



UNIVERSITY
OF MANITOBA

THE UNIVERSITY

Investment Trust Quarterly Review

Quarter ended September 30, 2000

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	Allowable Range % per the U of M Act *		Actual % of Mkt.	Actual \$ Mkt.
	Min	Max	30 Sept. 00	30 Sept. 00
Bonds	30	50	41	\$67,024
Canadian Equities & Equivalents	35	65	50	\$82,301
Cash & Short Term Notes	-	5	9	\$13,881
			100	\$163,206

* This interim asset allocation has been provided to the manager pending finalization of the new Investment Policy Statement by the Trust Investment Committee.

Investment Performance

Return Components	Annualized 4 Year Rtn. to Sept. 30 %	Annualized 1 Year Rtn. Sept. 30/2000 %	Annualized 1 Year Rtn. Sept. 30/1999 %	3 months Sept. 30/2000 %
* Total Fund	13.9	22.0	10.3	3.6
* Bonds	7.7	6.5	2.2	2.1
Scotia Capital Universe	7.5	6.1	1.8	2.1
* Total Canadian Equities	27.5	54.7	28.8	5.8
* Canadian Equity Pooled	22.6	45.8	26.9	1.9
TSE 300	20.2	51.0	25.9	2.1
TSE 300 Capped	-	-	-	7.4
91 Day Canada Treasury Bills	4.4	5.2	4.9	1.4
Consumer Price Index	1.8	2.5	0.7	0.8

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

Portfolio Growth

The growth in the portfolio from \$144.3 million to \$163.2 million in the last six months is the result of new contributions, capital appreciation and investment income, net of spending by beneficiary units. The total investment return for the year ending September 30, 2000 is 22.0%, compared to 10.3% for the previous year.

Did you know....

- That as at December 31, 1999 the University of Manitoba's Trust and Endowment fund, which includes the UIT, is now the 7th largest (in terms of market value) amongst the 42 Canadian Universities who participated in the annual endowment survey conducted by the Canadian Association of University Business Officers (CAUBO).
- That in fiscal 1999/2000 over \$1.4 million was paid to students in the form of awards, scholarships, bursaries and prizes. This represented an increase of over \$400 thousand or almost 38% from 1998/1999.
- That 31% of the UIT's market value is dedicated towards the support of scholarships, bursaries and other financial assistance to students.
- That 47% of the UIT's market value is dedicated towards the support of academic and library expenditures.
- That 10% of the UIT's market value is dedicated towards the support of research activities.
- That in response to issues concerning Nortel and BCE's impact on the TSE, a new index was created called the TSE 300 Capped Index. The constituents of this new index will be the same as the TSE 300, however the index is adjusted quarterly so no single stock has a relative weight in the index greater than 10 percent. This is important as the University's Draft Investment Policy prohibits its fund manager from holding more than 10% in any one stock.
- That according to a leading firm of endowment managers, spending a lower percentage of market value each year results in a higher dollar level of spending over the long term. This is one of the major reasons why the Trust Investment Committee chose a spending policy of 5% of the three year average market value.

If you have any questions or comments, please call Leanne Burkowski (Comptroller) 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

Value

	Book Value (\$000's)	Market Value (\$000's)
Total Portfolio at September 30, 2000	\$133,182	\$163,206
Total Portfolio at March 31, 2000	\$118,144	\$144,288