



# York University Endowment Fund

## **Annual Investment Report Board of Governors - Investment Committee**

For Year Ended December 31, 2022

**York University Endowment Fund**  
**Annual Investment Report**  
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The Endowment Fund (the Fund) is a pool of commingled assets held for the endowments in long-term investments. The endowments are permanent gifts and bequests to York University from donors, enhanced where eligible with matching capital provided by University and government programs. Annual distributions are generated by the Fund investments for support of scholarships and academic chairs.

The Fund is governed by objectives and constraints as documented in the Statement of Investment Policies and Procedures (SIP&P). The Board annually approves the SIP&P and any changes to the investment strategy or asset mix as proposed by the Investment Committee. The Investment Committee oversees the investments, portfolio managers, and implementation of investment strategy.

The Fund assets are allocated for investment to fifteen portfolio managers, each assigned with distinct mandates. All mandates are actively managed.

**The Fund in Review - 2021**

The market value of the Fund as of December 31, 2022, was \$550.7M, a decrease of \$80.0M relative to the December 31, 2021, valuation of \$632.7M. The decrease in 2022 was the net effect from combined inflows, outflows, and depreciation. The inflow of \$6.3M in contributed capital was offset by outflows that include fund expenses of \$4.3M and fund distributions of \$16.1. The depreciation was due to the market value of the fund decreasing by \$67.9.

Distributions to support endowment beneficiaries form the greatest part of withdrawals. Over the past eight years, \$127.9M has been directed specifically to the purposes established by the University's donors.

The Fund one-year rate of return as of December 31, 2022, was -10.9%, compared to the returns of 9.1% and 16.9% for the one-year periods ending December 31, 2021, and 2020, respectively. The Fund performance for 2022 lagged the benchmark one-year rate of return of -10.0% by 0.9%.

The Fund four-year rate of return of 7.2% (as of December 31, 2022) beat the annualized benchmark performance of 6.6% by 62 basis points (bp), for the same period.<sup>1</sup>

Positive market returns were a challenge in 2022. The global equity benchmark, the Morgan Stanley Capital International All Country World Index (MSCI ACWI), lost 10.0% in Canadian dollar terms in 2022 as investors re-assessed industries amid geopolitical turmoil, ensuing supply chain disruptions, and the return of inflation which had emerged as a factor in the latter part of 2021. Russia's invasion of Ukraine on February 24, 2022 was a human tragedy whose knock-on effect was to force equity investors to look closely at disruptions in global food and energy supply when evaluating which businesses and industries would be least affected amid the new supply chain disruptions which had become common as a result of the shut down during the global pandemic in 2020-21. The US benchmark S&P 500 index returned -19.4% in 2022 but not all S&P sectors were evenly affected. Within the S&P 500, the energy index returned 65.7% while all other sectors, except utilities which returned 1.6%, had negative returns. The three worst performing sectors were communications services, consumer discretionary and information technology which returned -39.9%, -37.0% and -28.2% respectively.

Fixed income markets performed as poorly as equity markets. According to the Barclay's U.S. Aggregate Bond Index, 2022 was the worst year since that market that index started recording returns in 1976. Last year, 2022, was historically bad – as the index was down 13% as the United States Federal Open Market Committee (FOMC) aggressively increased its benchmark overnight rate. The FOMC had maintained the federal funds target rate at 0.25% from March 15, 2020 till March 17, 2022. From March 2022 to the end of the year, the FOMC raised rates by 4.25%. In the 2021 Annual Investment Report, it was stated that “major central banks stayed the course in maintaining low policy rates thereby subjecting fixed income to a high probability of interest rate risk in the event of future policy rate increases” and this was proved correct in 2022. Similar to the FOMC, the Bank of Canada's key benchmark overnight target rate remained at 0.25% from March 27, 2020 till March 2, 2022 only for the Bank of Canada to raise rates by 4.25% in 2022. The result of this aggressive increase was a total return of -10.55% in the S&P Canada Aggregate Bond Index. What the 2022 financial market returns in public equity and fixed income shows is that there was no chance of positive returns for balanced (i.e., 60% equity, 40% fixed income) portfolios.

In 2022, the US dollar (USD) index futures gained 8.2% year over year, eclipsing the 6.7% return in 2021, thanks to strong employment figures for the American economy and annualized GDP growth of 2.1% and the US Federal Reserve raising

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<sup>1</sup> The four-year annualized return of the Fund is 7.19% beating the benchmark of 6.57% by 0.62% or 62 bp. All returns have been rounded off to 1 decimal within the report.

interest rates aggressively 2022.

In 2022 the Fund underperformed the benchmark by 0.9%. This followed on underperforming the benchmark in 2021 by 1.4% after outpacing the benchmark return by 5.4% in 2020. The Fund was 4<sup>th</sup> quartile in its peer group with returns in the 81<sup>st</sup> percentile for 2022. The Fund's percentile ranking against peers was 4<sup>th</sup> quartile over 1 and 2 years, 3<sup>rd</sup> quartile over 3 and 10 years, and 2<sup>nd</sup> quartile over 4 and 5 years. At the end of 2022, the global equity component, which accounts for approximately 60% of the Fund's allocation, had lost 16.13% trailing the MSCI ACWI benchmark by 3.70%. This was due to the Fund's equity bias in favour of growth style managers and minimal exposure to the energy sector. The sector rotation in equities which began early in 2021 continued and favoured value-oriented managers over growth managers for the 2022 as well.<sup>2</sup> The Fund's deep value manager had a return of 3.07% in 2022 while all other equity managers had negative returns.

The currency hedging strategy had a marginally negative impact and decreased the value of total fund by 4 basis points (bp) in 2022. During 2022, the Canadian dollar (CAD) similarly depreciated versus the USD year over year, going from 1.2745 to 1.3540 CAD/USD from 2021 to 2022.<sup>3</sup>

Direct expenses charged to the Fund for investment management, custody, performance measurement and investment consulting services during calendar 2022 were \$4.3 million for a total expense ratio of 0.68%. For 2022 total expenses were \$0.9 million higher (2021 expenses were \$3.4 million). Investment management fees are charged based on assets under management. For calendar year 2021, the expenses were 0.53% of average assets under management, but in 2022, those fees rose to 0.74%. This was due to capital calls on real assets. Depending on the infrastructure fund, fees may be based on committed rather than invested capital, therefore initial fees can be disproportionately large relative to invested capital. The initial capital calls for new infrastructure managers occurred in Q4 2022. Given increased allocation to private assets (i.e., real assets) going forward, expense ratio in the future is expected to be higher than those observed in the past. For example, the expense ratios observed in previous years are as follows: 2021 (0.57%), 2020 (0.57%), 2019 (0.43%), 2018 (0.59%) and 2017 (0.61%).

The balance of this Report reviews the investments, asset mix and manager allocations. Performance of the Fund to December 31, 2022, is reviewed in

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<sup>2</sup> Sector rotation is the movement of money invested in stocks from one industry to another as investors and traders anticipate the next stage of the economic cycle. Typically, different styles of investing (e.g., growth vs. value vs. quality vs. growth at a reasonable price) are favoured during different stages of economic growth.

<sup>3</sup> On December 31, 2021, 1 USD bought 1.27452, on December 31, 2022, 1 USD bought 1.3540 CAD.

absolute, relative, and comparative terms. The Investment Committee’s activities conducted during calendar 2022 are summarized in the final section.

## Asset Mix

The Policy asset mix (Figure 1) summarizes the asset class weights that the Fund was managed to, throughout 2022.

**Figure 1**

<b>Policy Asset Mix</b>		
<u>Asset Class</u>	<u>Target Weight</u>	
<b>Equities</b>		
Global	<u>60%</u>	<b>60%</b>
<b>Fixed Income</b>		
Global Fixed Income	20%	
Global High Yield Bonds	<u>10%</u>	<b>30%</b>
<b>Real Assets*</b>		
Real Estate	<u>10%</u>	<b>10%</b>
Global Infrastructure		

The Policy asset mix, determined through a periodic process involving an asset-liability study that incorporates projections for capital markets returns over a ten-year horizon, is selected for its expected ability to meet the Fund’s investment objective of funding endowment commitments each year, into perpetuity. The asset mix is geared to provide income to the University for the annual payouts to support endowed spending and to preserve the value of endowed capital.

\*The Fund’s SIP&P lists the strategic target mix as equities at 50%, and real assets at 20%. Since there is a phase-in period for the real assets allocation, the benchmark weight will be held at 10% until the exposure has been fully developed to at or near 20%, at which time the 20% benchmark weight shall apply. This approach is consistent with clause 6.6 of the SIP&P which states “During the phase-in period for the Real Assets asset class, the current Benchmark weight will be held at 10% until the exposure has been fully developed to at or near 20%, at which time the 20% Benchmark weight shall apply. The offset weight during the phase-in period will be applied to equity classes.”

The Fund’s actual asset mix compared to the Policy target weights effective throughout 2022, including currency overlay, as of December 31, 2021, is shown

below in Figure 2.

**Figure 2**

**Actual Versus Target Asset Class Weights - December 31, 2022**

<u>Asset Class</u>	<u>Market Value (\$Mil)</u>		<u>Actual Weight</u>		<u>Target Weight</u>		<u>Over/Under</u>	
<b>Equities</b>								
Global	<u>319.9</u>	<b>\$ 319.9</b>	<u>58.1%</u>	<b>58.1%</b>	<u>60.0%</u>	<b>60.0%</b>	<u>-1.9%</u>	<b>-1.9%</b>
<b>Real Assets</b>								
Real Estate	<u>54.8</u>	<b>54.8</b>	<u>10.0%</u>	<b>10.0%</b>	<u>10.0%</u>	<b>10.0%</b>	<u>0.0%</u>	<b>0.0%</b>
Global Infrastructure	<u>9.3</u>	<b>9.3</b>	<u>1.7%</u>	<b>1.7%</b>	<u>0.0%</u>	<b>0.0%</b>	<u>1.7%</u>	<b>1.7%</b>
<b>Fixed Income</b>								
Global Fixed Income	97.9		17.8%		20.0%		-2.2%	
Global High Yield Bonds	51.7		9.4%		10.0%		-0.6%	
Short-Term Investments	<u>16.8</u>	<b>166.4</b>	<u>3.1%</u>	<b>30.2%</b>	<u>0.0%</u>	<b>30.0%</b>	<u>3.1%</u>	<b>0.2%</b>
<b>Currency Hedge</b>	0.3	<b>0.3</b>	0.1%	<b>0.1%</b>	0.0%	<b>0.0%</b>	0.1%	<b>0.1%</b>
		<u><b>\$ 550.7</b></u>		<u><b>100.0%</b></u>		<u><b>100.0%</b></u>		

Asset class weights are permitted to vary within a range of +/- 5% of the target weights and are rebalanced periodically back to the target when necessary. The 3.1% allocation to short-term investments was for the purpose of liquidity management in anticipation of future distributions and capital calls that occurred in 2022.

The managers, their mandates, market values and fund weights are shown in Figure 3. Previously, the equity component of the Fund had a core-satellite structure in place from June 2019 to June 2022. The core funds had low volatility mandates managed by TDAM Low Vol and Unigestion. The satellite funds are managed by C-Worldwide, Baillie Gifford, Morgan Stanley, Lazard, and Fiera (Harris Oakmark). TDAM Low Vol was replaced by relative value manager, Black Creek and the core-satellite structure was replaced with one where all equity managers had equal target allocations 8.57% each. The currency hedge applies to 50% of the USD exposure contained in high yield bonds and global real estate. The passive overlay is composed of liquid three-month foreign exchange forward contracts and reported on a marked-to-market basis.

**Figure 3****Specialty Mandates and Asset Allocations - December 31, 2022**

<u>Investment Manager</u>	<u>Mandate</u>	<u>Market Value (\$ Mil)</u>	<u>Weight</u>
<b>Equities</b>			
C Worldwide	Global Equity	51.0	9.3%
Baillie Gifford	Global Equity	36.1	6.6%
Morgan Stanley	Global Equity	36.0	6.5%
Lazard	Global Equity	55.5	10.1%
Fiera	Global Equity	49.9	9.1%
Unigestion	Global Equity	45.5	8.3%
Black Creek	Global Equity	45.9	8.3%
<b>Real Estate</b>			
Bentall Green Oak	Canadian Real Estate	37.9	6.9%
Landmark VIII	Global Real Estate	16.9	3.1%
<b>Global Infrastructure</b>			
Copenhagen	Global Infrastructure	2.3	0.4%
Brookfield	Global Infrastructure	7.0	1.3%
<b>Fixed Income</b>			
Manulife	Global Fixed Income	47.3	8.6%
PH&N	Global Fixed Income	50.6	9.2%
Stone Harbor	Global High Yield Bonds	51.7	9.4%
TD Asset Management	Short-Term Investments	16.8	3.1%
TD Asset Management	<b>Currency Hedge</b>	0.3	0.1%
		<u>\$ 550.7</u>	<u>100.0%</u>

**Performance Objectives**

The Fund's return objective is quantified in the form of a performance benchmark, which is a weighted composite of specified capital markets indices. Each asset class is assigned a specific index or index-relative target for performance measurement and evaluation. Real assets comprise real estate and global infrastructure. For real estate, the target benchmark is Canadian CPI + 4% for Landmark VIII and Bentall Green Oak. For global infrastructure, the target benchmark is Canadian CPI + 6% for Brookfield Global Transition Fund (BGTF) and Copenhagen Infrastructure Partners Energy Transition Fund (CIP ETF). For the global unconstrained fixed income (UFI) mandates, there are two benchmarks: (i) Bloomberg Barclays Global Aggregate Corporate (CAD hedged) for Manulife's strategic fixed income strategy; (ii) 75% Bloomberg Barclays Global Aggregate Corporate (CAD hedged) + 25% FTSE Canada Short Term Overall Bond Index for PH&N's bespoke fixed income strategy.

The performance benchmark in effect throughout 2022, follows in Figure 4.

**Figure 4****Performance Benchmark 2022**

<u>Asset Class</u>	<u>Weight</u>	<u>Index</u>
Global Equities	60%	MSCI ACWI
Real Estate	10%	Canadian CPI + 4%
Global Infrastructure		Canadian CPI + 6%
Global Fixed Income	20%	Bloomberg Barclays Multiverse PH&N Benchmark
Global High Yield Bonds	10%	Citigroup High Yield Market Capped

The Fund's return objective is to meet or exceed the four-year annualized benchmark return on a rolling basis.

Fund performance is expressed as a total rate of return, gross of fees, in Canadian dollars. Fund rates of return are calculated by an independent performance measurement provider, CIBC Mellon.

### Evaluating Absolute Performance

Performance evaluation is conducted on a monthly basis. The total fund rate of return is compared to the return of the composite benchmark and reported for intervals spanning one month to ten years. A formal performance evaluation is conducted semi-annually, for review by the Investment Committee, that focuses on one-year and four-year returns against benchmarks and longer term against policy objectives of exceeding spending targets. The results of individual portfolios and managers are reviewed, incorporating comparisons to performance statistics for portfolio risk and return and to the objectives and targets specified in each of the manager mandates.

Figure 5, below, presents the Fund's performance record for 2022, and successive annualized periods out to eleven years (2012-2022), providing a snapshot of the longer-term success of the investment program.

**Figure 5****Endowment Fund Long-Term Performance**

Annualized Returns for Periods Ended December 31, 2022

	<u>1 Yr</u>	<u>2 Yrs</u>	<u>3 Yrs</u>	<u>4 Yrs</u>	<u>5 Yrs</u>	<u>6 Yrs</u>	<u>7 Yrs</u>	<u>8 Yrs</u>	<u>9 Yrs</u>	<u>10 Yrs</u>
<b>Fund</b>	-10.9%	-1.4%	4.4%	7.2%	5.4%	6.0%	6.2%	6.1%	6.5%	7.5%
<b>Benchmark</b>	-10.0%	-0.3%	3.7%	6.8%	5.1%	5.7%	6.2%	6.3%	6.8%	7.9%
	<u>-0.9%</u>	<u>-1.1%</u>	<u>0.7%</u>	<u>0.4%</u>	<u>0.4%</u>	<u>0.3%</u>	<u>0.0%</u>	<u>-0.3%</u>	<u>-0.3%</u>	<u>-0.4%</u>

In absolute terms, on a ten-year annualized basis, the 7.5% performance of the



Fund has covered the sum of the approximated real spending target of 4%, expenses of 0.5%, and inflation of 2%. The inflation approximation will be reviewed going forward based on the rise of inflationary pressures since late 2021.

The Endowment Fund’s investment program is fluid and developed in response to shifts in the investment environment, changes in cash flows and evolving risks (e.g., market, regulatory, climate) affecting various components of the Fund. The Investment Committee has concentrated on revisiting the target asset mix that aligns with the investment objectives of preserving capital through a range of capital market outcomes and providing annual distributions for inflation-adjusted spending.

## Measuring Relative Performance

Figure 6, below, shows annual one-year returns for eleven years, 2012 to 2022, and the four-year annualized return to December 31, 2022 relative to the Policy benchmark approved by the Board, that prevailed for each of those past years. Currency strategy was introduced as an integral element of investment strategy in 2010.

Figure 6

Endowment Performance - Annual Returns												
	One-Year Returns as at December 31										Annualized	
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	Four Years
												2019-22
<b>Fund</b>	-10.9%	9.1%	16.9%	16.2%	-1.3%	8.6%	7.7%	5.0%	9.7%	17.3%	12.5%	<b>7.2%</b>
<b>Benchmark</b>	-10.0%	10.5%	11.5%	16.3%	-1.3%	8.7%	9.4%	7.1%	10.6%	18.1%	11.4%	<b>6.6%</b>
	-0.9%	-1.4%	5.4%	-0.1%	0.0%	-0.1%	-1.6%	-2.1%	-0.9%	-0.8%	1.1%	<b>0.6%</b>

The one-year total rate of return as of December 31, 2022 for the Fund and its benchmark were respectively -10.9% and -10.0%.<sup>4</sup> Excluding the impact of currency hedging, they were -10.5% and -10.0%.<sup>5</sup> The global high yield bonds portfolio and the global real estate portfolio are hedged 50% of their USD exposure. There is also 50% EUR hedge for one of the global infrastructure managers, Copenhagen Infrastructure Partners. During this year, the hedge decreased total return by 0.04%.

In 2022, the Fund trailed its benchmark by 0.9%. The global equity portfolio, which accounts for 60% of the Fund, lagged its respective benchmark by 3.7%.

Over four years to December 31, 2022, the annualized return for the Fund was 10.0% beating the Policy benchmark four-year annualized return of 9.3% by 72bp.

<sup>4</sup> More precisely, -10.9148% for the hedged return, and -9.9808% for the hedged benchmark

<sup>5</sup> More precisely, -10.4479% for the unhedged return, and -9.9808% for the unhedged benchmark

Capital markets returns for the indexes composing the performance benchmark for the past four calendar years and annualized for the four-year period are shown in Figure 7.

**Figure 7**

	<b>Index Returns (CAD)</b>				<b>Annualized Four Years 2019-22</b>
	Annual Returns				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	
<b>Equity Indices</b>					
MSCI ACWI (All Countries)	-12.4%	17.5%	14.2%	20.2%	<b>9.0%</b>
<b>Fixed Income Indices</b>					
Bloomberg Barclays Multiverse	-9.9%	-5.3%			<b>N/A</b>
PH&N Benchmark	-12.0%	-0.8%			<b>N/A</b>
Citigroup High Yield Market Capped	-4.4%	4.3%	3.7%	8.3%	<b>2.9%</b>
<b>Real Estate Indices</b>					
CPI+4%	10.8%	4.2%	5.0%	6.2%	<b>6.5%</b>

## Review of Comparative Performance

Aon provides data for comparison in the form of a peer group of Balanced Funds. Comparative performance results for one-year and multi-year periods ended December 31, 2022, are presented in Figure 8, below.

The Balanced Funds group is provided for comparison as constituents are most likely to have common asset mix characteristics with the Endowment Fund. Differences in investment strategy arise from constituent funds' unique purpose, investment objectives and philosophy, size, and program resources. These lead to variation in investment holdings and divergences in returns among members constituting the peer group members. In terms of magnitude of divergence from the median, asset mix typically has the highest impact, followed by active management, and currency strategy.

**Figure 8****Total Fund - Comparative Analysis as of December 31, 2022**

	Annual Returns (%)				Annualized Returns (%)			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2 Yrs</u>	<u>3 Yrs</u>	<u>4 Yrs</u>	<u>10 Yrs</u>
<b>Percentile Rank</b>								
5th (highest)	-3.0	18.5	14.2	17.8	6.7	7.2	9.3	8.7
25th	-5.8	15.2	10.8	16.4	3.9	5.5	8.0	7.9
50th (median)	-7.9	13.1	9.2	15.0	1.6	4.4	7.2	7.7
75th	-9.4	11.7	8.1	13.5	0.4	3.3	6.1	7.1
95th (lowest)	-13.0	9.3	5.0	10.3	-1.3	1.9	4.3	5.9
<b>Comparative</b>								
York University	-10.9	9.1	16.9	16.2	-1.4	4.4	7.2	7.5
Quartile Rank	Q4	Q4	Q1	Q2	Q4	Q3	Q2	Q3

The statistics presented above in Figure 8, exclude outlier returns that fall outside the range between 5th and 95th percentiles.

The Fund's one-year rate of return of -10.9%, ranked in the 81<sup>st</sup> percentile (fourth quartile) in 2022, an improvement of the 96<sup>th</sup> percentile (fourth quartile) ranking in 2021. The focus of the Fund's strategy remains long term. Since 2012, the Fund has ranked in the first quartile against peers in 2012, 2018, and 2020, and second quartile in 2013, 2016, and 2019.

The Fund's bias remains toward equities, and the strategic asset mix was last reviewed in 2018 with an eye to achieving similar returns at a lower level of risk going forward. The current strategic target asset mix targets a 50% weighting in global equities and 20% weighting in real assets. While this came into effect in 2019, the implementation continues to take time due to the nature of allocating capital to private assets such as global infrastructure.

### **Endowments Growth**

Over the ten years since 2013, the market value to book value (MV-BV) ratio has ranged from a low of 1.56 in 2013 to a high of 2.19 in 2021. As of the end of 2022, the Endowment Fund capital (book value) has expanded by \$32.7M due to net contributions, while market value has grown by \$145.4M, through a combination of contributed capital, investment income, and capital appreciation. The market value accounts for (i.e., is net of) distributions for endowed spending and investment expenses.

**Figure 9****Pooled Endowments - Growth (\$ Millions)**

	<u>Market Value</u>	<u>Book Value*</u>	<u>MV-BV Ratio</u>
December 31, 2022	550.7	293.2	1.88
December 31, 2021	632.7	288.8	2.19
December 31, 2020	594.3	284.8	2.09
December 31, 2019	512.9	280.3	1.83
December 31, 2018	464.2	276.6	1.68
December 31, 2017	476.7	271.4	1.76
December 31, 2016	438.8	269.2	1.63
December 31, 2015	410.7	253.2	1.62
December 31, 2014	434.1	264.9	1.64
December 31, 2013	405.3	260.5	1.56

\* Donations and Matching Funds

Endowment Fund book value constitutes the historical value of capital received from donors, plus the historical value of capital matches from government and University matching programs. The endowment accounting, and record keeping for book value and market value of individual endowments, is performed by CIBC Mellon and BNY Mellon. on a unitized market valuation system basis. The unitization of the Endowment Fund was approved on April 11, 2014 and introduced on May 1, 2014.

The change in the market value of the Fund during calendar 2022, shown in Figure 10, illustrates the effects of cashflows and earnings during the year.

**Figure 10****Change in Total Fund Market Value (\$ Millions)**

Market Value, December 31, 2021		\$632.7
<b>Contributions:</b>		
Donations	6.3	
Reinvested Distributions		
<b>Withdrawals:</b>		
Regular Distributions	(16.1)	
Special Distributions	-	
Fund Expenses	(4.3)	
<b>Earnings:</b>		
Investment Income and Market Appreciation	(67.9)	
Net Change		<u>(82.0)</u>
<b>Market Value, December 31, 2022</b>		<b><u>\$550.7</u></b>

During the last eight calendar years, \$127.9 million has been distributed from the Fund to endowment account beneficiaries. The conversion to the unitized market value system for accounts and the smoothed banded inflation methodology for calculating annual distribution has increased the amounts of the annual distribution as seen in Figure 11, from 2015-16 and on. The amount in 2015-16 was larger due to exceptional distribution of \$3.5 million. The amount for 2021-22 has been adjusted higher to pick up \$465K in distributions that had not been recorded in the 2021 Annual Investment Report. The new spending model has resulted in a greater share of Fund earnings being made available for key spending toward beneficiary purposes, mainly the support of student scholarships and bursaries, and Academic Chairs.

**Figure 11**

**Distributions to  
Endowment Beneficiaries**

	<b>Annual Distributions</b>
	\$ Million
<b>2022-23</b>	16.7
<b>2021-22</b>	16.2
<b>2020-21</b>	16.1
<b>2019-20</b>	16.6
<b>2018-19</b>	16.1
<b>2017-18</b>	14.9
<b>2016-17</b>	13.9
<b>2015-16</b>	17.4
Cumulative	<u>\$ 127.9</u>

To track the market value, unit holdings, and historical values of each individual endowment, the University uses the services of an external provider of specialized endowment fund accounting (BNY Mellon). At fiscal year-end, April 30, 2022 there were 2,230 individual endowed accounts under management.

## **Oversight**

The Investment Committee conducts activities in accordance with its terms of reference and the Board-approved SIP&P. The Committee's responsibilities are principally fund governance and investment strategy. Activities include regular monitoring of assets and performance, oversight and selection of portfolio managers, development of investment strategy and asset mix, review of fund expenses, and quarterly reporting to the Board. The Committee undertakes further initiatives as deemed timely, and in the best interests of the Endowment Fund and its beneficiaries.

## **Investment Committee Activity – 2022**

During 2022, activities undertaken by the Investment Committee and Administration included:

- The approval of replacing the core-satellite equity portfolio with an evenly weighted equity portfolio.
- Replacement of low volatility manager, TDAM Low Vol with relative value manager Black Creek.
- Allocating 10% of the Short-Medium Term Fund (SMTF) to new managers with mandates to oversee a portion of York University's operational funds:

- TD Greystone Short Bond Plus
  - RP Fixed Income Plus
  - Private Debt Partners Senior Opportunities Fund
- Review and approval of new policies for Endowment Fund (i.e., SIP&P) and operational fund (SMTF guidelines).
- All the investment managers continued to provide compliance reports confirming that their investments were following their mandates and the SIP&P.
- Adoption of bi-annual ESG Scorecard by investment consultant, WTW, to monitor Endowment Fund managers.
- Approval to continue sustainable infrastructure due diligence of potential managers to complement BGTF and CIP ETF and expand global infrastructure allocation.
- Maintaining a 2022-23 payout rate of \$4.35 per unit for purpose of monthly accrual of distribution during fiscal 2023-24. The payout rate is set by the Investment Committee in advance for accrual in the leading fiscal period and the distribution occurs early in the following fiscal period. Payout rates by year have increased since 2014 as indicated in the table below.

<b>Fiscal Year End</b>	<b>Unit Vaue (FYE)</b>	<b>Accrual Distribution Rate</b>	<b>Yield</b>
April 30, 2022	\$124.2999	\$4.35/unit	3.50%
April 30, 2021	\$136.7113	\$4.35/unit	3.18%
April 30, 2020	\$113.4797	\$4.23/unit	3.73%
April 30, 2019	\$115.4543	\$4.17/unit	3.61%
April 30, 2018	\$109.6943	\$4.08/unit	3.72%
April 30, 2017	\$111.6046	\$4.02/unit	3.60%
April 30, 2016	\$98.2817	\$3.96/unit	4.03%
April 30, 2015	\$106.8879	\$3.96/unit	3.70%
April 30, 2014	\$100.0000	\$3.90/unit	3.90%