

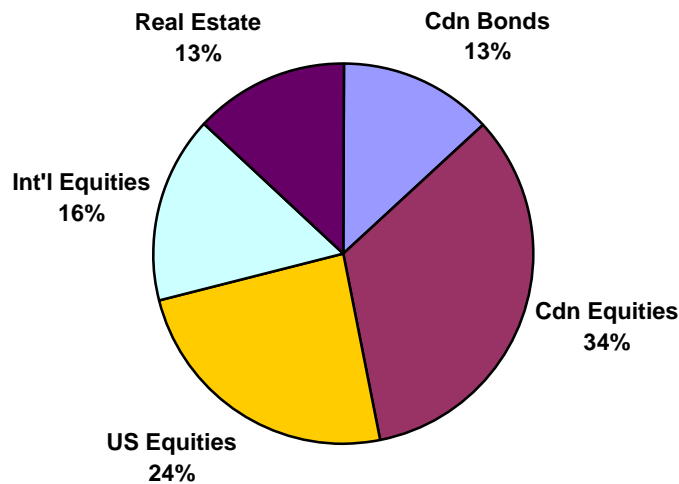


**The University Investment Trust (Endowment Fund)
Quarterly Review for the period ending March 31, 2014**

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 \$511 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 \$45 million.

Asset Mix, Investment Managers and Investment Performance

The **asset mix** of the UIT, as at March 31, 2014



Investment Managers

- Toron AMI
 - Canadian Bonds
- Burgundy Asset Management
 - Canadian Equities
- Burgundy Asset Management
 - International Equities
- JP Morgan
 - US Equities
- GWL Realty Advisors
 - Real Estate

Total market value of UIT - \$511 million

Annualized Investment Performance

As at March 31, 2014

	3 mos.	1 year	2 years	4 years
Total Portfolio	4.8%	19.8%	17.6%	13.0%
Benchmark	4.9%	17.7%	13.7%	10.3%
Canadian Bonds	2.4%	0.7%	2.7%	4.4%
Benchmark	1.9%	1.1%	2.4%	4.2%
Canadian Equities	6.4%	23.1%	20.2%	14.8%
Benchmark	6.1%	16.0%	10.9%	7.5%
U.S. Equities	6.0%	35.6%	26.3%	18.5%
Benchmark	5.8%	32.4%	23.8%	17.3%
International Equities	5.9%	23.3%	19.8%	10.2%
Benchmark	4.6%	27.7%	20.1%	10.3%
Canadian Real Estate	1.2%	9.7%	13.7%	13.0%
Benchmark	4.5%	13.6%	13.3%	13.6%

Commentary – The endowment fund’s investment performance continues to be relatively favourable against both the benchmarks of the fund, and relative to its peer group. The equity markets earned returns around 6.0% for the quarter, not slowing down from last year’s exceptional year for these assets classes. There has even been some pick-up in performance in the bond portfolio, however given the low yield environment it is still difficult to make a case for strong performance from this asset class over the next few years.

Faculties and units have received their 2014/2015 spending allocation for the new fiscal year. The amounts have increased over last year by approximately 1%, as the new formula is inflation based as opposed to investment return based. Still, since 25% of the formula is based on market returns over a 5-year period, next year the spending allocation will benefit as the market crash in calendar year 2009 will fall out of the calculation.

The spending allocation will distribute over \$17 million to beneficiaries of the fund, and over the past 5 years \$77 million in these income distributions have been dispersed, benefitting students, teaching, programs, athletics, acquisitions, and various other important facets of the University of Manitoba.