



University  
of Manitoba

# UM Endowment

2022/23 University Investment Trust (UIT) Annual Report

## What inspires you can change everything

The University of Manitoba's endowment—the University Investment Trust (UIT)—is a pivotal resource that fuels our programs, bolsters our students, and energizes our research initiatives. **Your philanthropic spirit and forward-thinking are empowering UM students toward a brighter future.** We deeply value your unwavering commitment, collaboration, and trust.

### FINANCIAL HIGHLIGHTS

MORE THAN  
**2,600**  
INDIVIDUAL FUNDS IN THE UIT

UIT VALUED AT  
**\$935.7M**  
AS OF MARCH 31, 2023

SPENDING RATE IS  
**4.25%**  
OF THE UIT'S ROLLING 48-MONTH  
AVERAGE MARKET VALUE

**\$35.5M** GENERATED TO SUPPORT  
STUDENTS, PROGRAMS,  
AND OTHER ACTIVITIES

**\$19.6M** RECEIVED IN GIFTS  
OVER THE PAST YEAR

**3.7%** ONE-YEAR RETURN  
VS BENCHMARK OF -0.4%

**\$163.5M** TOTAL SPENDING  
FOR BENEFICIARIES  
OVER THE PAST 5 YEARS

For more detailed information on UM's endowment performance and management, visit [umanitoba.ca/treasury-services/university-investment-trust](https://umanitoba.ca/treasury-services/university-investment-trust)

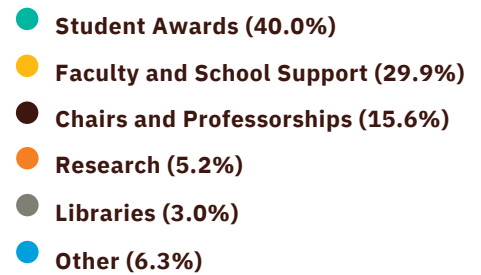
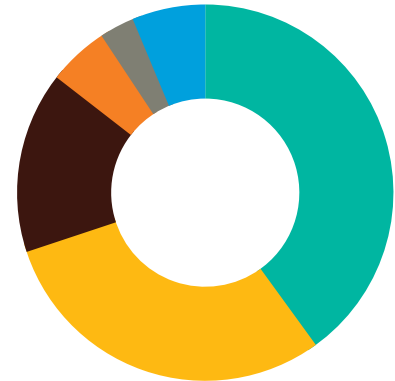
## THE YEAR IN REVIEW

- The past year proved difficult in investment markets, with high inflation forcing central banks to significantly increase interest rates. Globally, most public equity and bond portfolios had flat to negative performance. The UIT delivered a 3.7% return, outperforming the policy benchmark by 4.1%. This was due to strong performance by RBC Global PHN, Wellington Management, and Aristotle Capital. The UIT's investment in the Brookfield Super Core Infrastructure Fund also performed well with a 16.5% return.
- The UIT approved one new investment manager account in July 2022 – MFS Investment Management, responsible for managing half of the International Equity allocation (14% of the UIT's asset mix). This account focuses on quality companies, has a robust and integrated ESG process and has performed well adding 3.3% value over its benchmark.
- The spending rate was reduced from 4.50% to 4.25% of a rolling 48-month average market value of the UIT. This was due to the UIT's 5-year return of 6.9%, which did not meet the investment objective of covering the fund's expenses and inflation for that period.

## RESPONSIBLE INVESTMENT POLICY

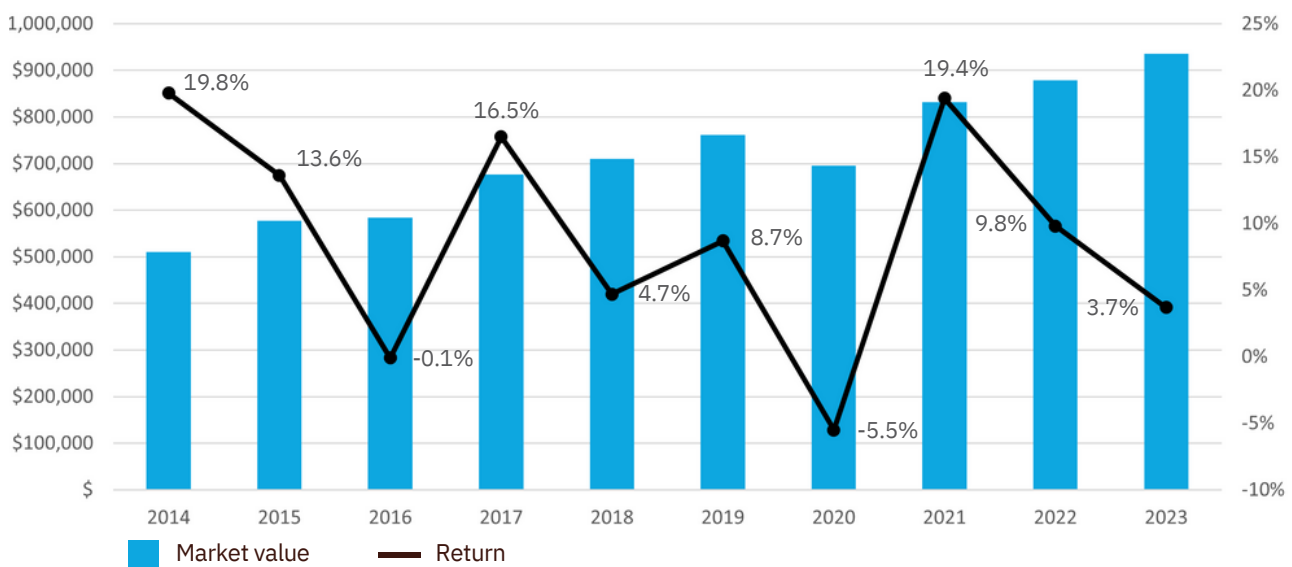
- In fiscal 2022/23 the Board of Governors approved a Responsible Investment Policy for all investments of the University. Key policy initiatives include:
    - UM joining the United Nations Principles of Responsible Investing
    - A focus on Environmental, social and governance (ESG)
    - Divestment of fossil fuel supply securities and reducing carbon emissions related to investments
    - Prioritized support of Indigenous rights
    - Increased transparency in reporting to stakeholders
- Many of these initiatives are already underway: some will be implemented in fiscal 2024; and others are targeted for future years.

## SPENDING ALLOCATION BY PURPOSE



## MARKET VALUE AND ANNUAL RETURN OF UIT 2013-14 TO 2022-23 (in thousands)

The following graph demonstrates the growth of the UIT's market value and annual returns over the past 10 years.



## Endowment Fees

The endowment fund incurs expenses related to the management and safekeeping of assets. Fees include investment management, custodian, consulting, performance measurement, and internal administrative fees. Total expenses of the fund in 2023 were \$7,117,000 or 0.81% of the average market value of the investments for the year.