



UNIVERSITY
OF MANITOBA

University Investment Trust Quarterly Review

Quarter ended June 30, 2007

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 unit holders 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 provides 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 Market Value %	Actual Market Value \$000's
	Min %	Max %		
Canadian Bonds	13	17	23.0	\$72,838
Equities:				
Canadian	30	40	37.1	117,415
USA	16	24	19.5	61,529
International	12	18	17.1	54,068
Real Estate	13	17	3.3	10,376
			100.0	\$316,226

Portfolio Value

	Book Value (\$000's)	Market Value (\$000's)
Total Portfolio at June 30, 2007	\$256,883	\$316,226
Total Portfolio at March 31, 2007	\$253,223	\$312,372

New Developments

In June 2007, the Trust Investment Committee approved a change in investment managers for the International (EAFE) Equity Mandate of the UIT. After a three month search for a new investment manager, Commonfund will be replaced by Legg Mason Brandywine. This is an exciting development, and the Committee is very confident that the Legg Mason Brandywine International Equity Fund will deliver strong long term performance that will help the endowment achieve its real return objectives over full market cycles. Brandywine's offices are located in Philadelphia, PA and they are a wholly owned subsidiary of Legg Mason. Brandywine will be managing the portfolio, and their value oriented investment philosophy is to consistently exploit the differences between current stock prices and the intrinsic value of a business by using an unbiased, disciplined investment approach. The International Equity Fund managed by Brandywine has outperformed the MSCI EAFE index by 3.8% since the inception of the fund in 1993.

Investment Performance

Return Components	Annualized 3 Year Rt. Jun. 30/07 %	Annualized 1 Year Rt. Jun. 30/07 %	Annualized 1 Year Rt. Jun. 30/06 %	3 Months Jun. 30/07 %
*Total Fund	11.1	15.0	7.5	1.4
*Canadian Bonds	5.2	4.9	(0.6)	(1.6)
Scotia Capital Universe	5.2	4.8	(0.7)	(1.7)
*Canadian Equities:	19.7	21.8	15.8	7.0
TSE 300 Capped	20.1	22.7	19.6	6.3
*US Equities:				
Large Cap	-	-	(1.8)	(1.9)
S&P 500 Index	-	-	(1.2)	(2.0)
Mid Cap	-	-	-	(2.5)
S&P 400 Index	-	-	-	(2.4)
Small Cap	-	-	2.1	(3.0)
S&P 600 Index	-	-	4.2	(3.0)
*Int'l Equities	12.2	19.9	13.3	(1.1)
MSCI World excl. US	14.1	21.7	15.9	(1.1)
91 Day Canada Treasury Bills	3.3	4.3	3.2	1.0
Consumer Price Index (Cdn.)	2.2	2.1	2.8	1.7
\$US in \$Cdn (+appreciation, -depreciation)	(7.4)	(4.6)	(9.0)	(7.8)

*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 Development and Advancement Services at 474-9195.

Questions or Comments?

Please call Lance McKinley, Manager of Treasury Services at 474-9440. This document and other information on the UIT can be found at www.umanitoba.ca/admin/treasury_services.