

2020 ENDOWMENT

Financial report



University
of Windsor

ALL PHOTOS BY NAOMI PELKEY



THANK YOU DONORS!

Thank you to you, our donors, for without your contribution and continued financial support, the endowment would not be a possibility.

Your gifts impact students during their time at the University of Windsor and then throughout their lives as they pursue their dreams.

“It really reduced some of the stress. Having that security kind of takes the weight off my shoulders.”

ZAC, STUDENT, FACULTY OF ENGINEERING

MESSAGE FROM THE PRESIDENT

Welcome to the 2020 Endowment Financial Report from the University of Windsor.

Thank you for your commitment to the lives of our students, faculty, staff and community - especially during this uncertain time as we deal with COVID-19. As donors, you have continued to demonstrate your dedication to ensure the needs of our students are met.

Each year, this report illustrates how donated funds are invested, but we also hope this report gives you a glimpse into the many ways your donations are impacting the future for all of us.

Your gifts help fulfill our goal to excel in overall excellence, as well as providing a catalyst for world-class academic research.

The strength of our students in the area of research, matched with the superior quality and expertise of UWindsor faculty, has shone during the past six months of the pandemic.

From UWindsor chemists researching potential COVID



drugs, to Faculty of Engineering students working to increase face-shield production, students and faculty from various disciplines across campus have been working tirelessly to make positive contributions to the current challenges facing all of us.

As we prepare for a safe return to campus, I am proud to represent the outstanding students, faculty, staff, volunteers and community of the University of Windsor, and I sincerely thank you for your financial support.

Stay well.

Dr. Rob Gordon

*President and Vice-Chancellor,
University of Windsor*



YOUR GIFTS, OUR FUTURE

Donors who provide financial support to the University of Windsor help students grab that passport to the future.

An endowed gift lasts a lifetime and offer students the opportunity to positively impact the world around them. Every person deserves the right to learn and find their passion and potential. This experience is provided through study at the University of Windsor.

At our school, students study a wide variety of disciplines, are guided by expert professors in their fields of study, supported by amazing student experience staff, peer mentors, mental health professionals, coaches

and a wide range of faculty and staff who care about the well-being and future of our students.

As a donor, you also play an important role in supporting students and helping them reach their full potential. Your gift eases the financial burden on many students.

Each endowed gift to the University of Windsor is invested for the long term and the income generated is used for the life of the University.

Through scholarships, bursaries, professorships and research, amazing things are being done at the University of Windsor through generous gifts from our donors.

“Education is the passport to the future, for tomorrow belongs to those who prepare today.”

CIVAL RIGHTS LEADER AND ACTIVIST MALCOLM X

MESSAGE FROM JONATHAN ALLISON

Chair of the Investment Committee & Vice-Chair of the Board of Governors

It is my pleasure to share with you, our donors, a snapshot of our investment results for the fiscal year ended April 30, 2020.

The conclusion of the University's fiscal year at April 30, 2020 marks an especially unusual and challenging time for investors. Global markets experienced historic moves particularly in March 2020 as a result of the COVID-19 pandemic. The final month of the year brought some stability to asset balances and returns, but we have likely not reached the end of the impact of the pandemic on capital markets.

Equity markets fell materially in March 2020 with some of the largest one-day moves observed since the 2007/08 global financial crisis. The Canadian equity market underperformed much of the world during this time due largely to its exposure to oil and gas. While April provided some relief, the S&P/TSX Composite remained very negative, at -7.9% on a one-year basis. Global equities were also adversely impacted, however the depreciation of the Canadian dollar against all major currencies provided a natural hedge against the brunt of losses, allowing for an overall one-year return of -1.3% for the MSCI All Country World Index (CAD). As is typical in times of extreme volatility, fixed income performed well,



with the FTSE Canada Universe Bond Index delivering a return of 8.5% over the fiscal year. Overall the Endowment Fund sustained a modest loss of -0.05% as at April 30, 2020, before fees. The value of the Endowment Fund is \$117.2 Million, allowing over \$5.2 Million to be spent on critical programs.

In 2020 it is important for us to reflect on the fact that Endowment Funds are invested for the very long term. Our Endowment Statement of Policies and Goals set out a long-term asset mix strategy that supports our spending goals and provides downside protection through market volatility. On behalf of the Investment Committee and the Board of Governors, thank you for making a difference through your generous gifts to the University.

Jonathan Allison, BComm
*Chair, Investment committee of the
 Board of Governors, Vice-Chair,
 Board of Governors*

INVESTMENT GOALS, GOVERNANCE AND SPENDING

Endowed gifts are invested in the University of Windsor Endowment Fund. This fund is managed with the primary objective of generating stable income to fund spending in support of the University’s mission while maintaining the real long-term capital value of the fund.

The Investment Committee of the Board of Governors of the University oversees the investment of the fund. The committee monitors the performance of the investment and ensures investment policies, set by the Board, are followed accurately.

The asset mix of the fund is also monitored quarterly and adjusted as required. Based on the benchmark asset mix, the expected real return of the fund is 3.6% with an expected volatility of 10.0%.

Spending from the fund is made up of investment income earned in the early years or from the Growth and Protection funds, when required. Annually, the University will allocate income earned by the previous years’ endowment capital for expenditure in accordance with the policy. For endowment funds opened under the current policy, the allocation is up to 4% of the capital. Any income earned in excess of the 4% spending is reinvested within the fund, allowing a donor’s gift to continue to grow.



FEES CHARGED TO THE ENDOWMENT FUND

While growth through prudent investment is critical, so is the management of the fund's expenses. At the University of Windsor, your donation is never levied. The committee carefully evaluates the fees charged by our investment and other service providers, ensuring fairness and comparability with peers. For the year ended April 30, 2020, fees charged to the endowment were 49 basis points of the Fund's value. A cost-effective approach is taken in everything that we do.

RESPONSIBLE INVESTING

We are delighted to share that effective May 2020, the Endowment Fund is a signatory of the United Nations Principles for Responsible Investing (UN PRI). Responsible investing is a part of an asset owner's strategy and practice to incorporate Environmental, Social and Governance practices into investment analysis and decision making. The University believes these factors can influence the long-term performance of investments and need to be considered when assessing economic value.

As part of our commitment, a Responsible Investing Policy is being prepared for approval by the Board of Governors in the coming months. A public consultation with our community on this policy will take place this Fall.

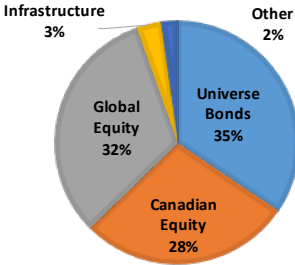


Donations to support the University of Windsor endowment fund through establishing student scholarships and awards, have tremendous impact on the lives of students.

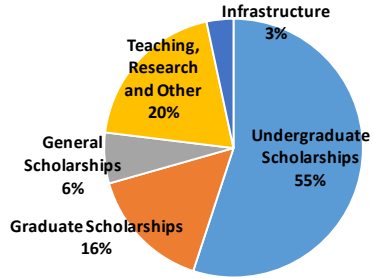


INVESTMENT BY THE NUMBERS

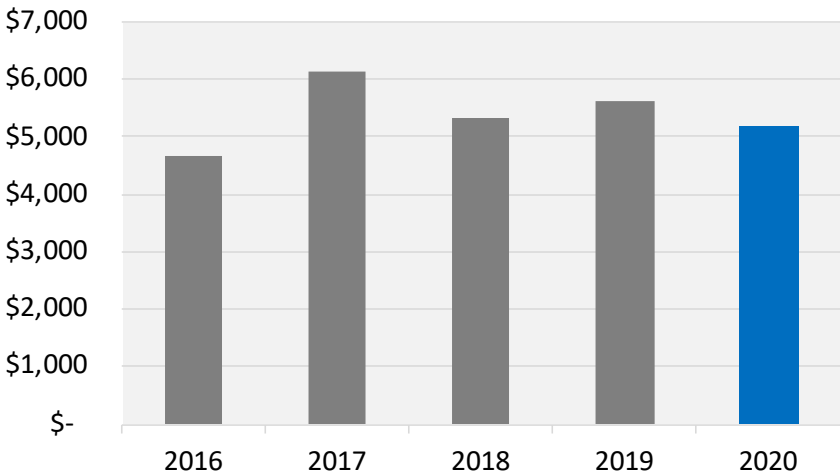
ASSET MIX
(APRIL 30, 2020)



ENDOWMENT AREAS OF SUPPORT
(APRIL 30, 2020)



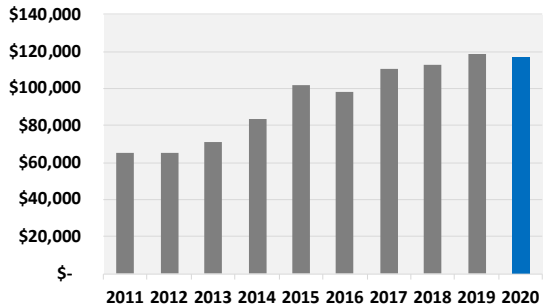
Endowment Spending - 5 Years (000's)



HISTORICAL RATE OF
RETURN (April 30, 2020)

1 Yr	-0.1%
3 yr	3.8%
5 yr	5.0%

Endowment Balance - 10 Years (000's)



FREQUENTLY ASKED QUESTIONS

CAN I START AN ENDOWED AWARD AT ANY LEVEL?

The minimum amount to endow a scholarship is \$25,000. However, individual faculties hold general endowments for scholarships so, gifts not meeting the minimum can be directed to the faculty's general endowment.

WHAT IS THE INVESTMENT PHILOSOPHY FOR THE ENDOWMENT FUND?

The Endowment portfolio is managed with the primary objective of generating stable income to fund spending while maintaining the real long-term capital value of the portfolio. The asset mix is one key tool that is used to ensure that the spending requirements will be met, without taking on an excess amount of risk.

HOW DOES THE UNIVERSITY MANAGE RISK WHEN INVESTING?

The University has a Statement of Investment Policies and Procedures for the Endowment that mitigates risk. A Growth and Protection (G&P) Fund is established for each endowment. These funds preserve the 12 percent of income generated by an endowed gift and saves those funds. In a year when there is insufficient investment income to fund the spending, G&P funds can be drawn upon to ensure students are not impacted and that student financial support continues.

WHAT ARE THE BENEFITS OF DONORS GIVING GIFTS OF STOCK OR OTHER INVESTMENTS?

Donors receive tax benefits from giving gifts of shares, bonds or mutual funds. Donating publicly traded securities can result in a significant tax benefit for a donor mainly because the Canada Revenue Agency does not apply capital gains tax to these gifts. Capital gains are incurred when you sell an investment (share, bond or fund) for more than you paid at the time you purchased it.

WHAT IF I WANT TO MAKE A DONATION BUT I NOW LIVE IN THE U.S.?

The University of Windsor recognizes that our alumni and friends proudly live and work around the world. Friends of the University of Windsor is an American charitable foundation established to ensure donors can contribute gifts in the United States toward the University of Windsor and receive a charitable receipt. For more information on making a donation from the United States please phone our Campaign Office at 519-253-3000 Ext. 3229.



YOUR GIFT CHANGES LIVES

Your donation to the University of Windsor makes a difference. Endowed gifts help to ensure future students can achieve their educational goals and graduate with many skills and opportunities to change the world.

Gifts of all sizes provide funding to support scholarships, enhance campus, support research and, ultimately, make a positive impact for generations to come.

To all University of Windsor donors:
Thank You!

“I would not have been able to attend university without receiving these bursaries.”

BROOKLYN, STUDENT, FACULTY OF SCIENCE



“The future belongs to those who believe in the power of their dreams.”

ELEANOR ROOSEVELT, FORMER FIRST LADY OF THE UNITED STATES

For more information:

Please contact the Advancement Department with any questions about your specific endowment report or with any fundraising-related inquiries.



**University
of Windsor**

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