Foundation Western is an independent charitable foundation established and governed by graduates of The University of Western Ontario. The Foundation invests alumni and friends’ donations and distributes income earned for the benefit of the University and its students.
The University of Western Ontario and Foundation Western are working together to transform the lives of our students by providing an exceptional learning experience based on teaching and research excellence and support of intellectual, athletic, artistic and community service activity. And, through donor support, we are providing researchers with the resources they need to successfully tackle the challenges that face our world, making a real impact on lives around the globe.

Foundation Western, an independent charitable foundation created to support the University and governed by Western alumni, contributes to our shared goal by building a strong and stable base of endowment funds that financially support Western and its students.

Last year, thanks to the generosity and inspired vision of Western’s alumni and friends, the Foundation granted more than $6 million to support scholarships and bursaries, investments in equipment and program enrichment, as well as professorships and chairs.

In addition, managed funds grew to more than $173 million with $12 million in new gifts invested in Foundation Western’s endowment fund this year. We are truly grateful for the tremendous support of our donors and the legacy you are helping to build.

We manage these funds to support the needs of students and researchers on campus and to fuel the endless discoveries and innovations taking place at Western. We think of the people and the possibilities as we manage the endowment fund with the utmost care and diligence that it deserves.

Foundation Western is pleased to enclose a financial statement on the specific endowment fund(s) of interest to you. This report also provides detail on how we have managed these funds and includes inspiring examples of the impact donors have made.

Thank you for your trust in us and for the investment you have made in Western. We know you give to Foundation Western to make a difference in people’s lives, perhaps to honour a loved one or even to give back to the University that shaped your life. Together, we can ensure the future success of the University, for many years to come.
FOUNDATION LEADERSHIP

BOARD OF DIRECTORS

Foundation Western is governed by a 12-person Board of Directors, all of whom are Western alumni. We also rely on committee volunteers, several of them being Western alumni, as well. Thank you to our Board and Committee volunteers for their commitment and dedication – they are essential members of our team.

VOLUNTEER COMMITTEE MEMBERS

Walid Busaba, PhD’95 (Boston College)
Jerome Cohen, HBA’76
Chuck Grace, BA’80
Jim Etherington, BA’61

Nancy Harris, MBA’82 (McMaster)
Lori Higgs, BA’98
Tom Jolliffe, BA’78
Angela Jonkhans, BSc’80

Mike Peters, BA’95
Jennifer Ward, HBA’04
It was 22 years ago that Melinda Charbonneau’s mother spent two months on bed rest at a London, Ontario hospital, before giving birth to three, healthy 6-pound babies.

Today, Melinda, the oldest of the triplets, is venturing into the medical field that was so crucial to their healthy start in life. Melinda has graduated from Western’s collaborative nursing program and is starting her career on the surgical floor of University Hospital in London.

"Being a nurse contains everything I’ve ever wanted in a profession," says Melinda "People, teamwork, service-oriented, health, teaching, knowledge of the sciences, and respect and dignity for all human beings."

Melinda says being at Western was the best of her life experiences and in her first week of school she had absolutely no doubt that it was the right place and program. However, if it weren’t for a very generous donor, Melinda says her schoolwork would have suffered and her career may have taken a different path.

"Coming from a family of five children, all attending post-secondary institutions, my parents could not afford to pay for all of our education," says Melinda who received the Audrey Metzler Award. "My strong determination to excel in my studies, combined with the program’s heavy course load prevented me from being able to hold a part-time job. Without this award I would have had to sacrifice valuable nursing knowledge for a minimum wage job."

The Audrey Metzler Award is one of three awards created by an anonymous alumnus in memory of the love of his life and partner of 65 years, Audrey Metzler, a former Royal Canadian Army Nurse. Upon his recent passing, he left a bequest to boost the value of the three awards and create new awards as well. Having benefitted from a donor’s support as a Western student himself, he hoped to return the favour in memory of Audrey.

"Many graduates have pride and appreciation for the school they attended, but few actually actively show appreciation by donating," says Melinda. "This is a very noble trait. Without the awards and donations of donors like these, many individuals would not be able to have a university experience, and would not be able to obtain all of the education they need."
"We focus a lot of our attention on how we invest our endowment, as we should. However, we also keep in mind the big picture of endowments. The real dividends paid are the scholarships and bursaries to our students, funding for research, and teaching support for our faculty.

- Frank Pyka
  Executive Director, Foundation Western

To view a complete version of the audited financial statements, visit www.foundation.uwo.ca
The investment objectives of Foundation Western are consistent with the permanent nature of endowed gifts; to generate sufficient return to annually fund scholarships, research, and other academic programs at Western, and maintain the long-term capital value of its endowments.

The financial and investment operations of Foundation Western are under the direct supervision of the Foundation’s Board of Directors. Investment policy and manager selection recommendations are functions of our Investment Committee in coordination with an outside independent consulting firm hired as an advisor to assist in the process. The invested funds are managed by institutional money managers whose performance is reviewed quarterly by the Investment Committee.

## ASSET MIX AND MANAGER STRUCTURE

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>FIXED INCOME</th>
<th>EQUITY</th>
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<tr>
<td>Style</td>
<td>Bonds</td>
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<tr>
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<td>Active</td>
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<td>Asset Mix Policy</td>
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<td>Actual at Dec 31, 2010</td>
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<tr>
<td>Manager</td>
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<td>UBS</td>
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For more information on Foundation Western’s investments, visit [www.foundation.uwo.ca/investment_performance.htm](http://www.foundation.uwo.ca/investment_performance.htm)

## SPENDING POLICY AND THE INCOME STABILITY FUND

A consistent annual spending allocation is maintained for each endowment independent of our actual investment return. This ensures that scholarships can be awarded every year, research can continue uninterrupted, and other program funding is sustained. This allocation is currently 4.0% of endowed capital.

To maintain this consistent annual spending allocation, the Foundation has an Income Stability Fund. This fund is a unique feature of Foundation Western’s endowment model. The Fund accumulates revenue in years where investment returns exceed funding requirements. The surplus is then used to meet spending requirements in years where income falls short. The balance in the stability fund at April 30, 2011 was $12.9M, representing 7.5% of invested assets.

## CAPITAL PRESERVATION POLICY

Each year, the Board determines an allocation to capital to maintain the real long-term value of our endowments. Consideration is given to inflation, market returns, the Income Stability Fund balance, and prior years’ allocations. This year the Board approved an allocation of 5%, which was allocated based on opening capital balances.

## OPERATING ALLOCATION

An operating allocation is made each year from the Income Stability Fund to support operations. This allocation was 1.05% for 2011 fiscal year, a reduction from 1.25% in prior years. Our goal is to reduce this allocation to 1% or less in the coming years.
“The importance of donor support cannot be overstated. Prizes such as this, give the faculty added incentive to become better teachers, better researchers, and even larger contributors to the University as a whole.”

- Benjamin Lester, Assistant Professor, Faculty of Social Science
Marilyn Robinson Award for Excellence in Teaching

“This award has ensured that I have the funds needed to cover the added expense of my medical condition, allowing me to stay healthy and keep training. I am extremely grateful to have been selected for an award, which honours one of the biggest advocates for amateur athletics that Western has ever known. Bob Gage’s support of our Athletics program will never be forgotten.”

- Jenine McCutcheon, BSc’11
Bob Gage Awards (Track & Field)

“With this funding, I have an invaluable opportunity to lead cutting-edge research designed to improve the health of rural women, particularly those who have experienced violence. By partnering with Echo and other stakeholders, I have ongoing opportunities for discussion and exchange, so that policy makers, service providers and these women have the ‘evidence’ they need to inform their decisions, while ensuring the research we do is relevant and important in the ‘real world’.”

- Marilyn Ford-Gilboe, Professor & Faculty Scholar, Faculty of Health Sciences
Echo Chair in Rural Women’s Health Research

“The relieved pressure on my finances has allowed me to focus on my research and teaching. Scholarships such as this one are what have enabled me to continue pursuing my career aspirations at the post-graduate level.”

- Jonathan Lee, PhD’13
Richard Konrad Ontario Graduate Scholarships