 PRESERVING EQUITY AMONG GENERATIONS


When James Tobin summarized the responsibility of foundation trustees, we wonder if he anticipated the gale-force economic conditions that we are living through today. Then again, our responsibility hasn’t really changed because of recent economic events; our job is just more difficult.

The dramatic decline in the market value of invested assets over this past year has gone beyond what our policies and practices ever contemplated. We had to assess the reality of the situation and using our collective judgment, make some tough decisions.

We’ve made some adjustments to date and may yet have to respond to economic events as they unfold. However, there is much that has not and will not change. Our commitment and support for students, faculty, and research that has been in place since the formation of Foundation Western in 1979 is unwavering. We will continue to strive for excellence in endowment management and administration. We will continue to apply our collective wisdom to the challenges we face. We will remain optimistic.

Economic events have overshadowed positive news during the past year, but there is still much to celebrate. The Foundation received over $12 million in new contributions and maintained its level of support to the University over the last year. We’re committed to maintaining the same level of support for student aid in the upcoming year, a year when need is only going to be greater.

We are pleased to enclose a financial report on the specific endowment fund(s) of interest to you. In addition, this Annual Report to Donors provides detail on how we manage your endowment. It also illustrates the difference your donation makes to the Western community.

We thank you for your confidence in Foundation Western and your continued support of Western’s mission to provide the best student experience among Canada’s research-intensive universities. Appreciation is also extended to our Board, committee members and staff for their extra effort this year working through these extraordinary events.
“Setting the bar high”

**JASON WOOLMER HOPES TO BE AN INSPIRATION TO FUTURE GENERATIONS OF HIS FAMILY.**

As the youngest of four siblings, Jason is the first member of his family to pursue a post-secondary education and has set the bar high for himself by working towards his MBA at the Richard Ivey School of Business and combining it with a law degree (JD) from Western.

“I try to spend as much time with the younger generation of my family so that I act as a role model for them and they can see what can be achieved with motivation and hard work,” says Jason, whose family lives in the Toronto area. He travels home every weekend to see his wife, Shannon, who is completing her degree at the University of Toronto.

Jason recently received the Carlyle Peterson Award, which was established in 1997 by Gordon Peterson, LLB/MBA’87 and the law firm of Carlyle Peterson. The award is given to a Faculty of Law student who maintains high grades and demonstrates financial need.

“The Carlyle Peterson Award has provided me with the gift of time,” says Jason. “Thanks to the award I was able to avoid working over the Christmas break, and instead spent time with my wife and family. The Christmas break was my first break from school in over 16 months and the time off allowed me to recharge and gain some much needed rest.”

Jason notes that a student’s opportunity to spend their free time on things that matter most to them instead of working to pay for school allows students to devote their time to more important endeavours, like volunteering or other extracurricular pursuits.

His message to donors who have helped him during his time at Western is heartfelt.

“Thank you for the difference you have made in my family’s life and the inspiration you have provided me with to continue working hard to achieve all of my goals. I look forward to walking in your shoes in the future when I am in the financial position to give back to the school that gave me the opportunity to succeed.”

Jason J. Woolmer
JD/MBA 2010

“Thank you for the difference you have made in my family’s life and the inspiration you have provided me with to continue working hard to achieve all of my goals. I look forward to walking in your shoes in the future when I am in the financial position to give back to the school that gave me the opportunity to succeed.”

Jason J. Woolmer
JD/MBA 2010
FINANCIAL HIGHLIGHTS  April 30, 2009 (unaudited)

2009 AT A GLANCE

<table>
<thead>
<tr>
<th>Description</th>
<th>2009 Amounts</th>
</tr>
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<tbody>
<tr>
<td>Total Assets</td>
<td>$128,946,015</td>
</tr>
<tr>
<td>Total Donations</td>
<td>$12,132,279</td>
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<tr>
<td>Grants</td>
<td>$3,936,682</td>
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<tr>
<td>Fundraising Transfer</td>
<td>$1,076,956</td>
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<tr>
<td>Operations</td>
<td>$632,028</td>
</tr>
</tbody>
</table>

GRANTS 2009

- Chairs and Professorships: 22.3%
- Discretionary Funds: 4.0%
- Research: 12.9%
- Academic Enrichment: 8.4%
- Student Awards: 42.9%
- Other Initiatives: 9.5%
- Research: 12.9%
- Academic Enrichment: 8.4%
- Discretionary Funds: 4.0%
- Student Awards: 42.9%
- Other Initiatives: 9.5%

TOTAL ASSETS

<table>
<thead>
<tr>
<th>Year</th>
<th>$ Millions</th>
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<tbody>
<tr>
<td>2000</td>
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</tr>
<tr>
<td>2001</td>
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<tr>
<td>2002</td>
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<td>2007</td>
<td>$12 million</td>
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<td>2008</td>
<td>$13 million</td>
</tr>
<tr>
<td>2009</td>
<td>$14 million</td>
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</tbody>
</table>

To view a complete version of the audited financial statements, visit www.foundation.uwo.ca.
INVESTMENT RESULTS

Our portfolio return of (16.0%) exceeded the benchmark in 2008 by 1.1% in a very difficult year for all investors.

Economic concerns will continue in 2009 and capital markets will react to factors beyond our control. Foundation Western will maintain a long-term view focusing on what it can control; its investment policy, monitoring process, and selection of investment managers most suited to meeting our long-term return objectives.

ASSET MIX AND MANAGER STRUCTURE

Our investment policy considers both risk and return when establishing an asset mix appropriate for our objective. The portfolio is diversified between Equity and Fixed Income asset classes, domestic and foreign equities, and investment style. In addition, US currency exposure is now 50% hedged to reduce the sharp currency fluctuations we are experiencing.

ASSET MIX

<table>
<thead>
<tr>
<th>MANAGER</th>
<th>EQUITY</th>
<th>FIXED INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Equity Class</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Style</td>
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</tr>
<tr>
<td>Highstreet</td>
<td>• Canadian Equities</td>
<td>• Bonds</td>
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<tr>
<td>TDAM</td>
<td>• United States Equities</td>
<td>• Short-Term</td>
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<tr>
<td>JP Morgan</td>
<td>• International Equities</td>
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<tr>
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<td>• Bonds</td>
<td></td>
</tr>
<tr>
<td>UBS</td>
<td>• Short-Term</td>
<td></td>
</tr>
</tbody>
</table>

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 was 4.5% of capital to April 30, 2009, reduced to 4.0% commencing May 1, 2009.

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.

CAPITAL PRESERVATION POLICY

Each year, the Board determines an allocation to capital to maintain the real long-term capital value of our endowments. Consideration is given to inflation, market returns, the income stability fund balance, and prior years' allocations. Capital values were reset in fiscal 2009 to 80% of their value at November 30, 2008 in response to the severity of the market downturn. Our objective is to recoup this capital from future earnings, the timing dependent on market returns.

OPERATING ALLOCATION

An operating allocation is made each year from the Income Stability Fund equal to 1.25% of invested assets to support operations. Our objective is to reduce this allocation to 1% or less in the coming years.

For more information on Foundation Western's investments visit www.foundation.uwo.ca/investment_performance.htm
OUR BOARD AND COMMITTEE MEMBERS

BOARD OF DIRECTORS

Shelley Baker  
BSc ‘87

Jerome Cohen  
HBA ‘76

Chuck Grace  
BA ‘80

Jim Knowles  
BSc ’74, MBA ’77

Richard Kohn  
BA ’69

Denise Korpan  
BA ’77

Dennis Logan  
BA ’67

Carol McAulay  
LLD ’04

John Nash  
BA ’63

Ron Potter  
BA ’56

Kelly Rowcliffe  
BA ’93

Christene Scrimgeour  
BA ’81

VOLUNTEER COMMITTEE MEMBERS

Robert Cowan  
HBA ’57

William Davies  
HBA ’56

Jim Etherington  
BA ’61

Lori Higgs  
BA ’98

John Humphrey  
HBA ’60

Angela Jonkhans  
BSc ’80

Ruth Ann McConkey  
HBA ’84
“The support extended by Western friends and alumni to the University Laboratory School has been fantastic. As a research and demonstration site as well as an exemplary school for the early years, we not only put their generous donations to great use, but we are also lifted by the kindness that comes along with them. From the children, their families, teachers and researchers - THANK YOU!”

Dr. Mary Lou B. Vernon
Director, University Laboratory School
Department of Psychology
Faculty of Social Science

“Through your donation and your thoughtfulness it has enriched my experiences as a first year student, allowing me to participate in an active environment without having to worry about my finances. Your contribution towards my education hasn’t impacted just my life, but also the lives of those who I may be serving in the future, whether it be through research or in medicine, or wherever I go.”

Wesley Lai
BMSc 2012,

“Donations not only help financially, but are also a demonstration of the selflessness and generosity of those in our community. Such demonstrations are an inspiration to not only continue to work hard and achieve great things, but also to pay it forward by being selfless and generous in my own future endeavours.”

Sherene Fernando
BSc 2009,

“My goal as an HIV researcher is to make significant advances in the search for a cure for AIDS and private donations greatly accelerates my search by removing a lot of the restrictions that often prevents the discovery of novel and exciting ideas. I have been able to use the support I received from the Raymond C. Raymond Fellowship at Foundation Western to test a specific idea of mine that now appears to have uncovered a new antiviral defence against HIV. I hope that this discovery will lead to a new therapy that will benefit those infected with HIV. I am thankful for the contribution towards a cure for AIDS.”

Dr. Stephen Barr
Assistant Professor,
Department of Microbiology & Immunology,
Schulich School of Medicine & Dentistry