



Western's Endowment

2015 Investment Report

Investment management

The Investment Committee establishes an investment policy consistent with its investment objectives and monitors portfolio performance against the objectives quarterly. It appoints external fund managers, performance measurement services and independent investment consultants as needed.

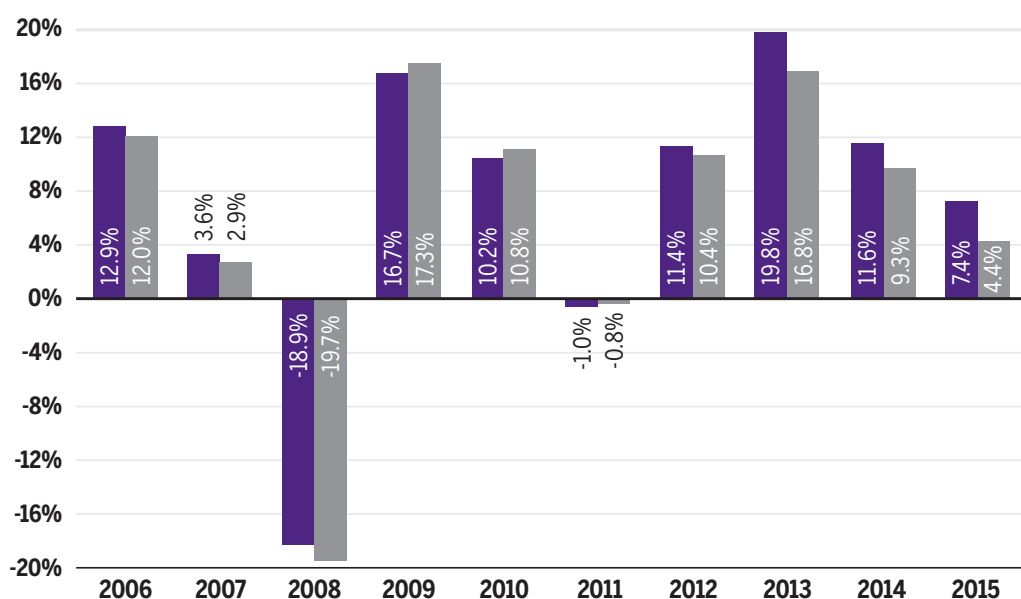
The investment objective of the endowment portfolio is to generate a long-term return sufficient to meet the payout rate established by the Board of Governors to fund endowed chairs, scholarships and other University needs, and to maintain the purchasing power of donated capital. The annual payout rate is 4% of the average value of the endowment over the most recent 5 year period. The expected long-term rate of return of the portfolio is 6.7%.

The return objective cannot be achieved without investment risk. Understanding and managing risk is a key element of the Committee's work. Liquidity, return volatility, foreign exchange and interest rate risk are just some of the factors the Committee considers in establishing policy and risk management practices.

The value of the Endowment Fund at December 31, 2015 was \$580 million.

Investment performance

Investment returns to December 31



Annualized Returns

	Portfolio	*Benchmark
5 year	9.6%	7.9%
10 year	6.8%	5.8%

*Benchmark is a weighted factor of asset class policy weights and market index returns. It represents a passive investment alternative.

“The Investment Committee consists of alumni from diverse backgrounds, whose knowledge and relevant experiences provide a professional approach to the management of our endowments. This talented group is committed to ensuring that Western’s endowments continue to be managed to maximize the benefits to our students and faculty. We are extremely lucky to have their support and are thankful for the time they spend on this important work.”

– Lynn Logan, Investment Committee Chair

Asset mix and allocation

(as at December 31, 2015)

	Asset Class	Manager	Policy	Actual
Equities	Canadian	Beutel Goodman & Company Ltd. CC&L Investment Management Mawer Investment Management	20.0%	18.9%
	U.S.	State Street Global Advisors J.P. Morgan Asset Management	20.0%	21.9%
	Non-North American	Franklin Templeton Institutional MFS Investment Management	20.0%	21.1%
	Private	Adams Street Partners	5.0%	4.6%
		Sub-total	65.0%	66.5%
Fixed income	Core fixed income	State Street Global Advisors	10.0%	15.5%
	Commercial mortgages	Greystone Managed Investments	5.0%	4.8%
		Sub-total	15.0%	20.3%
Real assets	Real estate	Bentall Kennedy IAM Real Estate Group	5.0%	3.6%
	Infrastructure	First State Investments Hastings Funds Management Limited	10.0%	6.6%
		Sub-total	15.0%	10.2%
Diversifiers	Cash	Fiera Capital	0.0%	0.5%
	Absolute return strategy	Romspen Investment Corporation	5.0%	2.5%
		Sub-total	5.0%	3.0%
		Total	100.0%	100.0%

Investment Committee

Martin Belanger
Director, Investments
Western University

Douglas Greaves, HBA'72
Vice-President, Pension Fund & Chief
Investment Officer
Canada Post

William Hewitt
Financial & Investment Consultant
PanCanadian Technology Fund

Rosamond Ivey, HBA'82
Managing Partner
JRS Group

James Knowles, BA'72, BSc'74, MBA'77
Vice-President Finance
Blackburn Radio Inc.

Rick Konrad, BA'75
Founder & Managing Partner
Value Architects Asset Management

Gitta Kulczycki
Vice-President
(Resources & Operations)
Western University

Lynn Logan (Chair), MBA'13
Associate Vice-President
(Finance & Facilities)
Western University

Douglas Porter, BA'82, MA'84
Chief Economist & Managing Director
BMO Financial Group

Lee Sienna, HBA'74
Vice-President, Long-Term Equities
Ontario Teachers' Pension Plan

David Stenason, BA'78
Managing Director
Rempart Asset Management

Degrees listed represent those granted
by Western University.

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The Campaign for Western

