



UNIVERSITY
OF MANITOBA

THE UNIVERSITY

Investment Trust Quarterly Review

Quarter ended December 31, 2002

The University Investment Trust (UIT)

operates as a pooled fund, whereby new contributions to the fund are assigned units based on the current market value of the units. The use of a pooled fund ensures that the capital of existing unitholders is preserved and the equitable distribution of income, while at the same time providing a larger dollar base for investment purposes. This makes it more cost effective while at the same time providing an opportunity for generating higher returns through diversification. Income earned on these funds is used to fund various activities such as scholarships, research, or general operating expenses.

Asset Mix

Asset Categories	Target Ranges Per Investment Policy Statement		Actual Mkt. Value	Actual Mkt. Value
	Min %	Max %	%	\$000's
Canadian Bonds	27	35	30.1	49,478
Equities				
Canadian	27	35	30.9	50,808
USA	18	23	19.4	31,800
Other Foreign	18	23	19.6	32,290
Cash & Short Term Notes	-	5	-	-
			100.0	\$164,376

Portfolio Value

	Book Value (\$000's)	Market Value (\$000's)
Total Portfolio at December 31, 2002	\$179,935	\$164,376
Total Portfolio at September 30, 2002	\$177,292	\$154,260

Portfolio Growth

The growth in the market value of the portfolio from \$154.3 million to \$164.4 million in the last quarter is the result of new contributions, capital appreciation and investment income, net of spending by beneficiary units. As shown under "Investment Performance" in the next chart the Total Fund return for the past quarter was 5.3%, a positive recovery from the previous quarter's results.

Investment Performance

Return Components	Annualized 4 Year Rtn. Dec. 31/02 %	Annualized 1 Year Rtn. Dec. 31/02 %	Annualized 1 Year Rtn. Dec. 31/01 %	3 Months Dec. 31/02 %
* Total Fund	3.1	(8.0)	(0.5)	5.3
* Canadian Bonds	6.7	8.9	8.5	2.2
Scotia Capital Universe	6.4	8.7	8.1	2.3
* Canadian Equities	7.6	(11.1)	(5.1)	9.4
TSE 300	2.0	(12.4)	(12.6)	7.5
TSE 300 Capped	5.6	(12.4)	(8.4)	7.5
US Equities:				
* Core Equity	-	(21.8)	-	5.0
S&P 500 Index	-	(22.7)	-	8.0
* Small Cap Value	-	(19.5)	-	5.7
Russell 2000 Value	-	(12.1)	-	4.5
* Small Cap Growth	-	(34.8)	-	7.7
Russell 2000 Growth	-	(30.8)	-	7.1
* Int'l Equities	-	(12.9)	-	6.6
MSCI World excl. U.S.	-	(16.2)	-	6.2
91 Day Canada Treasury Bills	4.3	2.5	4.7	0.7
Consumer Price Index (Cdn.)	2.6	4.3	0.7	0.6

* Represents actual rates of return. Other figures represent comparative benchmarks.

How Can I Make a Tax Deductible Contribution to the UIT?

If you are interested in making a tax deductible donation, please contact Private Funding at 474-9195.

Questions or Comments?

If you have any questions or comments, please call Leanne Burkowski, Comptroller at 474-9507 or Gord Pasiaka, Associate Comptroller at 474-8713.

This document and other information on the UIT can be found at: www.umanitoba.ca/admin/financial_services/trust/Trust_Funds.html.