

# Western's Endowment

## 2019/2020 Annual Report



### Financial highlights: April 30, 2020

Fiscal 2020

**\$804 million**  
Total endowment

**\$27 million**  
Expenditures

**-1.6%**  
Investment Return

Total endowment designated by purpose

**43%**  
Student Awards

**32%**  
Chairs and Professorships

**5%**  
Research

**20%**  
Academic Enrichment



Western

# Message from President Alan Shepard



Dear Western donors and stakeholders,

I've just completed my first year as President of Western, and what a year it has become.

We have had some great success and we have also navigated some significant challenges never before seen in the history of our university.

I am proud of Western's response, and our determination.

Our community is one of strength, compassion and resilience; and I am honoured to lead our university and its incredibly talented students, faculty, and staff.

But, we couldn't have done it alone.

You, our valued partners, have provided tremendous support. Your contributions have reached our students, researchers and faculty members, who have all been afforded opportunities to thrive, to innovate and to be inspired because of your generosity.

As always, we take great care to manage your investment in the most responsible manner possible, so it may continue to provide untold encouragement and motivation to all those who receive it.

Please find enclosed information on Western's endowment and investment performance for May 1, 2019 - April 30, 2020.

Thank you once again for your continued support.

It truly makes a profound difference.



Sincerely,

**Alan Shepard**  
President and Vice-Chancellor



English is something I am incredibly passionate about and I feel so lucky to have the opportunity to study it at an institution like Western. A defining aspect of my university experience so far has been the generosity of those who have funded my scholarships, as these have allowed me to study what I want and focus on my school work and extracurriculars."

**Shelby Hohmann**

*English language and literature student  
Audrey Brown Pritchard Award in English*



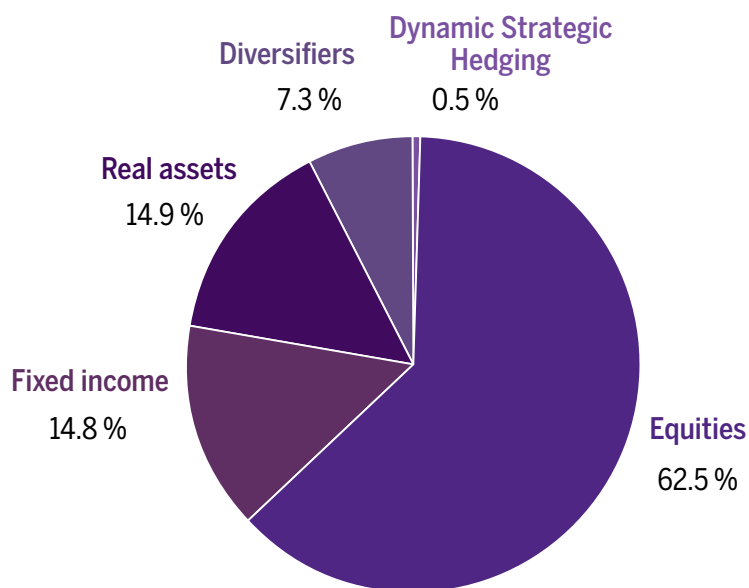
## Investment management and asset allocation

(at December 31, 2019)

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.

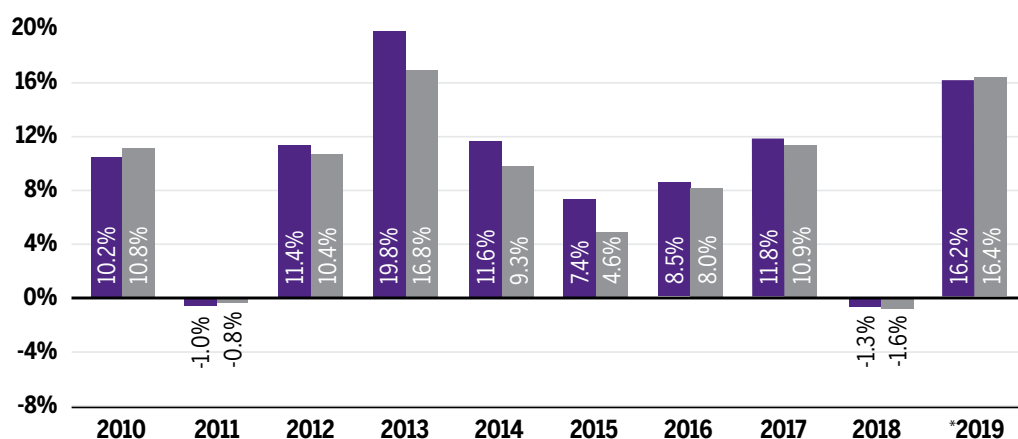
The investment objective of the endowment portfolio is to generate a long-term return, sufficient to meet the payout rate established by the Board of Governors to fund endowed chairs, scholarships and other university needs, and to maintain the purchasing power of donated capital.

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, 2019



\*Please note, these figures are representative of the returns until December 31, 2019 only.

### Annualized Returns

	Portfolio	**Benchmark
5 year	8.4%	7.5%
10 year	9.3%	8.3%

\*\*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, 2019 to April 30, 2020, the investment return, net of investment management costs of approximately 0.64 per cent, was -1.6 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.

“ Our Investment Committee has done an outstanding job this year. I want to thank the members not only for helping steward us through the uncertainty of the past few months, but for helping us look to the future with work on our responsible investing and asset allocation strategies. In an effort to reduce our endowment’s carbon footprint, Western has committed to dedicating up to 10 per cent of our portfolio to sustainable investments. This is an important step on our journey towards a more sustainable future.”

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  
Canada Post

**Rosamond Ivey, HBA'82, LLD'18**  
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

**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.

**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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