



UNIVERSITY OF WESTERN ONTARIO CANADIAN EQUITY FUND

Quarterly investment review

For the period

July 1 to September 30, 2012

The Power of Disciplined Investing®



YOUR RELATIONSHIP MANAGERS



Mary Robinson, CFA
Vice-President
Client Service
mary.robinson@greystone.ca
416-309-2585



Rod Balkwill, CFA, CMA
Vice-President
Canadian Equities

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THE QUARTER AT A GLANCE

PERFORMANCE SUMMARY AT SEPTEMBER 30, 2012 (%)

	Q3-12	Year to date	Annualized				Inception 03/03
			1 year	2 years	3 years	4 years	
Total Portfolio	6.4	6.3	9.0	-0.5	3.8	1.4	8.4
Benchmark	7.0	5.4	9.2	2.6	5.5	4.2	9.5
Difference	-0.6	0.9	-0.2	-3.1	-1.7	-2.8	-1.1

Current benchmark: S&P/TSX Composite

Please refer to the Disclosures section of this report for more information about benchmark indexes.

COMPONENT RETURNS (%)

	Q3-12	Year to date	Annualized			
			1 year	2 years	3 years	4 years
Canadian Equities	6.4	6.3	9.0	-0.5	3.8	1.4
S&P/TSX Composite	7.0	5.4	9.2	2.6	5.5	4.2

The indexes shown here are for reference only and may differ from your specific benchmark(s).

ASSETS UNDER MANAGEMENT

(\$000)

Value at start of quarter	\$23,949
Deposits	\$276
Withdrawals	-\$672
Investment Income	\$0
Capital appreciation/depreciation (-)	\$1,517
Net change in portfolio market value	\$1,121
Value at end of quarter	\$25,070

HIGHLIGHTS

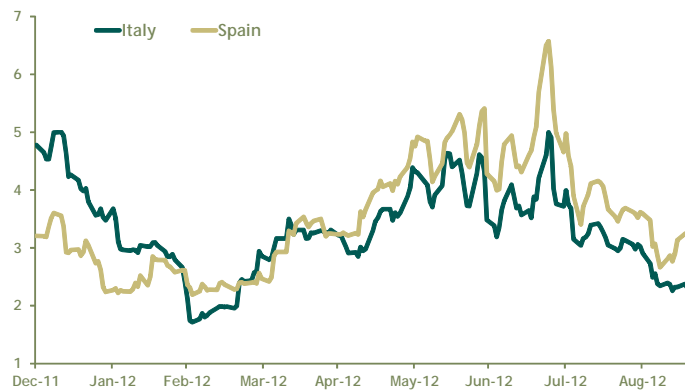
- Policy easing initiatives from major central banks lifted equity markets through Q3. Cyclical stocks outperformed defensives, commodities rebounded and safe haven fixed income markets (i.e. US, Canada and Germany) underperformed.
- Within the S&P/TSX, the heavily weighted resource sectors benefitted from global central bank easing initiatives. Third quarter rallies in industrial resources, including crude oil and copper, buoyed the Energy & Materials sectors. Gold stocks also pushed the Materials sector higher as gold bullion rose in response to QE3.
- Financials have remained a consistent contributor to performance this year. Canadian banks delivered double-digit third quarter earnings that came in broadly ahead of expectations, despite continued market volatility. Bank earnings were supported by strength in trading revenues as well as retail growth and international earnings.
- Given our expectation of further uncertainty and volatility ahead, we are maintaining a balanced approach within our Canadian equity portfolios. Further signs of weakness in global growth will spur investors to focus on higher yielding and more defensive stocks; however, any signs of further monetary or fiscal easing will be beneficial for resources, including oil, gold and copper as well as cyclical and commodity driven equities.



Policy easing initiatives amongst major central banks lifted equity markets and risk appetites through Q3-2012. Markets are interpreting these central bank moves as an indication that policy makers are backstopping risk, supporting riskier long duration assets. The result was an equity rally in most regions as investor sentiment somewhat improved, however, the rally was purely through expansion of the price-earnings multiple, and was not supported by better earnings growth.

Italy and Spain, 2-year bond yield

Source: Factset



ECB policy action mitigates spiralling rates.



Robert Vanderhoof, CFA
Chief Executive & Chief Investment Officer

Perhaps the biggest news in the quarter was the lack of news out of Europe. The markets benefited from a benign neglect, as Europe was very quiet through the summer vacation period. The risk on trade carried on through September as European Central Bank's Draghi announced open-ended support for bond buying of member nations. The objective of the policy action was to drive Italian and Spanish yields down from their recent troublesome highs. With most of the sovereign debt rolled over the shorter term, the drop in the two-year yield may be most relevant. Spanish and Italian two-year yields had spiked to 6.6% and 5.0% respectively, but managed to close the quarter at a much more manageable level (3.4% and 2.4%). While we still do not have a solution to the Euro debt crisis, the risk of spiralling rates has been mitigated for the moment and helps to put us on track to a more long-term solution.

The US Federal Reserve (Fed) introduced yet another round of quantitative easing in September, marking an open-end commitment to purchase mortgage-backed securities until such time as the labour market improves. At the same time, they extended rate guidance and now anticipate low levels through mid-2015 (from late 2014 previously). The US market rallied further, and the yields on the 10-year Treasuries rose, indicating that the market responded favourably to the policy action.

We anticipate that other central banks will follow suit and continue to provide stimulus. The true test of success is whether the latest actions will translate into economic growth and job creation. We believe the market is at another crossroads in overbought territory and that the current rally may have run its course.

The Chinese economy is undoubtedly slowing; however, what is in doubt is the magnitude of the slowdown. While growth in excess of 8.0% is unsustainable in the longer term, there is great concern that growth has slowed well below 7.0%, which begins to make it difficult for the Chinese government to fulfill its public policy goals. As in past slowdowns, the government has the ability to deploy very significant fiscal stimulus to bolster economic growth and they are in the early stages of a 1 trillion RMB infrastructure spending program. Overall, economic data has been mixed, but biased towards weakness such that growth will likely be below 7.0% for two quarters or more.



The US election will be a continuing topic into the fourth quarter. There is little short-term market impact from US elections, but rather we would see the impact over a much longer time frame as variations in policy have implications for long-term economic growth. Policy alternatives, however, are severely limited by the aggregate level of US debt and the impending fiscal cliff. Whatever the results of the US election, the immediate imperative is to deal with the fiscal cliff, which, under any measure, could shave 1.5-3.0% from US GDP forecasts.

On a more positive note, the US housing market, which has been a drag on the economy, has shown modest improvement with home prices increasing over the past six months, and is contributing positively to modest US growth. US economic growth will be positive, but continues at lower levels in the range of 1.5-2.5% as the economy still faces the headwinds of deleveraging.

Given the global economic weakness that we have been experiencing, we would expect low interest rates to persist for some time. Interest rate cuts and quantitative easing will continue based on statements by most central bankers. Inflation pressures are generally non-existent outside of volatile food and energy prices. Reported CPI in Canada was 1.2% for August, consistent with inflation levels globally.

With slowing economic growth during 2012 comes slowing earnings for global equity markets. S&P 500 earnings growth estimates for 2012 have been revised down to 5.7% and are expected to grow by 11.5% in 2013. Similarly, Canadian earnings growth estimates have been more volatile, with earnings expected to decline by 3.8% for 2012 and rise by 13.4% in 2013. Valuations for equity markets are still reasonable both on a price to earnings ratio and on an earnings yield to bond yield comparison.

MARKET INDEX SUMMARY AT SEPTEMBER 30, 2012 (%)

<i>(\$Cdn, except as noted)</i>	<i>Q3-12</i>	<i>Year to date</i>	<i>1 year</i>	<i>2 years</i>	<i>3 years</i>	<i>4 years</i>	<i>5 years</i>	<i>10 years</i>
S&P/TSX Composite	7.0	5.4	9.2	2.6	5.5	4.2	0.2	9.8
S&P 500	2.6	12.5	22.9	12.4	10.0	5.9	0.8	3.0
S&P 500 (\$US)	6.4	16.4	30.2	14.8	13.2	7.8	1.1	8.0
MSCI EAFE (Net)	3.2	6.4	7.4	-0.6	-0.8	0.4	-5.4	3.2
DEX Universe Bond	1.2	3.3	5.5	6.1	6.5	7.4	6.9	6.2
DEX Long Term Bond	1.9	5.0	10.2	10.7	11.3	11.6	9.6	8.6
DEX 91-day T-Bill	0.2	0.7	0.9	1.0	0.8	0.9	1.5	2.3



INVESTMENT PERFORMANCE AT SEPTEMBER 30, 2012 (%)

	Q3-12	Year to date	Annualized			
			1 year	2 years	3 years	4 years
Your Portfolio	6.4	6.3	9.0	-0.5	3.8	1.4
Benchmark	7.0	5.4	9.2	2.6	5.5	4.2
Difference	-0.6	0.9	-0.2	-3.1	-1.7	-2.8

Current benchmark is S&P/TSX Composite

SECTOR POSITION AT SEPTEMBER 30, 2012 (%)

% market weight	Portfolio	Benchmark	Difference
Energy	25.3	26.0	-0.7
Materials	19.5	20.1	-0.6
Industrials	6.7	5.8	0.9
Consumer Discretionary	7.7	4.4	3.3
Consumer Staples	4.0	2.8	1.1
Health Care	4.0	1.8	2.2
Financials	27.6	30.9	-3.3
Information Technology	5.1	1.2	3.9
Telecommunication Services	0.0	5.0	-5.0
Utilities	0.0	1.9	-1.9
Total	100.0	100.0	

LARGEST HOLDINGS AT SEPTEMBER 30, 2012 (%)

% market weight	Portfolio	Benchmark
TORONTO DOMINION BK COMMON	7.8	5.0
BANK OF NOVA SCOTIA COMMON	5.4	4.3
SUNCOR ENERGY INC COMMON	5.4	3.3
BANK OF MONTREAL COMMON	4.8	2.5
GOLDCORP INC COMMON	4.6	2.5

COMMENTARY

Greystone seeks to add value over the long term to its Canadian equity portfolios primarily through bottom-up stock selection following a growth bias. The firm believes that a company's ability to grow its earnings will also enhance the value of its stock.

- Equity markets rallied during Q3 as questions surrounding stability in the Eurozone, the US fiscal cliff and slowing growth took a back seat to signs that global central bankers committed to further stimulus. Through this recent rally, cyclical stocks have outperformed defensives, commodities have rebounded, and safe haven fixed income markets (i.e. US, Canada and Germany) underperformed.
- Within the S&P/TSX, the heavily weighted resource sectors have been beneficiaries of the global central bank easing initiatives. Third quarter rallies in industrial resources, such as crude oil and copper, have buoyed the Energy & Materials sectors. Gold stocks also helped propel the Materials sector higher as gold bullion reacted positively to quantitative easing.
- For the quarter, your portfolio had strong absolute gains, but fell modestly short of the benchmark. Year-to-date, your portfolio has maintained positive absolute and relative performance.
- During the quarter, overall positioning within Health Care and Consumer Staples led to a positive contribution to relative performance. Overall, positioning within Financials and Consumer Discretionary was a detractor. Not holding any positions in the more defensive Telecom and Utilities sectors was also a positive relative contributor.
- At the stock level, top contributors for the quarter included Nexen, First Majestic Silver and Yamana Gold, while Intact Financial, Tim Hortons and Cameco were the biggest laggards.
- Given expectations of continued volatility, we are maintaining a balanced approach across both commodity and non-resource based growth stocks in your Canadian equity portfolio.



This report is provided for informational purposes only, is not meant as investment advice and should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any predictions or projections made will occur. Past performance is not indicative of future results.

Commentary contained in this report reflects the opinions of Greystone Managed Investments Inc. at the date of the report. It was developed from sources that Greystone believes to be reliable. Greystone does not guarantee the accuracy or completeness of such information. Greystone's opinions and viewpoints may change over time. Likewise, holdings may change by the time you receive this report. The securities discussed do not represent all of the portfolio's holdings and may represent only a small percentage of a strategy's holdings.

Figures shown in this report are in Canadian dollars except as noted, and may be subject to rounding. Returns are gross of investment management fees.

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INDEXES & BENCHMARKS

Current benchmark weights and indexes are noted on each asset class page. Benchmark returns reflect any index and weighting changes made since inception. Index returns include reinvestment of dividends, if applicable, but not the deduction of any fees or expenses, which would reduce returns.

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For clients with benchmarks that blend two or more indexes (e.g. DEX 91-day T-Bill 3%, DEX Universe Bond 37%, S&P/TSX Composite 35%, S&P 500 Composite 12.5%, MSCI EAFE (Net) 12.5%): Our reporting system rebalances your benchmark to its stated asset mix on a daily basis. Consequently, there may be discrepancies between benchmark returns presented in this report and those calculated with a monthly or quarterly rebalancing.

For clients who hold fixed income: PC-Bond is the source for credit ratings. If a particular security is not identified by PC-Bond, an equivalent, recognized, independent rating agency is used. Greystone does not rate securities.

For clients who hold real estate: the provider cannot supply IPD returns immediately after quarter-end; therefore, the prior quarter's index return is used in this report for benchmark calculation purposes. When the actual index is available, the benchmark return is then re-calculated.

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ASSETS UNDER MANAGEMENT

September 30, 2012	\$33.2 billion
June 30, 2012	\$32.9 billion
Change over quarter	\$0.3 billion

CLIENTS

- Six new Real Estate mandates with an initial funding of \$22.1 million was received during the quarter.
- Four clients (three Canadian Equity and one Balanced) lost during the quarter representing \$139.0 million in assets.

PERSONNEL CHANGES

Hires

- Jay Wiltshire, CFA, Vice-President Business Development

Departures

- No investment team or senior management departures in Q3-2012.

INVESTMENT PROCESS

- No changes.

INVESTMENT STRATEGIES

- No strategies added or discontinued during the quarter.



THE GREYSTONE INVESTMENT TEAM

Robert Vanderhoof, CFA*
Chief Executive & Chief Investment Officer

Canadian Equity

Donald MacKay, CFA*

Managing Director

Rod Balkwill, CFA, CMA

Vice-President

James Baldwin, CFA

Vice-President

Mark Scollan, CFA

Senior Portfolio Manager

Heather Greenman, CFA

Senior Portfolio Manager

Curtis Runge, CFA

Portfolio Manager

Garrett Meier, M.Sc.

Analyst

Equity Trading (Cdn, US & Intl.)

Jeff Robertson, CFA*

Senior Vice-President

Craig Martin, CFA

Vice-President

Amanda Reich, CFA

Senior Equity Trader

Janeen Snell

Equity Trader

David Tallman, CFA

Equity Trader

Product Specialists (Cdn)

Brad Haughey, CFA

Vice-President

Chirag Patel, CFA

Vice-President

* Asset Strategy Team Member

US Equity

Grant Stahl, CFA*

Senior Vice-President

J. Blair Ledingham, CFA

Senior Portfolio Manager

Himanshu Sharma, CFA, MBA

Senior Portfolio Manager

Jardin Schnurr, CFA, CAIA, DMS

Portfolio Manager

Perry Siu

Analyst

Paula Brinton

Analyst

International Equity

Jeff Tiefenbach, CFA*

Senior Vice-President

Alfred Li, MBA, CFA, FRM

Vice-President

Travis Wetsch, CFA

Senior Portfolio Manager

Michael Brown, CFA

Portfolio Manager

Ivo Ciurlizza

Analyst

Investment Risk Management

Scott Linner, CFA

Vice-President

Fixed Income

Blaine Pho, CFA*

Senior Vice-President

Chad Toews, CFA, CMT

Vice-President

Curtis Schimmelmann, CFA

Senior Portfolio Manager

Neil Schell, CFA, CMA

Portfolio Manager

Michael Geng, CMA, CFA

Senior Credit Analyst

Jennifer Melcher, CFA

Senior Fixed Income Trader

Trevor Galon

Fixed Income Trader

Rankin Jaworski

Money Market Trader

Infrastructure

Jeff Mouland, P.Eng., MBA

Executive Director & Head of Infrastructure

David Vickerman, MBA

Executive Director

Strategic Investment Initiatives

Jonathan Jacob, CFA, FSA, FCIA

Senior Vice-President

Real Estate & Mortgages

Ted Welter*

Managing Director

David Poggemiller

Senior Vice-President

Greg Zahorski

Vice-President

Connie Ashton, CFA, CGA

Vice-President

Ehren Hermanson, CFA

Portfolio Manager

Thomas Harder, CFA

Portfolio Manager

Luke Schmidt, CFA, M.Sc.

Portfolio Manager

Shane Lewis, CFA

Senior Analyst

Viktor Mosiy, CFA

Senior Analyst

Product Specialist (RE & Mort)

Nazmin Gupta

Vice-President



YOUR PORTFOLIO

PORTFOLIO SUMMARY

	<i>Assets</i>	<i>% of total portfolio</i>
Canadian Equities	25,069,957	100.0
Canadian Equity Fund	25,069,957	100.0
Total portfolio	25,069,957	100.0



DETAILED HOLDINGS

Issuer	Issue	% of fund
Canadian Equity Fund		
CASH		-0.17
Treasury Bills		0.70
GOVT CANADA T/B	DISCNT JAN 04 13	0.42
GOVT CANADA T/B	DISCNT JAN 31 13	0.28
Short Term Total		0.53
Energy		25.09
ARC RESOURCES	COMMON	2.21
BAYTEX ENERGY CORP	COMMON	1.62
CAMECO CORP	COMMON	1.26
CRESCENT POINT ENRGY	COMMON	2.99
ENBRIDGE INC	COMMON	3.05
MEG ENERGY	COMMON	1.99
NEXEN INC	COMMON	0.67
PEYTO EXPLORATION	COMMON	0.47
PRECISION DRILLING	COMMON	0.82
SUNCOR ENERGY INC	COMMON	5.38
TRANSCANADA CORP	COMMON	3.33
VERMILION ENERGY INC	COMMON	1.29
Materials		19.36
AGRIUM INC	COMMON	2.98
ELDORADO GOLD CORP	COMMON	2.03
FIRST MAJESTIC SILV	COMMON	1.19
GOLDCORP INC	COMMON	4.55
POTASH CORP OF SASK	COMMON	3.03
TECK RESOURCES LTD	CLASS B SUB VTG	1.61
YAMANA GOLD INC	COMMON	3.98
Industrials		6.66
CAE INC	COMMON	1.13
CDN NATL RAILWAY	COMMON	3.65
FINNING INTL	COMMON	1.88
Consumer Discretionary		7.62
CDN TIRE CORP	CLASS A NON VTG	1.74
DOLLARAMA	COMMON	1.57
MAGNA INTL INC	COMMON	2.18
TIM HORTONS INC	COMMON	2.15
Consumer Staples		3.94
METRO INC	COMMON	2.10
SAPUTO INC	COMMON	1.84
Health Care		4.02
CATAMARAN CORP	COMMON	1.64
VALEANT PHARMACEUTIC	COMMON	2.38
Financials		27.43
BANK OF MONTREAL	COMMON	4.74
BANK OF NOVA SCOTIA	COMMON	5.40
BOARDWALK	REIT	0.99

Issuer	Issue	% of fund
INTACT FINANCIAL	COMMON	2.43
MANULIFE FINCL CORP	COMMON	2.82
NATIONAL BK CDA	COMMON	3.35
TORONTO DOMINION BK	COMMON	7.70
Information Technology		5.11
CELESTICA INC	SUB VTG	0.74
CGI GROUP INC	CLASS A SUB VTG	2.61
MACDONALD DETTWILER	COMMON	0.36
OPEN TEXT CORP	COMMON	1.40
Other		0.00
SINO FOREST CORP	COMMON	0.00
Other		0.25
ISHARES S&P/TSX 60	INDEX FUND	0.25
Canadian Equities Total		99.47
Total Fund		100.00



Asset Mix					
Asset Class	Guidelines (%)		Range (%)		In Compliance
	Min	Max	Low	High	Yes/No
Canadian Equities	100.00	100.00	100.0	100.0	Yes

Constraints		In Compliance
Policy Statement		Yes/No
Equity Pooled Fund		
Pooled Fund Investment Policy		See Reports
Statutory Requirements		
Must meet requirements for eligible investments outlined in The Pension Benefits Act.		Yes
Must meet requirements for eligible investments outlined in the Income Tax Act.		Yes
Conflicts of Interest		
Conflicts of interest (if any) have been disclosed to the Board.		None
Standard of Professional Conduct		
Greystone's Standard of Professional Conduct has been complied with by all employees and it is comparable to CFA Institute's Code of Ethics and Standards of Professional Conduct.		Yes
Suppression of Terrorism		
Compliance with Federal Suppression of Terrorism Regulations		Yes



COMPLIANCE REPORT

To the best of our knowledge, the UWO Diversified Equity Fund and the UWO Canadian Equity Fund portfolios are in compliance with the Investment Manager Mandate and Performance Standard dated May 30, 2007 and the Greystone Canadian Investment Policy for the Equity Fund document dated January 1, 2011 through the reporting period.

Rod Balkwill, CMA, CFA
Vice President, Canadian Equities

Jacqueline Hatherly, LLB
Chief Compliance Officer & Legal Counsel



COMPLIANCE REPORT

GREYSTONE CANADIAN EQUITY FUND

Asset Mix					
Asset Class	Guidelines (%)		Range (%)		In Compliance
	Min	Max	Low	High	Yes/No
Short-Term + Cash	0.00	10.00	0.3	2.1	Yes
Canadian Equities	90.00	100.00	97.9	99.7	Yes

Constraints			
Policy Statement	Range (%)		In Compliance
	High	Security	Yes/No
Equities			
Maximum 10% of the market value of the Fund in any single holding.	7.70%	The Toronto-Dominion Bank	Yes
Maximum 10% of voting shares of a corporation.	0.950%	Celestica Inc.	Yes
Number of holdings will range from 30 to 50.	43		Yes
Minimum float adjusted market capitalization of \$750 million at the time of purchase.			Yes
The aggregate holdings in a single sector shall be within the following ranges:			
S&P/TSX sector weight less than or equal to 7%: 0% to sector weight + 5%.			Yes
S&P/TSX sector weight greater than 7% and less than 20%: sector weight times 0.25 to sector weight + 10%.			Yes
S&P/TSX sector weight greater than 20%: sector weight times 0.50 to sector weight + 15%.			Yes
ETF holdings in aggregate will not exceed 4% of the Fund.			Yes
Short-Term			
Minimum R-1 rating, or equivalent, for money market securities.			Yes
Minimum A rating, or equivalent, for short-term bonds and floating rate securities.			Yes
Statutory Requirements			
Must meet requirements for eligible investments outlined in The Pension Benefits Act.			Yes
Must meet requirements for eligible investments outlined in the Income Tax Act.			Yes
Conflicts of Interest			
Conflicts of interest (if any) disclosed to the client.			None
CFA Institute Code of Ethics and Standards of Professional Conduct			
CFA Institute Code of Ethics and Standards of Professional Conduct complied with.			Yes



COMPLIANCE REPORT

GREYSTONE CANADIAN EQUITY FUND

Constraints	Range (%)		In Compliance
	High	Security	Yes/No
Policy Statement			
<i>Suppression of Terrorism</i>			
Compliance with Federal Suppression of Terrorism Regulations.			Yes

To the best of our knowledge, the portfolio is in compliance with the Investment Policy dated January 1, 2012 throughout the reporting period.

Donnie MacKay, CFA
Managing Director, Canadian Equities

Jacqueline Hatherly, LLB
Chief Compliance Officer & Legal Counsel