

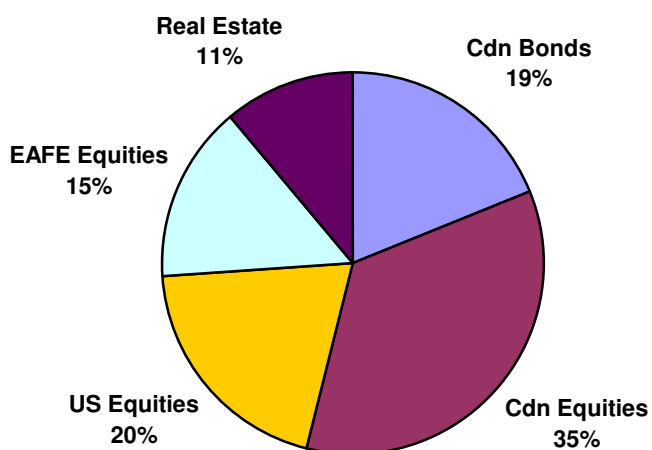


The University Investment Trust (Endowment) Quarterly Review for the period ending March 31, 2008

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 awards. 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 \$307 million. On top of that, there are trust and endowment funds outside of the UIT that also support various activities. Due to donor’s wishes or liquidity requirements, these funds are invested in fixed income instruments. The value of these funds is currently \$35 million.

Asset Mix, Investment Managers and Investment Performance

The **asset mix** of the UIT, as of March 31, 2008 is as follows:



Investment Managers

AMI Partners

- Canadian Bonds
- Canadian Equities
- US Equities

Legg Mason Brandywine

- EAFE Equities

Great West Life

- Real Estate

Total market value of UIT - \$307.0 million

Real Return Investment Performance - Overall UIT

As at March 31, 2008

	3 months	1 year	3 year	5 year
Annualized Return	-2.8%	-4.2%	6.6%	10.5%
CPI	0.3%	1.9%	2.0%	1.8%
Real Return	-3.1%	-6.1%	4.6%	8.7%

Investment Performance – Individual Asset Mandates

As at March 31, 2008

Annualized Returns for the Individual Asset Mandates

	3 months	1 year	3 year	5 year
Canadian Bonds	3.3%	6.2%	5.5%	6.4%
Canadian Equities	-3.8%	-0.6%	11.2%	16.8%
U.S. Equities	-5.4%	-17.1%	-0.2%	4.6%
EAFE Equities	-7.9%	-14.9%	5.8%	11.0%
Real Estate	2.7%	15.1%	n/a	n/a

Investment Performance Recap – It was another difficult quarter in the equity markets. The credit crisis related to the sub prime mortgage fiasco continued to adversely affect most major stock markets around the world. Many analysts are also concerned about a developing recession in the U.S., and interest rates have been cut to help that economy. Over the past quarter, in Canadian dollars, the TSX index was down 2.8%, the S&P 500 index was down 5.8%, the Nasdaq was down 10.6%, and the MSCI EAFE index fell 5.2%.

Over the past year, the appreciation of the \$Canadian dollar against the \$U.S. dollar was 10.8%, which has caused \$US based equities held by the UIT to have larger negative returns. In spite of this, the Trust Investment Committee is confident that the investment managers will help turn this situation around, and the equity oriented asset mix will see the UIT realize much better returns when the stock markets inevitably rally. Most endowments have had earnings squeezed in the past 12 months and many are seeing negative returns.

The endowment's investment in real estate has been a bright spot, earning 15.1% over the past 12 months. The target asset allocation is 15% for this mandate, so another \$12 million is to be invested in 2008.

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