



Western

# Endowment Annual Report 2022-2023

## Your generosity makes a difference

Dear Western donors and partners,

I want to thank you for your support and continued engagement with Western.

This past year, donors contributed a remarkable \$94.5 million to support students, teaching and research across campus. Our Investment Committee continues to manage our resources well and I am pleased to provide the enclosed information on Western's endowment and investment performance for May 1, 2022 - April 30, 2023.

Endowments create a stable and enduring source of revenue that allows us to undertake life-changing research, advance new knowledge, and ensure equitable access to a world-class university experience.

Among the countless stories about how your generosity changes the lives of our students and faculty members, you can read about nursing graduate, Demo Kaltabanis, BScN '23, who is taking his experience growing up in poverty and applying it to creating a more equitable health system.

Again, on behalf of all of us at Western, thanks for believing in our mission and supporting us in shaping a brighter future.



Sincerely,

**Alan Shepard**  
President and  
Vice-Chancellor



*After receiving support, I had a feeling of instant relief. For the first time in my life, I didn't feel like I had to work to get by.*

- Demo Kaltabanis, BScN '23



◀ Read Demo's inspiring story here.

## Financial Highlights: April 30, 2023

### Fiscal 2023

**\$1.1 billion**  
Total endowment

**\$35 million**  
Distributed to beneficiaries

**3.4%**  
Investment return

### Total endowment designated by purpose

**40%**  
Student awards

**38%**  
Chairs and professorships

**4%**  
Research

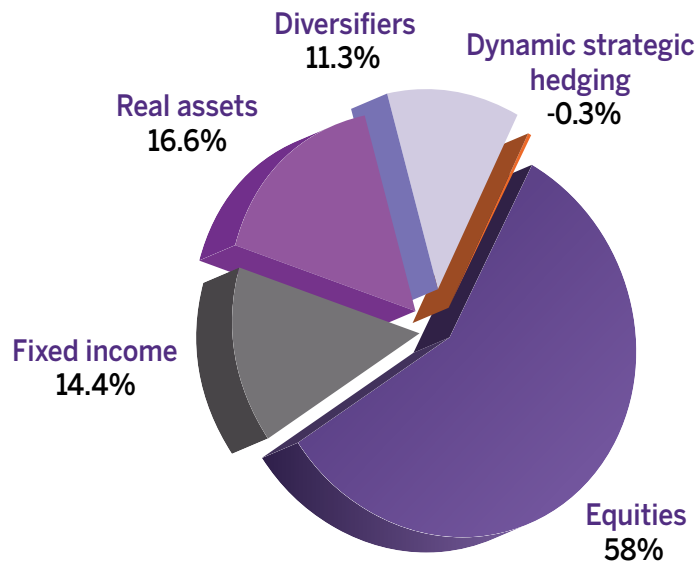
**18%**  
Academic enrichment

# Investment Management at December 31, 2022

Western's investments are managed carefully by the Investment Committee who ensures the university maximizes the support students and faculty receive. The investment objective of the endowment portfolio is to maintain the purchasing power of donated capital and generate a long-term return to meet the payout rate established by the Board of Governors, which then funds endowed chairs, scholarships and other university needs.

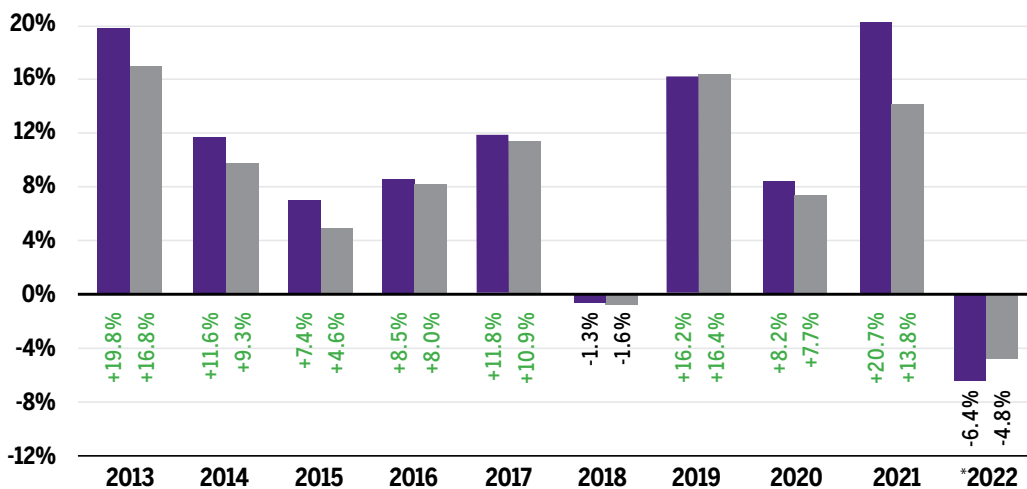
The Investment Committee annually reviews the asset mix policy to maintain, over the long term, the best balance between investment returns and an acceptable level of risk.

To learn more about Investment Management at Western please click this QR code.



## Investment Performance

### Investment returns to December 31, 2022



\*Please note, these figures are representative of the returns until December 31, 2022 only.

### Annualized Returns

	Portfolio	**Benchmark
5 year	7.0%	6.0%
10 year	9.3%	7.9%

\*\*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 of May 1, 2022 to April 30, 2023 the investment return, net of investment management costs of approximately .90 per cent, was 3.4 per cent.

An amount equal to 4.0 per cent of the ending capital 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. In the case of new endowments, the average will be calculated based upon the number of years the endowment has been at Western.

# Understanding Your Fund Report

**Capital Account:** Portion of the endowment invested to earn income. Unless otherwise directed, donations are deposited into the capital account.

**Expendable Account:** Portion of the endowment available to fund its stated purpose. If directed, donations can be deposited into the expendable account.

**Beginning Balance:** Value at the beginning of the fiscal year. This amount is brought forward from the prior fiscal year.

**New Donations:** Contributions received from donors during the fiscal year.

**Investment Income (Loss):** Investment return for the fiscal year net of investment management costs. For the period May 1, 2022 to April 30, 2023, the investment return, net of investment management costs of approximately .90 per cent, was 3.4 per cent.

**Interest on Expendable Account Balance:** Interest income on funds in the expendable account based on the 30-day Canada T-Bill rate, net of costs.

**Expenditures:** Funds spent to support the stated purpose of the endowment. These expenditures carry out donor intent.

**Transfers:** Includes transfers to/from other funds (if any).

**Ending Balance:** Value at the end of the fiscal year. This amount will be carried forward to the next fiscal year.

**2023-2024 Allocation for Expenditure:** Amount allocated from the capital account to the expendable account for spending in 2023-2024. This allocation is made to the endowment at the beginning of the 2023-2024 fiscal year. This amount is calculated at 4.0 per cent of the ending capital balances averaged over the five most recent years. In the case of new endowments, the average will be calculated based upon the numbers of years the endowment has been at Western.

**For additional information on Western's investments, please refer to the 2022-2023 Endowment Annual Report.**

If you have any questions about your fund report, please contact:  
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