T. Rowe Price
Investment Manager Review
May 14-15, 2012

EXECUTIVE SUMMARY

- On February 14, 2012 from 4:30 p.m. to 7:00 p.m. and on February 15, 2012 from 8:30 a.m. to 12:30 p.m., Martin Bélanger met with the following T. Rowe Price professionals at their Baltimore office:
    - Marlon Brown, Institutional Client Service Executive
    - Bruce Winch, Institutional Sales Executive
    - Rob Gensler, Portfolio Manager
    - Scott Berg, Portfolio Manager
    - Kurt Umbarger, Portfolio Specialist
    - David Eiswert, Portfolio Manager
    - Li Qiao Huang, Client Operations Manager
    - Jason Nogueira, Associate Portfolio Manager
    - Andy Brooks, Head of U.S. Equity Trading
- Ranked “Hire” by Russell.
- T. Rowe Price manages 8.75% of the Diversified Equity Fund.
- Western had $39.2 million with T. Rowe Price as of April 30, 2012 and annualized investment management fees are 0.61% at that asset level.
- T. Rowe Price investment style is bottom-up, growth.
- T. Rowe Price was hired on September 30, 2008.
- The Retirement Plans invest in a pooled fund managed by T. Rowe Price.
- T. Rowe Price assets under management were US$554.8 billion as of March 31, 2012, up from US$482 billion as of December 31, 2010, the time of our last review.
- The firm experienced a positive net gain of 21 clients and US$5.4 billion in assets in 2011.
- There has been no change TO T. Rowe Price’s corporate structure. The firm is publicly traded and is listed on the NASDAQ under the symbol TROW.
- The Global Equity Strategy managed by T. Rowe Price outperformed the MSCI AC World Index by 166 bps in the first quarter of 2012, but underperformed by 507 bps in 2011.
    - The outperformance in the first quarter of 2012 was mostly due to positive stock selection and an overweight to Information Technology.
    - The portfolio underperformed in 2011 despite strong stock selection in Information Technology. Most of the underperformance was due to negative stock selection in Energy, Consumer Discretionary, Consumer Staples, Health Care and Financials.
- On April 10, 2012 Rob Gensler, the lead Portfolio Manager on the Global Equity Strategy, announced that he will be retiring on December 31, 2012. He will be replaced by David Eiswert, the existing lead portfolio on T. Rowe Price Global Technology Strategy.
- The Global Large Cap Equity Strategy managed by Scott Berg has posted extremely good results since its inception on November 1, 2008 and should be considered by Western given the change in manager on the Global Equity Strategy. The Global Large Cap Equity Strategy is ranked “Hire” by Russell.
- T. Rowe Price’s investment process has not changed since we’ve hired them.
- Their research process considers environmental, social or governance factors to some extent. They spend a significant amount of time reviewing governance issues. Regarding

environmental and social issues, they will consider them if they feel they will impact the risk or the return of the portfolio.
- Rob Gensler currently manages US$ 15.1 billion in global equities. The strategy is closed for new clients but existing clients are allowed to make contributions.
- T. Rowe Price doesn't have any major compliance issues. T. Rowe Price and its affiliates are facing one minor lawsuit that should not have any impact on the operations of the firm. The firm has an adequate code of conduct, the funds managed on behalf of Western are in compliance with the prospectus of the SICAV (Société d'investissement à capital variable) and T. Rowe Price is not aware of any conflict of interest involving its personnel. T. Rowe Price hasn't been reviewed by the SEC since 2008. Four minor issues were raised at the time and subsequently corrected.
- T. Rowe Price has an adequate business continuity plan.

RECOMMENDATION
- T. Rowe Price posted excellent results since the beginning of 2012, following a difficult year in 2011.
- Despite the relative poor performance since hiring T. Rowe Price on September 30, 2008 (negative value added of 328 bps annualized), the strategy is still rated "Hire" by Russell.
- T. Rowe Price's strengths include its strong research platform, superior risk management practices and financial soundness.
- Given the change in managers on the Global Equity Strategy and the opportunity to select a strategy managed by an emerging portfolio manager who has posted excellent since launching the Global Large Cap Equity Strategy, I would recommend transitioning from the Global Equity Strategy to the Global Large Cap Equity Strategy.

ORGANIZATION
- US$ 554.8 billion in assets under management as of March 31, 2012, up from US$ 482 billion as of December 31, 2010, the time of our last review.
- In Canada, T. Rowe Price manages $2.3 billion for 10 clients.
- Assets under management have become more diversified over the years as U.S. equity now only accounts for 60% of total asset.
- Approximately 50% of assets are managed for institutional clients.
- Global equity strategies managed by Rob Gensler have US$ 15.1 billion in assets
- Assets under management have rebounded from a low of US$ 268 billion in 2008.
- In 2011 T. Rowe Price gained 109 new clients for US$11.0 billion in assets and lost 88 clients for US$5.6 billion in assets, for a net gain of 21 clients and $5.4 billion in assets.
- Western had $39.2 million with T. Rowe Price as of April 30, 2012.
- T. Rowe Price is a publicly traded company, listed on the NASDAQ under the symbol TROW.
- The firm was in good financial shape with US$1.9 billion in cash and no debt on its balance sheet as of March 31, 2012.
- T. Rowe Price had 396 investment professionals as of March 31, 2012, up from 385 at the time of our last review and significantly higher than during the financial crisis. The firm took advantage of layoffs in the industry to hire quality individuals.

- T. Rowe Price has well documented policies to manage risk across the organization, not only investment risk, but also business risk such as operational risk, human capital risk, financial reporting and accounting risk, and marketing, sales and distribution risk.
- The firm has several measures in place to prevent fraud:
  - Strong segregation of duty
  - Limited access to cash and payments
  - 10-day holding period before releasing funds
  - Individuals who transact can't do reconciliation
- T. Rowe Price has processes in place to prevent market timing from its retail investors:
  - A program monitors retail investors' behaviours
  - As inappropriate behaviours are identified, different warnings and sanctions are issued, going up to a complete freeze of the account
- Current projects under way regarding risk management include implementing firm-wide consistent risk metrics and moving all areas of the firm to an annual assessment process.
- T. Rowe Price has an adequate business continuity plan. The firm operates an alternative site located in Linthicum, Maryland. They do live tests twice a year.

GLOBAL EQUITY MANDATE

Performance Analysis

	Periods Ended April 30, 2012				
	YTD	**One Year**	**Two Year**	**Three Year**	**Since Inception (September 30, 2008)**
T. Rowe Price Global Equity	9.17%	-2.49%	2.45%	7.50%	0.52%
MSCI AC World	7.51%	-1.30%	4.96%	9.55%	3.80%
Value Added	1.66%	-1.19%	-2.51%	-2.05%	-3.28%

	Years Ended December 31,		
	2011	**2010**	**2009**
T. Rowe Price Global Equity	-9.63%	5.52%	23.41%
MSCI AC World	-4.55%	7.30%	14.98%
Value Added	-5.08%	-1.78%	8.43%

- The fund has 73 names (as of March 31, 2012); the Fund will typically hold between 60 and 100 stocks.
- Their investable universe is comprised of companies with a market capitalization greater than $1 billion located in global developed and emerging markets.

- T. Rowe Price outperformed its benchmark by 1.66% so far in 2012. However, they underperformed by 5.07% in 2011.

<u>2012 Q1</u>

- Most of the value added so far in 2012 came from stock selection, although sector allocation also contributed.
- Stock selection and an overweight in Information Technology were the main contributors to performance in 2012. Stock selection in Financials and Health Care have also contributed.
- Stock selection in Consumer Staples has detracted value.
- From a regional point of view, stock selection in North America has added the most value. Stock selection in Developed Europe and Emerging Markets have also added value. Japan and the rest of Asia were neutral.
- Most of the value added was generated by companies with over $10 billion to $50 billion in market capitalization, although mega caps (companies with in excess of $100 billion in market capitalization) have also added significant value.
- Positive contributors to the performance of the portfolio in 2012 include:
  - Apple (Manufacturer of personal computers, personal computing and mobile communication devices).
  - JP Morgan Chase (Global financial services and retail banking).
  - Baidu (Chinese Internet search engine).
- Negative contributors to the performance of the portfolio in 2012 include:
  - Arch Coal (U.S. based coal producer).
  - Tesco (U.K. based food retailer).
  - CONSOL Energy (U.S. based diversified fuel producer).

<u>2011</u>

- For calendar 2011, almost all of the negative value added of 5.07% came from poor stock selection.
- Poor stock selection in Energy, Consumer Discretionary, Consumer Staples, Health Care and Financials have detracted value.
- Good stock selection in Information Technology contributed more than 300 bps of value, but was not enough to offset the poor stock selection in the above industries.
- From a regional point of view, poor stock selection in North America and Emerging Markets have detracted the most value. An overweight to North American stocks has added value though.
- Most of the negative value added was due to poor stock selection in the small cap segment of the portfolio (stocks with less than $5 billion in market cap) and by companies with a market cap between $50 billion and $100 billion.
- Positive contributors to the performance of the portfolio in 2012 include:
  - MasterCard (Global payment solutions company that provides services in support of the credit, debit and related payment programs of financial institutions).
  - Apple (Manufacturer of personal computers, personal computing and mobile communication devices).
  - Accenture (Provider of management and technology consulting services and solutions).
- Negative contributors to the performance of the portfolio in 2012 include:
  - Goldman Sachs (Global investment banking and securities firm).
  - Arch Coal (U.S. based coal producer).

  - General Motors (U.S. car and truck manufacturers).

Portfolio Positioning

- Portfolio positioning is influenced by Rob Gensler's view of the global equity markets:
  - The sovereign and fiscal crisis facing the U.S., Europe, and Japan is not resolved.
  - Markets have rallied sharply since October 2011, likely due for a pause.
  - Global economy is gradually improving but growth is not robust.
  - Inflation is not a near-term threat, yields remain low in developed markets and declining in emerging markets.
  - Commodity super cycle appear to be coming to an end.
  - Corporate profits are healthy but growing slowly, momentum has stalled.
  - Forward earnings estimates appear more realistic after recent period of negative revisions.
  - Global equities are reasonably valued-to-moderately inexpensive.
- The portfolio's largest sector overweights are in Information Technology, Industrials and Health Care; the largest underweights are in Utilities, Energy and Consumer Staples. Their overweight in Information Technology is based on two major themes: mobility and the Internet.
- From a regional point of view, the portfolio is currently overweight North America (both Canada and U.S.), underweight Developed Europe (but overweight U.K.), Asia and Japan and benchmark neutral in Emerging Europe, Middle East and Africa, Latin America and Emerging Asia.
- Portfolio turnover was 73.5% in 2011, lower than in the past.
- Major purchases in the portfolio in the first quarter of 2012 include:
  - UnitedHealth Group: a U.S. based manager of health systems in the U.S. and internationally.
  - Softbank: a Japanese provider of telecommunication services trading at 8 times earnings. They own subsidiaries (Yahoo Japan and Alibaba) for which the market doesn't attribute much value.
  - Bank of America: a U.S. based diversified financial services company trading at 0.6 times book value. Their North American banking operations are stabilizing.
- Major sales in the portfolio in the first quarter of 2012 include:
  - Petrobras: a Brazilian oil and gas producer and BHP Billiton: a U.K. based producer of natural resources. This is the result of their view that the commodity prices will stabilize or either trend down.
  - Apple: a U.S. based manufacturer of personal computers, personal computing and mobile communication devices, due to price appreciation.
- Following the end of the quarter, they have bought some J.P. Morgan Chase shares on weakness, following the recently announced trading losses. They don't feel that the loss is critical to their long-term process.
- They don't find Canadian banks attractive because of valuations and the Canadian currency.
- They currently have a slight overweight in Emerging Markets compared to the MSCI AC World Index, and they would like to increase it in the short-term. They do have significant indirect exposure also.
- They feel that stock valuations are cheap compared to bonds.
- They are currently selling the more volatile holdings in the portfolio, they're keeping more cash, and they're underweight mega caps.

- The size of an active position is based on the following considerations:
  - The maximum potential loss for a given stock over a 30 day period if everything goes wrong.
  - The goal is to limit the risk to 0.5% of the total portfolio.
  - Liquidity issues.
  - No more than 2.5% to 3% of a company in the portfolio.
  - The impact on the risk metrics of the portfolio are taken into consideration.

Investment Process
- Process hasn't changed: bottom-up growth
- T. Rowe Price focuses on four broad investment characteristics to select stocks:
  - Attractive industry structure conducive to sustainable growth
  - Compelling company business model with strong growth prospects
  - Management team with compelling strategic vision
  - Reasonable stock price valuation
- The strategy's investment process has five steps:
  1. *Defining the universe*: the strategy's universe counts 4000 companies and includes companies with a market capitalization greater than $1 billion located in global developed and emerging markets.
  2. *Fundamental research and analysis*: the next step involves leveraging the firm's global research platform. Analysts rate companies from 1 to 5, 1 and 2 being "Buy" recommendations. There are approximately 500-600 companies with a 1 or 2 rating.
  3. *Idea generation*: portfolio ideas are generated primarily by engaging the research analysts, i.e. analyst upgrades, increased weight in sector or regional portfolios. The portfolio manager then assesses those ideas in a global sector context and overlays macroeconomic and local market factors to refine industry and company analysis.
  4. *Portfolio construction and risk management*: the portfolio has 60 to 100 stocks, based on the highest conviction investment ideas. Positions vary in size from 0.5% to 5.0%. Sector weightings can deviate by up to 15% from the benchmark. Country weights (excluding U.S.) can deviate by up to 10% from the benchmark. U.S. can deviate by as much as 20%. The emerging markets exposure can deviate by up to 15% from the benchmark. An equity steering committee provides oversight and risk management.
  5. *Sell criteria*: stocks are sold for the following reasons: analysts' downgrades; unanticipated deterioration of investment fundamentals; better ideas available; extreme valuation; new information or new insights alter outlook; or a decline in the quality of the management team.
- Their view on currency is integrated with their view of a stock. They don't hedge currencies. The top holdings in the portfolio are multi-currency, which provide a natural hedge. They own few pure domestic names.
- They use T. Rowe Price fixed income team to assess interest rates and currencies.
- They also rely on the Emerging Markets Debt Team for analysis.
- Externally, they don't use research produced by strategists or economists from large brokerage firms, they prefer small independent shops.
- They use research provided by street analysts.
- Environmental, Social and Governance Factors:

  - They spend a lot of time reviewing governance issues. However they warn that in some parts of the world it would subtract value to expect the same governance practices that we have in North America.
  - Regarding social and environmental issues, they will focus on areas that could place the portfolio at risk and where they can derive positive value added.

Risk Management

- T. Rowe Price investment risk management process includes the following:
  - Diversification by region/country, sector/industry, market capitalization and company.
  - Monitoring the sources of risk and alpha using the following tools:
    - BARRA analysis
    - Citigroup GRAM analysis
    - Proprietary systems
    - ITG Alpha Capture Service transaction cost analysis
    - Whilshire Atlas attribution analysis
    - Traditional risk metrics
  - Oversight of investment objectives and procedures through:
    - Portfolio management team oversight
    - Steering Committee review
    - Trade management and transaction reconciliation
    - Investment guideline compliance
    - Year-end evaluations
- The following risk controls are in place:
  - Country ranges: +/- 10% of benchmark (U.S. +/- 20%)
  - Emerging markets exposure: +/- 15% of benchmark
  - Broad sector ranges: +/- 15% of benchmark
  - Stock: typical position size ranges between 0.5% to 5.0%
  - Cash is typically held under 5%, the maximum is 10% of the portfolio
  - The expected tracking error for the portfolio is 5% to 10%
- Although a bottom-up process is mainly used to select stocks, a top-down approach is used for portfolio construction and risk management.
- Based on our discussions, Rob is extremely focused on risk management and spends a large amount of time reviewing the impact of each individual stock on the overall risk of the portfolio.

Investment Personnel

- There will be a significant change to the management of our portfolio. On April 10, 2012, Rob Gensler, the lead portfolio manager on T. Rowe Price Global Equity Strategy, announced that he will be retiring on December 31, 2012. Rob will continue to manage the portfolio until September 30, 2012. Effective October 1, 2012, David Eiswert, currently the lead portfolio manager on T. Rowe Price Global Technology Strategy, will succeed Rob.
- Western has two options to handle Rob Gensler's departure, if we choose to remain with T. Rowe Price: 1) stick with the Global Equity Fund managed by David Eiswert or 2) transfer our assets to the T. Rowe Price Global Large Cap Equity strategy managed by Scott Berg. I met with both portfolio managers while I was in T. Rowe Price's office.

Scott Berg

- Scott is currently the Portfolio Manager for the Global Large Cap Equity Strategy.
- Prior to that, he was Associate Portfolio Manager for the Global Equity Strategy from October 2005 to October 2008, working with Rob Gensler.
- He has nine years of investment experience and has been with T. Rowe Price for nine years.
- He joined T. Rowe Price as a research analyst covering processors and outsourcing stocks in the business services sector.
- He was the recipient of Institutional Investor "Best of the Buy Side" in November 2005.
- Prior to T. Rowe Price he worked at Mead Consumer and Office Products and at McKinsey & Company as a Financial Analyst and a Business Analyst.
- He has an MBA from Stanford University, where he graduated first in his class, and a degree from Macquarie University.
- We reviewed Scott's investment style, what differentiates his portfolio from the Global Equity Strategy and performance.
- The Global Large Cap Equity Strategy has a similar investment process as the Global Equity Strategy, with the following differences:
  - The Portfolio Manager is not allowed to purchase stocks with a market capitalization smaller than $5 billion, as it is a large cap portfolio. This reduces the universe of potential stocks from about 4000 to 1700.
  - The portfolio will hold 90 to 130 names, compared to 60 to 100 for the Global Equity Strategy.
  - The individual position size is 0.3% to 3.0%, compared to 0.5% to 5.0% for the Global Equity Strategy.
  - The expected tracking error is 300 bps to 700 bps, compared to 500 bps to 1000 bps for the Global Equity Strategy.
- The country allocation constraints are identical for both portfolios, including the exposure to emerging markets that can be within 15% of the MSCI AC World Index weight. However, Scott tends to invest in more countries than Rob, he will typically invest in 25 to 30 countries, and have a higher exposure to emerging markets than Rob. He tends to diversify his emerging markets exposure by investing in more companies and more countries. He tries to find businesses that are not found in the developed world.
- Although Scott's portfolio has a large cap focus, he typically invests in smaller companies than Rob. Most of Scott's holdings will fall in the $5 billion to $40 billion market capitalization range. He is consistently underweight mega cap stocks. As of March 31, 2012, the Global Large Cap Equity Strategy had a median market capitalization of $26.8 billion, compared to $32.9 billion for the Global Equity Strategy.
- Like Rob, Scott leverages the strong T. Rowe Price research platform to construct his portfolio. He generates ideas from three sources: the firm's 122 research analysts, the nine sector portfolio managers and the 58 regional portfolio managers.
- He tries to identify companies that have an edge and that can provide an asymmetric payoff.
- He targets a 40% to 50% return over a two-year period.
- Scott tries to reduce the macro-economic sensitivity of his portfolio and tends to have a more bottom-up approach than Rob. He has demonstrated an exceptional knowledge of the portfolio companies during our interview, being able to talk in details about any holdings in the portfolio and clearly summarizing the investment thesis for each stock and the key metrics to focus on.

- He seems extremely committed to the management of the portfolio. In a typical month he will spend one week in the Baltimore office, one week in the London office and two weeks on the road visiting companies. He typically meets with every company before investing. He assesses management based on how they prioritize investments and allocate capital and focuses on those who demonstrate a diligent and thoughtful process.
- Currently the portfolio has about $2.5 billion in assets, which allows the manager more flexibility to move in and out of stocks compared to the Global Equity Fund that has about $15 billion under management. They expect that the limit on the portfolio will be reached at $20 billion.
- In the short period of time he's been managing the portfolio (about 3.5 years), Scott has done extremely well compared to the Global Equity Strategy.

Table 1 below compares the performance of the Global Large Cap Equity Fund (managed by Scott Berg over the past three year periods ending April 30. Scott has outperformed the Global Equity Fund every year and has added more than 100 bps in value to the MSCI AC World Index every year.

Table 1
Annual Returns as of April 30,

	2012	**2011**	**2010**
T. Rowe Price - Global Equity	-1.26%	9.73%	19.32%
MSCI AC World Index	-1.30%	11.61%	19.34%
Value added	*0.04%*	*-1.88%*	*-0.02%*
T. Rowe Price - Global Large Cap	1.12%	12.68%	24.06%
MSCI AC World Index	-1.30%	11.61%	19.34%
Value added	*2.42%*	*1.07%*	*4.72%*

Table 2 below compares annualized performance between Scott's fund and the Global Equity Fund between November 1, 2008 and April 30, 2012. Scott has generated 566 bps of value added over that period, compared to 51 bps for the Global Equity Fund.

Table 2
Annualized Returns as of April 30, 2012

	1-Yr	**2-Yr**	**3-Yr**	**Since November 1, 2008**
T. Rowe Price - Global Equity	-1.26%	4.09%	8.94%	6.99%
MSCI AC World Index	-1.30%	4.95%	9.55%	6.48%
Value added	*0.04%*	*-0.86%*	*-0.61%*	*0.51%*
T. Rowe Price - Global Large Cap	1.12%	6.75%	12.23%	12.15%
MSCI AC World Index	-1.30%	4.95%	9.55%	6.48%
Value added	*2.43%*	*1.79%*	*2.68%*	*5.66%*

Table 3 compares the standard deviation of returns of both funds. Both funds are more volatile than the benchmark, although the Global Large Cap Equity Fund has been slightly less volatile.

Table 3
Standard Deviation of Returns as of April 30, 2012

	3-Yr	**Since Inception**
T. Rowe Price - Global Equity	13.01%	15.51%
T. Rowe Price - Global Large Cap	12.81%	15.11%
MSCI AC World Index	10.24%	12.75%

Table 4 below shows the semi-standard deviation of returns (a measure of downside risk) between both funds. Again both funds are riskier than the benchmark and the Global Equity Strategy is riskier, but the margin is larger.

Table 4
Semi-Standard Deviation of Returns as of April 30, 2012

	3-Yr	**Since Inception**
T. Rowe Price - Global Equity	7.51%	9.92%
T. Rowe Price - Global Large Cap	6.71%	8.24%
MSCI AC World Index	5.90%	8.44%

Table 5 compares the beta of each strategy. Both strategies are riskier than the benchmark in terms of systematic risk.

Table 5
Beta as of April 30, 2012

	3-Yr	**Since Inception**
T. Rowe Price - Global Equity	1.19	1.10
T. Rowe Price - Global Large Cap	1.17	1.12
MSCI AC World Index	1.00	1.00

Table 6 compares Sharpe ratios for both strategies and the MSCI AC World Index. The Global Large Cap Equity Strategy has achieved a higher Sharpe Ratio, which is not surprising given that the strategy had a higher return and lower volatility over the periods under study.

Table 6
Sharpe Ratios as of April 30, 2012

	3-Yr	Since Inception
T. Rowe Price - Global Equity	0.63	0.41
T. Rowe Price - Global Large Cap	0.90	0.76
MSCI AC World Index	0.86	0.45
R_f	0.75%	0.70%

Table 7 compares the tracking error of both strategies. The Global Equity Strategy has taken more active risk than the Global Large Cap Equity Strategy.

Table 7
Tracking Error as of April 30, 2012

	3-Yr	Since Inception
T. Rowe Price - Global Equity	5.02%	6.74%
T. Rowe Price - Global Large Cap	4.86%	5.32%

Table 8 compares the Information Ratios for both strategies. The Global Large Cap Equity Strategy has achieved excellent information ratios of 0.55 and 1.07 over the past three years and since inception of the strategy.

Table 8
Information Ratios as of April 30, 2012

	3-Yr	Since Inception
T. Rowe Price - Global Equity	-0.12	0.07
T. Rowe Price - Global Large Cap	0.55	1.07

Table 9 compares the drawdown (a measure of downside risk) between both strategies. The Global Large Cap Equity Strategy has less downside risk than the Global Equity Strategy, although both strategies appear riskier than the benchmark, according to this metric.

Table 9
Drawdown as of April 30, 2012

	2012	2011	2010	Since Inception
T. Rowe Price - Global Equity	-14.86%	-9.02%	-3.79%	-14.86%
T. Rowe Price - Global Large Cap	-14.24%	-8.87%	-2.32%	-14.24%
MSCI AC World Index	-12.45%	-7.84%	-2.74%	-16.47%

Table 10 compares the capture ratios between both strategies. Both strategies have up capture ratios larger than 100%, which is typical of growth strategies. Both strategies have down capture ratios greater than 100%, which indicates more downside risk than the benchmark. The Global Large Cap Equity Strategy has done better over both horizons.

Table 10
Capture Ratios as of April 30, 2012

	3-Yr		Since Inception	
	Up	**Down**	**Up**	**Down**
T. Rowe Price - Global Equity	113.4%	126.8%	117.3%	117.1%
T. Rowe Price - Global Large Cap	120.9%	110.8%	128.9%	100.7%

Tables 11 and 12 show the correlation of returns and excess returns between both T. Rowe Price strategies and Harris Associates Global Equity Strategy, the global equity strategy with a value style selected to offset T. Rowe Price growth style. Using both returns and excess returns to calculate correlation coefficients, the Global Large Cap Equity Strategy shows more diversification potential.

Table 11
Correlation of Returns with Harris Associate
November 2008 to April 2012

	T. Rowe Price - Global Equity	T. Rowe Price - Global Large Cap	Harris Associates
T. Rowe Price - Global Equity	1.00		
T. Rowe Price - Global Large Cap	0.96	1.00	
Harris Associates	0.88	0.86	1.00

Table 12
Correlation of Excess Returns with Harris Associate
November 2008 to April 2012

	T. Rowe Price - Global Equity	T. Rowe Price - Global Large Cap	Harris Associates
T. Rowe Price - Global Equity	1.00		
T. Rowe Price - Global Large Cap	0.78	1.00	
Harris Associates	0.11	0.05	1.00

Overall Scott Berg has posted excellent returns since he’s been managing the Global Large Cap Equity Growth Strategy. He has significantly outperformed its benchmark and the Global Equity Strategy. The strategy is less volatile than the Global Equity Strategy, although they are both more volatile than the benchmark. Sharpe and Information Ratios are much stronger for the Global Large Cap Equity Strategy. The drawdown and the capture ratios look better for the Global Large Cap Equity Strategy. Finally, the Global Large Cap Equity Strategy has exhibited less correlation with the Harris Associates Global Equity Strategy.

Jason Nogueira

- I also met with Jason Nogueira, the Assistant Portfolio Manager on the Global Large Cap Equity Strategy. Jason works closely with Scott Berg on the management of the portfolio. He has 10 years of investment experience and he has been with T. Rowe Price for seven years. He holds an MBA from the Harvard Business School.
- He was a Health Care Analyst from 2004 to 2009 and he became Assistant Portfolio Manager in 2009.
- In terms of style, Jason mentioned that he is more valuation sensitive than Scott.
- He relies mostly on earnings related metrics for valuation.
- Jason's career plan involves working an additional three to five years with Scott at a minimum before moving on.
- He feels that the sectors he needs to learn the most on are Materials, Energy and some sub-sectors of the Financial sector.
- Overall, Jason seems to have an adequate understanding of the companies in the portfolio and is a good resource for Scott Berg.

David Eiswert

- David is currently the Portfolio Manager for the Global Technology Strategy, which he has been since 2008.
- Prior to that, he was Technology Analyst from 2003.
- He has 11 years of investment experience and has been with T. Rowe Price for eight years.
- Prior to T. Rowe Price he worked at Mellon Growth Advisors as an Analyst – Software, Semiconductors, Industrials in 2002-2003.
- From 2000 to 2002 he was a Sector Specialist – Technology Sector.
- From 1998 to 2000 he was an Analyst – Telecommunications and Broadband Industry for the Strategis Group.
- He has an MA in Economics from the University of Maryland, College Park and a BA in Economics and Political Science from St. Mary's College of Maryland.
- We reviewed David's investment style, what differentiates his portfolio from the Global Equity Strategy and performance.
- There won't be any changes to the investment guidelines of the Global Equity Fund. Like Scott Berg with the Global Large Cap Equity Strategy and Rob Gensler with the Global Equity Strategy, David intends to significantly leverage the global research platform. However, David's style will be slightly different than Rob's. He expects to have more names in the portfolio (80 to 90), which is still within the 60-100 guidelines but higher than what is currently in the portfolio. The larger number of stocks will allow David to own more mid cap stocks.
- Compared to Rob, David is expected to have a more bottom-up approach and be more incremental in its decision-making.
- His overall philosophy focuses on being on the right side of change and on owning companies that gain market shares.
- His portfolio is expected to be distributed as follows:
    - 60% of the portfolio is expected to be invested in great companies, with significant competitive advantages and that gain market shares.
    - 30% is expected to be invested in companies that are more aggressive and that focus on areas of change.
    - 10% of the portfolio is expected to be invested in mispriced securities.

- His selling decisions are based on thesis changes and better opportunities.
- Regarding valuation metrics, he believes that cash flow is the most important metric. He typically trims down stocks that are downgraded by analysts on valuation concerns.
- He has an impressive understanding of the Technology sector, but his skills are untested for other sectors.

Tables 13 and 14 below compares the performance of the T. Rowe Price Global Technology Strategy with that of the MSCI AC World Index Information Technology over the period from October 1, 2008 to March 31, 2012. David has generated more than 1000 bps of value added, annualized, since he has taken over the portfolio.

Table 13
Annual Returns as of March 31

	2012	**2011**	**2010**
T. Rowe Price Global Technology	15.14%	25.52%	42.43%
MSCI AC World Index Information Technology	16.35%	5.59%	29.06%
Value added	*-1.21%*	*19.92%*	*13.36%*

Table 14
Annualized Returns as of March 31, 2012

	1-Yr	**2-Yr**	**3-Yr**	**Since October 1, 2008**
T. Rowe Price Global Technology	15.14%	20.22%	27.21%	21.55%
MSCI AC World Index Information Technology	16.35%	10.84%	16.61%	11.09%
Value added	*-1.21%*	*9.38%*	*10.60%*	*10.46%*

Tables 15 to 17 show measures of risk for the Global Technology Strategy. The strategy has exhibited more volatility, more downside risk and more systematic risk than the benchmark.

Table 15
Standard Deviation of Returns as of March 31, 2012

	3-Yr	**Since Inception**
T. Rowe Price Global Technology	16.16%	18.58%
MSCI AC World Index Information Technology	13.47%	13.53%

Table 16
Semi-Standard Deviation of Returns as of March 31, 2012

	3-Yr	Since Inception
T. Rowe Price Global Technology	6.90%	9.32%
MSCI AC World Index Information Technology	7.01%	13.10%

Table 17
Beta as of March 31, 2012

	3-Yr	Since Inception
T. Rowe Price Global Technology	1.09	1.12
MSCI AC World Index Information Technology	1.00	1.00

Table 18 shows the Sharpe Ratio of the Global Technology Strategy. It shows that the fund's higher risk is being compensated as its Sharpe ratios are greater than the benchmark.

Table 18
Sharpe Ratios as of March 31, 2012

	3-Yr	Since Inception
T. Rowe Price Global Technology	1.64	1.12
MSCI AC World Index Information Technology	1.18	0.77
R_f	0.74%	0.72%

Table 19 shows the tracking error and information ratio for the Global Technology Strategy. The strategy has generated exceptional information ratios over the period under study.

Table 19
T. Rowe Price Global Technology Strategy
As of March 31, 2012

	3-Yr	Since Inception
Tracking error	6.88%	6.75%
Information ratio	1.54	1.55

Table 20 shows the drawdown as of March 31 for various time horizons. With the exception of the most recent year, the Global Technology Strategy has exhibited less downside risk than the benchmark, based on this metric.

Table 20
Drawdown as of March 31,

	2012	2011	2010	Since Inception
T. Rowe Price Global Technology	-12.66%	-8.05%	-5.01%	-15.91%
MSCI AC World Index Information Technology	-11.56%	-10.10%	-5.01%	-18.00%

Table 21 shows the up and down capture ratios. Despite the fund's aggressive style, the down capture ratios are lower than 100%, which indicates less downside risk than benchmark. The up capture ratios are very strong at over 130%.

Table 21
Up and Down Capture Ratios as of March 31, 2012

	3-Yr		Since Inception	
	Up	**Down**	**Up**	**Down**
T. Rowe Price Global Technology	130.6%	89.5%	132.2%	92.4%

<u>Other</u>

- The portfolio manager is supported by a global research platform composed of 122 equity research analysts.
- The analysts' performance is evaluated by incorporating the following three phases:
    - Quantitative measurement: performance of the analyst's stock ratings, measure of the analyst's impact on the portfolio, i.e. did the portfolio buy the buy-rated stocks and sell the sell-rated stocks?
    - Self-Evaluation: the analyst fills out a detailed self-evaluation to explain how he/she made/save money for clients, what mistakes were made, how much idea sharing was done across the portfolio management team, etc.
    - Qualitative review: feedback solicited from portfolio managers.
- Analysts' compensation includes a competitive salary, performance bonuses (generally in excess of 50% of base salary, up to several multiples of base salary for top performers) and long-term incentives, paid in the form of restricted stock and options (experienced analysts tend to receive exclusively options); the long-term incentive component typically represents 25%-40% of total compensation.
- Portfolio managers' compensation also includes a competitive salary, performance bonuses that can reach multiples of the base salary and stock options.

Capacity

- Currently Rob Gensler manages $15.1 billion in global equity assets. The strategy is under a soft close, i.e. only existing clients are allowed to make contributions. T. Rowe Price estimates the capacity of the strategy to be around $20 billion. This figure is based on liquidity and trading analysis, looking at historical turnover and exposure to small cap, mid cap and emerging markets holdings across the firm. A conclusion was reached that at around $20 billion in assets in the global equity strategy, the firm's maximum capacity would be reached for these asset classes (small cap, mid cap and emerging markets).

Trading

- I met with Andy Brooks, Head of U.S. Equity Trading.
- T. Rowe Price has 43 traders located in Baltimore, London and Hong Kong, who trade 24 hours a day.
- Traders and portfolio managers interact on a daily basis regarding liquidity issues.
- They separate orders by size: they use automated trading for small orders and high-touch trading for large orders. Automated trading involves using multiple algorithmic trading venues and to a smaller extent, dark pools and on-screen markets. High-touch trading involves developing a specific strategy for seeking best execution. Normally block opportunities and broker dealers are used for large volume, and dark pools and on-screen markets to a smaller extent.
- Most of the trading is now done through alternative venues, although traditional trading remains.
- The firm has resources dedicated to transaction cost analysis; they consistently cleanse data to ensure integrity in results.
- T. Rowe Price has a well defined process to select brokers:
    - They quantify and measure the value of research and trade execution received.
    - All portfolio managers, analysts and traders vote to assess brokers.
    - A quarterly ranking of brokers is established; the ranking is approved by the firm's Equity Brokerage and Trading Control Committee.
    - Rankings distributed to brokers.
- Overall T. Rowe Price has adequate trading capabilities.

COMPLIANCE

- I met with Li Qiao, Client Operations Manager to review T. Rowe Price compliance processes.
- Regarding litigation, T. Rowe Price mentioned that they have received notice that several of the T. Rowe Price Funds, sub advised clients, and institutional clients may be included in a class of defendants in connection with a lawsuit that the Unsecured Creditors Committee of the Tribune Company filed in Delaware bankruptcy court. The lawsuit is regarding a leveraged buyout through which Tribune converted to a public company in 2007. T. Rowe Price is of the opinion that the lawsuit should have no material impact on the operations of the company.
- T. Rowe Price routinely undergo periodic on-site examinations by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA) and the Financial Services Authority in the U.K. The last routine SEC examination of the Price Funds, T. Rowe Price and its advisory affiliates was in 2008. Four minor issues were raised and subsequently corrected by T. Rowe Price. Those issues were discussed in more details in the 2010 manager review report on T. Rowe Price.
- The firm has an adequate code of ethics; employees are required to do a 90 minute online training on the code of ethics on an annual basis.
- T. Rowe Price is not aware of any conflict of interest involving its personnel. Employees who are invited to sit on boards of non-profit organizations have to request permission.
- The funds managed on behalf of UWO are in compliance with the prospectus of the SICAV (Société d'investissement à capital variable).
- PriceWaterhouseCoopers audits T. Rowe Price Funds.

- The firm doesn't use any soft dollars, they stopped in 2004; they put in place a commission sharing arrangement in 2009.
- Employee trading is allowed and is significant but there are measures in place to control it; each personal trade requires pre-clearance.
- PriceWaterhouseCoopers produces a SSAE 16 Report on T. Rowe Price controls.
- Overall T. Rowe Price has good compliance processes in place.

THE UNIVERSITY OF WESTERN ONTARIO RETIREMENT PLANS
T. Rowe Price Associates Inc.
Meeting Agenda

Date: May 14-15, 2012
Meeting time: 4:30 PM to 6:30 PM on May 14, 8:30 AM to 12:30 PM on May 15
Location: 100 East Pratt Street, Baltimore, Maryland

UWO Attendee:
Martin Bélanger, Director, Investments

1) MEETING WITH SCOTT BERG (30-45 min)
- Discussion about investment style and philosophy

2) ORGANIZATION (10 min):
- Introduction – relationship review
- Discuss any meaningful change to your corporate structure since the last review
- Review changes in assets under management
- Discuss clients gained and lost
- Overview of new products
- Discuss your business continuity plan

3) INVESTMENT PERSONNEL (10 min):
- Introduction to key personnel on our mandates
- Discuss personnel turnover

4) REVIEW OF UWO PORTFOLIO (60 min):
- Performance overview
- Attribution analysis
- Detractors/contributors to performance
- Portfolio characteristics
- Overview of investment process and changes to investment philosophy, if any; please provide examples of stocks added that meet your investment criteria
- Discuss changes made to the portfolio
- Describe how you measure and control portfolio investment risk
- Discuss currency management
- Address how you handle capacity issues
- Report how you integrate environmental, social and governance factors in your investment process and the impact on your portfolio and investment strategy
- Discuss portfolio positioning

5) MEETING WITH DAVID EISWERT (60 min)
- Discussion about investment style and philosophy

6) COMPLIANCE (20 min):
- Provide an overview of your compliance processes

- Confirm that all investments managed by T. Rowe Price on behalf of UWO are in compliance with the terms and conditions of the purchase agreement signed between T. Rowe Price Global Investment Services Limited and The University of Western Ontario on September 30, 2008 and the T. Rowe Price Funds SICAV prospectus
- Describe any material litigation to which your firm, key personnel or the funds have been party over the past year
- Describe any material issue raised as a result of recent regulatory reviews
- Confirm that your key investment personnel complies with an appropriate code of ethics
- Confirm that any conflict of interest or potential conflict of interest involving T. Rowe Price or key investment personnel has been disclosed

7) OTHER

- Office tour