

Foundation Western

2013/2014 Annual Report to Donors

Be Extraordinary.

The Campaign for Western

Western



Unified strength



This past fiscal year was a period of significant change. As you know, Foundation Western and Western University agreed to unify endowment management, effective April 30, 2014. We are pleased to advise that the transfer of assets has been completed.

As a valued donor, your satisfaction is important to us. Please be assured that the name and terms of your endowment fund will not change as a result of this action. Endowment management excellence has always been a hallmark of the Foundation and we promise you that responsive reporting and prudent financial management will continue under Western's stewardship. All Foundation staff have accepted employment with Western, and the core team will remain involved with endowment management going forward.

In the past 35 years, the Foundation has had an extraordinary impact on the Western community. The following milestones offer a hint of the Foundation's legacy.

- Since 1979, more than 75,000 donors have contributed to approximately 1,100 endowment funds, helping Western deliver an academic experience second to none for students.
- In 1984, the Foundation provided a \$2 million interest-free loan to construct a new student residence, Alumni House. Since then, the Foundation has continued making investments in Western's infrastructure, helping provide the services and spaces needed for our students, faculty and staff to achieve.
- In 2014, the Foundation's life-to-date granting surpassed \$91 million, helping Western become a leading Canadian university with world-class faculty such as Dr. Bob Kiaii, holder of the Ray and Margaret Elliott Chair in Surgical Innovation.

We are proud of this record of success and we want to thank all of the donors, volunteers and staff who contributed their time and resources over the years.

During the 2014 fiscal year, your generous contributions benefited the University in many ways. Throughout the year, we provided more than \$6.5 million in support of student achievement, research excellence, faculty support and program enrichment, including a \$250,000 leadership donation to The Taylor Library Transformation.

Enclosed you will find your annual financial report(s) as well as information about the Foundation's endowment and its ongoing impact on students, faculty and researchers. If you have any questions about your endowment, please contact Frank Pyka at 519.661.2111 (ext. 88811) or fpyka@uwo.ca.

Thank you for the confidence you have shown in the Foundation's Board and staff, particularly during this time of change. We are honoured to have served as your alumni foundation, and it is with optimism that we look forward to an extraordinary future.

Sincerely,

Handwritten signature of Richard J. Kohn in black ink.

Richard J. Kohn, BA'69
*President, Foundation
Western*

Handwritten signature of Chirag Shah in black ink.

Chirag Shah, BSc'89
*Chair, Board of Governors,
Western University*

Handwritten signature of Robert Collins in black ink.

Robert Collins, BA'77
*President, The Alumni Association
of the University of Western
Ontario (Western Alumni)*

Honouring our past, looking ahead

We are grateful for the energy, commitment and generosity of everyone who has supported the Foundation. Thanks to you, Western is able to build upon the solid foundation that has been created and continue helping students, researchers and scholars pursue their goals.

“My father was one of Foundation Western’s founding directors in 1979 and my mother served on the Board years later. My family has always been proud and loyal champions of its good work; however, the investment and philanthropic climate today is different than it was 35 years ago. The Foundation Board’s decision to combine management of the endowed assets of Western and the Foundation makes sense for our University and its many stakeholders.”

Rosamond Ivey, HBA’82



Moving forward, administrative management of your fund will be handled by the newly created unit, Donor Funds Management, which will be led by Frank Pyka and situated within the Department of Alumni Relations & Development.

Frank has served as Executive Director of Foundation Western for more than seven years and is familiar with both the Foundation’s and the University’s operations. As a recognized authority on endowment management, he is well positioned to lead this restructuring.

“Our donors should be reassured by the fact that their endowed donations will be cared for by the same team of professionals, only now formally integrated into the Western family,” said Frank. “In partnership with our colleagues across campus, we are excited to help write the next chapter of Western’s philanthropic story.”

“Receiving the Senior Alumni Award is humbling and inspiring because it motivates me to work hard and pursue my goals. It’s also humbling to know someone believes in me enough to support my education and wants me to experience all that I can to be prepared for my future.”

Vanessa Deng, BESC’16

Recipient of the Senior Alumni Award

(the first award established at Foundation Western)



We thank the Board of Directors for their time, effort and extraordinary work. They have shown tremendous leadership and dedication to the Foundation and for that we are sincerely appreciative.

Board of Directors

Shelley Baker, BSc’87
President
*Richard and Shelley Baker
Family Foundation*

Stephen Bolton, MBA’07
President & CEO
Libro Credit Union

C.L. (Carol-Lynn) Chambers,
BSc’82, MPA’01
Section Manager
*Office of the Fire Marshal &
Emergency Management*

C. Bruce Hill, MCID’90
Orthodontist
BHG Orthodontics

Paul Knill, LLB’73
Partner (Retired)
Siskinds LLP

Richard J. Kohn, BA’69
Partner
*Marcus & Associates
Chartered Accountants*

John Prueter, MBA’97
Managing Partner
NPT LLP

Christene Scrimgeour, BA’81
Chartered Professional
Accountant
Scrimgeour & Company

David Stenason*, BA’78
Managing Director
Rempart Asset Management

Gary West, BA’68
Senior Manager (Retired)
RBC Royal Bank

Staff

Frank Pyka, CPA, CMA
Executive Director

Kathryn McAuley
Stewardship & Compliance Officer

Kristen Rosehart
Stewardship & Communications Associate

Karla Szauter, CPA, CA, CGA
Director of Finance

Dawn Vanhie
Accounting Officer

*Member of Western’s Investment Committee effective February 28, 2014

Your impact is extraordinary

Since 1979, Foundation Western has effectively managed alumni endowed gifts to support student learning and research discovery at Western. What has been accomplished is a testament to the philanthropic vision of those who created the Foundation and those who have contributed to its success.

Legacy timeline

March 1979

Board of Governors and Western Alumni establish Foundation Western

April 1979

First donation (\$1,000) is received from the Senior Alumni Program

1990

For the first time, grants from the Foundation to the University top more than \$1 million in a single year

1992

First \$1-million bequest is realized by the Foundation (in support of medical research)

1998

Assets reach \$50 million, doubling the assets from 1995 (\$25 million)

2004

Faculty of Law receives support from the Foundation to host voluntary trial and appellate advocacy competitions

2014

Assets reach \$232 million

2010

The Foundation realizes a \$1-million bequest from sports writer Bob "Scoop" Gage to Western Athletics

2009

The Beryl Ivey Continuing Entrance Award is awarded for the first time (\$16,000 annually for four years)

2008

The Foundation and Western Alumni give \$250,000 to the Paul Davenport Theatre

2005

Assets reach \$100 million

Foundation impact



800 Number of funds that support student aid



42 Number of research chairs, professorships and fellowships

\$507 million Total post-unification endowment



1,100 Number of endowed funds



35 Years of endowment management excellence

78 Volunteers served on the Foundation Board or its committees since 1979



75,000 Number of donors who have given to the Foundation

\$30.8 million Amount of bequests realized through the Foundation



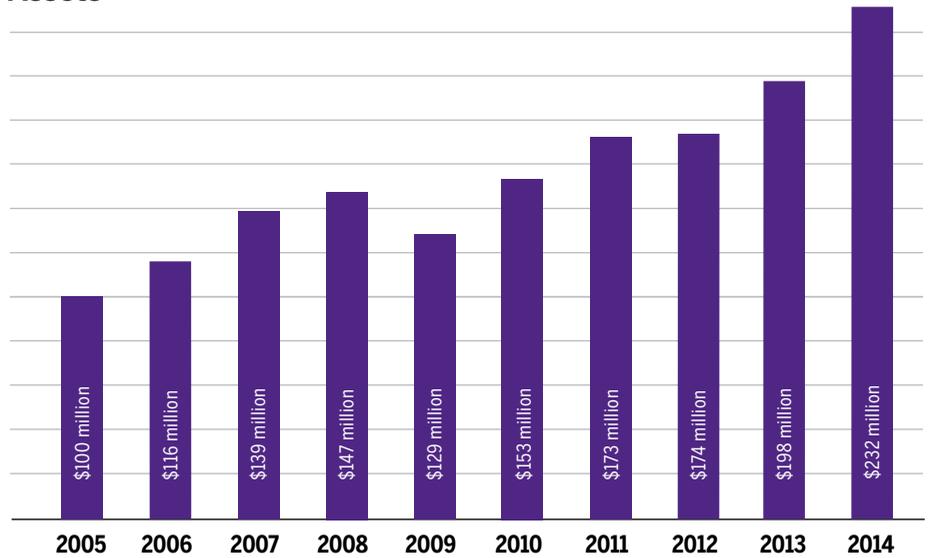
Financial highlights April 30, 2014 (unaudited)

2014 at a Glance

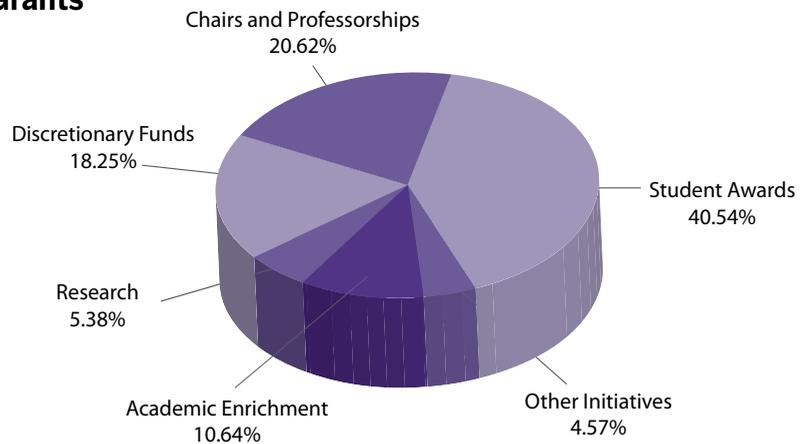
Assets	\$232,420,031
Donations	\$8,193,348
Grants	\$6,581,251
Operating Expenses	\$813,709

In honour of Western Alumni's role in the development of the Foundation, the Foundation Western Legacy Fund has been created. Western Alumni will recommend expenditures from this endowment consistent with the granting guidelines formerly used by the Foundation's Board of Directors. In this way, the Foundation's spirit will live on in a real and tangible way for generations to come.

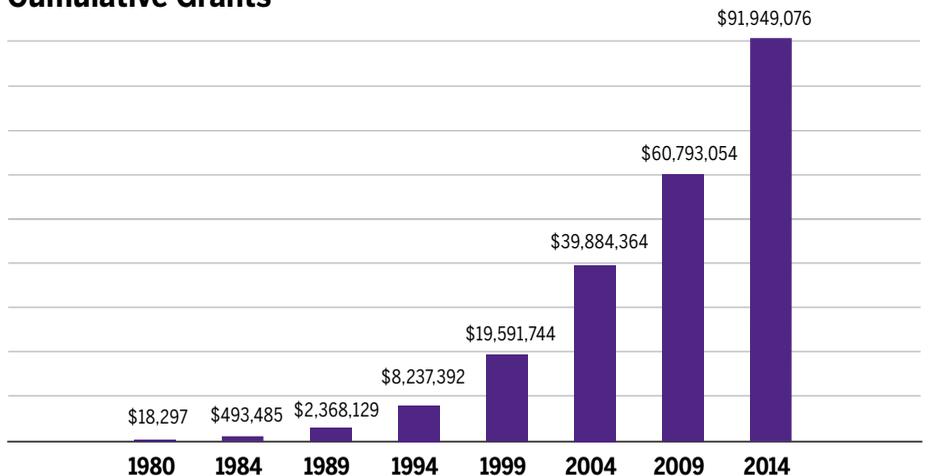
Assets



2014 Grants



Cumulative Grants



To view a complete version of the audited financial statements, visit extraordinary.westernu.ca

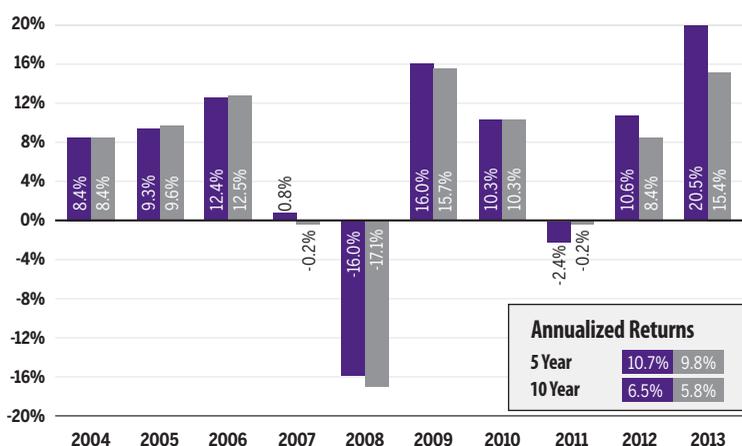
Endowment management

Investments

The investment objectives of Foundation Western were consistent with the permanent nature of endowed gifts: to generate sufficient return to annually fund scholarships, research and other academic programs at Western and to maintain the long-term capital value of the endowments over time.

The financial and investment operations of Foundation Western were under the direct supervision of the Foundation Board of Directors. The invested funds were managed by professional money managers whose performance was reviewed quarterly by the Board.

Investment Returns to December 31



■ Portfolio return
■ Benchmark* return

*2010 - 2013: S&P/TSX Composite for Canadian Equities, MSCI World ex-Canada (\$C) for Global Equities, DEX Universe Bond for Bonds. Benchmark varied in prior years according to asset mix policy in effect year to year.

Investment Asset Mix and Managers

	Fixed Income		Equity	
Asset Class	Bonds	Short Term	Canadian	Global
Style	Active	Passive	Active	Active
Asset Mix Policy	34.0%	–%	33.0%	33.0%
Actual at Dec 31, 2013	29.0%	1.0%	35.0%	35.0%
Manager	TDAM	UBS	Mawer	JP Morgan

Effective January 1, 2014, investment pools were combined under the care of the University Investment Committee.

Spending Policy and the Income Stability Fund

A consistent annual spending allocation was maintained for each endowment independent of the actual investment return. For the 2014 fiscal year, this allocation was 4.0 per cent of endowed capital.

To maintain a consistent annual spending allocation, the Foundation utilized an Income Stability Fund. This fund was a feature of Foundation Western's endowment model. The Fund accumulated revenue in years where investment returns exceeded funding requirements, and the surplus was used to meet spending requirements in years where income fell short.

The balance in the Income Stability Fund at April 30, 2014 was \$44 million. As part of the transition to Western's policy, this balance was distributed pro rata to all endowments based on donated capital. This allocation to capital appears on the income allocation line of all 2014 financial reports. Effective May 1, 2014, all endowments are being administered in accordance with Western University's allocation policies in place of the stability fund model.

Operating Allocation

An operating allocation of 0.2 per cent of assets was made from investment income to support operations.

For more information on Western's policies as they relate to endowment investments and spending, please visit www.uwo.ca/univsec/policies_procedures/index.html



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