



INVESTMENT COMMITTEE ANNUAL REPORT

MARCH 31, 2024

MEMORIAL UNIVERSITY

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EXECUTIVE SUMMARY

Memorial University's endowed and non-endowed funds are separated into two investment pools for the purpose of investing the funds in various investment vehicles. The source of the invested funds varies from endowed funds for scholarships and research chairs, to non-endowed funds for term awards, administered trusts, and faculty research and education trusts.

Memorial University also has a specifically invested trust fund; the Jarislowsky Chair in Cultural and Economic Transformation. In order to adhere to the terms of the unique fund agreement, the assets were separately invested as specifically invested trust funds and are reported on individually.

This report provides an overview of the investment performance of the three portfolios as well as the financial results of the funds invested in the pooled investments and the specifically invested trust fund.



ANNUAL PERFORMANCE

Periods Ending March 31	2024	2023	2022	2021	2020
Endowed Funds					
Annual Return	13.57	2.82	9.38	23.05	0.17
Benchmark	12.69	0.45	8.02	23.48	-3.16
Non-endowed Funds					
Annual Return	9.13	1.41	0.55	8.58	0.97
Benchmark	6.75	0.47	1.39	7.99	0.52

JF Fund

Annual Return	12.03	-0.06	2.98	20.51	-1.12
Benchmark	10.16	-2.10	4.15	19.84	-2.39

Benchmarks

Endowed Funds

The benchmark portfolio returns are based on the Investment Policy Statement benchmark, which beginning January 1, 2018 is S&P/TSX Composite Index 25%, MSCI ACWI (C\$) 30%, FTSE Universe Bond Index 10%, FTSE All Corporate Bond Index 10%, Mortgages Benchmark 5%, and Real Estate Benchmark 20%. Prior to January 1, 2018, the benchmark was S&P TSX Composite Index 25%, MSCI World (C\$) 10%, S&P 500 (C\$) 10%, FTSE Universe Bond Index 45% and FTSE 91 Day T-Bill Index 10%.

Non-endowed Funds

The benchmark portfolio returns are based on the Investment Policy Statement benchmark, which beginning January 1, 2018, is S&P/TSX 10%, MSCI ACWI (C\$) 10%, FTSE Universe Bond Index 30%, FTSE 91-Day T-Bill Index 50%. Prior to January 1, 2018, the benchmark was S&P/TSX Composite Index 15%, FTSE Mid-Term Universe Bond Index 30%, FTSE TMX Canada 91-Day T-Bill Index 50%, and MSCI World (C\$) 5%.

JF Fund

The benchmark portfolio returns are based on the Investment Policy Statement benchmark, which beginning January 1, 2018 is 50% FTSE Universe + 25% S&P/TSX Composite + 25% MSCI ACWI (C\$).

ENDOWMENT FUNDS

The University’s objectives for the management of its endowments are to maintain a reasonably stable spending rate and to maintain an acceptable funding level so that the initial donations, adjusted for inflation, are available in perpetuity to the University to preserve intergenerational equity to ensure all beneficiaries, current and future, receive comparable levels of support. The University’s Statement of Investment Policy and Objectives sets forth the guidelines for the administration of these funds.

The book value of the investment portfolio at March 31, 2024 was \$148,879,715 and the market value was \$184,318,066.

The investments are categorized by asset class as shown below:

	Asset Allocation Pooled Investment Fund - Endowed As at March 31, 2024				
	SIPO Target	Book Value	Market Value	Asset Mix	
				At Cost	At Market
Canadian Core Fixed Income	10.00%	14,221,431	12,439,516	9.55%	6.75%
Canadian Corporate Fixed Income	10.00%	15,292,337	13,537,118	10.27%	7.34%
Canadian Equities	25.00%	43,020,819	48,432,456	28.90%	26.28%
Global Equities	30.00%	45,451,629	66,368,877	30.53%	36.01%
Canadian Commercial Mortgages	5.00%	7,741,394	7,473,088	5.20%	4.05%
Canadian Real Estate	20.00%	23,152,105	36,067,011	15.55%	19.57%
	<u>100.00%</u>	<u>148,879,715</u>	<u>184,318,066</u>	<u>100.00%</u>	<u>100.00%</u>



NON-ENDOWED FUNDS

The University’s objectives for the management of its non-endowed funds are to protect the principal and to provide cash flow to meet the needs of the users of these funds. The University’s Statement of Investment Policy and Objectives sets forth the guidelines for the administration of these funds. A substantial portion of these funds will likely not be required on an urgent or unplanned basis. Accordingly, the non-endowed funds are invested with a priority to liquidity but striving to enhance longer-term earnings.

The book value of the investment portfolio at March 31, 2024 was \$35,603,438 and the market value was \$37,000,530.

The investments are categorized by asset class as shown below:

	Asset Allocation				Asset Mix	
	Pooled Investment Fund - Non-Endowed				At	At
	As at March 31, 2024				Cost	Market
	SIPO Target	Book Value	Market Value			
Cash and Short-Term Investments	40.00%	14,961,185	14,964,088	42.02%	40.44%	
Canadian Core Fixed Income	12.50%	4,028,114	3,522,143	11.31%	9.52%	
Canadian Corporate Fixed Income	12.50%	4,753,336	4,343,507	13.35%	11.74%	
Canadian Commercial Mortgages	10.00%	4,015,477	4,016,293	11.28%	10.85%	
Canadian Equities	10.00%	3,611,514	4,074,135	10.14%	11.01%	
Global Equities	15.00%	4,233,812	6,080,363	11.89%	16.43%	
	100.00%	35,603,438	37,000,530	100.00%	100.00%	



SPECIFICALLY INVESTED TRUST FUND

Jarislowsky Chair in Cultural and Economic Transformation

The book value of the investment portfolio at March 31, 2024 was \$2,863,118 and the market value was \$3,079,352.

The investments are categorized by asset class as shown below:

Asset Allocation
Specifically Invested Trust Fund
Jarislowsky Chair in Cultural and Economic Transformation
As at March 31, 2024

	SIPO Target	Book Value	Market Value	Asset Mix	
				At Cost	At Market
Cash and Short-Term Investments	0.00%	-	-	0.00%	0.00%
Canadian Core Fixed Income	50.00%	1,448,201	1,270,913	50.58%	41.27%
Canadian Equities	25.00%	755,773	851,182	26.40%	27.64%
Global Equities	25.00%	659,144	957,257	23.02%	31.09%
	<u>100.00%</u>	<u>2,863,118</u>	<u>3,079,352</u>	<u>100.00%</u>	<u>100.00%</u>

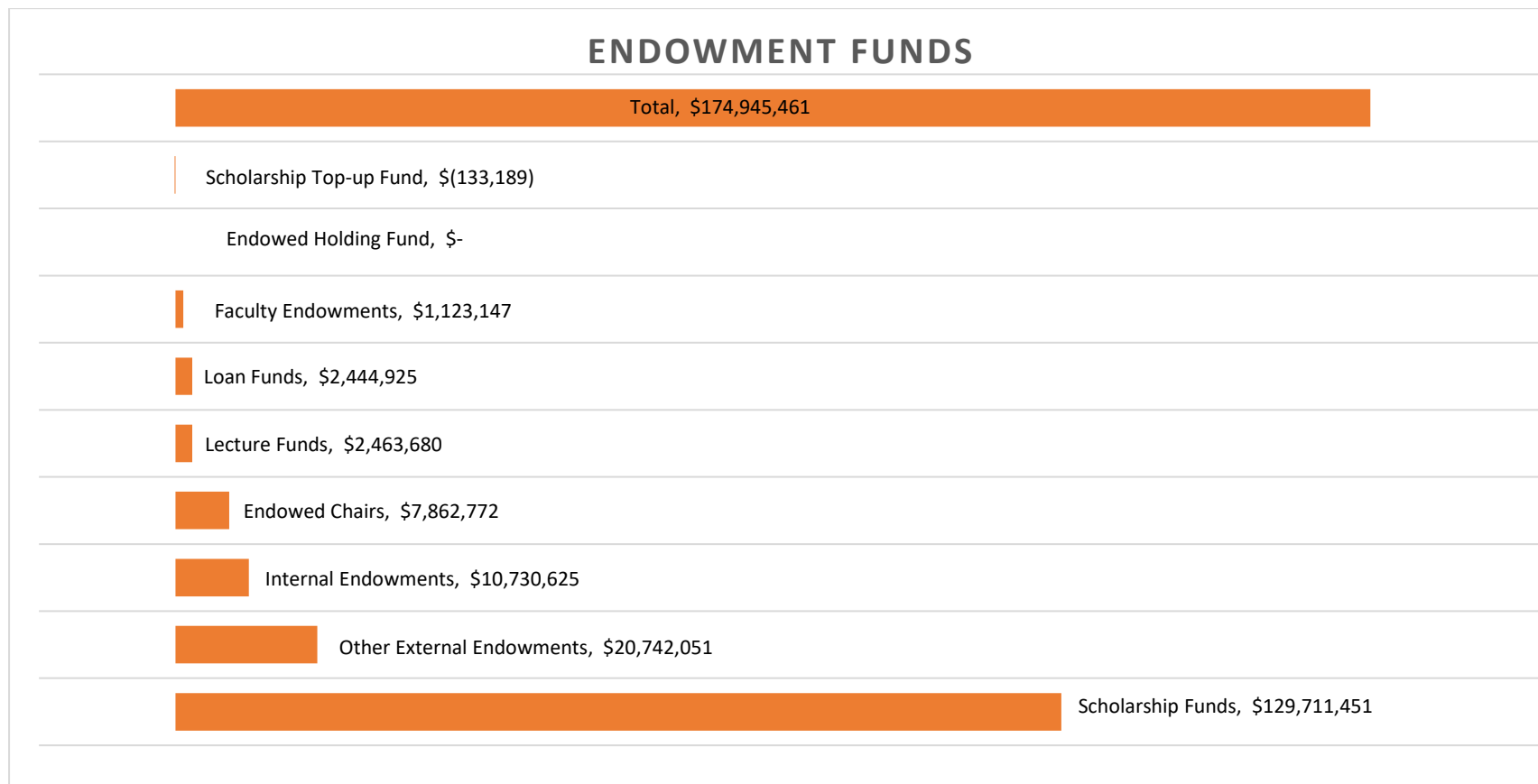


FINANCIAL RESULTS OF THE FUNDS

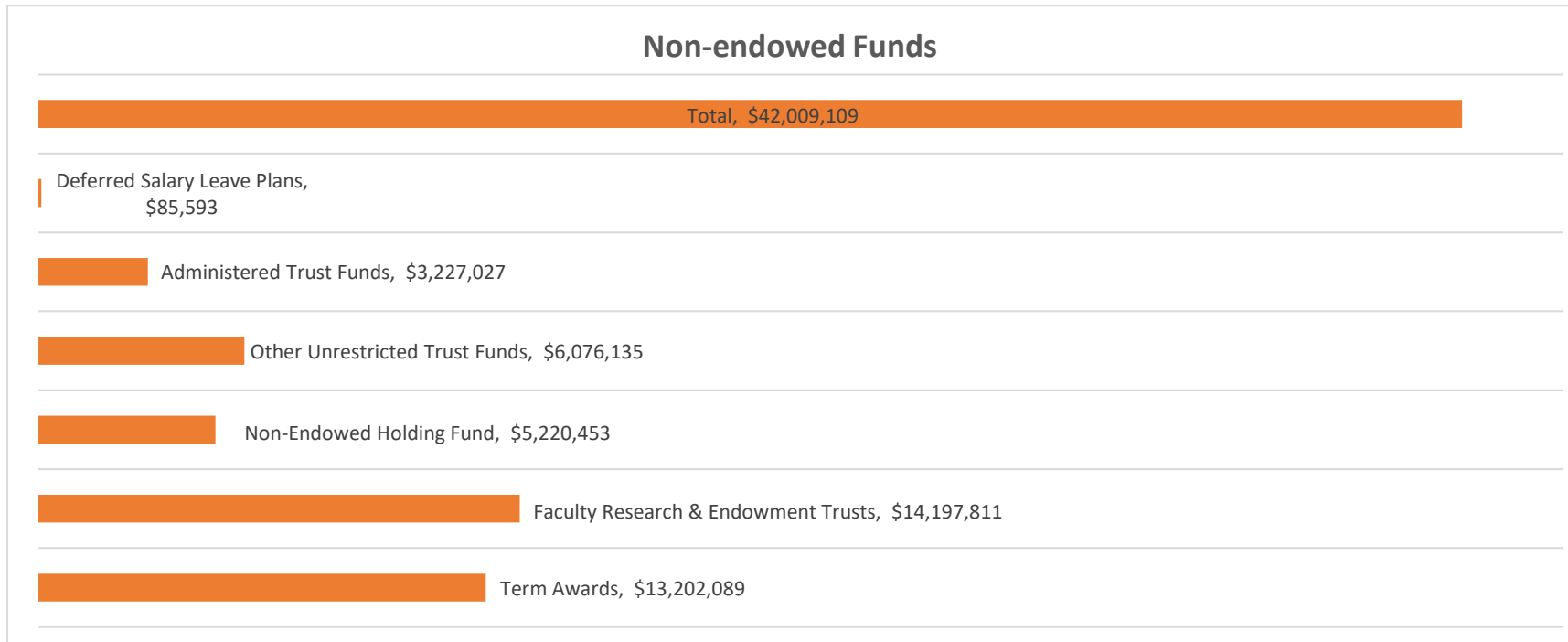
Cash Flow Analysis April 1, 2023 - March 31, 2024

	Endowment Funds	Non-endowed Funds	Jarislowsky Chair in Culture Change
Endowment, opening	105,815,842	-	2,000,000
Endowed contributions	2,405,513	-	-
Endowment, closing	108,221,355	-	2,000,000
Unrestricted balance, opening	49,772,926	38,303,643	1,205,662
Investment income			
Income	3,950,106	1,636,479	74,555
Realized gains/losses	1,348,797	138,583	25,345
Unrealized gains/losses	16,185,041	1,427,112	230,772
Contributions			
Non-endowed	142,119	3,728,873	-
Top-up funds	106,822	(898)	-
Other income	-	831,667	-
Expenditures			
Scholarships	(5,223,880)	(3,231,212)	-
Investment fees	(755,611)	(97,022)	(14,176)
Other expenses	(2,343,457)	(1,017,412)	(159,319)
Transfers	3,541,245	289,295	-
Unrestricted balance, closing	66,724,107	42,009,109	1,362,839
Closing balance	174,945,461	42,009,109	3,362,839

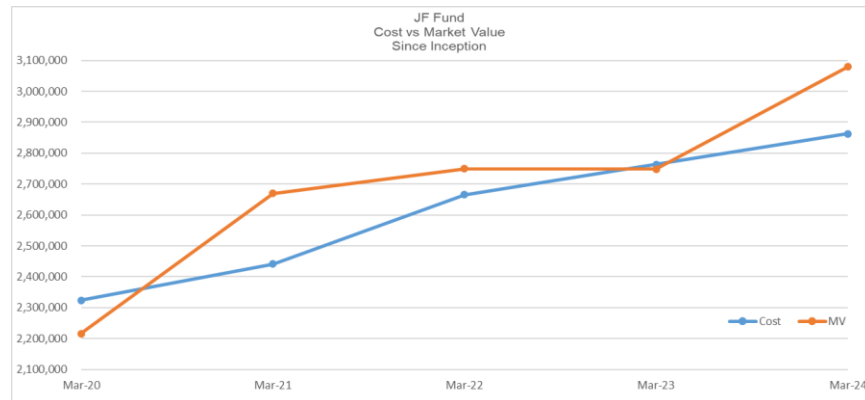
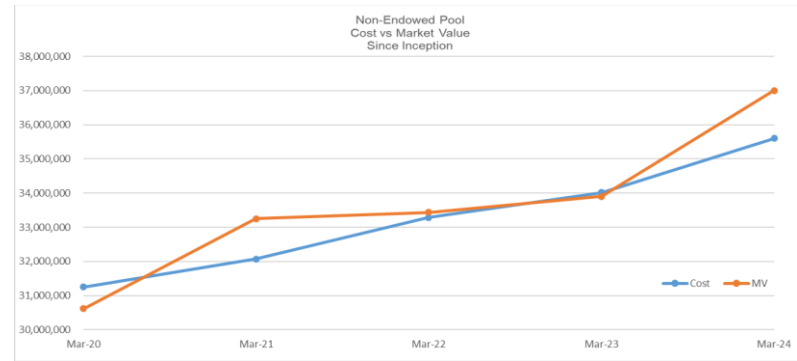
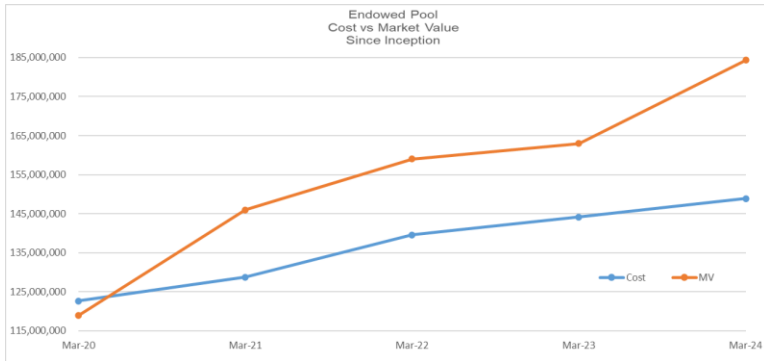
APPENDIX A – BREAKDOWN OF ENDOWED FUNDS



APPENDIX B – BREAKDOWN OF NON-ENDOWED FUNDS



APPENDIX C – HISTORICAL GRAPHS



APPENDIX D – INVESTMENT MANAGER DISCLOSURE

INVESTMENTS BY MANAGER AS AT MARCH 31, 2024

	<u>Endowed Portfolio</u>	<u>Nonendowed Portfolio</u>	<u>Jarislowsky Chair Fund</u>
CIBC Asset Management			
Canadian Bond Active Universe	12,439,516	3,522,143	1,270,913
Corporate Bond Active Universe	13,537,118	4,343,507	-
Money Markey Funds	-	14,964,088	-
Fidelity Investments			
Pyramis Canadian Focused Equity Trust	24,793,567	2,053,544	428,167
Jarislowsky Fraser			
Jarislowsky Fraser Canadian Equity Fund	23,638,889	2,020,591	423,015
Fiera Capital			
Fiera Global Equity Fund	34,908,170	2,939,394	493,057
Wellington Management			
Wellington Global Opportunity Fund	31,460,707	3,140,969	464,200
Fiera Real Estate			
Fiera Real Estate Small Cap Industrial Fund	20,365,244	-	-
TD Greystone Asset Management			
TDAM Greystone Mortgage Fund	7,473,088	4,016,293	-
TDAM Greystone Real Estate LP Fund	15,701,767	-	-
Total Market Value	184,318,066	37,000,530	3,079,352

APPENDIX E – UNITED NATIONS PRINCIPLES OF RESPONSIBLE INVESTING

The six Principles for Responsible Investment offer a menu of possible actions for incorporating ESG issues into investment practice. The Principles for Responsible Investment were developed by an international group of institutional investors reflecting the increasing relevance of environmental, social and corporate governance issues to investment practices. The Principles are voluntary and aspirational. The process was convened by the United Nations Secretary-General.

Signatories' commitment

“As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).

We also recognize that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress toward implementing the Principles.

Memorial's investments are managed by professional, external investment management companies that are signatories to the UNPRI. As an active investor, Memorial University has committed to engaging with each manager to encourage continual improvement with respect to ESG practices.

The most recent available UNPRI ratings are disclosed in the following table:

Firm	UNPRI Signatory	Asset Class	UNPRI Scores (out of 5 stars and 100)			
			<i>Investment & Stewardship</i>	<i>Asset Class Rating</i>	<i>Score</i>	<i>Median</i>
CIBC	Yes	Fixed Income	★★★★	★★★★	81	67
Jarislowsky Fraser	Yes	Canadian Equity	★★★★	★★★★	81	71
Fidelity	Yes	Canadian Equity	★★★★	★★★★	85	
Fiera Capital	Yes	Global Equity	★★★★	★★★	65	71
Wellington	Yes	Global Equity	★★★★★	★★★★★	93	
TD Global Solution	Yes	Mortgages	★★★★	★★★★★	98	90
TD Global Solutions	Yes	Real Estate	★★★★	★★★★★	97	85
Fiera Capital	Yes	Real Estate	★★★★	★★★★★	94	