

# Western's Endowment

## 2020/2021 Annual Report



### Financial highlights: April 30, 2021

Fiscal 2021

**\$989**  
million  
Total endowment

**\$24**  
million  
Expenditures

**22.4%**  
Investment  
Return

Total endowment designated by purpose

**43%**  
Student  
Awards

**34%**  
Chairs and  
Professorships

**4%**  
Research

**19%**  
Academic  
Enrichment



Western



## Message from President Alan Shepard

Dear Western donors and stakeholders,

As we pause to reflect on the past year, it's impressive how we have pulled together as a community, continuing to fulfill Western's teaching and research mission despite everything the pandemic has thrown our way.

Our Investment Committee has continued to manage our resources well and I am pleased to provide the enclosed information on Western's endowment and investment performance for May 1, 2020 - April 30, 2021.

Thank you for your support, your generosity, and your continued engagement which enables us to uphold our mission and ensure our students, staff, researchers and faculty members are able to thrive, innovate and inspire others through their work.

I deeply appreciate your contributions and ongoing support. Be safe and be well and I look forward to seeing you in person when we can safely meet again.



Sincerely,

**Alan Shepard**  
President and Vice-Chancellor

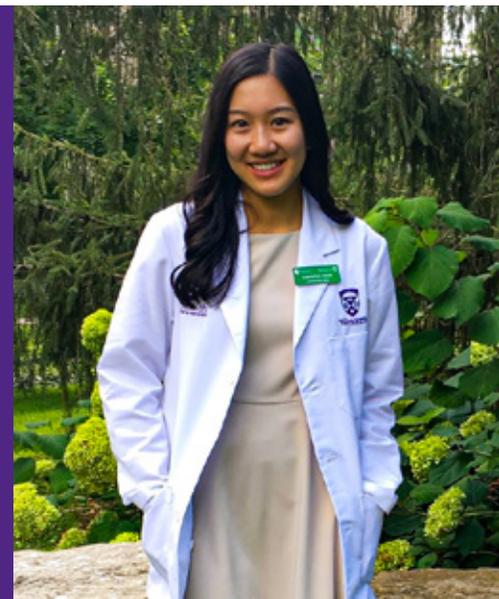


This award has validated my efforts and given me the confidence to do great things. Through your donation, you are enabling me to focus on my academic studies and build community without the extra pressure of having to take on a job. Continuing my studies wouldn't be possible without generous support from donors like yourself. It means a lot to receive an award of this magnitude - thank you again for your investment in students and education."

**Samantha Chow**

*Doctor of Dental Surgery student*

*Toronto Crown and Bridge Study Club Awards*



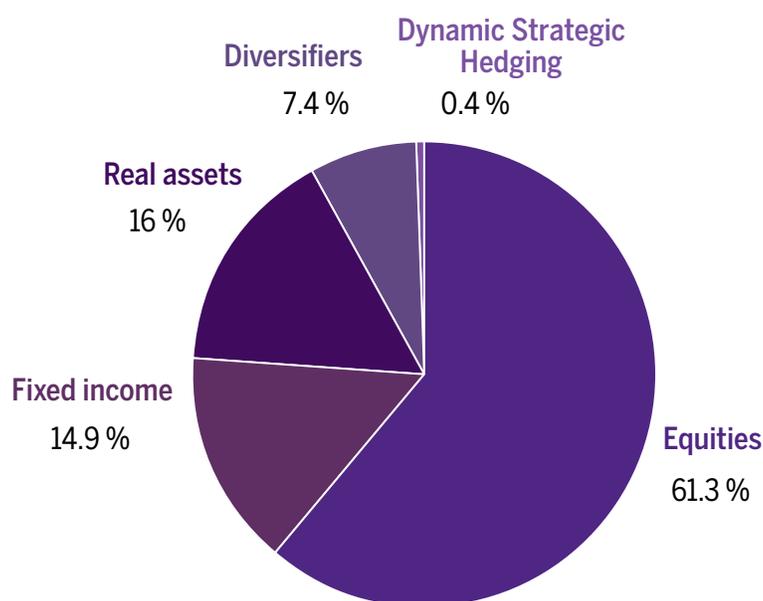
## Investment management and asset allocation

(at December 31, 2020)

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

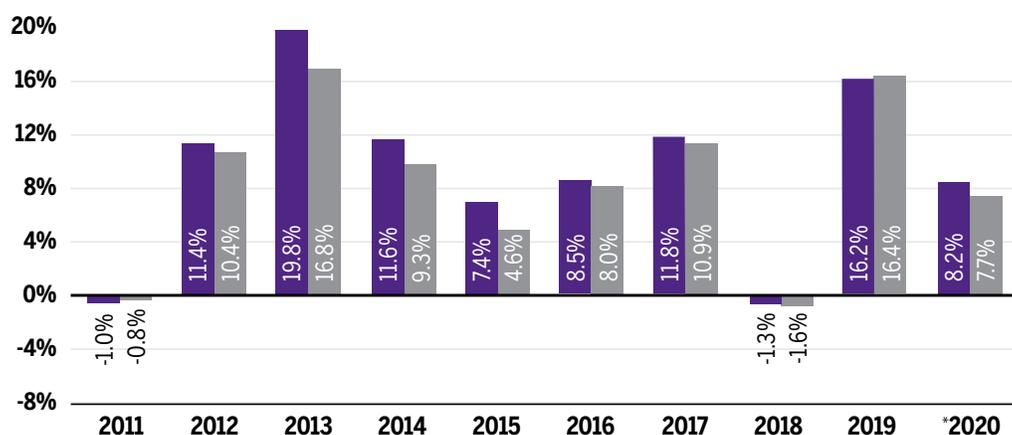
The investment objective of the endowment portfolio is to generate a long-term return, sufficient to meet the payout rate established by the Board of Governors to fund endowed chairs, scholarships and other university needs, and to maintain the purchasing power of donated capital.

The 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.



## Investment performance

Investment returns to December 31, 2020



### Annualized Returns

	Portfolio	**Benchmark
5 year	8.5%	8.1%
10 year	9.1%	8.0%

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

\*Please note, these figures are representative of the returns until December 31, 2020 only.

## 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, 2020 to April 30, 2021 the investment return, net of investment management costs of approximately .80 per cent, was 22.4 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 level 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.

“ The investment committee is pleased with this year’s return of more than 22 per cent. Given the recent period of global uncertainty with which we have all had to contend, the results are a good indicator that our patience and the evolution of the strategic asset allocation strategy will continue to pay off.

As we look to the future, we are steadfast in our pursuit to develop a responsible investing (RI) pathway that positions sustainability as a fundamental concept in our investment strategy. We have committed to regularly measuring the carbon footprint of our investments to inform our RI Strategy and Pathway in alignment to our commitments outlined in *A Charter for Canadian Universities*. Year-over-year, carbon emissions from public equity holdings have reduced by 30 per cent, and by 65 per cent since 2015. In 2021, we also joined UC3 (University Climate Change Coalition), further deepening Western’s commitment to addressing climate change.”

**Lynn Logan**, CPA, CA, EMBA  
*Investment Committee Chair*

## Investment Committee

**Martin Bélanger**  
Director, Investments  
*Western University*

**Douglas Greaves**, HBA’72  
Vice-President, Pension Fund & Chief  
Investment Officer (Retired)  
*Canada Post*

**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*

**Eric Mallory**, BA’05, HBA’07  
Associate Vice-President (Financial Services)  
*Western University*

**Jeff Parr**, BA’82  
Vice Chairman and Managing Director  
*Clairvest Group Inc.*

Degrees listed represent those granted by Western University.

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