



UNIVERSITY
OF MANITOBA

THE UNIVERSITY

Investment Trust Quarterly Review

Quarter ended September 30, 2001

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 and provides an opportunity for generating higher returns and reducing risk through diversification.

Asset Mix

Asset Categories	Asset Allocation Ranges Per Investment Policy Statement		Actual Mkt. %	Actual Mkt. \$000's
	Min %	Max %		
Canadian Bonds	20	60	32.6	\$50,176
Equities				
Canadian	20	50	29.9	45,925
USA	10	25	18.4	28,367
Other Foreign	10	25	17.4	26,691
Cash & Short Term Notes	-	20	1.7	2,568
			100.0	\$153,727

Investment Performance

Return Components	Annualized 4 Year Rtn. Sept. 30/01 %	Annualized 1 Year Rtn. Sept. 30/01 %	Annualized 1 Year Rtn. Sept. 30/00 %	6 Months Sept. 30, 2001 %
* Total Fund	5.3	(10.8)	22.0	(5.8)
* Canadian Bonds	6.7	9.2	6.5	4.2
Scotia Capital Universe	6.4	8.9	6.1	4.1
* Canadian Equities	9.1	(21.4)	54.7	(8.5)
TSE 300	-	-	51.0	-
TSE 300 Capped	4.3	(22.8)	-	(9.1)
US Equities: *Core Equity	-	-	-	(8.7)
S&P 500 Index	-	-	-	(9.6)
*Small Cap Value	-	-	-	(7.9)
Russell 2000 Value	-	-	-	(3.1)
*Small Cap Growth	-	-	-	(14.7)
Russell 2000 Growth	-	-	-	(14.9)
* Int'l Equities	-	-	-	(14.3)
MSCI World excl. U.S.	-	-	-	(14.3)
91 Day Canada Treasury Bills	4.9	5.3	5.2	2.4
Consumer Price Index (Cdn.)	2.1	2.8	2.5	1.7

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

Portfolio Value

	Book Value (\$000's)	Market Value (\$000's)
Total Portfolio at September 30, 2001	\$161,388	\$153,727
Total Portfolio at June 30, 2001	\$159,054	\$163,390

Portfolio Growth

The decline in the market value of the portfolio from \$163 million to \$154 million since June 30th is a direct result of the tragic events which took place in New York on September 11, 2001 and the war against terrorism that followed. World markets reacted very negatively as they have in the past to crisis situations. History, however, has also shown that they rebound in the following months and years. The Trust Investment Committee will continue to monitor the situation, working with AMI Partners and CommonFund as world markets recover.

In 2001/2002 \$6.9 Million was Distributed For Spending

For the fiscal year ending March 31, 2002, \$6.9 million was distributed to approximately 1,300 UIT accounts for spending. Scholarships, bursaries, research and operating expenses are funded by this distribution and as such, these funds provide valuable resources that would otherwise not be available to the faculties, schools and libraries.

The Faculty of Agricultural and Food Sciences Endowment Fund, for example, has received generous contributions from alumni, students, staff and friends of the Faculty over the years. As of September 2001, this Fund has a market value of just over \$1.7 million. Every year, the Faculty's Endowment Fund committee issues a call for proposals, and approves those projects consistent with the academic goals of the Faculty. This past year, 17 projects totalling a value of \$86,000 were approved. Classroom and teaching facility enhancements, such as the recent installation of data projectors so that professors, students, and visiting speakers can make presentations from a laptop computer, is an example of a successful proposal. Software and computers, videos, manuals, library journals, study carrels and laboratory upgrades were also funded this year. In past years, the Fund has also assisted with extension and student recruitment activities, visiting scientists and lecturers, and field trips.

In addition to enhancing Faculty resources, this spring, funds totalling \$14,000 were allocated for bursaries to assist students in the Agriculture Diploma and Degree undergraduate and graduate programs. The bursaries are available to students in all program years, and are based on financial need and good academic standing. The Faculty's Awards Committee meets to assess student applications and select suitable recipients.

Another proposal funded this year was the Faculty's contribution of \$2,500 to the "Transformation of Chancellor Matheson Road". The road is a commemoration of University of Manitoba students, faculty and alumni who fought in the World Wars, the Korean conflict and in various peacekeeping missions. The completed restoration will see the planting of 400 elms and several thousand shrubs, as well as improved lighting and a bicycle pathway.

Future selected issues of the University Investment Trust Quarterly Review will profile the activities of other accounts of the UIT. If you would like to profile an account that your Faculty, School or unit holds, please contact Mark Gardner at 474-7229.

Questions or Comments?

If you have any questions or comments, please call Leanne Burkowski, Comptroller at 474-9507 or Gord Pasioka, Associate Comptroller at 474-8713. This document and other information on the UIT can be found at: www.umanitoba.ca/admin/financial_services/trust/Trust_Funds.htm.