

2020 Endowment Fund Report

FISCAL PERIOD APRIL 1, 2019 TO MARCH 31, 2020

Edmonton Pride Run Endowment (E7509)

Report prepared for: Mr Joshua Bergman and Mr Kent Akgungor

Financial Summary

Total contributions to the fund (book value)	\$53,917.94
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Endowment Principal Summary

Opening market value - April 1, 2019	\$25,588.09
Contributions (including capitalization)	\$29,616.72
Investment income (loss) net of fees and expenses	\$(6,473.68)
Spending allocation 2019-2020	\$(936.36)
Ending market value - March 31, 2020	\$47,794.77

Endowment Spending Summary

Opening spending balance (amount carried forward) - April 1, 2019	\$889.08
Spending allocation including amount capitalized	\$1,433.08
Amount capitalized	\$(496.72)
Contributions to spending	-
Amount spent	\$(1,825.00)
Closing spending balance - March 31, 2020	\$0.44

Spending allocation 2020-2021	\$2,106.99
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Total available to spend in 2020-2021	\$2,107.43
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About this Fund:

Thanks to your generosity, in 2019-20, the Edmonton Pride Run Endowment supported Tamara Ann Bailey as the 2019-20 recipient of the Edmonton Pride Run Bursary. Thank you for your support of iSMSS programming, it is so important to us!



Understanding the UAlberta Endowment

FISCAL PERIOD APRIL 1, 2019 TO MARCH 31, 2020

Endowed gifts to the University of Alberta are a long-term investment in our future.

\$53 M

Endowment spending allocation last year

\$1.28 B

Total endowment value

2,970

Individual endowed funds

WHAT IS THE ENDOWMENT?

The University of Alberta's endowment is a dedicated and permanent source of funding that maintains the teaching and research mission of the university. With few exceptions, endowed gifts are invested collectively through the University Endowment Pool (UEP). The primary investment objective for the UEP is to achieve a long-term real rate of return that equals or exceeds total endowment spending. Emphasis is placed on preserving intergenerational equity to ensure all beneficiaries, current and future, receive comparable levels of support.

Each year, an "annual spending allocation"—calculated at 4% of the 60-month average market value at December 31 of the previous calendar year—is made available to support students, researchers, academic programs, libraries, art museums, facilities, and a wide variety of other activities as designated by donors. For this fiscal year, \$53 million was made available; this represents an increase of \$4 million from last year.

INVESTMENT PERFORMANCE

The past year was truly unprecedented as the global pandemic altered nearly every aspect of our daily life. In an effort to ease the burden on the global healthcare system, governments mandated widespread economic lockdowns, resulting in a global recession that began in the first quarter of 2020. Capital market volatility across many assets increased to levels that surpassed those experienced in the 2008 Global Financial Crisis, in turn prompting an unparalleled fiscal and monetary response. As of March 31, 2020, the UEP returned -10.2% which underperformed its benchmark return of -8.4% and fell short of the long-term target of 7.25%. However, the UEP has exceeded this target over the longer term with an 8.9% annualized return since inception in April 1989. Over the past fiscal year, 1.4% of the value of the university's total endowment was directed to fees and expenses.

MOVING FORWARD

With central bank policy rates effectively zero and yield curves flat across the developed world, the path forward presents a challenge requiring more creativity and a willingness to tolerate higher volatility in order to meet the desired objectives. In the coming year, Management will be completing a comprehensive asset allocation review for the UEP to ensure that the strategic asset allocation remains commensurate with the desired risk and return objectives.

Through endowments, donors create meaningful legacies. While the global pandemic and its economic impacts are far from over, most capital markets have appreciated during the three months ending June 30, 2020. The UEP has participated in this recovery and remains well positioned to continue to support future funding that will benefit students, faculty, researchers, and the broader university community.

For additional information on the 2019-2020 endowment investment performance, please go to uab.ca/invest.

FINANCIAL SUMMARY

Total contributions to the fund (book value): Total money donated to the fund and any transactions in prior years.

ENDOWMENT PRINCIPAL SUMMARY

Opening market value: The value of the fund if its assets were sold at April 1, 2019.

Contributions (including capitalization): Donations, earnings from new donations, and any capitalization of unspent money this fiscal year.

Investment income net of fees and expenses: Fees and expenses cover the costs of the infrastructure, people and systems that manage the use of the fund, invest the fund, and fundraise. Currently, 1.4% of the value of the university's total endowment is directed to fees and expenses.

Spending allocation: The amount available for the purpose of the fund this fiscal year. The spending allocation is based on 4% of 60-month average unit market value ending December 31 of the prior calendar year.

Ending market value: The total of the opening market value, the contributions during the year, the investment income or loss net of fees and expenses, minus the spending allocation.

ENDOWMENT SPENDING SUMMARY

Opening spending balance: The total available to spend carried forward from the previous fiscal year.

Spending Allocation 2019-20 (including amount capitalized): The amount available for the purpose of the fund in this fiscal year. Plus the spending allocation attributed to new donations received during the fiscal year, which was capitalized.

Amount capitalized: Capitalization is the reinvestment of any unspent money this fiscal year.

Contributions to spending: includes donations to spending this fiscal year.

Amount spent: The amount used for the purpose of the fund this fiscal year.

Closing spending balance: The total of the opening balance plus the spending allocation, minus the amount spent this fiscal year. The balance is carried forward and is available for the purpose of the fund next fiscal year.

Spending allocation 2020-21: The amount available for the purpose of the fund next fiscal year. The university calculates this in advance to allow for better planning. It is 4% of the 60-month average market value at December 31 of the previous calendar year.

Total available to spend in 2020-21: The total of the closing spending balance and the spending allocation for next fiscal year.