



ACADIA
UNIVERSITY

Report to Donors

ENDOWMENTS AND INVESTMENTS 2009–2010



Your Legacy

During last May's Convocation ceremony, it was my privilege to greet and congratulate graduating students — our newest alumni — as they received their diplomas. In my first year at Acadia, I had the pleasure of meeting many of these students through their participation in academic or athletic activities or in my office one-on-one, so I got to know many of them by name. I make it a priority to speak to every student as they cross the Convocation Hall stage because it's our last formal opportunity to celebrate their personal success and enquire about their future plans. As has been the tradition for many decades, the university's deep commitment to the development of the individual student lies at the heart of the Acadia experience. The combination of the university's high academic standards and a faculty and staff who are focused on supporting students in pursuing those standards is an essential ingredient in the 'magic' of Acadia. Our graduating students understand this implicitly, while prospective students are increasingly sophisticated in their decision-making and often choose Acadia for the same reasons.

However, because the cost of post-secondary education in Canada has been rising at a rate greater than inflation, we must recognize that students increasingly make their decisions based on financial considerations. In this environment, your contributions are critical to Acadia's continued success. We are indeed

fortunate to have so many alumni and friends of Acadia who have donated generously to student scholarships and bursaries. In addition, the university, through the Investment Committee of the Board of Governors, has taken great care in managing all contributed funds so as to maximize the amount available to invest in our students.

As you may know, Acadia recently celebrated its 172nd birthday and this occasion allowed us to reflect on the importance and power of the Acadia family. Throughout our history, the generosity of one generation has opened the door of educational opportunity for the next, thereby weaving the fabric of the human connections that figure so prominently in the Acadia community.

I want to thank each and every one of our donors for allowing this great tradition to continue into the future. I am confident that the accomplishments of our scholarship, bursary and student award recipients will reflect most positively on the intent of your gift and on the university itself.

Ray Ivany
President & Vice-Chancellor
Acadia University

The Acadia Endowment

Acadia University is the top-ranked university in Nova Scotia, and second in its class nationally according to Maclean's University Ranking issue. In the 20 years Maclean's has published its annual comparisons, Acadia has been in the top three 18 times. 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 611 endowment funds provide a strong base of funding to continue this pursuit of excellence.

During 2009-2010, the University and its Investment Committee changed the structure and management strategy for its funds to improve transparency and fund performance, while reducing administrative fees. The University now invests in three firms, selecting funds to optimize return to Acadia. Although a loss was incurred due to the transfer from old to new funds, the change should ultimately improve returns.

Prudent management of the University's endowments supports current and future generations of Acadia University students. For that reason, the endowment policy has been set to enhance the long-term strength of the University by building its endowments,

protecting the purchasing power of the endowments, and assuring revenue streams.

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 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 per cent 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 per cent of earnings annually.

MEMBERS OF THE INVESTMENT COMMITTEE OF THE BOARD 2009–2010

Mr. N. McIntyre, Chair
Mr. G. Bruce
Mr. B. Frizzell
Mr. D. Hastings
Mr. R. Ivany, President
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STATEMENT OF CHANGES

For the year ended March 31, 2010, the Endowment Fund had a market value in excess of \$53.6 million. Contributions to the fund were \$5 million for the year. The fund paid out \$2.5 million, averaging a 5.5 per cent payout. Fund investment returns and payouts have been consistent with appropriate industry benchmarks.

Acadia University consistently manages administration fees (1 per cent of total earnings where Canadian university standard is 3 per cent*).

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 2010, the market recovery assisted many of Acadia's endowment funds to increase in value. Each individual account has to be equal to or greater than the original gift in order for the distribution amount to be paid. If the market is less, the distribution goes back to capital until the original amount of the gift is replenished.

*Canadian University Investment Survey
December 31, 2009

Statement of Changes – Endowment Fund

For the year ended March 31, 2010

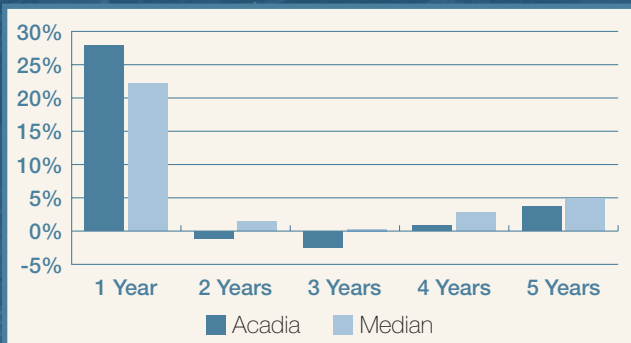
BALANCE AT BEGINNING OF PERIOD		\$40,703,600
REVENUE AND OTHER ADDITIONS		
Bequests and Donations	\$2,759,117	
Market Appreciation	10,618,601	
Transfer from Special Reserves	2,253,646	
Transfer from Operating	5,593	15,636,957
EXPENDITURE AND INCOME TRANSFERS		
Investment Services	\$217,173	
Loan Payment	753	
Transfer to Special Reserve Fund	1,512,138	
Transfer to Operating Fund	945,055	2,675,119
BALANCE AT END OF PERIOD		\$53,665,438

ENDOWMENT FUND PERFORMANCE

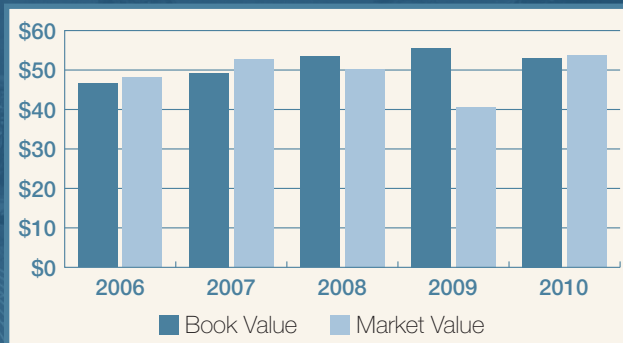
Acadia University Endowment Fund performance over 5 years is 3.73 per cent compared to the median of 4.91 per cent for plans less than \$100 million. For the latest year, the endowment fund performed above the median. The Investment Committee closely monitors results with the focus on long-term performance.

In 2010, the Endowment Fund increased significantly due to the recovery of the market. In the March 31, 2010 RBC Dexia's investment and analytics report it is noted that "... assets rose for the fourth successive quarter as global financial markets continued to progress, but the strengthening loonie weighed on gains, according to the survey just released by RBC Dexia Investor Services..."

5-year Annualized Returns



Endowment Book & Market Values in \$ millions



If you would like to comment on this report, receive more information, or discuss how you can help Acadia University, please contact an Advancement Officer at:

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