

Report to Donors

ENDOWMENTS AND INVESTMENTS 2010–2011

Since arriving at Acadia, I've made it a priority to meet with each of our incoming students at least once during their first year. In addition to putting a human face on the Office of the President, I want to determine why they chose our university and whether the Acadia experience has met their expectations. It is one of the many ways we evaluate if we are remaining relevant to today's students and whether we are delivering on our 'promise.' From what I've learned, the majority of students who choose Acadia understand us exceedingly well. More specifically, they have discerned that we are different from other institutions and believe that Acadia holds greater potential to help them achieve their educational and life goals. Of course, one of the other factors affecting their choice is the level of scholarship and bursary support. We are most grateful that the generosity of our many donors has allowed us to attract and retain talented students in a very competitive environment.

Acadia continues to set a challenging academic standard but does so by forming a very human relationship between professors — and indeed the entire university — and students. Our students excel because they are supported and encouraged, and that human connection explains why Acadia feels so much like a family. The Acadia experience is increasingly being seen as exceptional. This dynamic is important in terms of how we communicate the uniqueness of our university. Throughout our 173-year history, it is really

the only way Acadia has ever approached its commitment to students. It is why we continue to be thought of as one of Canada's best undergraduate institutions.

Our student scholarship recipients tell stories about how the support they've received has made a difference in their lives. This is a crucial outcome, as demographic trends in Canada indicate that young graduates will be asked to do more, earlier in the careers, than any previous generation. In short, for the sake of our regional and national prosperity, we need our students to achieve while at Acadia and be well prepared to enter the next phase of their careers and their lives when they graduate. Our donors are critical to creating opportunities for our alumni to succeed in an ever more demanding world.

I want to thank members of Acadia's Board of Governors for their leadership and for the care they take in managing all contributed funds in a complex and uncertain worldwide economic climate. This is yet one more example of the determination of the Acadia family to preserve and enhance the academic quality and student experience within this remarkable institution.

Ray Ivany
President & Vice-Chancellor
Acadia University

STATEMENT OF CHANGES

For the year ended March 31, 2011, the Endowment Fund had a market value in excess of \$59.9 million. Contributions to the fund were \$3.2 million for the year. The fund paid out \$2.6 million, averaging a 4.3 percent payout. Fund investment returns and payouts have been consistent with appropriate industry benchmarks. Acadia University consistently manages administration fees (0.5 percent of total earnings, where Canadian university standard is 3.0 percent*).

Acadia University's Endowment fund rules and regulations protect the original amount in any account (for donations as of 1995) which results in the book value having to be maintained prior to any payments being made available.

In 2011, the continued recovery in the market assisted many of Acadia's endowment funds to increase in value. After administrative costs and distribution, the capital value increased by 6.2 percent.

*Canadian University Investment Survey
December 31, 2010

Statement of Changes – Endowment Fund

For the year ended March 31, 2011

BALANCE AT BEGINNING OF PERIOD		\$53,665,438
REVENUE AND OTHER ADDITIONS		
Bequests and Donations	\$1,758,955	
Market Appreciation	5,874,748	
Transfer from Special Reserves	1,450,729	
Transfer from Operating	1,691	9,086,123
EXPENDITURE AND INCOME TRANSFERS		
Investment Services	\$264,174	
Loan Payment	736	
Transfer to Special Reserve Fund	1,343,443	
Transfer to Operating Fund	1,254,583	2,862,936
BALANCE AT END OF PERIOD		\$59,888,625



ACADIA
UNIVERSITY

THE ACADIA ENDOWMENT

Acadia University finished in the top two in the annual university rankings 2010 by *Maclean's* magazine. In 19 of the 20 years *Maclean's* has published its annual comparisons, Acadia has been in the top three. Acadia continues to be the university of choice for students seeking an undergraduate education of exceptional quality. Canadian opinion leaders consistently rank Acadia University ahead of other undergraduate universities for its innovation and academic program integrity. Equipping our students and faculty with the tools they need to succeed is part of Acadia's commitment to academic excellence. Acadia University's 614 endowment funds provide a strong base of funding to continue this pursuit of excellence.

The endowments are managed to provide future generations with the same level of economic support for scholarships, teaching, research, and other educational programs as these endowments provide today. The endowment policy has been created to enhance the long-term strength of the University by building its endowments, protecting the purchasing power of the endowments, and assuring the revenue streams.

The University's endowments are managed by professional investment managers, under the general supervision of the University's Investment Committee. The funds are invested in a variety of asset classes according to the policy set out by the Committee. This policy is regularly reviewed by the Committee and the managers results are monitored on a quarterly basis by a professional performance investment firm. The asset allocation and endowment management policy is conservative, to ensure that capital preservation as well as spending is achieved. The current spending rate is a maximum of 6 percent of December 31 market value, with any additional returns being applied back to the capital for each account. Professional management of the University's endowments costs 0.5 percent of earnings annually.

MEMBERS OF THE INVESTMENT COMMITTEE OF THE BOARD 2010-2011

Mr. N. McIntyre, Chair	Mrs. M. MacVicar, Treasurer
Mr. B. Frizzell	Dr. T. Raddall
Mr. D. Hastings	Mr. D. Reed
Mr. R. Ivany, President	

ENDOWMENT FUND PERFORMANCE

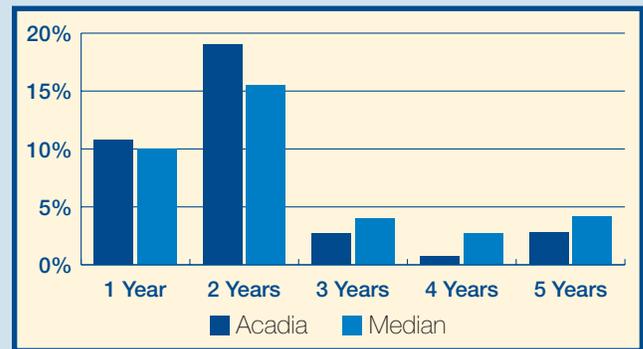
Acadia University Endowment Fund performance over 5 years is 2.79 percent, compared to the median of 4.18 percent for plans less than \$100 million. For the last two years, the endowment fund performed above the median.

The Investment Committee closely monitors results, with the focus on long term performance. In 2011, the Endowment fund showed further increases because of the market recovery.

Endowment Book & Market Values in \$ millions



5-year Annualized Returns



OFFICE OF ADVANCEMENT

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