



University
of Manitoba

UM Endowment

A GIFT THAT STANDS THE TEST OF TIME

2020/2021 University Investment Trust (UIT) Annual Report

Your support has created a lasting legacy at the University of Manitoba

The University of Manitoba's endowment—the University Investment Trust (UIT)—is comprised of **more than 2,600 funds** supported by thousands of donors. **Because of you, UM programs and students are receiving stable, dependable support, that will be felt for generations to come.** Your thoughtful generosity continues to ignite opportunities and inspire excellence in countless ways. Thank you for ensuring our students and programs have the bright future they deserve.

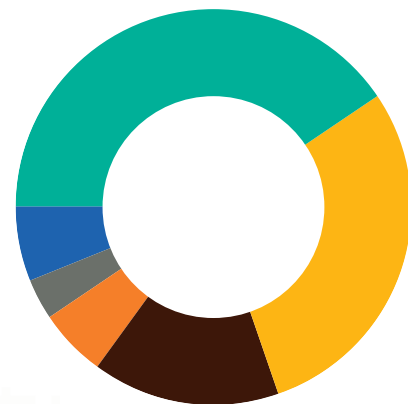
FINANCIAL HIGHLIGHTS

\$831.9 MILLION MARKET VALUE
AT MARCH 31, 2021

\$19.8 MILLION IN GIFTS

\$33.1 MILLION EXPENDITURES

SPENDING ALLOCATION BY PURPOSE



- Student Awards (40.7%)
- Faculty and School Support (29.2%)
- Chairs and Professorships (15.3%)
- Research (5.6%)
- Library Support (3.3%)
- Other (5.9%)



UIT VALUED AT
\$831.9M
 AS OF MARCH 31, 2021

ONE-YEAR RETURN OF
19.4%
 VS BENCHMARK
 OF 26.9%

UIT RECEIVED
\$19.8M
 IN GIFTS

UIT GENERATED
\$33.1M
 TO SUPPORT STUDENTS,
 PROGRAMS AND OTHER
 ACTIVITIES

1
 NEW INVESTMENT
 MANAGER; TD ASSET
 MANAGEMENT REPLACE
 BURGUNDY ASSET
 MANAGEMENT

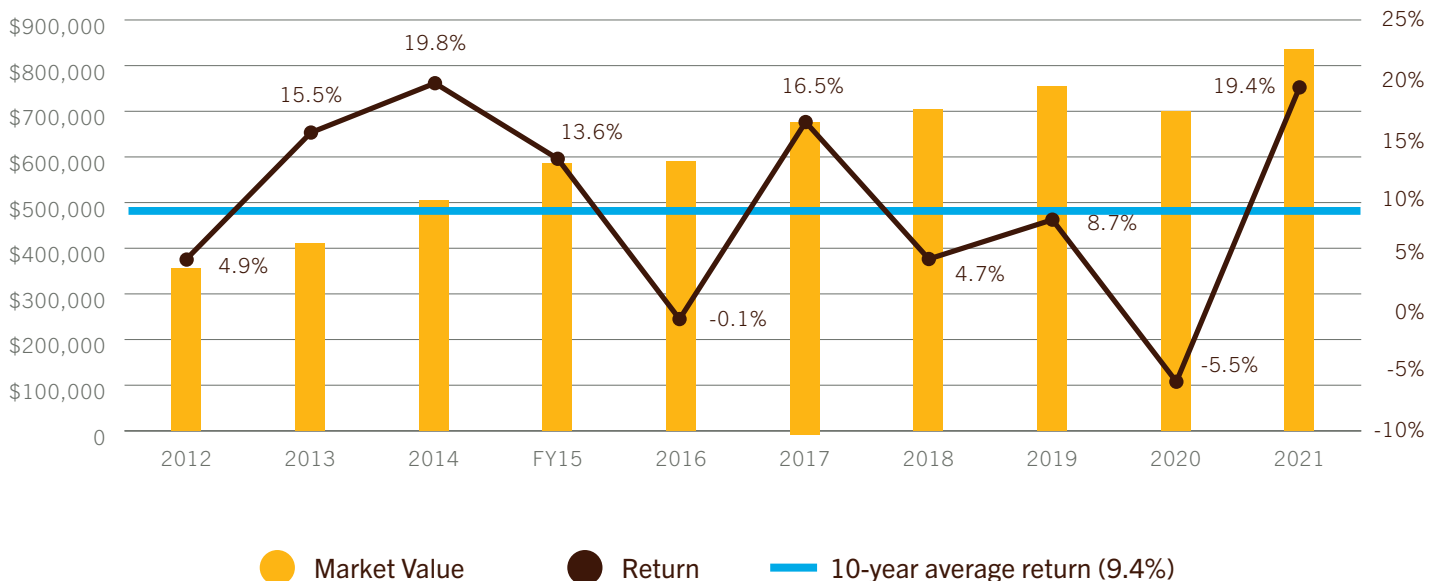
THE YEAR IN REVIEW

The underperformance versus the benchmark was due to the large underperformance of Burgundy's Canadian equity portfolio which was well below the S&P/TSX index before they were terminated; Wellington's U.S. equity portfolio was 13.2% below the S&P500 index due to their high quality dividend focused style which didn't include many of the momentum stocks which led the way in the U.S.; and Burgundy's EAFE portfolio which was 7.1% under the MSCI EAFE index due to their large over weights in high quality sectors like Consumer Staples, which was a major detractor in performance.

On an absolute basis the one-year 19.4% return was very favorable in meeting the investment objectives of the UIT. The 5-year annualized return was 8.4%, and the 10-year annualized return was 9.4%, both well above the hurdle rate of the UIT, which is the spending rate plus fund administrative expenses plus inflation. Over the past 10 years, the total hurdle rate ranges between 6.25% and 7.00%, so the longer-term returns are meeting the objective of covering these costs and adding value to donor accounts.

MARKET VALUE AND ANNUAL RETURN OF UIT 2011-12 TO 2020-21 (in thousands)

The following graph demonstrates the growth of the market value of the UIT and annual returns over the past 10 years.



ASSET MIX AND PERFORMANCE

ASSET MIX AND TARGETS

(as at March 31, 2021)

The UIT's current and target asset mix:

ASSET CLASS	CURRENT %	TARGET %
Canadian Bonds	9.5%	10.0%
Canadian Equities	23.3%	25.0%
U.S. Equities	27.0%	25.0%
International Equities	14.6%	15.0%
Canadian Real Estate	16.0%	15.0%
Infrastructure	9.6%	10.0%

ANNUALIZED INVESTMENT PERFORMANCE, IN \$CAD (of March 31, 2021)

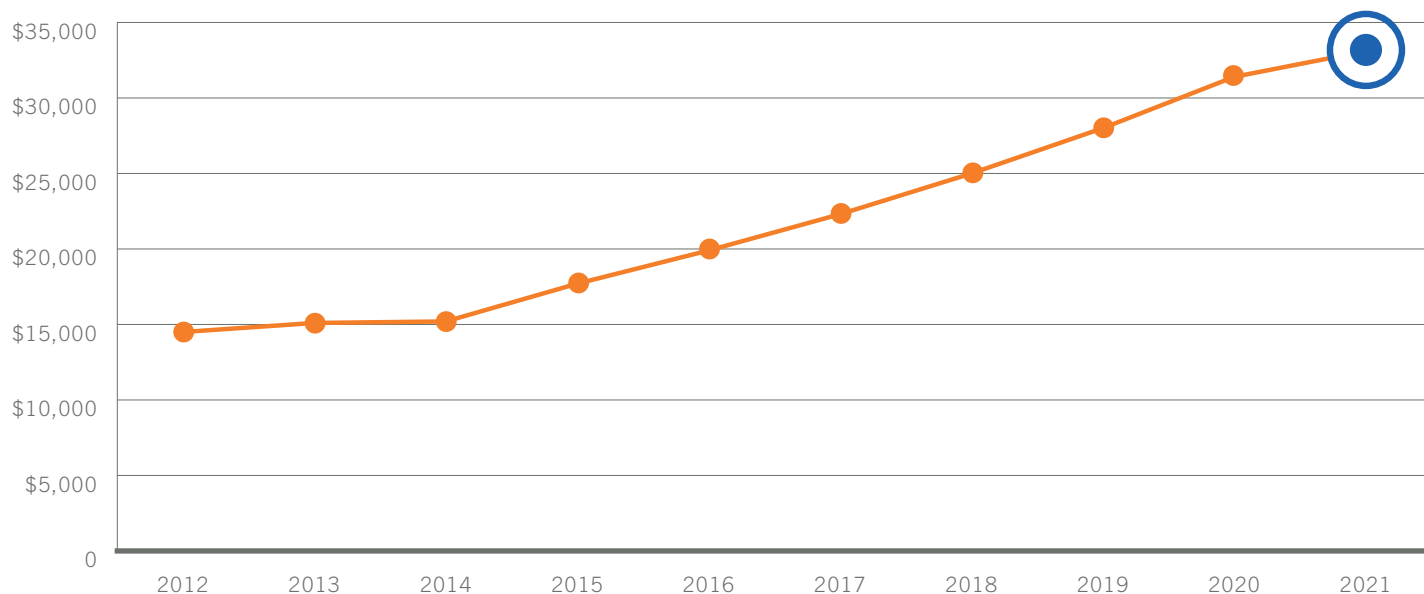
The annualized investment performance of the fund is as follows:

	1 YEAR	3 YEARS	5 YEARS
Total Portfolio	19.4%	7.0%	8.4%
Benchmark	26.9%	9.6%	10.0%
Canadian Bonds	-0.1%	4.0%	2.5%
Benchmark	-0.7%	3.8%	2.2%
Canadian Equities	39.0%	0.9%	4.2%
Benchmark	44.2%	10.2%	10.0%
U.S. Equities	36.1%	14.7%	15.1%
Benchmark	38.1%	15.8%	15.6%
International Equities	21.1%	6.5%	8.2%
Benchmark	28.2%	5.6%	8.7%
Canadian Real Estate	2.4%	6.3%	6.2%
Benchmark	-4.8%	2.5%	4.1%
Infrastructure	-3.5%	n/a	n/a
Benchmark	6.1%	n/a	n/a

UIT 10-year return: 9.4%

The Specific and Capital Trust Funds are funds that are invested outside of the UIT. The stated purpose of these funds has a shorter time frame, so that investments tend to be more liquid, shorter duration fixed income instruments. At the end of March 31, 2021, these funds had a **market value of \$85.1 million**, and had received **\$9.4 million in new gifts**.

SPENDING ALLOCATION (in thousands)





SUPPORT MY JOURNEY

Your endowed gift is making an impact to the lives of students like Hannah. Hannah is a first-year student in the Rady Faculty of Health Sciences and the recipient of the Medicine Class of 1976 John Varsamis Bursary.

“It means a lot to me to know there are people who care about my education and want to support my journey. I felt some relief knowing that I could worry a little less about financials for this school year.”

INVESTMENT MANAGERS (of March 31, 2021)

TYPE	ASSET CLASS	MANAGER
UNIVERSITY INVESTMENT TRUST	Canadian Fixed Income	Cidel Asset Management
	Canadian Equities	TD Asset Management
	Canadian Equities	RBC Philips Hager North
	International Equities	Burgundy Asset Management
	US Equities	Aristotle Capital
	US Equities	Wellington Management
	Canadian Real Estate	GWL Realty Advisors
	Infrastructure	Brookfield Asset Management
SPECIFIC TRUSTS & CAPITAL TRUSTS	Canadian Fixed Income	BMO Nesbitt Burns
	Balanced Fund	Jarislowsky Fraser
OTHER	Performance Measurement and Analytics	Aon
	Custodian	CIBC Mellon
	Performance Measurement	BNY Mellon

TRUST INVESTMENT COMMITTEE

UNIVERSITY STAFF AND MEMBERS OF THE BOARD OF GOVERNORS

Naomi Andrew, Vice-President Administration, Chair

Michael Benarroch, President and Vice-Chancellor

Carla Buchanan, Manager, Financial Services

Robin Campbell, Assistant Manager, Treasury

Kathryn Lee, Board of Governors

Jeff Lieberman, Board of Governors

Lance McKinley, Director, Treasury

Todd Mondor, Deputy Provost

COMMUNITY MEMBERS

Zoe Richardson, investment professional

John Smith, retired, President, GLC Asset Management

Garry Steski, retired, ADM, Treasury Division, Province of Manitoba

ENDOWMENT FEES

The endowment fund incurs expenses related to the management and safekeeping of assets. Fees include investment management, custodian, performance measurement and analytics, and administrative fees. Total expenses of the fund in 2021 were **\$4,316,000** or **0.55%** of the average market value of the investments for the year. Within that total includes the investment management fees paid in 2021, which was **\$3,372,000** or **0.43%** of the average market value of the fund over that period.