

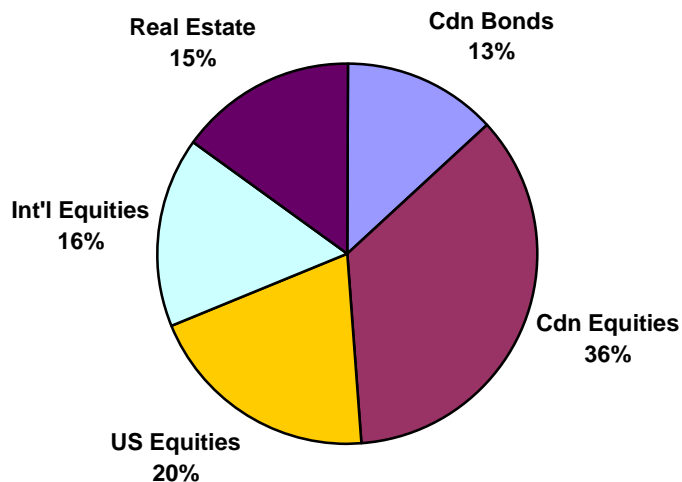


The University Investment Trust (Endowment Fund) **Quarterly Review for the period ending June 30, 2013**

The University Investment Trust (UIT) – the endowment operates as a large pooled fund that supports a wide variety of needs at the University, such as research, operating expenses, capital projects, athletics, libraries, and of course, a large part of the endowment is directed toward student support by way of scholarships, bursaries, and prizes. The endowment grows through gifts from generous donors, and through investment returns. The endowment is a key contributor to ensuring the University is successful in achieving its goals and objectives. Since the end of fiscal 2000, the endowment has grown from \$144 million to the current value of \$432 million. On top of that, there are trust and endowment funds outside of the UIT that also support various activities. Due to liquidity requirements, these funds are invested in cash equivalent and fixed income instruments. The value of these funds is currently \$50 million.

Asset Mix, Investment Managers and Investment Performance

The **asset mix** of the UIT, as of June 30, 2013



Investment Managers

AMI Partners

- Canadian Bonds

Burgundy Asset Mgmt

- Canadian Equities

Burgundy Asset Mgmt

- International Equities

JP Morgan

- US Equities

GWL Realty Advisors

- Real Estate

Total market value of UIT - \$432 million

Annualized Investment Performance

As at June 30, 2013

	3 mos.	1 year	2 years	4 years
Total Portfolio	2.1%	18.4%	10.7%	11.3%
Benchmark	0.3%	12.7%	6.4%	8.8%
Canadian Bonds	-2.3%	-0.4%	3.6%	4.1%
Benchmark	-1.7%	0.0%	3.7%	4.0%
Canadian Equities	0.4%	20.0%	8.3%	13.7%
Benchmark	-4.1%	7.9%	-1.6%	7.0%
U.S. Equities	7.7%	29.0%	19.0%	15.8%
Benchmark	6.9%	24.8%	17.9%	14.7%
International Equities	2.0%	26.3%	7.1%	7.1%
Benchmark	2.8%	22.8%	5.7%	6.4%
Canadian Real Estate	3.6%	14.9%	17.1%	11.4%
Benchmark	1.7%	11.9%	13.4%	10.8%

Commentary – The quarter ending June 2013 saw three of the world’s major central banks, including the U.S. Federal Reserve, reducing or planning to reduce their monetary stimulus into the global financial system. As a result of there was a sharp upward movement in interest rates which has resulted in reduced bond valuations. On top of this, Europe is still in a recession, and the economic prospects of China have been diminished. All of these factor prominently in sluggish economic growth on a global basis.

The endowment portfolio has performed favorably over the past 12 months. All three equity mandates and the real estate mandate outperformed their respective benchmarks, and all three equity mandates realized returns north of 20% for the year. This resulted in an overall portfolio return of 18.4% for the one year ending June 30th, versus a benchmark return of 12.7%. This quarter also marks four years of the portfolio outperforming the benchmark on annual and on an annualized basis. The strong performance of the fund helps the endowment achieve its most prominent objective of preserving inter-generational equity between the students of today and the students of tomorrow.