



UNIVERSITY
OF MANITOBA

THE UNIVERSITY

Investment Trust Quarterly Review

Quarter ended March 31, 2005

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	27.7	\$63,419
Equities				
Canadian	27	35	34.2	\$78,413
USA	18	23	18.5	\$42,338
Other Foreign	18	23	19.6	\$45,035
Cash & Short Term Notes	-	5	0.0	\$0
			100.0	\$229,205

Investment Performance

Return Components	Annualized 4 Year Rtn. Mar. 31, 2005 %	Annualized 1 Year Rtn. Mar. 31, 2005 %	Annualized 1 Year Rtn. Mar. 31, 2004 %	3 Months Mar. 31, 2005 %
* Total Fund	4.9	7.2	26.7	1.4
* Canadian Bonds	7.7	5.2	10.5	1.2
Scotia Capital Universe	7.5	5.0	10.8	1.1
* Canadian Equities	9.2	16.2	36.3	4.7
TSE 300	7.9	13.9	37.7	4.4
TSE 300 Capped	8.0	13.9	37.7	4.4
US Equities:				
* Core Equity	(3.0)	(1.0)	22.5	(2.5)
S&P 500 Index	(4.4)	(1.5)	20.5	(1.7)
* Small Cap Fund	(0.4)	(5.0)	48.2	(4.5)
Russell 2000 Index	3.3	(2.7)	51.1	(4.9)
* Int'l Equities	0.3	4.7	36.1	0.5
MSCI World excl. U.S.	0.2	7.1	40.7	0.6
91 Day Canada Treasury Bills	2.9	2.2	3.0	0.6
Consumer Price Index (Cdn.)	2.2	2.1	0.7	0.1

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

Portfolio Value

	Book Value (\$000's)	Market Value (\$000's)
Total Portfolio at March 31, 2005	\$213,050	\$229,205
Total Portfolio at March 31, 2004	\$196,625	\$205,975

Portfolio Growth

The increase in the market value of the portfolio from \$206 million to \$229.2 million over the last year is largely the result of returns earned in the Canadian stock market, and to a lesser extent, returns earned on domestic bonds and international equities. The total investment return for the year ending March 31, 2005 is 7.2% versus 26.7% for the previous year. Also adding to the growth over the last year were new contributions to the portfolio by way of gifts of \$15.8 million received from donors and designated for the UIT offset by spending of \$9.2 million.

Gifts to the University of Manitoba

The vast majority of gifts to the University of Manitoba enter into the UIT and are invested in the diversified asset classes shown in the tables. Gifts received are spent in accordance with the donor's wishes and are designated as either trusts or endowments. For endowed gifts (i.e. where the capital is held in perpetuity), the amount that can be spent annually is set out in the Investment Policy Statement of the University. Current spending is calculated at a rate of 4.5% of the three year average market value of the UIT at December 31. Gifts received fall under the following general categories:

- Unrestricted, includes gifts to "the institutions greatest needs", gifts to general endowment, and gifts over which the Board of Governors has discretion in expenditure. Faculty/School/College Support, includes gifts made to academic and operating units over which these units have discretionary control of expenditure.
- Chairs/ Professorships, includes gifts to academic units made to provide salary support.
- Student Aid and Support, includes gifts to fund scholarships, bursaries, fellowships, loans, and student aid at the graduate and undergraduate levels.
- Libraries/Galleries/Museums, includes gifts for operating support or gifts to support library acquisitions.
- Equipment and physical development, includes gifts to support the purchase of equipment for operating units and gifts designated for the construction and/or major renovation of facilities. Gifts for these purposes may be held in Specific Trusts, if spending is expected to occur within a relatively short period of time.
- Research, includes gifts to support research.
- Athletics, includes gifts to support varsity, intramural and recreation sports.

In the fiscal year ended March 31, 2005, the UIT received \$15,756,764 in new gifts which are summarized below:

Description	Amount (\$000's)	%
Faculties and Schools	\$ 7,567	48.0
Scholarships, Bursaries and Awards	5,237	33.2
Chairs and Professorships	1,505	9.6
Research	893	5.7
Libraries	521	3.3
Equipment	31	0.2
Athletics	3	0.0
TOTAL	\$15,757	100.0

If you have any questions or comments, please call **Leanne Burkowski, Associate Vice-President (Finance), at 474-6095** or **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