
2020-21
**TRUST &
ENDOWMENT
REPORT**





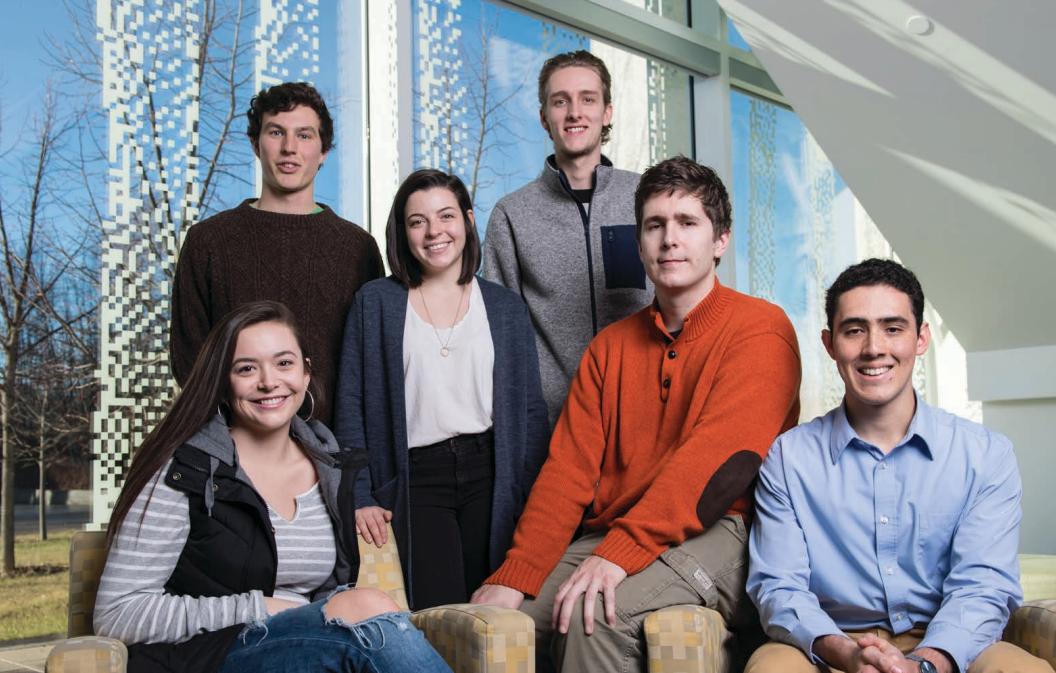
“This generosity has inspired me to give back in supporting future adult students as you have towards myself.”

— ANGELA DEAN
PATRICIA CRANTON ADULT
EDUCATION SCHOLARSHIP

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.



For the one-year period ending April 30, 2021, the Fund returned 18.69%, which was above the policy benchmark by 18 bps. This followed returns of -1.14% for the year ended April 30, 2020, and 8.74% for the year ended April 30, 2019.

In 2020-21, worldwide equity markets rallied following the negative impact of the pandemic on capital markets in fiscal 2020. UNB's Trusts and Endowments, a significant portion of which are invested in equities, were positively impacted.

Canadian equities, as measured by the S&P/TSX Composite Index, returned 33.31%. Global equities, as measured by the MSCI World Index, returned 28.27% in Canadian dollars. Emerging Markets equities, as measured by the MSCI Emerging Markets Index, returned 31.34% in Canadian dollars. Canadian Bonds, as measured by the FTSE Canada Universe Bond Index, returned -2.03%.

The Fund's external investment managers seek to add value to these benchmark index returns through active management of the portfolio. UNB's fixed income manager earned 1.60%, exceeding the benchmark by 363 basis points. The Fund's Real Estate manager added 239 basis points to its benchmark. Within the equity sector, results were mixed. The Global and Emerging markets equity managers were successful in adding value to their respective benchmarks, 953 basis points and 1,740 basis points respectively. However, the Global Low-volatility and Canadian equity managers fell short of their benchmarks; 1,879 basis points and 579 basis points respectively.

The overall result is that the Fund outperformed the composite policy benchmark by 18 basis points in 2020-21.

"I have found it draining to deal with financial issues atop of the pandemic. I never imagined I would be dealing with such issues for a much more extended period of time. I cannot express how much you have changed my future."

— RAYEVN HYNES-WILSON
COLIN NOEL BURSARY RECIPIENT





UNB INVESTMENT MANAGERS

BlackRock Asset Management Canada Limited

Fidelity Investments Canada ULC

Fiera Capital

J.P. Morgan Asset Management (Canada)

Jarislowsky Fraser Global Investment Management

Phillips, Hager & North Investment Management

Seamark Asset Management Ltd.

Sprucegrove Investment Management Ltd.

Vestor Inc.

CHANGES IN TRUST & ENDOWMENT

Balance 2020-21
(Market value in millions)

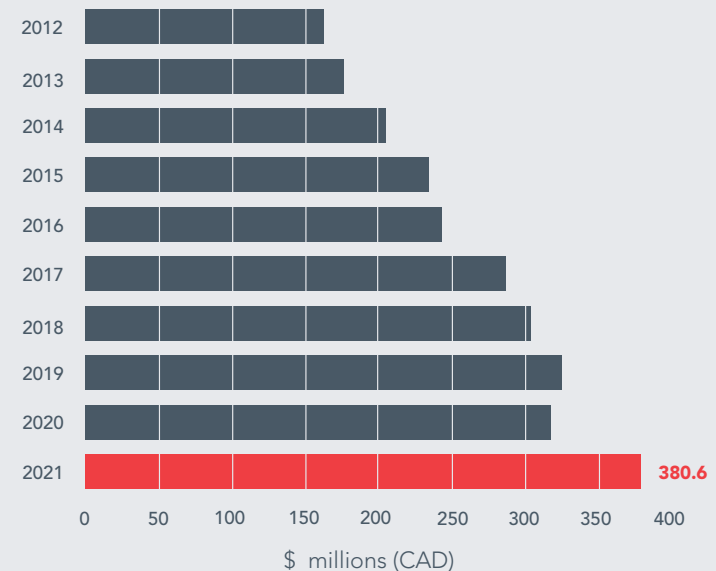
Balance April 30, 2021	\$380.6
Balance April 30, 2020	\$334.0
Net increase during the year	\$46.6

INCREASE DUE TO:

Donations and other additions to capital	\$13.6
Investment income	\$63.2
Spending	-\$30.2
	\$46.6

PRINCIPAL GROWTH 2012-21

As of April 30, 2021





**UNIVERSITY OF
NEW BRUNSWICK
DEVELOPMENT AND
DONOR RELATIONS**

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PO Box 5050, 100 Tucker Park Road
Oland Hall, Room 212A
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