
Trust Income Expenditure Policy

Financial Services

Policy

1.0 Purpose

- 1.1 To outline the University of New Brunswick's Trust Income Expenditure policy.

2.0 Applicability

- 2.1 University-wide

3.0 Definitions

- 3.1 None applicable

4.0 Implementation

- 4.1 All endowment trust accounts are invested as part of a pool investment fund that is currently valued at almost \$172 million. The management of the University's portfolio is directed by the Investment Committee of the Board of Governors and handled on a day to day basis by six professional managers:
- Phillips, Hager & North Investment Management Ltd.
 - Hexavest Inc.
 - Sprucegrove Investment Management Ltd.
 - Crestline Investors, Inc.
 - Fidelity Investments Canada
 - Scheer Rowlett & Associates Investment Managements Ltd.
- 4.2 The portfolio, on a segregated balanced funds basis, consists of equities or stocks and fixed income investments. Investment income comes from earned dividends, interest, and capital gains. The income is used to fund scholarships, chairs, library acquisitions, equipment purchases, publications and more. Each year the Investments Committee must consider how much the University can spend from its investment returns for the different purposes that are supported from the Endowment Funds.
- 4.3 The spending rate is based on a number of factors with a long-term policy of spending not more than the rate of return less inflation. This long-term approach protects the capital value of the investment funds and provides a measure of predictability and consistency, which is important for the planning of dependent programs and expenditures.

5.0 Interpretation and Questions



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- 5.1 If you have further questions, please contact the Manager of Trust & Treasury Services, or the Director of Development and Donor Relations.