



2021-22
TRUST &
ENDOWMENT
REPORT

**UNB**
EST. 1785
UNIVERSITY OF NEW BRUNSWICK



“Your support has made a significant difference, enabling me to continue my studies and pursue my dreams while supporting my family.”

— NATHAN MCNALLY
LESLIE E. BRUCE ENVIRONMENTAL
SCHOLARSHIP RECIPIENT

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, 2022, the Fund returned -0.67%, which was above the policy benchmark by 1.12%. This followed returns of 18.69% for the year ended April 30, 2021 and -1.14% for the year ended April 30, 2020.

Elevated inflationary pressures, less accommodative monetary policy and the Russian invasion of Ukraine gave way to volatility in the markets in early calendar 2022.

Canadian equities, as measured by the S&P/TSX Composite Index, returned 11.56%. Global equities, as measured by the MSCI World Index, returned -0.12% in Canadian dollars. Emerging Markets equities, as measured by the MSCI Emerging Markets Index, returned -15.15% in Canadian dollars. Canadian Bonds, as measured by the FTSE Canada Universe Bond Index, returned -7.90%.

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 -7.42%, exceeding the benchmark by 48 basis points. The Fund's Real Estate manager added 1,305 basis points to its benchmark. Within the equity sector, results were mixed. The Canadian, Global Low-volatility and one of two Global equity managers were successful in adding value to their respective benchmarks, 331 basis points, 678 basis points and 66 basis points respectively. However, the other Global equity manager and the Emerging Markets equity manager fell short of their benchmarks: 511 basis points and 1,144 basis points respectively.

The overall result is that the Fund outperformed the composite policy benchmark by 112 basis points in 2021-22.

"My university experience would have been vastly different had I not received any scholarships. They saved me from ... distractions from my studies that really would have prevented me from putting all of myself into my schoolwork."

— CHRISTINA MCLEAN
UNB SAINT JOHN 50TH ANNIVERSARY
SCHOLARSHIP 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.

Vestcor Inc.

CHANGES IN TRUST & ENDOWMENT

Balance 2021-22

(Market value in millions)

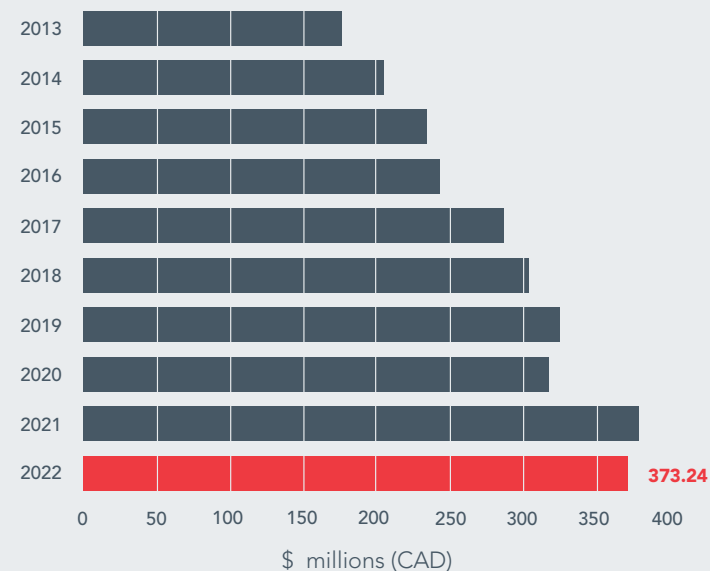
Balance April 30, 2022	\$373.24
Balance April 30, 2021	\$380.60
Net decrease during the year	- \$7.36

DECREASE DUE TO:

Donations and other additions to capital	\$16.69
Investment income	- \$1.54
Spending	- \$22.51
	- \$7.36

PRINCIPAL GROWTH 2013-22

As of April 30, 2022





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

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

PO Box 5050, 100 Tucker Park Road
Oland Hall, Room 212A
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(506) 638-2441

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