



## Creating an Endowed Fund at OCAD University

### What is an endowed fund?

This is a restricted trust fund that is created by donors and maintained permanently by OCAD University. Contributions to endowed funds are gifts of capital which the university preserves. The gifts are invested in perpetuity, generating annual income of which a portion is used to support the specific purpose for which the fund was established. The minimum donation required to establish an endowed fund is \$25,000. Once the minimum funding level is received from the donor(s), it must be vested for one (1) year in order for the fund to accrue investment income for payout.

### How are endowed funds invested?

Gifts held in endowment are managed as a unitized pooled investment fund. Management of the pooled investment fund is supervised by the Investment Committee of the Board of Governors, which is responsible for selecting, monitoring and establishment of the investment goals, objectives and benchmarks of the fund manager and setting the annual payout policy.



Image by Carson Edwin Teal  
DRPT, Class of 2015

### What is the portfolio overview?

Over the last fiscal year, the OCAD University portfolio posted a strong return. At May 31 year-end, the portfolio was slightly more heavily weighted in equities than a year ago, reflecting the strong performance of stocks in the portfolio. Cash and bonds totalled 31 percent, while equities made up the remaining 69 percent of the portfolio. Within the equity portfolio, the emphasis remains on conservative and high-quality companies that offer growth, but also a degree of safety given the range of risks that remain in the market.

### What is the payout rate and how is it determined?

The current payout rate is set at 3.5%. This rate reflects the necessity to protect the value of the endowment against inflation, limit the amount of income available for spending, and requires the reinvestment of income not disbursed. This preserves capital to ensure spending for future generations.

### What kind of reporting to you provide to donors?

We will send annual reports on the endowed funds each November to the contact(s) for the Fund contact(s). These reports provide a market review, a portfolio review, a fund review, and, wherever possible, information about and from the student recipient(s), including samples of their art work.