

Western's Endowment

2017/2018 Annual Report



In 2009, Western's endowment stood at \$266 million. At that time, our goal was to reach \$500 million by the end of 2018. Today, thanks to your generous support, prudent management and strong leadership, our endowment sits at \$746 million. This remarkable accomplishment will help ensure a stable source of funding for our students, faculty and researchers now, and into the future.

Financial highlights: April 30, 2018

Fiscal 2018

\$746 million	\$24 million	6.3%
Total Endowment	Expenditures	Investment Return

Total endowment designated by purpose

46%	30%	5%	19%
Student Awards	Chairs and Professorships	Research	Academic Enrichment



Western

Investment management

Western's investments are managed by a diverse and talented group of alumni and staff who are committed to ensuring Western maximizes the support our students and faculty receive. 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.

Asset allocation (at December 31, 2017)

The Investment Committee reviews the asset mix policy on an annual basis to maintain, over the long-term, the best balance between investment returns and an acceptable level of risk.

	Asset Class	Manager	Policy	Actual
Equities	Canadian	Beutel Goodman & Company Ltd. CC&L Investment Management Mawer Investment Management	20.0%	20.1%
	U.S.	State Street Global Advisors J.P. Morgan Asset Management	20.0%	15.3%
	Non-North American	Franklin Templeton Institutional MFS Investment Management	20.0%	24.1%
	Private	Adams Street Partners	5.0%	5.0%
		Sub-total	65.0%	64.5%
Fixed income	Core fixed income	State Street Global Advisors	10.0%	9.4%
	Commercial mortgages	Greystone Managed Investments	5.0%	4.6%
		Sub-total	15.0%	14.0%
Real assets	Real estate	Bentall Kennedy IAM Real Estate Group	5.0%	4.8%
	Infrastructure	First State Investments Hastings Funds Management Limited	10.0%	10.2%
		Sub-total	15.0%	15.0%
Diversifiers	Cash	Fiera Capital	0.0%	3.5%
	Absolute return strategy	Romspen Investment Corporation	5.0%	2.3%
		Sub-total	5.0%	5.8%
Dynamic Strategic Hedging	–	State Street Global Advisors	0.0%	0.7%
		Total	100.0%	100.0%

Investment performance

Investment returns to December 31



Annualized Returns

	Portfolio	*Benchmark
5 year	11.7%	9.9%
10 year	7.2%	6.2%

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

Investment payout rates and timing

The total return earned by the endowment portfolio net of investment management costs is allocated proportionately to the capital of each endowment fund at April 30 each year. For the period May 1, 2017 to April 30, 2018, the investment return, net of investment management costs of approximately 0.63 per cent, was 6.3 per cent.

Balances in the expendable account are credited with interest income based on the 30-day Canada T-Bill rate, net of costs.

An amount equal to 4.0 per cent of the ending capital balances averaged over the five most recent years is allocated for expenditure each year. The five-year average is used to smooth the effect of market fluctuations. The allocation for expenditure is reflected as a transfer from the capital account to the expendable account on your fund report.

“Being a varsity athlete is time-consuming, and essentially makes it impossible to have a job during the school year. This scholarship gave me the opportunity to attend one of the best schools in the country without having the added stress of worrying about paying for tuition and books. Without your incredible donation, I most certainly would not have been able to move away from my hometown of Saskatoon to pursue my athletic and academic dreams.”

Emma Johnson

Leslie Petter Women's Basketball Memorial Award



“ “ As today’s governments continue to face increased funding challenges, a strong university endowment is more important than ever. Not only does it support students and fund ground-breaking research, but it enables Western to provide excellence in teaching and the best student experience. Western’s Investment Committee is pleased to have seen an annualized return of 7.2% over the last 10 years, and to have seen the endowment grow by nearly \$70 million this year.”

Lynn Logan, CPA, CA, MBA

Investment Committee Chair

Investment Committee

Martin Bélanger
Director, Investments
Western University

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

Rosamond Ivey, HBA'82
Managing Partner
JRS Group

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

Lynn Logan (Chair), EMBA'13
Vice-President
(Operations & Finance)
Western University

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

Lee Sienna, HBA'74
Vice-President, Long-Term Equities (Retired)
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

