



ENDOWMENT REPORT 2022-23



On behalf of Memorial University, I'm pleased to provide a summary of the fund(s) you support or represent for the fiscal year ending March 31, 2023. If you recently established your endowed fund, this marks your first annual update.

While our investment strategy allowed us to outperform our benchmark, and our performance was positive, the annual performance of Memorial's endowed pool of investment funds in 2022-23 (2.82 per cent) was not as strong as that seen in the year ending March 31, 2022 (9.38 per cent). The Finance Committee assessed the endowments to determine the feasibility of the scheduled rebalancing, which had been deferred the previous year due to a weakening market. Despite relatively strong performance in the previous two years, the committee — mindful of market fluctuations in the first quarter of FY24 and the high potential for continued depressed returns in the ensuing months — again deferred the rebalancing decision until March 2024 in order to maximize the spendable funds available to support the various funds' purposes.

In addition to your financial statement, the following pages detail how donors like you play a crucial role in supporting students and fostering success that goes well beyond their academic journeys. I invite you to read the amazing stories that reflect the impact of donor support on our website at mun.ca/give/impact-of-giving.

Memorial University holds a pivotal position as a key educational institution for Newfoundland and Labrador, contributing significantly to the province's future. As we approach our 100th anniversary in 2025, join us in reflecting on our growth in education, research, and outreach. Explore the 2023 Report to the Community at mun.ca/report for key facts and figures, and stories that showcase our connections with students, alumni, faculty, staff, and communities.

Through your generous support of Memorial University and our students, you are investing in a better future for us



all, at local, provincial, and national levels. Your contributions have a tangible impact on individual lives and the overall well-being of our province.

The attached report(s) covers up to five recent years of fund activity. Also included is information on Memorial's endowment and a glossary for clarification. For questions or inquiries about your giving to Memorial, please contact us at giving@mun.ca or 1-877-700-4081.

On behalf of the entire university community, thank you.

Sincerely,

A handwritten signature in black ink that reads "Penny Blackwood". The signature is fluid and cursive, matching the name of the sender.

Penny Blackwood, PhD

Executive Director
Office of Development and Alumni Engagement,
Memorial University

2022–23 ENDOWMENT UPDATE

Memorial's Pooled Endowment Fund is comprised of more than 1,000 individual funds and has a total market value of over \$162.9 million as of March 31, 2023. This is up from \$159.0 million at the same time in the previous year. This fund will exist in perpetuity with our commitment to sound and responsible spending policies and investment strategies. Thanks to your wonderful support, the Fund continues to grow, becoming an even stronger financial resource for our university and future students.

SUCCESS STORIES

Once again, this year, many success stories have come from supporting our amazing students. Below is just a small sample of the talent and dedication that we witness every day at Memorial.

How giving helps

Hannah Drover is a recipient of the Dr. Heather Onyett Scholarship in Social Work. She reflects on how this support has allowed her to get the most out of her university experience, enabling other activities and opportunities that inspire her work and help her give back to the community.



Hannah Drover

"My university experience would be very different without scholarships and I'm so grateful for them and for everyone who chooses to support students."

- Hannah Drover, Dr. Heather Onyett Scholarship recipient

Life-changing

Scholarship recipient and recent graduate Jared Butt talks about how student support helped him balance academics alongside his entrepreneurial ventures.



Jared Butt

"Memorial's donors truly make a difference, and for myself, it's something that I don't take for granted. It's helped me move forward with my career aspirations and entrepreneurial endeavours—it's honestly something that's really changed my life."

- Jared Butt, James R. Pearcey Award for Entrepreneurship recipient

You can read more about these and other stories that demonstrate the impact of your support on our website at mun.ca/give/impact-of-giving.

UNDERSTANDING THIS REPORT

This report includes a summary of your endowed fund covering up to five years of activity. As this may be your first time seeing this report, we recognize you may have specific questions. Please use the glossary of terms below as a way to guide you through the report. As well, a member of our development team is available to assist you if desired. Please do not hesitate to contact us at giving@mun.ca or 1-877-700-4081.

TERM	DEFINITION
Allowable Payout	The Allowable Payout is the lesser of <ul style="list-style-type: none">• the book value of the unrestricted closing balance adjusted for unrealized gains/losses• the book value of the restricted closing balance x the current spending rate (the current spending rate is 4 per cent)
Book Value	Amount donated plus subsequent transactions for the investment (donated funds + realized income - funds awarded).
Custodial Service	Custodial Service in respect of securities refers to the service of safekeeping of the securities and other administrative responsibilities relating to the custody of the securities.
Market Value	The value of the endowment if all investments were sold at March 31 (Fiscal year end) (closing book value + unrealized gains/loss).
Restricted	That portion of the fund that cannot be spent or infringed upon in perpetuity (often referred to as the 'principal'). Initially, this represents 90 per cent of the overall fund (in accordance with university policy).
Unrestricted	That portion of the fund that is available to spend based on the university's spending policy. Initially, this represents 10 per cent of the overall fund (in accordance with university policy).
Rebalancing	Memorial's endowment policy is designed to ensure as much as possible that, over time, the rate of growth in the restricted capital value of endowed funds matches inflation. To that end, the endowments are reviewed every three years to determine whether the performance is sufficient to enable an increase in the level of scholarship funding. If so, this is accomplished by transferring funds from the unrestricted portion to the restricted capital portion, giving consideration to inflation, real rate of return and the spending rate.
Unrealized Gains/Losses	The cumulative market gains or losses on the fund, as of March 31 (Fiscal year end).

The purpose for the breakdown of the fund as 90 per cent restricted and 10 per cent unrestricted is to allow the fund to support a scholarship/award/other use immediately without having to wait until sufficient income is earned to support the payout. Currently, the unrestricted amount represents just over two years of payout. New donations to an endowment are automatically split 90/10 (restricted/unrestricted).

The endowed funds at Memorial University are overseen by the Investment Sub-Committee (Sub-Committee of the Finance Committee of the Board of Regents of Memorial University) and governed by the Statement of Investment Policy and Objectives (SIPO). Additional details on Memorial's endowed and non-endowed funds can be found in the 2023 Investment Committee Annual Report, which is available online at:

<https://www.mun.ca/regents/about-the-board/committees-of-the-board/investment-sub-committee/>

To request a full copy of the SIPO or if you have additional questions about investments at Memorial, please contact us at the numbers listed above.