co. Ltd.  
**Alan Brownridge**, retired, Managing Partner, I. G. Investment Management Limited  
**Norman Long**, retired, Comptroller, University of Manitoba  
**John Smith**, retired, President, GLC Asset Management Group Ltd.

### RECORDING SECRETARY

**Carleigh Collier**, Assistant to the Comptroller

### Endowment Fees

The endowment fund incurs expenses related to the management and safekeeping of assets. Fees include investment management, custodian, performance measurement and analytics, and administrative fees.

Investment management fees paid in 2019 totaled \$3,772,000 or 0.51% of the average market value of the fund over that period. The total investment and administrative related expenses of the fund in 2019 were \$4,987,000 or 0.67% of the average market value of the investments for the year.