



Queen's
UNIVERSITY

Annual Endowment Report

2018



Thank You!

Donations to the Queen's University Pooled Endowment Fund are critical to the long-term stability and growth of the University. Each donor-created fund becomes part of the University's Endowment, held in perpetuity. Queen's Endowment invests in a diversified portfolio of financial assets designed to maximize long-term risk-adjusted returns, provide stable annual payouts to support donor-specified priorities, and preserve purchasing power for future generations.

Queen's Endowment surpassed \$1 billion last year and represents a legacy of invested donors whose contributions place Queen's among the top five university endowments in Canada. During the 2017-18 fiscal year, Queen's Endowment provided more than \$36 million to support scholarships, research chairs, and a diverse range of University programs aligned with our donors' intentions.

With the management of Queen's Endowment comes a responsibility that we take very seriously, and we thank you for entrusting us. We are pleased to share with you information on the performance of Queen's Endowment and its ongoing impact on students and faculty.

We thank you for your support and partnership.



A handwritten signature in black ink, appearing to read 'Bertrand'.

Karen Bertrand
Vice Principal (Advancement)



A handwritten signature in black ink, appearing to read 'Keohane'.

Jim Keohane
Chair, Investment Committee of the
Board of Trustees



An Inaugural Position

Robert Yalden (Artsci'84), one of Canada's foremost corporate lawyers, has been named as the inaugural Stephen Sigurdson Professor in Corporate Law and Finance.

This new position commemorates the memory of Stephen Sigurdson (Law'84), one of Canada's most well-respected corporate lawyers. The \$1.5-million endowment to establish a professorship in his name was created through the contributions of alumni and donors.

"As a young lawyer, I had the privilege of working with Steve at Osler, Hoskin & Harcourt LLP," Yalden says. "He was an exceptionally talented role model and a wonderful mentor, and I'm especially pleased to be the first Sigurdson Professor."

Yalden, who graduated from Queen's with an Honours BA in 1984 before earning law degrees at the University of Oxford (MA), the University of Toronto (LLB) and l'Université de Montréal (LLB), also served as a law clerk to Justice Bertha Wilson of the Supreme Court of Canada in 1989-90. He brings a wealth of professional experience to the Sigurdson Professorship, having practised law with Osler for more than 25 years. He is a business law partner and head of the Corporate Department in the firm's Montreal office, as well as the co-chair of Osler's Mergers and Acquisitions Group, and has served as a member of Osler's Executive Committee.

He is also no stranger to academia.

"I've taught courses on business law at McGill and U of T and published in the area since the early 1990s," he says. "The opportunity to be part of a Queen's Law community that's thinking and writing about issues in this area day-in and day-out, and to work with talented students and colleagues who have a passion for sustained dialogue about these questions is something that I know will be endlessly rewarding."

Yalden lauds Dean Bill Flanagan's efforts to solidify the reputation of Queen's Law as a leader in business law teaching and scholarship in Canada.

"Creating the Sigurdson Professorship and the Allgood Professorship in Business Law is an incredibly valuable way to build momentum that will continue to propel the Faculty's business law program to new

heights,” Yalden says. “These professorships speak to a desire on the part of the Faculty, as well as its alumni and friends, to ensure that Queen’s Law is an important contributor to dialogue and debate about pressing issues in corporate law and finance. It’s more important than ever to have centres of excellence committed to thinking about an area of law that has a profound impact on significant parts of Canadian society and on our economic and social well-being.”

The Sigurdson Professorship promises to do that and more. As Dean Flanagan notes, it will build on a robust existing business law program that includes not only the Allgood Professorship, but also the Bader International Study Centre program in international business law, the Queen’s Business Law Clinic, and the Law’80 Visiting Scholar in Business Law program.



By the Numbers

7.3%
Annualized Return
over the Past 20 Years

\$1,075M
Total Assets at April 30, 2018

2,498
Endowment Funds

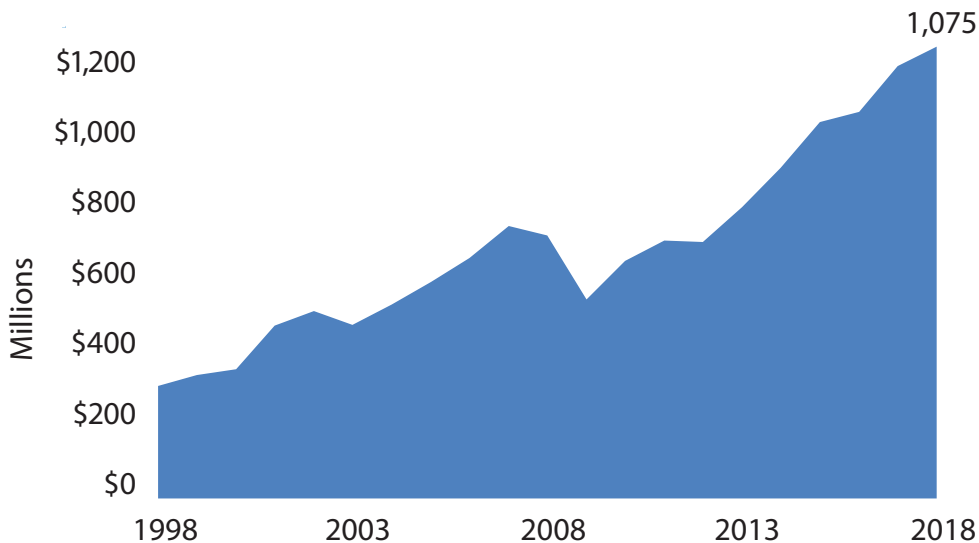
\$403M
Distributed
over the
Past 15 Years

**3rd - Highest Funds per
Full-Time Equivalent Student
among Canadian Universities***

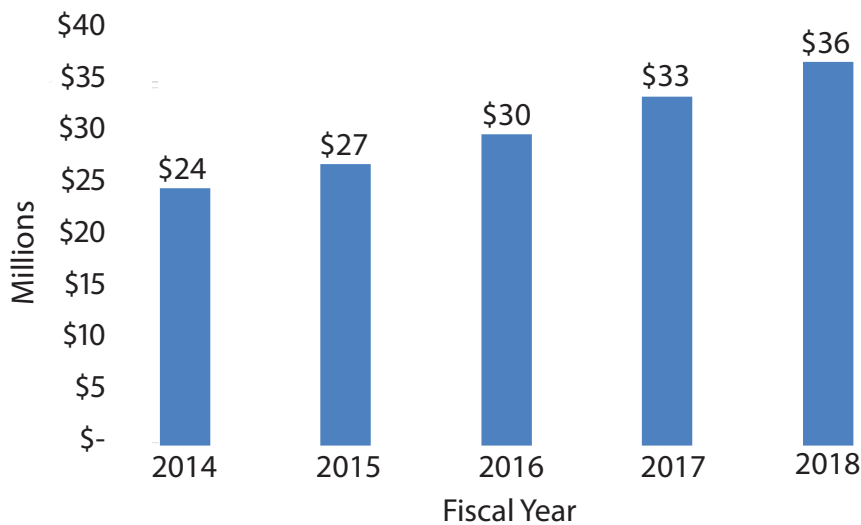
*Source: 2016 CAUBO Investment Survey (>5,000 students)

Market Value of the Endowment

(as of April 30, 2018, after distributions)



Endowment Payout



Fiscal year is from May 1 to April 30

Commemorating a Powerful Legacy

6

Although he enjoyed a successful career in finance, Donald Cooper, BComm'58, LLD'07 has had a lifelong passion for education. "A good education fosters social mobility," he says. "It's the great equalizer."

One day in the early 1990s, Donald spoke with a friend who was active in the Black Business and Professional Association. She told him about the Harry Jerome Scholarships which the group had established to support black students pursuing post-secondary education. His friend challenged him to take up the cause, and today the fund supports about 30 students per year.

Still, Donald could think of one area that was ripe for improvement. "I would have liked more of our students to register at Queen's," he says.

In 2008, at Donald's urging, Queen's established a scholarship to entice more gifted black students to the University. A Queen's version of the Harry Jerome Awards, the scholarship is co-named in honour of Robert Sutherland, Queen's legendary first black alumnus. The Robert Sutherland-Harry Jerome Entrance Award provides an exceptional black student with \$5,000 a year for up to four years of undergraduate study.

When Queen's initial investment in the award expired, Donald and his wife, Ann, made a generous donation to keep it alive and convinced others to follow suit. Today the award is fully funded and endowed to ensure that gifted black students will always have a place at Queen's.



Endowment Management

Overview

The Queen's Endowment consists of philanthropic gifts intended to support the University in perpetuity. Distributions from the fund support scholarships, research chairs, professorships and a diverse range of University programs. The Endowment aims to provide substantial income to support donor-specified priorities while preserving the real value of assets for future generations.

Investment Benefits

The Queen's Endowment provides professional stewardship of endowment gifts, and access to top tier investment managers around the globe.

The Endowment also benefits from low investment costs due to scale. Investment management fees are approximately 0.36%. This number excludes private equity and hedge funds, which are reported net of fees.

Spending Policy

The annual distribution is determined according to a smoothing formula designed to provide stable, inflation-adjusted income. The formula uses a long-term spending rate of 4.0% per annum combined with a smoothing rule that adjusts spending gradually to changes in endowment market value.

Management & Oversight

Endowment assets are managed under a rigorous governance structure, with oversight responsibility designated to the Investment Committee of the Board of Trustees.

This committee recommends the policy asset mix to the Board of Trustees and develops ancillary policies as necessary. Endowment funds are invested in a diversified portfolio of assets designed to maximize long-term risk-adjusted returns, provide stable annual payouts to support donor-specified priorities, and preserve purchasing power for future generations. Endowment assets are managed with a careful emphasis on risk management, as well as a long-term focus.

Assets of the fund are externally managed by professional investment managers across a range of geographies and investment strategies. The Investment Committee, through Investment Services, establishes investment mandates with each external investment manager pursuant to the Board-approved Statement of Investment Policies and Procedures.

The Department of Investment Services manages the day-to-day investment activities of the fund in accordance with approved policies. This includes measuring performance against objectives, rebalancing between external managers and asset classes, researching investment opportunities, and performing ongoing due diligence on selected and prospective managers.

Responsible Investing

The Queen's Endowment is managed in accordance with the Responsible Investing Policy as approved by the Board of Trustees. For more information on the University's policies as they relate to Endowment management, please visit <http://www.queensu.ca/investmentservices>.

Investment Committee

(as of April 30, 2018)

Membership	Status
D. Janiec	Ex Officio
J. Leech	Ex Officio
D. Raymond	Ex Officio
D. Woolf	Ex Officio
L. Hannah	Appointed
L. Hansen	Appointed
J. Keohane	Appointed
S. Lawrence	Appointed
	Appointed
	Appointed
	Appointed
	Appointed

Chair: J. Keohane

Vice-Chair: E. Speal

Secretary: B. O'Neill (Director, Investment Services)

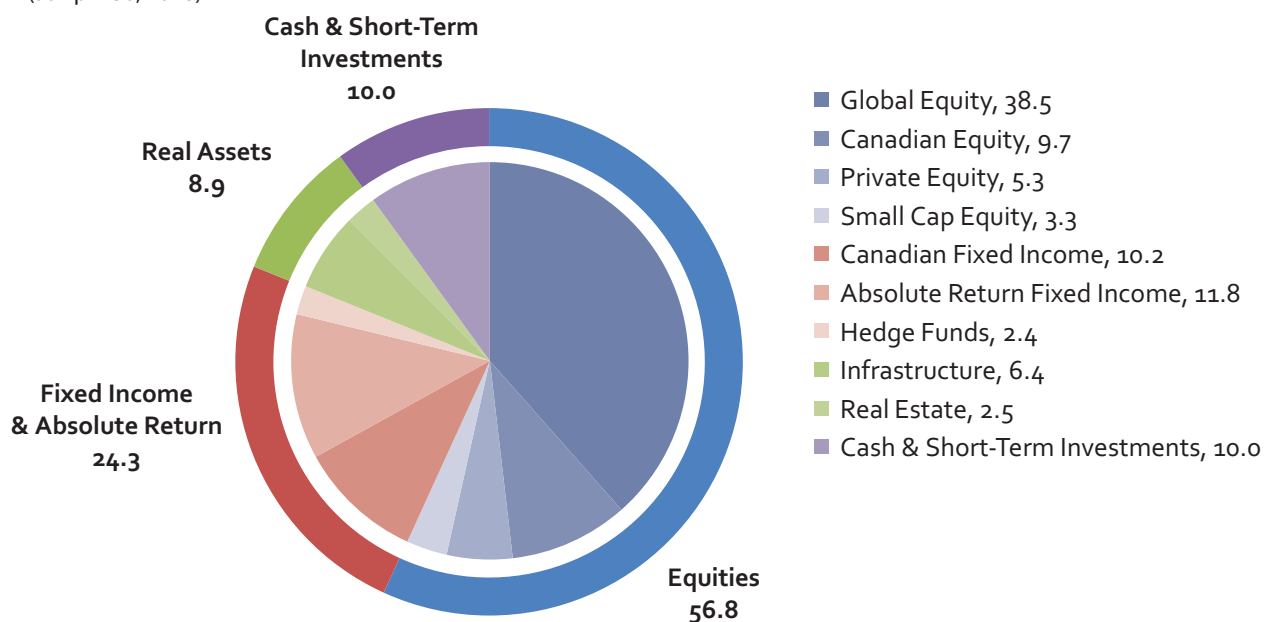
External Investment Managers

(as of April 30, 2018)

Asset Class	Investment Managers
Global Equity	Pier 21 TD Asset Management
Canadian Equity	Burgundy Asset Management TD Asset Management
Private Equity	17Capital Commonfund Hamilton Lane Kensington Capital Northleaf Capital Park Street Capital
Small Cap Equity	Fisher Investments
Fixed Income	BlackRock Loomis Sayles PIMCO Sun Life TD Asset Management
Hedge Funds	Kepos Capital
Infrastructure	OMERS (OMERS Infrastructure)
Real Estate	OMERS (Oxford Properties)

Actual Asset Mix (%)

(at April 30, 2018)



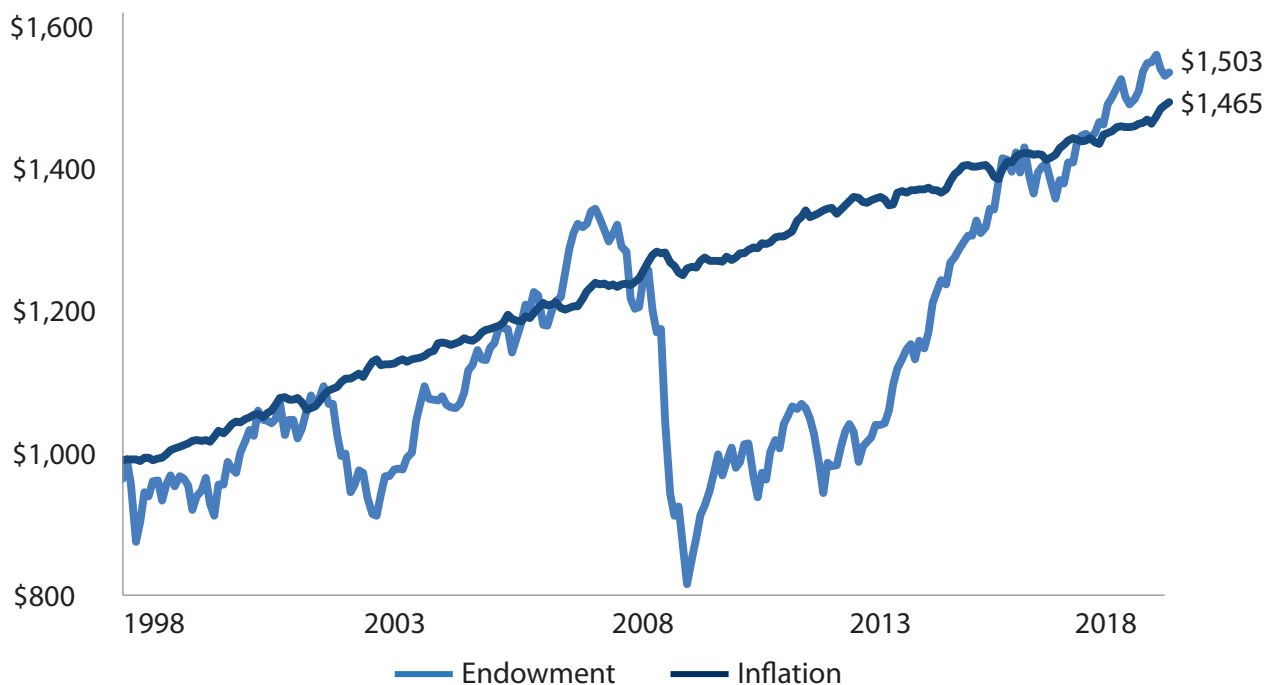
Investment Performance

Investment returns at April 30, 2018 are given below. Over the past 20 years, the Endowment Fund has returned an average of 7.3% per annum.

Period	Annualized Returns
1 Year	5.2%
5 Year	9.8%
10 Year	7.0%
15 Year	8.1%
20 Year	7.3%

Growth of \$1,000 Invested in the Endowment Fund

(as of April 30, 2018, after distributions)





How to Give to Queen's

givetoqueens.ca

1-800-267-7837

(toll free in Canada and USA)

Additional Information

queensu.ca/investmentservices

