



UNIVERSITÉ DE MONCTON ENDOWMENT FUND

ANNUAL REPORT | 2023-2024



UNIVERSITÉ DE MONCTON
EDMUNDSTON MONCTON SHIPPAGAN

YOUR PHILANTHROPIC COMMITMENT A SOUND INVESTMENT

Since its inception in 1963, Université de Moncton has always been able to rely on the generosity and vision of exceptional donors to provide a rich and memorable experience for its student community and enhance excellence in research.

As it evolves, generous philanthropic gifts have been made to the Université de Moncton to create customized endowment funds. An endowment fund is a permanent investment of your charitable gift, with the annual interest used to support a university project close to your heart.

Endowments can be used for a variety of purposes, such as creating academic merit scholarships, leadership scholarships, and bursaries based on financial need. Other funds foster excellence in teaching and research by supporting, for instance, research chairs, research centres and other institutional projects.

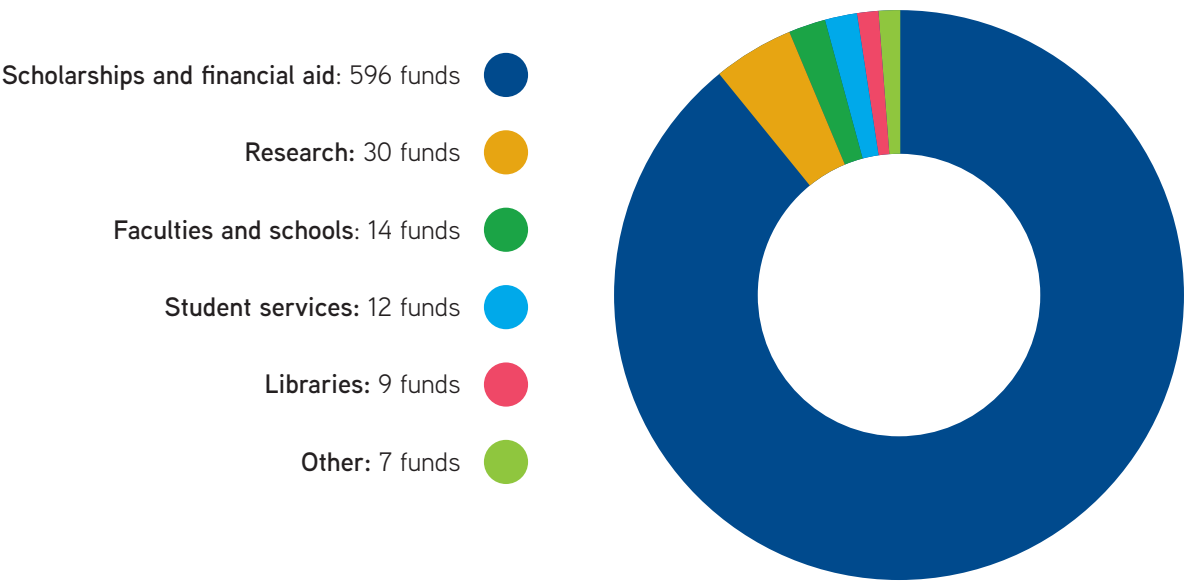
HIGHLIGHTS

Market value of the Université de Moncton Endowment Fund
as of April 30, 2024:

Market value: \$126.8 million

The Université de Moncton Endowment Fund consists of: **668 personalized funds**

Distribution of the funds



UNIVERSITÉ DE MONCTON

ENDOWMENT FUND INFORMATION

	April 30, 2021	April 30, 2022	April 30, 2023	April 30, 2024
Market value (in millions)	\$111	\$110.6	\$116.6	\$126.8
Number of funds	520	552	663	668

Investment Performance

Annualised rate of return for the period ending April 30, 2024

	1-Year	2-Year	3-Year	4-Year
Funds	8.9%	7.3%	4.6%	7.8%
Index	8.9%	6.2%	2.8%	5.7%
Canadian Consumer Price Index	2.7%	3.5%	4.6%	4.3%

Policy Affect Mix

ASSET CATEGORY	BENCHMARK
Short-term securities	1%
Fixed income - Canadian	20%
Fixed income - Unrestricted	10%
Canadian equities	10%
Foreign equities (worldwide)	17%
Foreign equities (all countries)	17%
Emerging markets equities	10%
Canadian real-estate	7.5%
Infrastructure	7.5%

Université de Moncton's Endowment Fund Managers as of April 30, 2024

Axiom	Pacific Alternative Asset Management Company (PAAMCO)
BlackRock	Pacific Investment Management Company (PIMCO)
Fiera Capital	Placements Louisbourg Inc.
Mawer Investment Management	Philps Hager & North (PH&N)
Northcape Capital	

FREQUENTLY ASKED QUESTIONS

Who manages the invested funds?

The Université de Moncton's Board of Governors is responsible for managing the Endowment Fund assets with the support of its Investment Committee. This Committee oversees the implementation of and adherence to the Université de Moncton Endowment Fund Investment Policy (the Policy).

The Investment Committee is composed of:

- **Don Bélanger**, member of the University's Board of Governors, elected by the Board
- **Maurice Brine**, external expert, elected by the Board
- **Daniel Goguen**, member of the University's Board of Governors, elected by the Board
- **Gilbert Lefrançois**, Chairman of the Committee and external expert, elected by the Board
- **Denis Mallet**, Chairman of the University's Board of Governors, ex-officio
- **Michel Noël**, external expert, elected by the Board
- **Dr. Denis Prud'homme**, President and Vice-Chancellor, ex-officio

The Secretary General, Lynne Castonguay, the Vice-President, Administration and Human Resources, Gabriel Cormier and the Director of Finance, Ginette Thériault, are non-voting members of the Committee. Further information on the Investment Committee is available at www.umoncton.ca/gouvernance/cgv-cpl.

The Policy, developed by a specialized firm, was ratified by the Université de Moncton's Board of Governors on October 1, 1999. It is reviewed annually, notably by reassessing the fund's expected return, tolerable risk and long-term asset allocation. As part of the mandate assigned to them by the Investment Committee, the external portfolio managers must maximize rates of return while considering risks, liquidity, as well as the diversification and quality of investments.

A third party, recommended by the Investment Committee and approved by the Université de Moncton's Board of Governors, assumes the role of custodian of the assets.

The Université de Moncton Endowment Fund Investment Policy is available on the website at: www.umoncton.ca/gouvernance/politiques.

What is the invested fund's target rate of return?

The Investment Policy sets out a clear return objective of an average annual return at least equal to the rate of expenditure plus the rate of increase in the Consumer Price Index. This investment strategy is comparable to that of peer institutions.

Is the Endowment Fund subject to any costs?

Portfolio management fees and custodial fees total 0.77 percent of the average market value of the Fund on December 31 of the three years preceding the current year. The administrative costs associated with philanthropic development are 0.91 percent of this same average of market values.

How is the spending rate for each endowment fund determined?

The disbursements (spending) from the endowment funds are managed in accordance with the Policy, the goal of which is to produce a consistent and predictable influx of income while preserving the real value of the endowment's capital. In choosing prudent spending rates, the Université de Moncton ensures that it has the necessary resources to weather good and bad years regarding financial returns.

The objectives of the Fund Disbursement Policy, integrated in the Investment Policy, is to set a spending or disbursement rate that reflects the actual expected rate of return on assets. Consequently, the target spending rate has been set at 4 percent of the Endowment Fund's average market value on December 31 of the three years preceding the current year. In addition, a variable component is added, representing 5 percent of the value of the accumulated surplus, which leads to a maximum expense rate of 4.5 percent. This expense rate reflects the expected real rate of return on the Fund's assets.

How is the value of the capital preserved while ensuring the growth of the Endowment Fund?

The concept of capital preservation is central to the management of an endowment. To ensure continued growth and to retain the initial capital's purchasing power, a portion of the income earned is preserved to protect the capital's real long-term value. This ensures that each fund's capital maintains a consistent value as it relates to inflation.

Figure 1: Projected growth of capital over 30 years for an initial fund of \$25,000

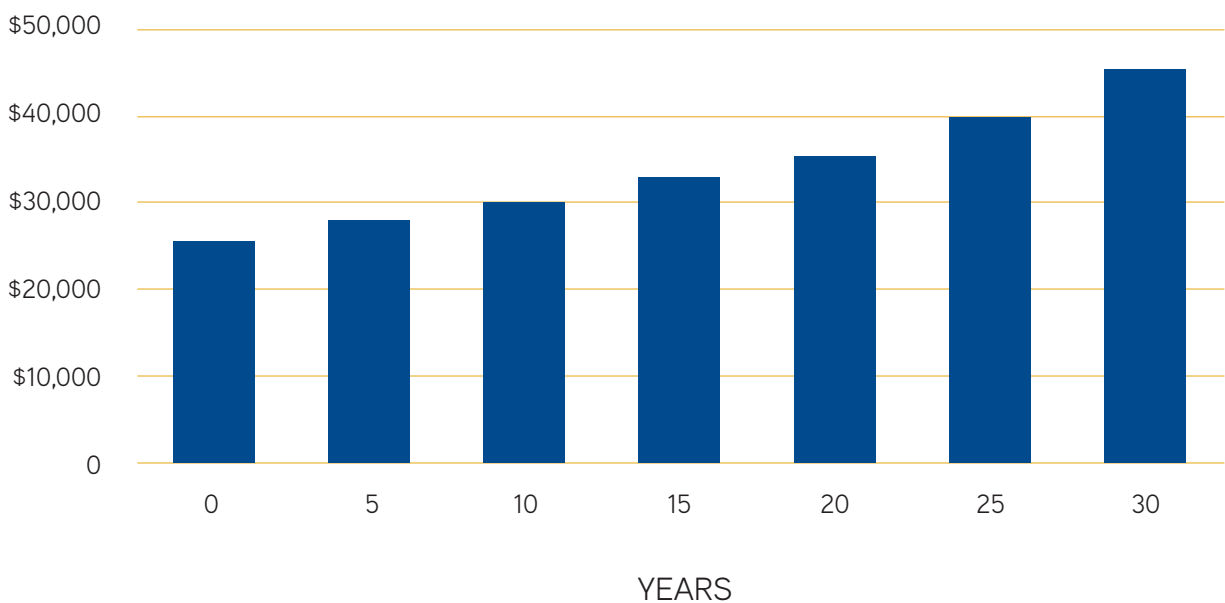


Figure 1 shows that a \$25,000 donation, given to support a Université de Moncton activity or program, should grow to approximately \$45,000 in 30 years based on long-term expected earnings of 6.5 percent and a spending rate of 4.5 percent.

PHILANTHROPY AND ALUMNI RELATIONS

The Philanthropy and Alumni Relations team supports the vision and mission of the Université de Moncton by developing lasting, mutually beneficial relationships with its community of donors, alumni and partners.



Jeanne Farrah
Executive Director



Bénédicte N'Dri
*Philanthropic Development
Director*



Félix Arseneau
*Philanthropic Development
Advisor*

Marie Chamberland
Alumni Network Director

Monique Comeau
Donations and Finance Officer

Suzanne Cyr
Engagement Strategy Manager

Wided Dhaou
Executive Assistant

Angélique Gallien
Engagement Programs Coordinator

Sonia Laïfa
Philanthropic Operations Manager

Stéphane O'Carroll
Records Officer

André Robichaud
Administrative assistant

Every gift has the power to transform and implement a variety of initiatives to enrich the student experience and enhance research, creation and innovation.

Thank you for helping to build a world where all aspirations are possible!





*Your Generosity,
a World of Possibilities.*

For more information:

Philanthropy and Alumni Relations

Léopold-Taillon Building, Room 358
18 Antonine-Maillet Avenue
Moncton, New Brunswick, E1A 3E9

506 858-4130 or 1 888 362-1144

developpement@umoncton.ca
www.umoncton.ca/dons

Charitable Registration Number 108160979 RR0001