



“To receive a scholarship is incredible - knowing that you are doing this, not only for yourself, but for everyone who is supporting you. To be able to work as hard as you can for those people is an honour.”

ASHLEY STRATTON
2ND YEAR KINESIOLOGY STUDENT

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.



“Without financial pressures, I was able to be me and to seek out every opportunity to challenge myself and positively impact the community around me.”

JILLIAN LAMB
BACHELOR OF SCIENCE '19
(BIOLOGY)

DEVELOPMENT & DONOR RELATIONS UNIVERSITY OF NEW BRUNSWICK

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) 638-2441

devdr@unb.ca
unb.ca/giving

*On the front cover:
Made possible by the vision and generosity of Dr. Richard and Elizabeth Currie, a living wall brings life inside the Kinesiology Building at UNB Fredericton.*



2018-19 TRUST & ENDOWMENT REPORT



The Long-term Investment Fund for the Trust & Endowment accounts had a positive return of 8.74% for the year ended April 30, 2019, a period in which the policy benchmark return was 8.18%. This followed returns of 2.97% for the year ended April 30, 2018 and 16.04% for the year ended April 30, 2017.

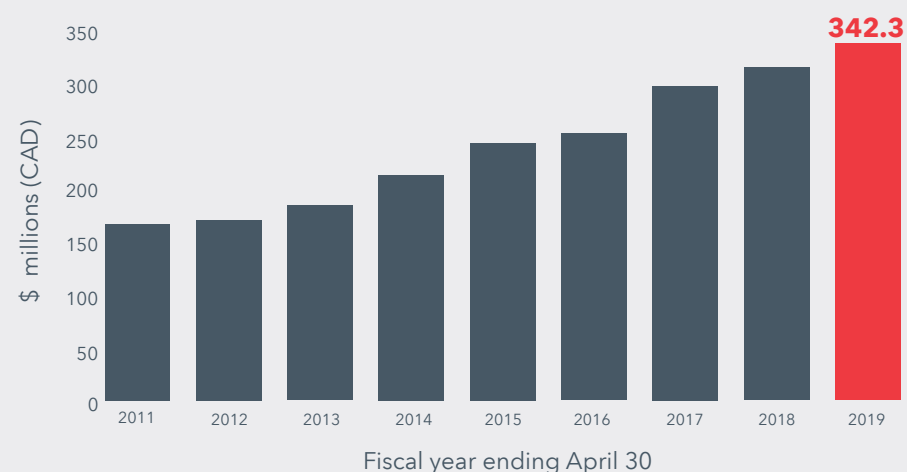
The 12-months ending April 30, 2019 was a period of good performance across most capital markets, albeit with much volatility within the period. Both public equities and fixed income asset classes produced positive returns.

Global equities, as measured by the MSCI World Index returned 11.35% in Canadian dollars. Canadian equities, as measured by the S&P/TSX Composite Index, returned 9.60%. Canadian bonds, as measured by the FTSE TMX Canada Universe Bond Index returned 6.07%. The Fund's external investment managers seek to add value to these benchmark index returns through active management of the portfolio.

In 2018-19, the Fund's fixed income manager exceeded the benchmark by 2 basis points. Within the equity sector, results were mixed. The Canadian equity manager and one of three

PRINCIPAL GROWTH 2011-2019

As of April 30, 2019



"I think I jumped up and down for a week straight when I found out I got this scholarship. Graduating without major debt is something I couldn't imagine before this."

DARIEN EDISON
4TH YEAR MECHANICAL
ENGINEERING STUDENT



global equity managers were successful in adding value to their respective benchmarks. In the Fund's newest asset classes, the Emerging Markets and Real Estate managers added 908 and 330 basis points to their benchmarks respectively.

Although the two remaining global equity managers and the Total Equity manager trailed their respective benchmarks, their returns were positive for the year. The overall result is that the Fund outperformed the composite policy benchmark by 56 basis points for the year.

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 2018-19 annual review of the endowment spending policy confirmed a 4% spending rate for 2019-20 which has been the spending rate since 2013-14.

The Fund's assets are managed by external professional investment management firms. In addition, the Investments Committee uses the services of an external custodian and performance measurement firm. In 2018-19, the Investments

Committee completed a comprehensive review of investment management and other investment related fees, comparing costs to those of other Canadian university endowment funds.

The results of the review indicated that total investment related fees (which include investment manager, custodian, performance measurement and investment consultant fees) are equal to the average fees and slightly below the median fees paid by other Canadian university endowment funds of a similar size.

UNB INVESTMENT MANAGERS

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

CHANGES IN TRUST AND ENDOWMENT Balance - 2018/19 (Market Value)

	(\$ 000's)
Balance April 30, 2019	342,254
Balance April 30, 2018	319,690
Net Increase During the Year	\$22,564
Increase Due to:	
Donations and Other Additions to Capital	20,101
Investment Income	27,769
Spending	(25,306)
	\$22,564