



"Scholarship support has given me the opportunity to focus more time on my studies, and on making connections through involvement on campus and in my community. My experience at UNB wouldn't be the same without this help."

CHELSEA LANE
FIRST YEAR, JURIS DOCTOR
BACHELOR OF ARTS 2018

THE UNIVERSITY'S TRUST & ENDOWMENT FUND

consists of endowed or expendable gifts that are generally restricted by the donor for specific purposes. An endowed gift is one in which the donor specifies that the gift principal is to be invested in perpetuity and only the investment income earned can be spent on the specified purpose. An expendable gift is one where the donor indicates that both the gift principal and any investment income earned on the gift may be spent.

The Board of Governors has established a spending policy for endowed gifts which is designed to ensure a steady and consistent stream of income for expenditures, even if an account's principal fluctuates from year to year. In any year in which investment returns exceed the return required to support the level of endowment spending permitted under the spending policy, the excess return is allocated to a timing reserve. The timing reserve is utilized to support spending in those years when actual returns are less than the long-term target. In this way, the University is able to maintain stable spending rates despite year to year fluctuations in actual returns within normal market cycles.



"I am so grateful for the scholarship support and to those who have supported me and my decision to come to UNB. It has changed my life."

CHEDI MBAGA
SECOND YEAR, BACHELOR OF
ENGINEERING

UNIVERSITY OF NEW BRUNSWICK DEVELOPMENT AND DONOR RELATIONS

P.O. Box 4400
13 Bailey Drive
Alumni Memorial Building
Lower Level
Fredericton, NB E3B 5A3
(506) 453-5053

P.O. Box 5050
100 Tucker Park Rd
G. Forbes Elliot Athletic
Centre, Room 107A
Saint John, NB E2L 4L5
(506) 648-5989

devdr@unb.ca
unb.ca/giving

On the front cover:

Students chat outside the University of New Brunswick's Hans W. Klohn Commons, a state-of-the-art library and learning environment.



TRUST & ENDOWMENT REPORT 2017-18

The Long-Term Investment Fund for the Trust & Endowment accounts had a positive return of 2.97% for the year ended April 30, 2018, a period in which the policy benchmark return was 4.49%. This followed returns of 16.04% for the year ended April 30, 2017 and 1.91% for the year ended April 30, 2016.

Capital markets in 2017-2018 experienced varied returns among asset classes; public equity returns for the year were positive while fixed income returns were negative.

Global equities, as measured by the MSCI World Index, returned 6.47% in Canadian dollars. Canadian equities, as measured by the S&P/TSX Composite Index, returned 3.11%. Canadian bonds, as measured by the FTSE TMX Canada Universe Bond Index returned -0.93%.

"The only reason I was able to do everything I did without having to work, take courses part-time or take on a lot of debt is the support I received through scholarships. It makes such a difference"

CHRISTIAN ACOSTA
BACHELOR OF BUSINESS
ADMINISTRATION 2018



A comprehensive review of the Fund's policy asset allocation was completed in 2016-17. The review resulted in a number of changes in the Fund's policy asset mix, including an allocation to two new asset classes, Emerging Market equity and Canadian Real Estate. The new policy asset allocation was approved by the Board of Governors in October 2016. The new policy asset allocation was fully implemented in 2017-18.

UNB INVESTMENT MANAGERS

Fidelity Investments Canada ULC
Fiera Properties
Hexavest Inc.
J.P. Morgan Asset Management
Phillips, Hager & North Investment Management
Seamark Asset Management Ltd.
Sprucegrove Investment Management Ltd.
Vestcor Inc.

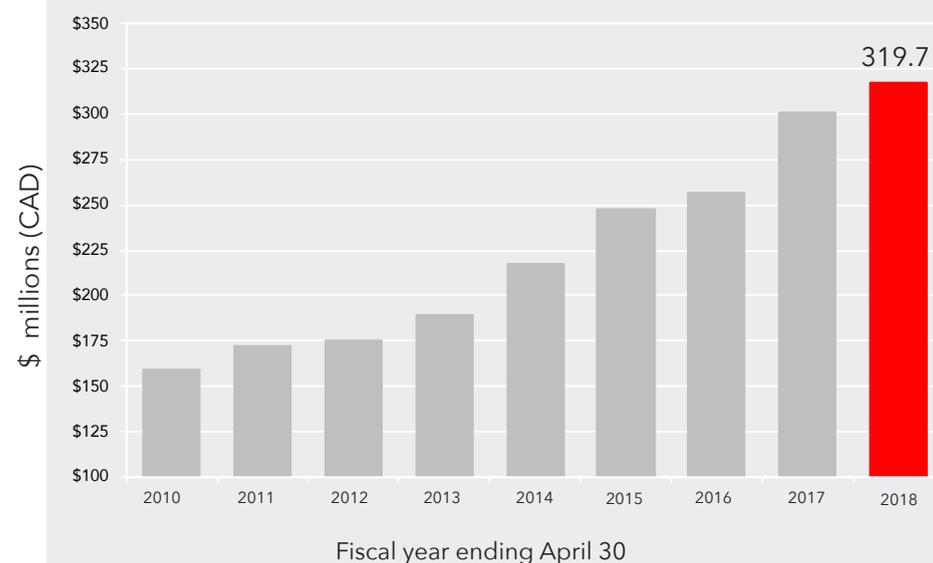
The Fund's external investment managers seek to add value to these benchmark index returns through active management of the portfolio. In 2017-18, the Fund's fixed income manager exceeded the benchmark by 45 basis points. One of the two Canadian equity managers outperformed the benchmark while all three global equity managers trailed their benchmark. Global Emerging Market equities and Real Estate were added to the portfolio over the year so a full year's performance is not yet available.

The overall result was that although the Fund had positive returns for the one-year period, on a consolidated basis the managers underperformed the composite policy benchmark by 1.52%.

UNB has taken a prudent, fiscally responsible approach to endowment spending, making incremental changes to the spending rate to ensure that the rate is sustainable while remaining competitive with other Canadian universities. The 2017-18 annual review of the endowment spending policy confirmed a 4% spending rate for 2018-19, which has been the spending rate since 2013-14.

PRINCIPAL GROWTH 2010-2018

As of April 30, 2018



CHANGES IN TRUST AND ENDOWMENT Balance - 2017/18 (Market Value)

	(\$ 000's)
Balance April 30, 2018	319,690
Balance April 30, 2017	301,940
Net Increase During the Year	\$17,750
Increase Due to:	
Donations and Other Additions to Capital	23,450
Investment Income	8,999
Spending	(14,699)
	\$17,750