



2021  
**Investment  
Fund Report**

UNIVERSITY of  
**TASMANIA** 

# 2021 Investment Fund Report

**Our mission is to make a difference for Tasmania and from Tasmania to the world. Everything we do is shaped by our island home and its distinctive regions, communities and people, with whom we work to have a real and enduring impact.**

Through the generosity of our benefactors the University now manages a large portfolio of philanthropic funds, which continue to provide income that enables us to deliver this mission in tangible ways. This includes the funding of scholarships and prizes to support our students and ensure the widest possible access to quality higher education, alongside high impact research projects, and the infrastructure that underpins this.

This annual report provides an overview of how philanthropic funds at the University are managed and a summary of their performance. Correspondence relating to individual funds is provided separately to donors, or their nominated representatives.

## FUNDS GOVERNANCE AND MANAGEMENT

The University's philanthropic funds, including bequests and endowments, total \$111 million as at 31 December 2021. Philanthropic funds established for long-term investment are managed as part of the University's investment portfolio.

The investment portfolio is integral to the University's strategy to strengthen its long-term financial sustainability and is governed by the University's Treasury and Investment Policy. In 2021, the University introduced a Chief Investment Officer role to build on its internal investment function and governance structure. Sector specialists are engaged to provide advice on investment strategy, policy and investment products.

An Investment Advisory Panel, comprising University staff and industry professionals, provides oversight and stewardship of the investment portfolio and advice on investment strategy and policy.

**The members of the Investment Advisory Panel as at 31 December 2021 were:**

**Mr Daniel Minihan**

Investment Advisory Panel Chair and Partner,  
SW Australia

**Mr Dermot Crean**

University of Tasmania Co-Chief Investment Officer,  
Co-Founder and Director Allbridge Capital

**Mr Rohan Boman**

University of Tasmania Co-Chief Investment Officer,  
Boman Asset Pty. Ltd.

**Mr David Clerk**

University of Tasmania Chief Operating Officer

**Ms Jo Willsmore**

University of Tasmania Executive Director  
Corporate Finance

**Ms Nadyne Russell**

Secretary and University of Tasmania  
student representative

The University Foundation Committee (UFC) oversees the University's philanthropic practices and policies. The Committee receives reports on the performance of the fund, providing feedback to University Council through the Chair, Vice-Chancellor Professor Rufus Black.

## FUND OBJECTIVE AND PURPOSE

The investment strategy has evolved over time towards a longer-term endowment-style model, with a focus on world-class, goal-aligned fund managers and is managed for a zero-carbon future. The endowment model is used by some of the largest university endowments to achieve returns over a long-term investment horizon with lower levels of volatility through diversification into non-traditional asset classes.

The University seeks to preserve and grow the value of its long-term investment funds, provide a sustainable income stream, and realise the objectives of its endowment fund. The Treasury and Investment Policy frames the objectives with investment funds managed to achieve:

- a return objective that is long term and not a year-by-year measure
- a return, after fees, at least equal to the average increase in headline consumer price index plus a margin recommended by the University's investment advisors and approved as part of the annual strategic planning process (headline consumer price index plus a margin of 5 per cent as at 31 December 2021)
- a diversified portfolio that mitigates the risk of a permanent loss of capital
- returns with lower volatility than would be experienced by investing solely in the public equity market
- a zero-carbon future

The University's investments are managed to realise the objectives of endowment funds and to meet the annual spending requirements (including scholarships, prizes, and research).

## ENVIRONMENTAL AND SOCIAL GOVERNANCE

The University is committed to actively progressing sustainable outcomes with investment decisions governed by policy to achieve a zero-carbon future. Under this policy, the University has no appetite to invest in assets with direct investment in fossil fuels (coal, oil and gas), whether extraction or production, including thermal coal power. It is committed to investing in assets that accelerate the transition to a zero-carbon economy.

The University continues to re-position the investment portfolio and identify opportunities that align with its zero-carbon policy objective. During 2021, long-term sustainable investments have diversified across clean energy transition, climate change, sustainable processes and cities, water, food and waste conservation and recycling, transportation and social infrastructure, and the circular economy.

As sustainable investing evolves, the University continues to consider opportunities to enhance its portfolio.

## FUND HIGHLIGHTS

Following a significant period of market volatility in 2020 due to the COVID-19 pandemic, the investment portfolio produced a strong investment return of 16.87%, net of investment fees, for the year ended 31 December 2021.

Over the long term, the fund has experienced growth and during 2021 distributed over \$7 million to individual research, prizes, scholarships and additional projects throughout the University. Specifically, in 2021 the University was able to continue supporting over 628 students from philanthropic funds.

Continued repositioning of the portfolio during the year has seen further investment in long-term sustainable investments within non-traditional asset classes. The repositioning is supported by a robust governance structure, expertise within the internal investment function and access to specialised investments that are aligned with the investment strategy and zero-carbon future objective. Strong performance in the portfolio's equities and alternatives asset classes contributed to the year-end investment return.

The University has maintained its longer-term return objective, reflective of its endowment style investment strategy. This return objective is not a year-by-year measure and allows the University to look through short-term volatility and make investments with time horizons consistent with the objectives of endowment funds.

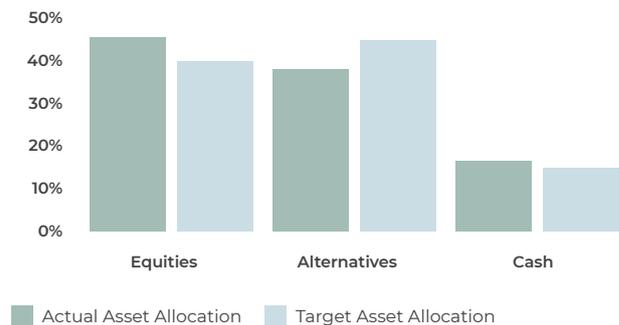
As outlined in the table, over a 3-year period, the fund has returned 10.8% p.a. outperforming the portfolio's long-term return objective.

## Fund performance 1–3 years

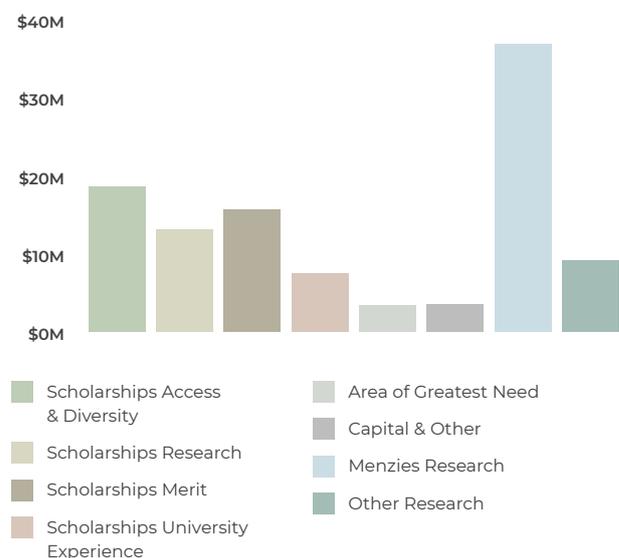


## Asset Allocation of the Investment Fund – at end December 2021

Investment decisions are guided by the strategic asset allocation and tactical opportunities.



## Balance by purpose as at 31 December 2021



## FREEMATES SUPPORTING STUDENTS SINCE 2008

Since 2008, the Freemasons Assisting Tertiary Education Scholarship has supported 16 Tasmanian students in their studies, across fields as diverse as Medicine, Law and Education.

The scholarship is open to a Tasmanian who is commencing any undergraduate course at the University of Tasmania, with a focus on increasing access to education.

Currently valued at \$5000 for one year, the scholarship is an initiative of FREEMATES (Freemasonry Assisting Tertiary Education Students), which was set up in conjunction with the University of Tasmania to assist tertiary students with education expenses.

President of the Board of Benevolence of Freemasonry Tasmania Mr Rex Hesline said the experience has been positive and his organisation is very satisfied with how the endowed funds have been managed.

“We’ve been very impressed with how the University has conducted everything, from the way funds have been invested and managed through to the selection process,” Mr Hesline said.

“We were originally looking at funding a trade-based person, but there was no one in the State who manages a fund as well, or makes it as easy, as the University does,” he said.

“So we changed our plan a little and are now looking to potentially establish a second scholarship with the University because of the ease and transparency of the process.

“You can make a difference by being involved in a group such as Freemasonry; it gives you a sense of satisfaction and achievement to know that someone benefits from these donations each year.”

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### Cover:

Artwork: Rex Greeno, paperbark canoe, 2013, University of Tasmania Fine Art Collection. Creative Arts and Media students sketching a canoe made by Uncle Rex Greeno, in a learning space in the new Inveresk Library.

The purpose is for UTAS Cultural Collections to critically engage students with palawa cultural objects, for them to draw and learn the process of formal analysis and to gain some understanding of contemporary cultural practice.

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Freemasons Assisting Tertiary Education Scholarship recipient Vela Leeson Image: Peter Allen

**Scholarship recipient Vela Leeson, who is studying a Bachelor of Social Work with Honours in Hobart, said the scholarship will relieve some of the financial burden.**

“To have been selected as the recipient of this scholarship has given me the opportunity to focus more on the integral aspect of university – studying and learning,” she said.

Brendan Glann, who received the scholarship in 2021, said it enabled him to go to University. He hopes his degree in Social Work will lead to a career in men’s mental health.

“My ability to go to University is predicated on the scholarship,” he said. “I wouldn’t have been able to make it through last year, studying full time, without the help.

“I like it that the Freemasons want to help people in the community for altruistic reasons.”

Many of the students who have received the scholarship over the past 14 years have been enrolled in double degrees. Combinations have included Bachelor of Arts and Bachelor of Laws, Bachelor of Arts and Bachelor of Science, Bachelor of Medicine and Bachelor of Surgery, and Bachelor of Information and Communication Technology.