

## Performance and Manager Review Fourth Quarter 2011

March 12, 2012

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### Executive Summary

Fourth Quarter 2011

#### University of Western Ontario Pension Executive Summary Q4 2011 Performance

- In Q4 equity markets rebounded, as macro events played a somewhat lesser role. It was not enough, however, to overcome a disastrous Q3 which left Cdn (-8.7%) and EAFE (-9.5%) equities well down in 2011. Fortunately this was offset by continued strong bond returns in 2011 (+9.7%) and a positive US equity market.
- The poor equity markets in 2011 and the Global Financial Crisis in 2008 have combined to leave the UWO Total Fund 5 year absolute returns at about 3.4% for the Balanced Income Fund (1.5% above inflation) and about -0.8% for the Balanced Growth Fund (-2.7% below inflation). Over that time any risks in the portfolio tended to detract from performance, as investors sought safe havens like bonds.
- Volatility has been high as headlines, not fundamentals, tended to drive performance. This made it an extremely difficult environment for active managers to add value. Over 5 years the Balanced Income Fund has performed just below benchmark (-0.2%), a first quartile performer, while the Balanced Growth Fund is -1.0% below benchmark, a fourth quartile performer. During this 5 year time period the Diversified Bond Fund has added about .1% to its benchmark but the Diversified Equity Fund has detracted -1.4% from its.
- In Q4, added value from the Cdn equity managers (+.5%) was offset by underperformance by the Eafe managers (-.5%). Over 5 years active management in these 2 asset categories has been negative. In particular, Alliance Bernstein (since terminated in the Cdn Equity Fund, but still present in the EAFE fund) has been the major source of concern for both asset classes.

# Capital Markets Commentary

## Fourth Quarter 2011

"The Yo-Yo Year"

**Despite the economic uncertainties of 2011, equities staged a Q4 rebound**

The year 2011, will be remembered as a year where macro issues and politics, drove financial markets, resulting in great uncertainty and high volatility. For example, the DJIA moved more than a hundred points on over 40% of its trading days and there were 60 trading days when the S&P 500 moved by 2% or more (while those same 2% daily movements didn't occur once in 2005). Extraordinary events like:

- the Japanese tsunami;
- the Euro sovereign debt crisis (the potential domino effect of the PIIGS);
- the US debt ceiling saga / credit downgrade; and
- Middle East uprisings;

were all prominent newspaper headlines, which lead to brutal market selloffs, often following previous sharp rallies. In fact, some dubbed it "the yo-yo year", as markets were up, down and all around.

**After a year filled with negative macro events, the world equity markets rose in Q4.**

The S&P/TSX returned +3.6% in Q4, but was down -8.7% for the year. Nonetheless, there were still some surprises in Cdn equities during the fourth quarter, especially notable was the extreme disparity of sector returns. Four sectors dominated performance with double digit returns (Industrials +15%, Health Care +15%, Energy +11% & Telecommunications +10%) while the rest underperformed the benchmark. Info Tech (largely RIM) was the greatest detractor with negative returns of more than -15% for the quarter and -52% for the year. Despite gold prices rising from US\$1427 an ounce at the beginning of the year to close at US\$1567, the materials sector was off -21.1% for the year.

Foreign equity markets were also positive in Q4, as the R3000 outperformed at +9.6%, while the Russell Developed NNA Index and Russell Emerging Market underperformed with returns of +0.9% each. This enabled US equity markets to generate a positive full year performance of +3.5% for the R3000, while as expected, foreign markets lagged (Russell Developed NNA -10.2%) and Emerging Markets (-17.4%) were hurt the worst from the risk-on / risk-off trading environment.

# Capital Markets Commentary

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**Bonds were once again a consistent performer**

In a search of a safe haven with steady returns, investors yet again shifted into fixed income securities during Q4 and the year 2011. As a result Canadian Government bond yields fell by -20 bps in Q4 and by over-100 bps for the year. The DEX Universe Bond Index therefore returned a solid +2.1% in Q4 and +9.7% for the year, while long bonds doubled that at +4.9% for the quarter and 18.7% for the year.

The following are various index returns for the quarter, the year and over four years, ending December 31, 2011:

	4th Quarter 2011	1 Year	4 Years
S&P/TSX Composite	+3.6%	-8.7%	-0.7%
Russell 3000	+9.6%	+3.5%	-0.5%
MSCI EAFE	+1.0%	-9.6%	-7.2%
DEX Universe Bonds	+2.1%	+9.7%	+7.1%
CPI (Inflation)	-0.3%	+2.3%	+1.8%

## Capital Market Returns (In Canadian \$)

Periods Ending December 31, 2011

	3 Mths	YTD	1 Yr	2 Yrs	Annualized			Rolling One Year		Ending	Current Qtr
					3 Yrs	4 Yrs	5 Yrs	2010	2009	2008	2007
S&P/TSX Composite	3.59	(8.71)	(8.71)	3.62	13.18	(0.72)	1.30	17.61	35.05	(33.00)	9.83
MSCI Canada Value	3.27	(4.54)	(4.54)	4.48	16.35	1.52	1.77	14.35	44.30	(32.56)	2.77
MSCI Canada Growth	2.53	(15.08)	(15.08)	(1.17)	6.49	(4.59)	(0.33)	15.03	23.61	(31.39)	18.75
DEX Universe Bonds	2.09	9.67	9.67	8.20	7.26	7.05	6.37	6.74	5.41	6.41	3.68
DEX Long Term Bonds	4.94	18.13	18.13	15.29	11.93	9.54	8.29	12.52	5.49	2.66	3.44
DEX 91 Day T-Bill	0.22	1.00	1.00	0.77	0.72	1.36	1.97	0.54	0.62	3.33	4.43
BC Aggregate Bd (\$Cdn)	(1.19)	10.51	10.51	5.64	0.13	7.22	3.69	0.98	(10.04)	31.64	(9.28)
S&P 500	9.26	4.64	4.64	6.83	7.02	(0.87)	(2.88)	9.06	7.39	(21.20)	(10.53)
S&P 500 \$Cdn Hedged	11.54	1.71	1.71	7.47	12.74	(3.31)	(1.93)	13.55	24.08	(39.02)	3.79
S&P 400 MidCap	10.40	0.70	0.70	9.94	12.14	2.98	0.59	20.03	16.66	(20.24)	(8.42)
S&P 400 MidCap \$Cdn Hdgd (1)	12.57	(2.56)	(2.56)	10.30	17.90	(0.05)	1.17	24.86	34.70	(39.11)	6.21
Russell 1000	9.29	4.01	4.01	6.98	7.67	(0.65)	(2.66)	10.04	9.07	(21.94)	(10.29)
Russell 2000	12.84	(1.80)	(1.80)	8.66	8.44	1.37	(2.49)	20.24	8.00	(17.18)	(16.52)
Russell 3000	9.56	3.53	3.53	7.12	7.74	(0.49)	(2.65)	10.83	8.99	(21.58)	(10.83)
Russell 3000 \$Cdn Hedged	11.82	0.53	0.53	7.69	13.44	(3.05)	(1.78)	15.35	25.88	(39.47)	3.44
Russell 3000 Value	10.74	2.37	2.37	6.20	4.68	(2.21)	(5.15)	10.16	1.70	(20.26)	(16.05)
Russell 3000 Growth	8.41	4.71	4.71	8.05	10.75	1.13	(0.24)	11.50	16.35	(23.00)	(5.52)
MSCI EAFE	1.02	(9.55)	(9.55)	(3.68)	1.43	(7.15)	(6.79)	2.56	12.49	(28.78)	(5.32)
MSCI EAFE Value	0.47	(9.46)	(9.46)	(5.61)	0.72	(7.89)	(8.25)	(1.60)	14.70	(29.56)	(9.68)
MSCI EAFE Growth	1.56	(9.64)	(9.64)	(1.80)	2.09	(6.46)	(5.37)	6.72	10.32	(28.03)	(0.91)
MSCI EAFE \$Cdn Hedged	4.22	(11.70)	(11.70)	(3.71)	4.78	(9.42)	(6.85)	5.00	24.08	(41.48)	4.16
MSCI Emerging Mkts	2.06	(16.15)	(16.15)	(2.67)	12.93	(4.17)	(0.00)	12.98	52.03	(41.44)	18.55
CPI	(0.33)	2.30	2.30	2.32	1.99	1.78	1.90	2.35	1.32	1.16	2.38

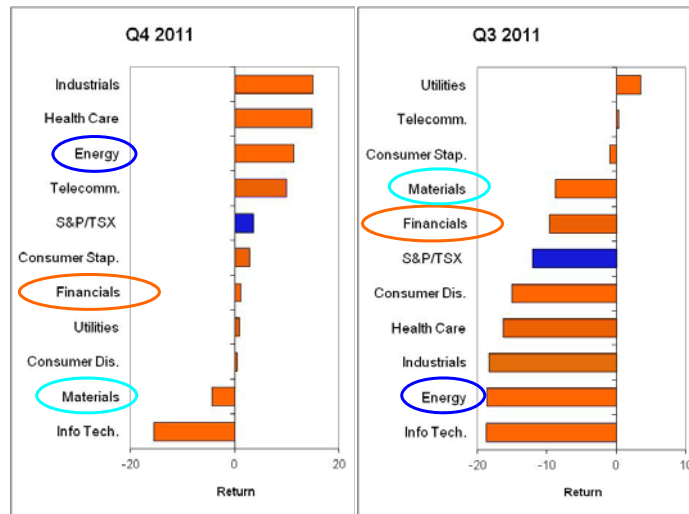
(1) S&P 400 MidCap \$Cdn Hedged Index is the exclusive property of Standard & Poor's Financial Services LLC (S&P). Russell has contracted with S&P to maintain and calculate the Index. S&P and its affiliates shall have no liability for any errors or omissions in calculating the Index.

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Russell Investments

## Sector Performance: Q4 2011 Sector Returns versus Q3 2011

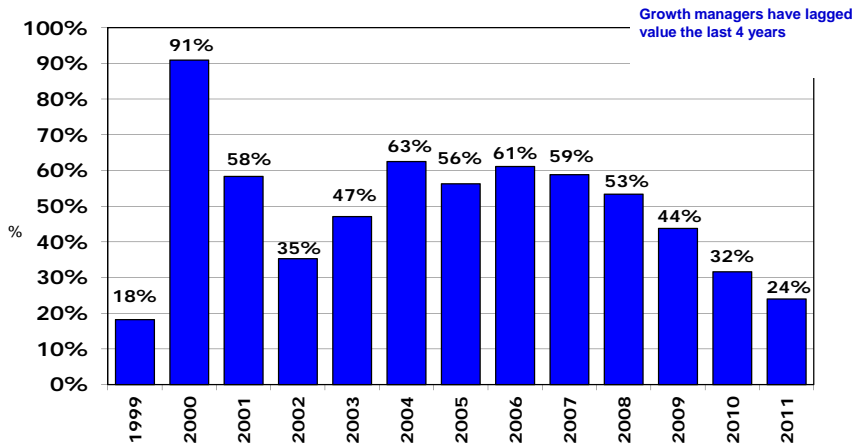
Less sector breadth in Q4 with only 4 out of 10 ahead but active management environment significantly better



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Russell Investments

## How 2011 Compared to History: % of Large Cap **GROWTH** Managers that Outperformed



Source: Russell Investments Canada Limited using Russell Universe data

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Russell Investments

## Fund and Manager Review

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Russell Investments

## 1. Asset and Performance Summary

**University of Western Ontario (Pension Plan)**  
**Asset Summary**  
**As of December 31, 2011**

	Total Market Value	% of Total Fund	% of Asset Class	Equity	Fixed Income	Cash & Equivalents	Alternatives				
<b>Total</b>	\$ 1,066.0	100.00%	100.0%	\$ 550.5	51.6%	\$ 450.8	42.3%	\$ 64.7	6.1%	\$ -	0.0%
<b>Diversified Equity Fund</b>	433.35	40.65%	100.0%	433.35	100.0%						
<b>Canadian Stocks</b>	129.72	12.17%	100.0%	129.72	100.0%						
Beutel, Goodman Cap	44.34	4.16%	34.2%	44.34	100.0%						
Connor, Clark & Lunn	43.05	4.04%	33.2%	43.05	100.0%						
Greystone Cap.	42.32	3.97%	32.6%	42.32	100.0%						
<b>US Equity</b>	99.97	9.38%	100.0%	99.97	100.0%						
Pan Agora	11.62	1.09%	11.6%	11.62	100.0%						
SSGA S&P 400 Midcap	10.96	1.03%	11.0%	10.96	100.0%						
SSGA S&P 500	77.39	7.26%	77.4%	77.39	100.0%						
<b>Non North American</b>	128.31	12.04%	100.0%	128.31	100.0%						
Alliance Bernstein	63.30	5.94%	49.3%	63.30	100.0%						
Fidelity EAFE	65.01	6.10%	50.7%	65.01	100.0%						
<b>Global Stocks</b>	75.34	7.07%	100.0%	75.34	100.0%						
Harris Assoc.	38.09	3.57%	50.5%	38.09	100.0%						
T Rowe Price	37.26	3.50%	49.5%	37.26	100.0%						
<b>Canadian Equity Fund</b>	77.39	7.26%	100.0%	77.39	100.0%						
Beutel, Goodman Cap	26.59	2.49%	34.4%	26.59	100.0%						
Connor, Clark & Lunn	25.63	2.40%	33.1%	25.63	100.0%						
Greystone Cap.	25.17	2.36%	32.5%	25.17	100.0%						
<b>US Equity Hedged</b>	15.29	1.43%	100.0%	15.29	100.0%						
SSGA Northwater Hedged	15.29	1.43%	100.0%	15.29	100.0%						

Source: Northern Trust

**University of Western Ontario (Pension Plan)**

**Asset Summary**

As of December 31, 2011

	Total Market Value	% of Total Fund	% of Asset Class	Equity	Fixed Income	Cash & Equivalents	Alternatives
<b>US Equity Unhedged</b>	<b>8.27</b>	<b>0.78%</b>	<b>100.0%</b>	<b>8.27</b>	<b>100.0%</b>		
SSGA Northwater Unhedged	8.27	0.78%	100.0%	8.27	100.0%		
<b>EAFE Fund</b>	<b>13.02</b>	<b>1.22%</b>	<b>100.0%</b>	<b>13.02</b>	<b>100.0%</b>		
Alliance Bernstein	6.42	0.60%	49.3%	6.42	100.0%		
Pyramis/Fidelity	6.60	0.62%	50.7%	6.60	100.0%		
<b>MacKenzie SRI Global</b>	<b>3.23</b>	<b>0.30%</b>	<b>100.0%</b>	<b>3.23</b>	<b>100.0%</b>		
MacKenzie	3.23	0.30%	100.0%	3.23	100.0%		
<b>Target Date Funds</b>	<b>54.84</b>	<b>5.14%</b>	<b>100.0%</b>		<b>54.84</b>	<b>100.0%</b>	
TDF 2012	17.73	1.66%	32.3%		17.73	100.0%	
TDF 2014	22.70	2.13%	41.4%		22.70	100.0%	
TDF 2016	14.41	1.35%	26.3%		14.41	100.0%	
<b>Canadian Bond Fund</b>	<b>74.50</b>	<b>6.99%</b>	<b>100.0%</b>		<b>74.50</b>	<b>100.0%</b>	
SSGA Canadian Bond Fund	74.50	6.99%	100.0%		74.50	100.0%	
<b>Long Term Bond Fund</b>	<b>35.96</b>	<b>3.37%</b>	<b>100.0%</b>		<b>35.96</b>	<b>100.0%</b>	
SSGA Long Term Bond Fund	35.96	3.37%	100.0%		35.96	100.0%	
<b>Diversified Bond Fund</b>	<b>265.74</b>	<b>24.93%</b>	<b>100.0%</b>		<b>265.74</b>	<b>100.0%</b>	
Alliance Bernstein	178.07	16.70%	67.0%		178.07	100.0%	
SSGA	87.67	8.22%	33.0%		87.67	100.0%	
<b>Liquidating Trust</b>	<b>13.46</b>	<b>1.26%</b>	<b>100.0%</b>		<b>13.46</b>	<b>100.0%</b>	
Operating Account	13.46	1.26%	100.0%		13.46	100.0%	

Source: Northern Trust

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Russell Investments

**University of Western Ontario (Pension Plan)**

**Asset Summary**

As of December 31, 2011

	Total Market Value	% of Total Fund	% of Asset Class	Equity	Fixed Income	Cash & Equivalents	Alternatives
<b>Money Market Fund</b>	<b>64.67</b>	<b>6.07%</b>	<b>100.0%</b>			<b>64.67</b>	<b>100.0%</b>
SSGA MMF	64.67	6.07%	100.0%			64.67	100.0%
<b>Immunized Bond Fund</b>	<b>6.28</b>	<b>0.59%</b>	<b>100.0%</b>		<b>6.28</b>	<b>100.0%</b>	
Acad. Imm. Bd. Fund	4.43	0.42%	70.5%		4.43	100.0%	
Immunized Bond Fund	1.85	0.17%	29.5%		1.85	100.0%	
<b>Cash</b>	<b>0.00</b>	<b>0.00%</b>	<b>100.0%</b>			<b>0.00</b>	<b>100.0%</b>

All dollars in millions, numbers may not add due to rounding

Source: Northern Trust

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Russell Investments

**University of Western Ontario  
Performance Summary  
Period Ending December 31, 2011**

Account / Group Name	Market Value	Annualized						
		3 Mos RoR	1 Yr RoR	2 Yr RoR	3 Yr RoR	4 Yr RoR	5 Yr RoR	10 Yr RoR
University of Western Ontario	\$1,065,990,474	3.18	-1.05	3.81	7.75	-0.06	0.25	3.83
UWO Balanced Growth Policy		4.02	-1.47	3.85	7.96	0.01	0.21	3.85
Dex bond universe index		2.09	9.67	8.20	7.26	7.05	6.37	6.49
<b>Diversified Equity Fund</b>	<b>\$433,345,921</b>	<b>4.83</b>	<b>-8.23</b>	<b>0.58</b>	<b>7.79</b>	<b>-4.49</b>	<b>-9.82</b>	<b>2.26</b>
UWO Div. Equity Fund Policy		4.92	-5.72	2.09	8.16	-3.08	-2.54	2.68
S&P/TSX Equity Index (CAD)		3.49	-9.56	3.83	13.45	-1.53	0.73	6.99
<b>Canadian Stocks</b>	<b>\$129,716,857</b>	<b>4.32</b>	<b>-9.57</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
S&P / TSX 300 Composite		3.59	-8.71	--	--	--	--	--
Beutel, Goodman Cap	\$44,342,031	5.74	-5.15	4.62	--	--	--	--
S&P / TSX 300 Composite		3.59	-8.71	3.62	--	--	--	--
Connor, Clark & Lunn	\$43,053,019	4.73	-8.21	5.42	14.26	0.49	2.25	--
S&P / TSX 300 Composite		3.59	-8.71	3.62	13.18	-0.72	1.30	--
Greystone Cap.	\$42,321,807	2.49	-15.27	-0.16	8.40	-5.25	-1.86	--
S&P / TSX 300 Composite		3.59	-8.71	3.62	13.18	-0.72	1.30	--
<b>US Equity</b>	<b>\$99,971,574</b>	<b>11.70</b>	<b>0.67</b>	<b>7.93</b>	<b>13.87</b>	<b>-1.21</b>	<b>-2.30</b>	<b>0.77</b>
UWO US Equity Policy		11.79	0.80	7.92	12.88	-1.78	-2.27	0.77
S&P 500 CS Hedged		11.53	1.62	7.42	12.71	-3.33	-1.95	2.08
Pan Agora	\$11,619,078	15.75	1.14	11.07	9.46	0.61	-6.47	--
Russell 2000		12.84	-1.80	8.66	8.44	1.37	-2.49	--
SSGA S&P 400 Midcap	\$10,959,677	11.95	-3.38	9.82	--	--	--	--
S&P 400 High CAD		12.57	-2.56	10.30	--	--	--	--
SSGA S&P 500	\$77,392,819	11.11	1.14	7.17	--	--	--	--
S&P 500 CS Hedged		11.53	1.62	7.42	--	--	--	--
<b>Non North American</b>	<b>\$128,312,802</b>	<b>0.53</b>	<b>-13.07</b>	<b>-6.24</b>	<b>-0.31</b>	<b>-9.88</b>	<b>-8.98</b>	<b>0.32</b>
MSCI EAFE GD		1.02	-9.55	-3.68	1.43	-7.15	-6.79	0.50
Alliance Bernstein	\$63,300,311	-0.71	-16.10	-9.57	-2.54	-12.52	-11.93	-0.04
Fidelity EAFE	\$65,012,491	1.76	-9.98	-2.93	2.04	-7.03	-5.89	--
<b>Global Stocks</b>	<b>\$75,344,688</b>	<b>4.48</b>	<b>-8.59</b>	<b>-0.89</b>	<b>7.94</b>	<b>--</b>	<b>--</b>	<b>--</b>
MSCI World GD		5.25	-2.67	1.80	4.80	--	--	--
Harris Assoc.	\$38,085,519	4.50	-7.58	0.50	10.25	--	--	--
T Rowe Price	\$37,259,169	4.53	-9.67	-2.32	5.63	--	--	--

Source: Northern Trust

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**University of Western Ontario  
Performance Summary  
Period Ending December 31, 2011**

Account / Group Name	Market Value	Annualized						
		3 Mos RoR	1 Yr RoR	2 Yr RoR	3 Yr RoR	4 Yr RoR	5 Yr RoR	10 Yr RoR
<b>Canadian Equity Fund</b>	<b>\$77,390,787</b>	<b>4.13</b>	<b>-9.72</b>	<b>2.69</b>	<b>11.29</b>	<b>-2.94</b>	<b>-0.30</b>	<b>6.23</b>
Beutel, Goodman Cap	\$26,590,607	5.77	-5.13	4.51	--	--	--	--
Connor, Clark & Lunn	\$25,631,391	4.45	-8.52	5.22	14.18	0.40	2.21	--
Greystone Cap.	\$25,168,789	2.19	-15.52	-0.32	8.27	-5.34	-1.93	--
<b>US Equity Hedged</b>	<b>\$15,293,033</b>	<b>11.25</b>	<b>1.25</b>	<b>7.19</b>	<b>13.49</b>	<b>-2.92</b>	<b>-2.01</b>	<b>2.06</b>
S&P 500 CS Hedged		11.53	1.62	7.42	12.71	-3.33	-1.95	2.08
SSGA Northwater Hedged	\$15,293,033	11.25	1.25	7.19	13.49	-2.92	-2.01	2.06
<b>US Equity Unhedged</b>	<b>\$8,267,500</b>	<b>9.25</b>	<b>4.63</b>	<b>6.88</b>	<b>7.01</b>	<b>-1.15</b>	<b>-3.24</b>	<b>-1.89</b>
S&P 500		9.25	4.54	6.83	7.02	-0.87	-2.88	-1.60
SSGA Northwater Unhedged	\$8,267,500	9.25	4.63	6.88	7.01	-1.15	-3.24	-1.89
<b>EAFE Fund</b>	<b>\$13,021,965</b>	<b>0.44</b>	<b>-13.11</b>	<b>-5.91</b>	<b>0.28</b>	<b>-9.83</b>	<b>-8.71</b>	<b>0.67</b>
Alliance Bernstein	\$6,423,736	-0.89	-16.23	-8.82	-1.46	-12.23	-11.29	--
Pyramis/Fidelity	\$6,598,229	1.76	-10.21	-3.07	1.94	-6.96	-5.80	--
<b>MacKenzie SRI Global</b>	<b>\$3,227,081</b>	<b>6.19</b>	<b>-3.36</b>	<b>1.49</b>	<b>6.63</b>	<b>--</b>	<b>--</b>	<b>--</b>
MacKenzie	\$3,227,081	6.19	-3.36	1.49	6.63	--	--	--
<b>Target Date Funds</b>	<b>\$54,838,289</b>	<b>0.64</b>	<b>5.33</b>	<b>4.66</b>	<b>3.93</b>	<b>5.02</b>	<b>4.85</b>	<b>4.68</b>
TDF 2012	\$17,725,742	0.25	2.07	2.31	2.53	4.54	4.42	--
TDF 2014	\$22,704,093	0.54	5.86	5.56	4.64	--	--	--
TDF 2016	\$14,408,455	1.31	9.33	--	--	--	--	--
<b>Canadian Bond Fund</b>	<b>\$74,498,367</b>	<b>2.08</b>	<b>9.74</b>	<b>8.19</b>	<b>7.41</b>	<b>7.09</b>	<b>6.39</b>	<b>--</b>
Dex bond universe index		2.09	9.67	8.20	7.26	7.05	6.37	--
SSGA Canadian Bond Fund	\$74,498,367	2.08	9.74	8.19	7.41	7.09	6.39	--
<b>Long Term Bond Fund</b>	<b>\$35,957,921</b>	<b>4.93</b>	<b>18.06</b>	<b>15.17</b>	<b>11.89</b>	<b>9.57</b>	<b>8.29</b>	<b>--</b>
Dex LTB Overall		4.94	18.13	15.29	11.93	9.54	8.29	--
SSGA Long Term Bond Fund	\$35,957,921	4.93	18.06	15.17	11.89	9.57	8.29	--
Dex LTB Overall		4.94	18.13	15.29	11.93	9.54	8.29	--
<b>Diversified Bond Fund</b>	<b>\$265,737,137</b>	<b>1.98</b>	<b>8.95</b>	<b>8.68</b>	<b>9.65</b>	<b>6.80</b>	<b>6.27</b>	<b>6.03</b>
UWO Diversified Bond Policy		1.76	8.55	7.36	6.66	6.54	6.05	5.90
Alliance Bernstein	\$178,065,261	1.93	8.60	8.99	10.85	6.80	6.31	--
UWO Alliance Bernstein		1.60	8.00	6.94	6.37	6.29	5.89	--

Source: Northern Trust

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**University of Western Ontario  
Performance Summary  
Period Ending December 31, 2011**

Account / Group Name	Market Value	Annualized							
		3 Mos RoR	1 Yr RoR	2 Yr RoR	3 Yr RoR	4 Yr RoR	5 Yr RoR	10 Yr RoR	
SSGA	\$87,671,877	2.09	9.66	8.15	7.39	7.06	6.37	--	
<b>Money Market Fund</b>	<b>\$64,667,168</b>	<b>0.30</b>	<b>1.33</b>	<b>1.07</b>	<b>1.10</b>	<b>1.63</b>	<b>2.21</b>	--	
SSGA MMF	\$64,667,167	0.30	1.33	1.07	1.10	1.63	2.21	--	
<b>Immunized Bond Fund</b>	<b>\$6,283,690</b>	<b>1.89</b>	<b>9.32</b>	<b>7.55</b>	<b>5.95</b>	<b>6.45</b>	<b>6.02</b>	--	
*Acad. Imm. Bd. Fund	\$4,932,134	1.86	8.94	--	--	--	--	--	
Immunized Bond Fund	\$1,851,556	1.97	9.55	7.90	6.18	6.63	6.16	--	
<b>Balanced Funds</b>	<b>\$116,504,305</b>	<b>3.40</b>	<b>-1.57</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	
UWO BAL GROWTH FD	\$83,726,836	3.74	-3.40	2.60	8.06	-1.16	-0.84	3.50	
UWO Balanced Growth Policy		4.02	-1.47	3.86	7.96	0.01	0.21	3.85	
UWO INCOME FUND	\$32,777,469	2.61	3.50	6.07	8.96	3.60	3.42	5.15	
UWO Balanced Income Policy		2.75	4.25	5.96	7.35	3.87	3.65	5.13	

\* Balanced Funds are not included in the University of Western Ontario total plan market value and return

Source: Northern Trust

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**University of Western Ontario  
Performance Summary  
Period Ending December 31, 2011**

Account / Group Name	Market Value	Annual Returns				
		31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
<b>University of Western Ontario</b>	<b>\$1,065,990,474</b>	<b>-1.05</b>	<b>8.50</b>	<b>16.09</b>	<b>-20.25</b>	<b>1.52</b>
UWO Balanced Growth Policy		-1.47	9.46	16.66	-20.49	1.02
Dex bond universe index		9.67	6.74	5.41	6.41	3.68
<b>Diversified Equity Fund</b>	<b>\$433,345,921</b>	<b>-8.23</b>	<b>10.23</b>	<b>23.82</b>	<b>-33.56</b>	<b>-1.08</b>
UWO Div. Equity Fund Policy		-5.72	10.56	21.40	-30.27	-0.33
S&P/TSX Equity Index (C-AD)		-9.56	16.90	34.51	-33.85	10.20
<b>Canadian Stocks</b>	<b>\$129,716,857</b>	<b>-9.57</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
S&P / TSX 300 Composite		-8.71	--	--	--	--
Beutel, Goodman Cap	\$44,342,031	-5.15	15.39	--	--	--
S&P / TSX 300 Composite		-8.71	17.61	--	--	--
Connor, Clark & Lunn	\$43,053,019	-8.21	21.07	34.23	-31.63	9.59
S&P / TSX 300 Composite		-8.71	17.61	35.05	-33.00	9.83
Greystone Cap.	\$42,321,807	-15.27	17.64	27.78	-36.71	12.92
S&P / TSX 300 Composite		-8.71	17.61	35.05	-33.00	9.83
<b>US Equity</b>	<b>\$99,971,574</b>	<b>0.67</b>	<b>15.72</b>	<b>26.75</b>	<b>-35.50</b>	<b>-6.55</b>
UWO US Equity Policy		0.80	15.54	23.51	-35.29	-4.20
S&P 500 C\$ Hedged		1.62	13.55	24.10	-39.03	3.79
Pan Agora	\$11,619,078	1.14	21.97	6.30	-21.87	-30.14
Russell 2000		-1.80	20.24	8.00	-17.18	-16.52
SSGA S&P 400 Midcap	\$10,959,677	-3.38	24.83	--	--	--
S&P 400 Nqd CAD		-2.56	24.86	--	--	--
SSGA S&P 500	\$77,392,819	1.14	13.55	--	--	--
S&P 500 C\$ Hedged		1.62	13.55	--	--	--
<b>Non North American</b>	<b>\$128,312,802</b>	<b>-13.07</b>	<b>1.12</b>	<b>12.69</b>	<b>-33.40</b>	<b>-5.32</b>
MSCI EAFE GD		-9.55	2.56	12.49	-28.78	-5.32
Alliance Bernstein	\$63,300,311	-16.10	-2.53	13.22	-36.74	-9.52
Fidelity EAFE	\$65,012,491	-9.98	4.67	12.76	-29.69	-1.17
<b>Global Stocks</b>	<b>\$75,344,688</b>	<b>-8.59</b>	<b>7.46</b>	<b>28.03</b>	<b>--</b>	<b>--</b>
MSCI World GD		-2.67	6.48	11.07	--	--

Source: Northern Trust

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**University of Western Ontario  
Performance Summary  
Period Ending December 31, 2011**

Account / Group Name	Market Value	Annual Returns				
		31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Harris Assoc.	\$38,085,519	-7.58	9.29	32.67	--	--
T Rowe Price	\$37,259,169	-9.67	5.63	23.52	--	--
<b>Canadian Equity Fund</b>	<b>\$77,390,787</b>	<b>-9.72</b>	<b>16.79</b>	<b>30.73</b>	<b>-35.61</b>	<b>10.98</b>
Beutel, Goodman Cap	\$26,590,607	-5.13	15.13	--	--	--
Connor, Clark & Lunn	\$25,631,391	-8.52	21.04	34.46	-31.74	9.77
Greystone Cap.	\$25,168,789	-15.52	17.62	27.72	-36.75	12.99
<b>US Equity Hedged</b>	<b>\$15,293,033</b>	<b>1.25</b>	<b>13.49</b>	<b>27.21</b>	<b>-39.22</b>	<b>1.68</b>
S&P 500 CS Hedged	\$15,293,033	1.62	13.55	24.10	-39.03	3.79
SSGA Northwater Hedged	\$15,293,033	1.25	13.49	27.21	-39.22	1.68
<b>US Equity Unhedged</b>	<b>\$8,267,500</b>	<b>4.63</b>	<b>9.18</b>	<b>7.26</b>	<b>-22.07</b>	<b>-11.19</b>
S&P 500	\$8,267,500	4.64	9.06	7.39	-21.20	-10.53
SSGA Northwater Unhedged	\$8,267,500	4.63	9.18	7.26	-22.07	-11.19
<b>EAFE Fund</b>	<b>\$13,021,965</b>	<b>-13.11</b>	<b>1.87</b>	<b>13.92</b>	<b>-34.43</b>	<b>-4.11</b>
Alliance Bernstein	\$6,423,736	-16.23	-0.76	15.09	-37.97	-7.47
Pyramis/Fidelity	\$6,598,229	-10.21	4.63	12.75	-29.26	-1.02
<b>MacKenzie SRI Global</b>	<b>\$3,227,081</b>	<b>-3.36</b>	<b>6.59</b>	<b>17.71</b>	<b>--</b>	<b>--</b>
MacKenzie	\$3,227,081	-3.36	6.59	17.71	--	--
<b>Target Date Funds</b>	<b>\$94,838,289</b>	<b>5.33</b>	<b>3.99</b>	<b>2.50</b>	<b>8.37</b>	<b>4.15</b>
TDF 2012	\$17,725,742	2.07	2.56	2.97	10.78	3.94
TDF 2014	\$22,704,093	5.66	5.46	2.83	--	--
TDF 2016	\$14,408,455	9.33	--	--	--	--
<b>Canadian Bond Fund</b>	<b>\$74,498,367</b>	<b>9.74</b>	<b>6.66</b>	<b>5.87</b>	<b>6.12</b>	<b>3.65</b>
Dex bond universe index	\$74,498,367	9.67	6.74	5.41	6.41	3.68
SSGA Canadian Bond Fund	\$74,498,367	9.74	6.66	5.87	6.12	3.65
<b>Long Term Bond Fund</b>	<b>\$35,957,921</b>	<b>18.06</b>	<b>12.35</b>	<b>5.61</b>	<b>2.88</b>	<b>3.34</b>
Dex LTB Overall	\$35,957,921	18.13	12.52	5.49	2.66	3.44
SSGA Long Term Bond Fund	\$35,957,921	18.06	12.35	5.61	2.88	3.34

Source: Northern Trust

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**University of Western Ontario  
Performance Summary  
Period Ending December 31, 2011**

Account / Group Name	Market Value	Annual Returns				
		31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Dex LTB Overall		18.13	12.52	5.49	2.66	3.44
<b>Diversified Bond Fund</b>	<b>\$265,737,137</b>	<b>8.95</b>	<b>8.40</b>	<b>11.63</b>	<b>-1.31</b>	<b>4.15</b>
UWO Diversified Bond Policy		8.55	6.17	5.29	6.19	4.08
Alliance Bernstein	\$178,065,261	8.60	9.39	14.65	-4.48	4.39
UWO AllianceBernstein		8.00	5.89	5.23	6.08	4.28
SSGA	\$87,671,877	9.66	6.65	5.91	6.06	3.64
<b>Money Market Fund</b>	<b>\$64,667,168</b>	<b>1.33</b>	<b>0.81</b>	<b>1.17</b>	<b>3.23</b>	<b>4.56</b>
SSGA MMF	\$64,667,168	1.33	0.81	1.17	3.23	4.56
<b>Immunized Bond Fund</b>	<b>\$6,283,690</b>	<b>9.12</b>	<b>6.00</b>	<b>2.81</b>	<b>7.98</b>	<b>4.32</b>
Acad. Imm. Bd. Fund	\$4,432,134	8.94	--	--	--	--
Immunized Bond Fund	\$1,851,556	9.55	6.29	2.81	7.98	4.32
<b>Balanced Funds</b>	<b>\$116,504,305</b>	<b>-1.57</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
UWO BAL GROWTH FD	\$83,726,836	-3.40	8.97	19.87	-24.35	0.44
UWO Balanced Growth Policy		-1.47	9.46	16.66	-20.49	1.02
UWO INCOME FUND	\$32,777,469	3.50	8.71	14.97	-10.94	2.68
UWO Balanced Income Policy		4.25	7.70	10.20	-5.93	2.79

\* Balanced Funds are not included in the University of Western Ontario total plan market value and return

Source: Northern Trust

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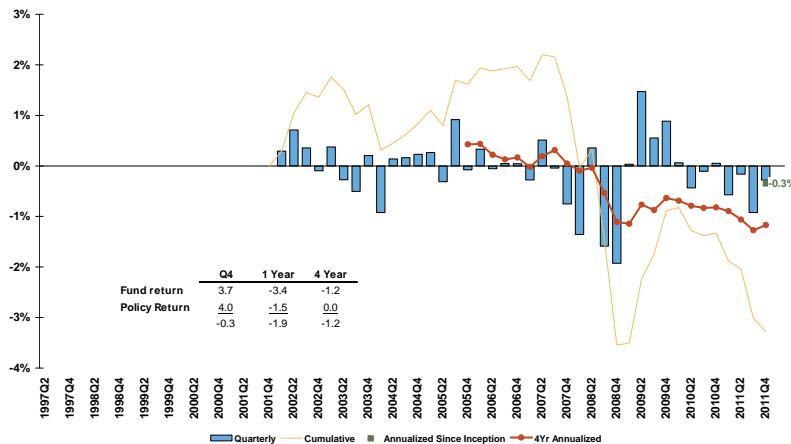


## 2. Balanced Funds

### Balanced Growth Fund

Value Added Over Policy\*

Value lost over the fourth quarter of -28 bps



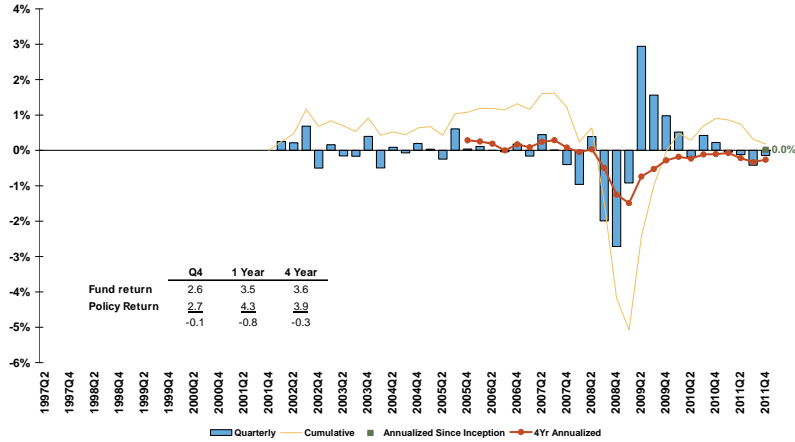
- Value lost of -1.9% versus benchmark for the year
- Slightly above benchmark over 3 yrs (+0.1%)
- Value lost of -1.2% for 4 years and -0.3% since inception

\* Policy: 70% Diversified Equity Fund Policy, 30% Diversified Bond Fund Policy

## Balanced Income Fund

Value Added Over Policy\*

Value lost over the quarter of -14 bps



- Value lost of -75 bps over one year
- Strong value added of +1.6% over 3 years
- Underperformed by -0.3% over 4 years (1<sup>st</sup> quartile) but matched Policy since inception

\* Policy: 30% Diversified Equity Fund Policy, 70% Diversified Bond Fund Policy

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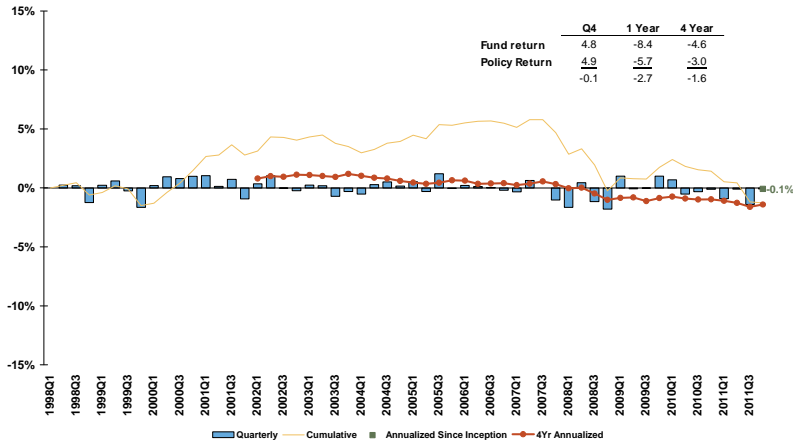
Russell Investments



### 3. Equity Funds

## Diversified Equity Fund

### Value Added from Policy\*



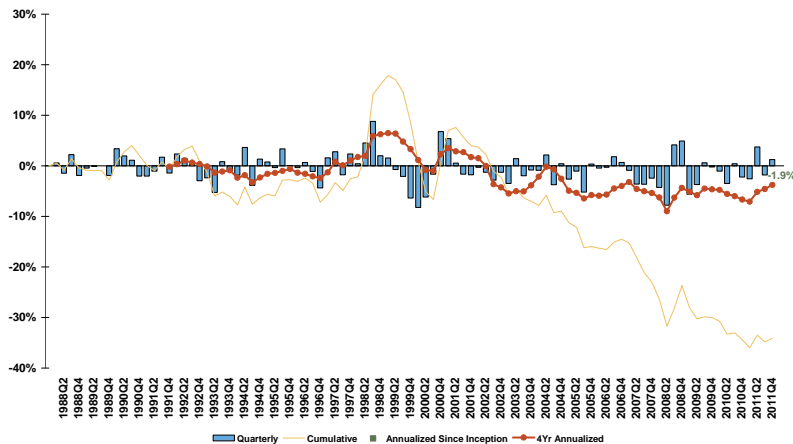
- Underperformed policy return for the quarter by -0.1%
- Value lost of -2.7% for the year and -1.5% over 4 years

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Russell Investments

## Diversified Equity Fund

### Value Added Over S&P/TSX Composite



- Chart is for reference; TSX is not a performance benchmark
- Outperformed by +1.2% in Q4 and by +0.3% over the last year

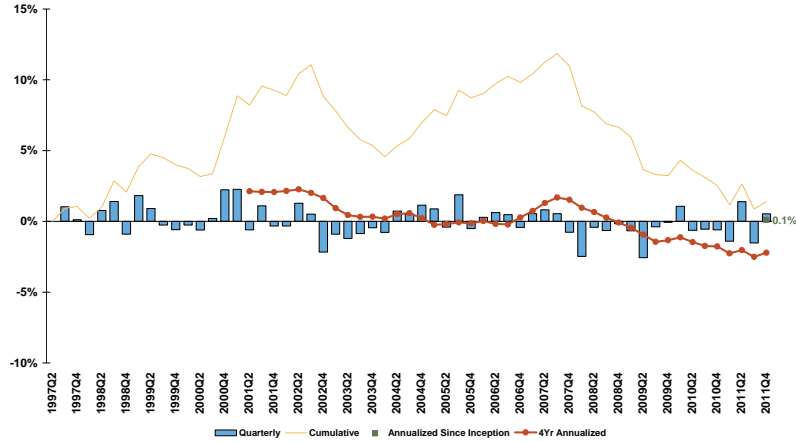
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Russell Investments

## Canadian Equity Fund

Value Added Over S&P/TSX Composite

Lost -2.2% from benchmark over 4 years but below benchmark risk



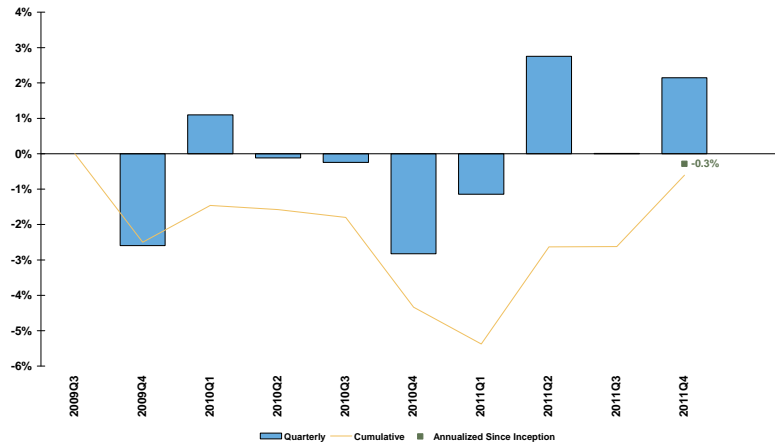
- Combined Canadian equity managers outperformed S&P/TSX Composite by +0.5% in 4th quarter but underperformed by -1.1% for the year
- Since inception added value of +0.1% over the benchmark

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Russell Investments

## Canadian Stocks–Beutel, Goodman

Value Added Over S&P/TSX Composite



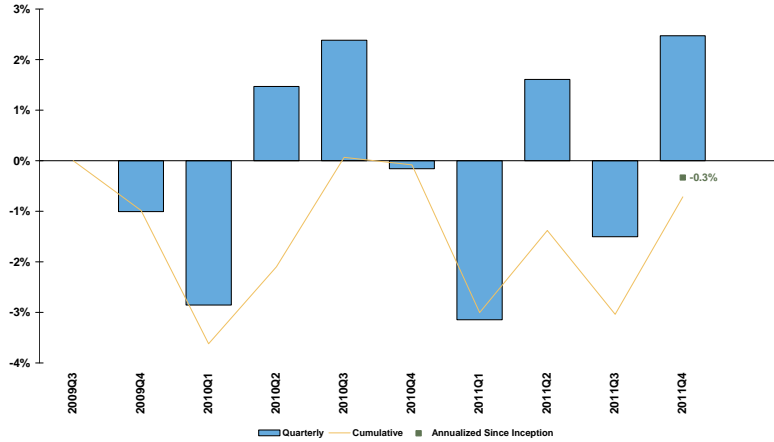
- Outperformed the benchmark by +2.1% in Q4 (2<sup>nd</sup> quartile)
- Outperformed the benchmark by +3.4% for the year (2<sup>nd</sup> quartile)
- Overweight Consumers, Telecom, and Financials; underweight Materials and Energy
- Russell rank: Retain

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Russell Investments

## Canadian Stocks – Beutel, Goodman

Value Added Over MSCI Canada Value Index



- Outperformed by +2.4% in the quarter but underperformed by -0.8% for the year

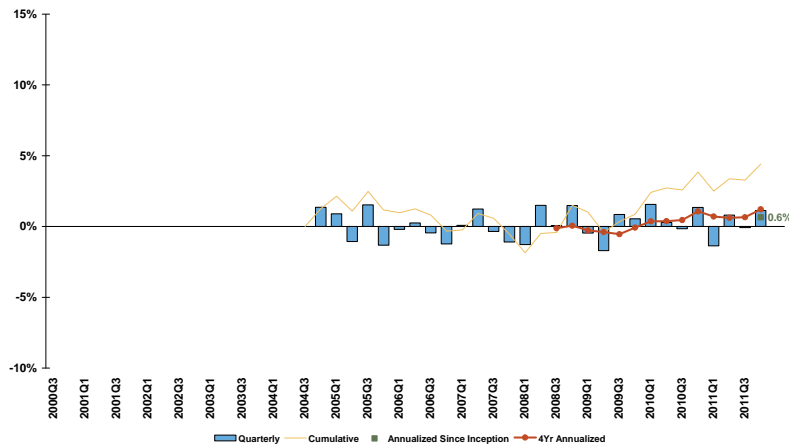
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Russell Investments

## Canadian Stocks – Connor, Clark & Lunn

Value Added Over S&P/TSX Composite

Above benchmark by +1.2% over 4 years (2<sup>nd</sup> Quartile)



- Outperformed by +114 bps in the 4th quarter, by +42 bps for the year & +1.0% for 5 yrs (2<sup>nd</sup> Quartile)
- Overweight Technology; underweight Financials
- Russell Rank: Hire

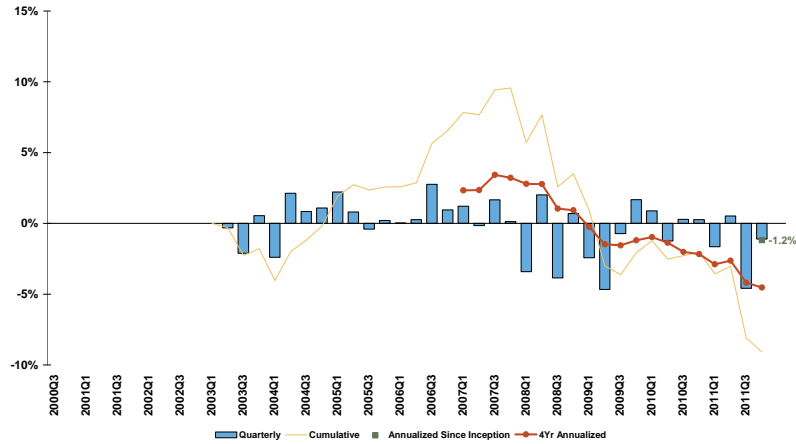
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Russell Investments

## Canadian Stocks – Greystone

Value Added Over S&P/TSX Composite

Value lost of -4.5% over 4 years



- Value lost of -1.1% in 4th quarter and -6.6% for the year
- Value lost since inception of -1.2%
- Overweight Technology and Consumers; underweight Energy
- Russell rank: Retain

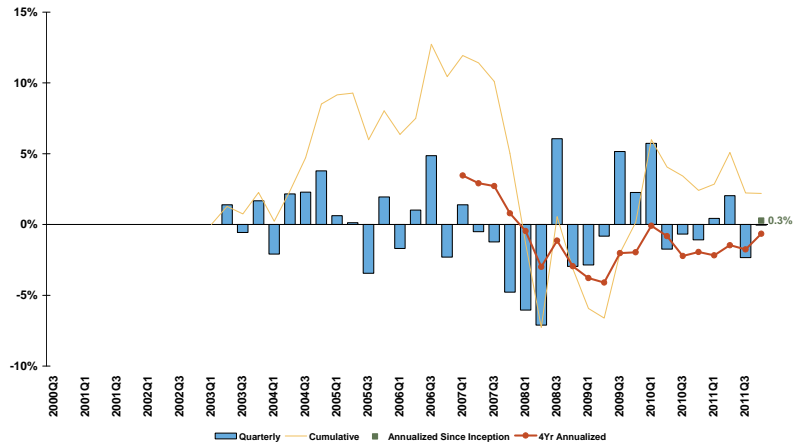
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Russell Investments

## Canadian Stocks – Greystone

Value Added Over MSCI Canada Growth Index

Below style index over 4 years (-0.7%)



- Underperformed by -5 bps in 4th quarter and by -19 bps for the year
- Value added over three years of +2.0%
- Since inception value added of +0.3%

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Russell Investments

# Canadian Stock Profile

at December 31, 2011

	Beutel, Goodman	CC&L	Greystone	Composite	S&P/TSX Comp.
<b>Portfolio Allocations</b>					
Portfolio Size (\$M)	70.9	68.6	67.5	207.1	1.4 T
% of structure	34.3%	33.1%	32.6%	100.0%	---
Cash	1.8%	1.4%	2.2%	1.8%	0.0%
<b>Style</b>					
				<b>STYLE NEUTRAL</b>	
Price/Book	1.7 x	1.8 x	1.8 x	1.8 x	1.8 x
Price/Earnings (Exc. Neg. Earnings)	13.6 x	13.7 x	14.6 x	13.9 x	14.1 x
Dividend Yield	3.0%	2.7%	2.2%	2.7%	2.8%
Price/Cash Flow	6.3 x	7.7 x	8.3 x	7.3 x	8.1 x
<b>Company Size</b>					
				<b>Cap Neutral</b>	
Large Cap (Over \$13.2B)	66.3%	52.1%	54.5%	57.8%	57.3%
Medium Cap (\$3.8B -- \$13.2B)	23.6%	22.0%	35.1%	26.8%	26.5%
Small Cap (Under \$ 3.8B)	10.1%	25.6%	10.3%	15.3%	16.2%
Market Cap Average Nlog (\$Bil)	17.0	11.0	16.0	14.4	14.7
<b>Sector Weights</b> (Red = 3% or more below index; Green = 3% or more above index)					
				<b>MODERATE SECTOR BETS</b>	
Information Technology	0.0	3.0	4.7	2.5	1.3
Health Care	0.0	1.5	2.8	1.4	1.4
Consumer Discretionary	10.2	2.4	7.0	6.6	4.0
Consumer Staples	10.0	4.1	3.5	5.9	2.8
Energy	16.8	28.5	22.9	22.7	27.1
Materials	8.3	19.8	20.4	16.1	21.1
Industrials	8.8	6.0	6.3	7.1	5.8
Financial	34.5	25.5	30.1	30.1	29.3
Telecommunication Services	11.4	6.2	2.3	6.7	5.2
Utilities	0.0	3.0	0.0	1.0	2.0
Sector Deviation	21	5	7	8	---
<b>Concentration</b>					
% in Ten Largest Holdings	53.8	33.7	45.2	35.6	33.5
Number of Holdings	35	185	42	203	253

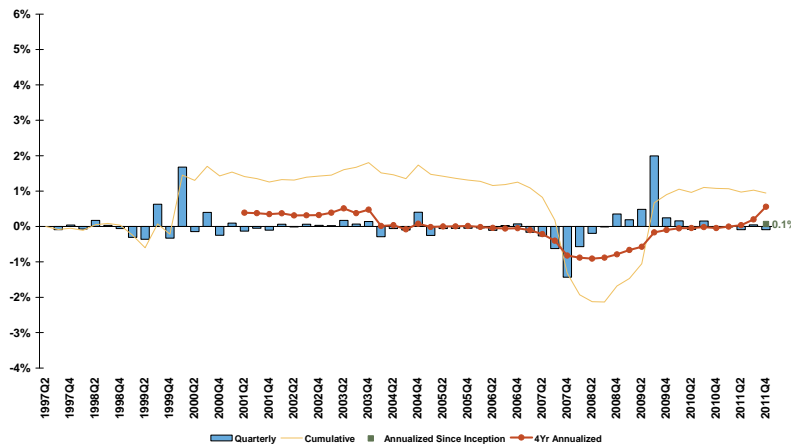
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Russell Investments

# Total U.S. Equity

Value Added over US Equity Benchmark\*

Outperformed benchmark by +0.6% over 4 years



- Underperformed benchmark slightly (-9 bps) in 4th quarter and over one year (-13 bps)
- Currency hedging has been beneficial over the long term

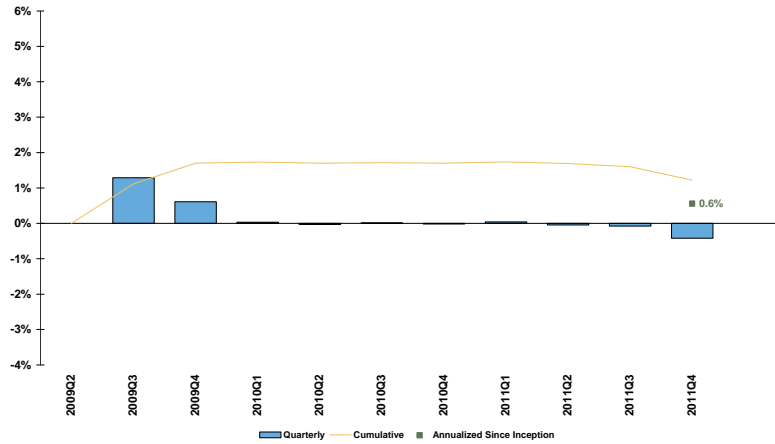
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Russell Investments



## U.S. Equity Hedged – SSgA S&P 500

Value Added vs. S&P 500 C\$ Hedged  
Value Added of +0.6% since inception



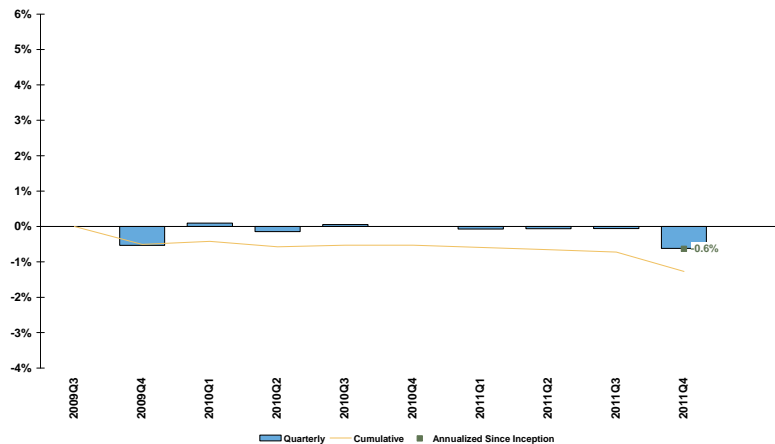
- Underperformed benchmark in 4th quarter and for the year, -42 bps and -48 bps respectively

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Russell Investments

## U.S. Mid-Cap Equity Hedged – SSgA

Value Added vs. S&P 400 C\$ Hedged Index  
Value lost of -0.6% since inception



- Below benchmark by -62 bps for the quarter and by -82 bps for the year

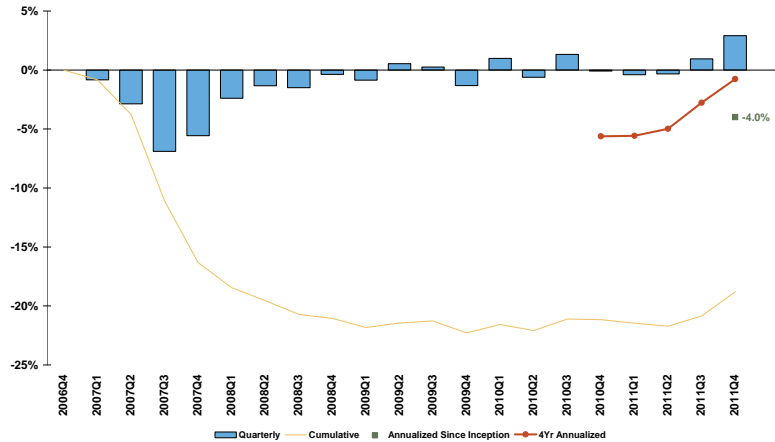
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Russell Investments

## U.S. SC Equity Unhedged – PanAgora

Value Added vs. Russell 2000

Value lost of -0.8% over 4 years, but adding 1.0% over 3 years



- Outperformed by +2.9% in the 4th quarter and for the year
- Overweight Consumer Discretionary; underweight Financials
- Russell rank: Review

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Russell Investments

## U.S. Stock Profile

at December 31, 2011

	PanAgora	Russell 2000
<b>Portfolio Allocations</b>		
Portfolio Size (\$M)	11.6 M	1.1 T
Cash	0.3%	0.0%
<b>Style</b>		
		<b>SLIGHT VALUE TILT</b>
Price/Book	1.8 x	1.8 x
Price/Earnings (Exc. Neg. Earnings)	15.0 x	16.9 x
Dividend Yield	1.1%	1.5%
Price/Cash Flow	9.8 x	12.6 x
<b>Company Size</b>		
		<b>SMALL CAP</b>
Large Cap (Over \$52.9B)	0.0%	0.0%
Medium Cap (\$5.0 B -- \$52.9B)	0.0%	0.0%
Small Cap (Under \$5.0 B)	100.0%	100.0%
Market Cap Average Nlog (\$Bil)	0.9	1.0
<b>Sector Weights (Red = 3% or more below index, Green = 3% or more above index)</b>		
		<b>MODEST SECTOR BETS</b>
Information Technology	18.3	17.2
Health Care	14.3	12.7
Consumer Discretionary	15.8	13.1
Consumer Staples	3.0	3.7
Energy	8.0	6.7
Materials	5.8	4.5
Industrials	14.3	15.7
Financial	19.1	22.2
Telecommunication Services	0.5	0.8
Utilities	0.8	3.7
Sector Deviation	6	---
<b>Concentration</b>		
% in Ten Largest Holdings	9.8	2.8
Number of Holdings	360	1966

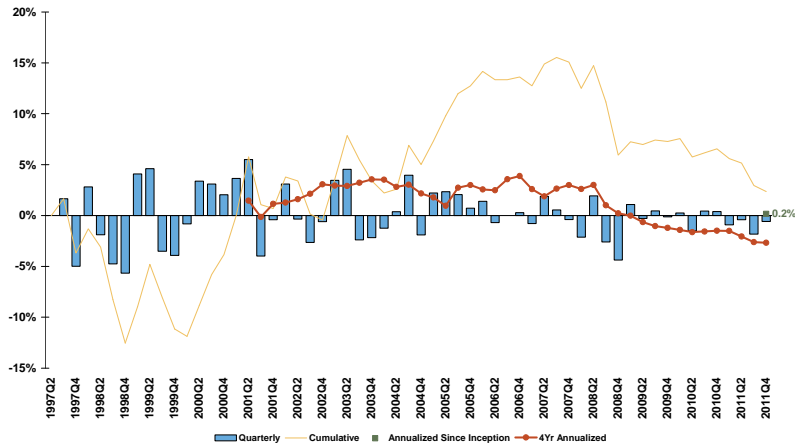
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Russell Investments

## Non-North American Equity (EAFE) Fund

Value Added over MSCI EAFE Index

Long term value added (+0.2%), but -2.7% value lost over 4 years



- Underperformed MSCI EAFE in 4th quarter by -58 bps

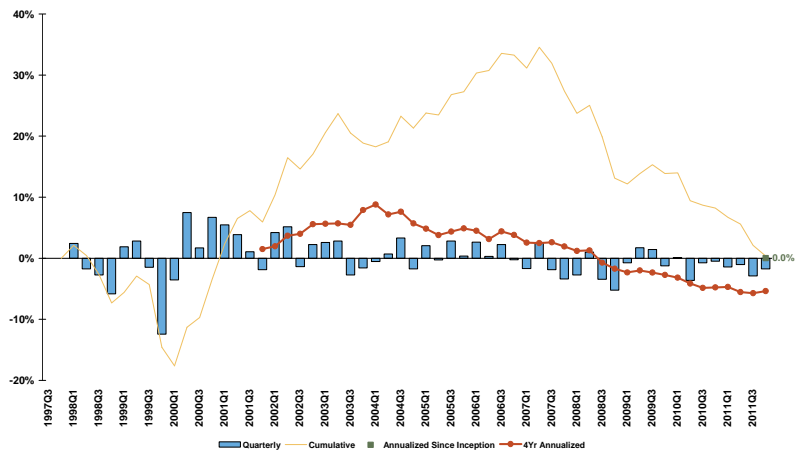
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Russell Investments

## NNA Stocks - Alliance Bernstein

Value Added Over MSCI EAFE

Matched benchmark since inception



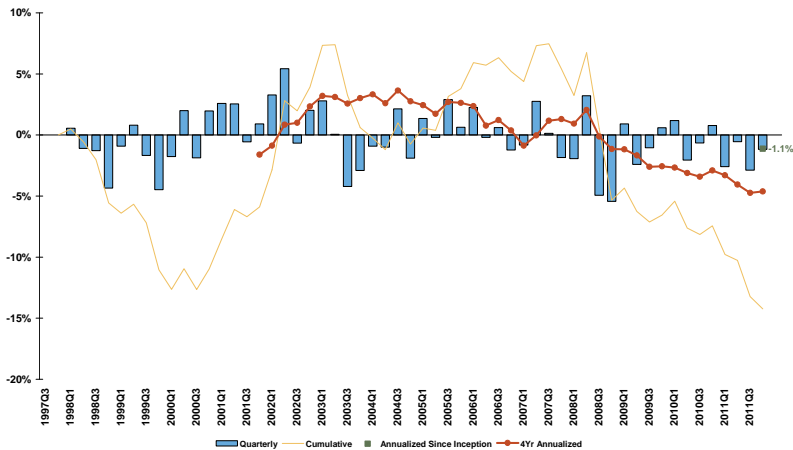
- Underperformed by -1.7% in 4th quarter and by -6.6% over one year
- Underperformed by -5.4% over last 4 years
- Overweight Telecom & Energy; underweight Consumer Staples
- Russell rank: Review

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Russell Investments

## NNA Stocks - Alliance Bernstein

Value Added Over MSCI EAFE Value Index



- Underperformed by -1.2% in the 4<sup>th</sup> quarter and by -6.6% over one year
- Below value index over last 4 years (-4.6%)

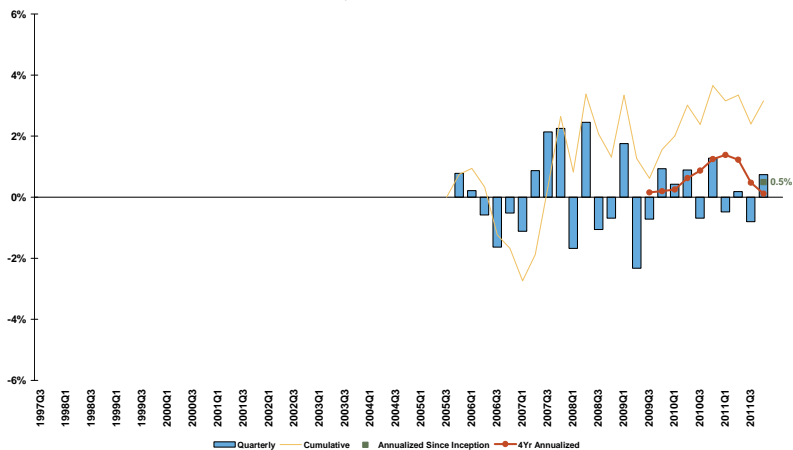
38

Russell Investments

## NNA Stocks – Pyramis / Fidelity

Value Added Over MSCI EAFE Index

Above benchmark since inception by +0.5%



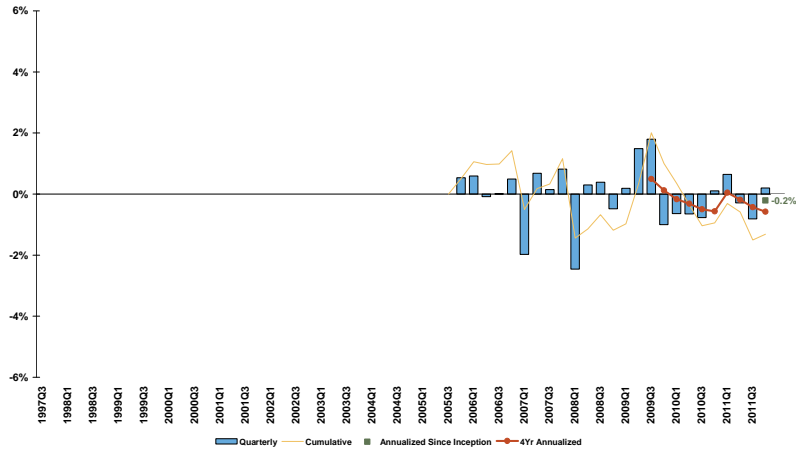
- Value added of +62 bps in 4<sup>th</sup> quarter but underperformed by -78 bps for the year
- Exceeded benchmark by +0.2% over 4 years
- Sector neutral; no significant over- or under-weights greater than 3 percent
- Russell rank: Review

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Russell Investments

## NNA Stocks – Pyramis / Fidelity

Value Added Over MSCI EAFE Growth Index  
Slightly below Benchmark since Inception



- Outperformed by +8 bps in the 4th quarter but underperformed by -69 bps over the year

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Russell Investments

## EAFE Stock Profile

at December 31, 2011\*

	AllianceBernstein (EAFE Fund)	Fidelity	EAFE Composite	MSCI EAFE
<b>Portfolio Allocations</b>				
Portfolio Size (\$M)	69.7	71.6	141.3	9.7 T
% of structure	49.3%	50.7%	100.0%	---
Cash	1.6%	1.0%	1.3%	0.0%
<b>Style</b>				
			<b>SLIGHT VALUE TILT</b>	
Price/Book	0.9 x	1.4 x	1.1 x	1.3 x
Price/Earnings (Exc. Neg. Earnings)	8.7 x	10.9 x	9.7 x	11.1 x
Dividend Yield	3.9%	3.1%	3.5%	3.8%
Price/Cash Flow	4.0 x	6.5 x	5.0 x	5.9 x
<b>Cap Size</b>				
			<b>SMALL CAP OVERWEIGHT</b>	
Large Cap (Over \$19.7B)	58.9%	61.0%	60.0%	61.6%
Medium Cap (\$2.8B – \$19.7B)	35.5%	33.7%	34.6%	35.6%
Small Cap (Under \$2.8 B)	4.8%	4.6%	4.7%	2.4%
Market Cap Average Nlog (\$Bil)	27.3	27.9	27.6	29.0
<b>Sector Weights (Red = 3% or more below index, Green = 3% or more above index)</b>				
			<b>MODEST SECTOR BETS</b>	
Information Technology	4.3	4.6	4.4	4.7
Health Care	10.9	9.1	10.0	10.0
Consumer Discretionary	12.0	11.5	11.8	10.0
Consumer Staples	4.9	11.9	8.5	11.5
Energy	13.7	10.1	11.8	9.2
Materials	9.7	11.2	10.4	10.1
Industrials	9.7	12.8	11.3	12.5
Financial	22.3	20.5	21.4	21.4
Telecommunication Services	8.4	5.4	6.9	6.1
Utilities	4.1	3.0	3.5	4.5
Sector Deviation	9	3	5	---
<b>Country Allocation</b>				
			<b>MODEST COUNTRY BETS</b>	
United Kingdom	25.1	25.7	25.4	23.3
Total Europe Ex United Kingdom	37.4	35.0	36.2	41.3
Japan	25.2	20.8	22.9	21.6
Pacific Basin Ex Japan	9.2	15.2	12.8	13.2
% in Emerging Market Countries	8.2	4.8	6.5	0.0
Country Deviation (Equity MV)	9.7	5.5	6.3	---
% in Non Index Countries	9.0	5.9	7.5	---
<b>Concentration</b>				
% in Ten Largest Holdings	24.4	17.7	13.2	14.0
Number of Holdings	125	407	491	925

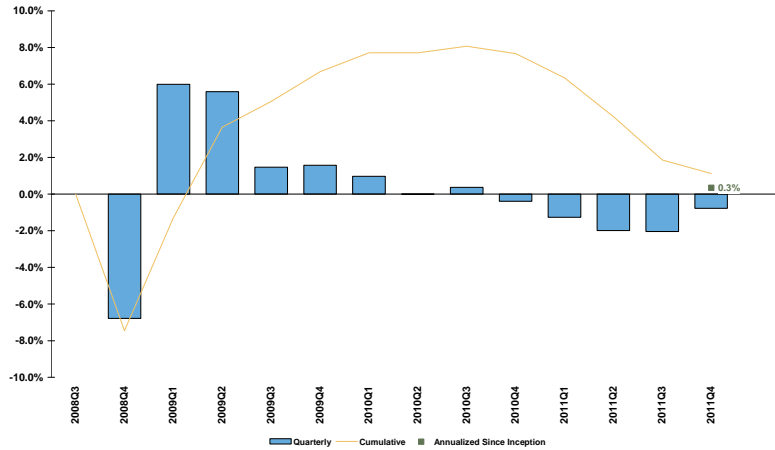
\*Fidelity data not finalized yet for December so September holdings rolled forward.

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Russell Investments

## Global Stocks

Value Added Over MSCI World Index



- Value lost of -78 bps in 4th quarter and of -5.9% for one year
- Value added of +3.1% over three years

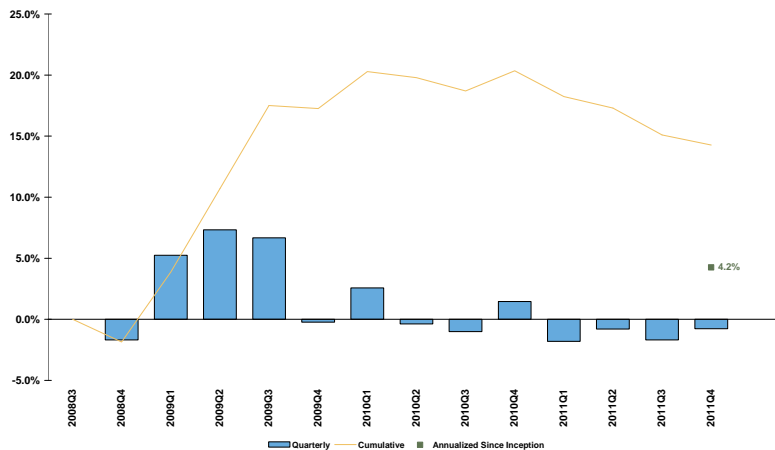
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Russell Investments

## Global Stocks – Harris

Value Added Over MSCI World Index

Significant value added of +4.2% since inception



- Value lost of -76 bps in 4th quarter and of -4.9% for one year
- Value added of +5.5% over three years (1<sup>st</sup> quartile)
- Overweight Technology, Consumers, and Financials; underweight Health Care, Energy, and Telecom
- Russell Rank: Hire

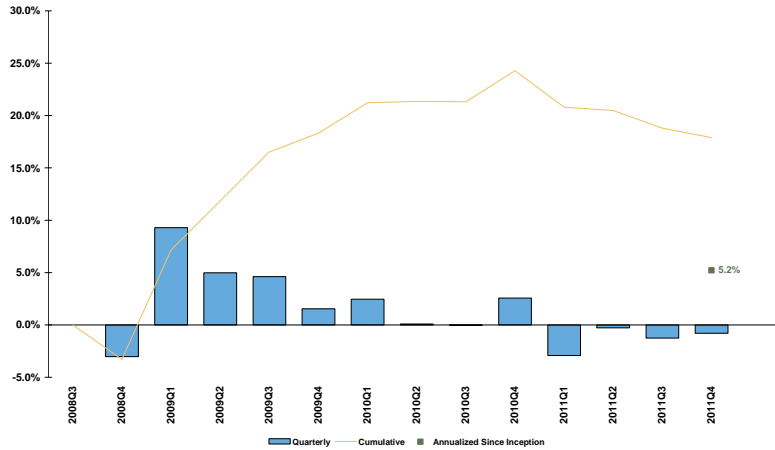
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Russell Investments

## Global Stocks – Harris

Value Added Over MSCI World Value Index

Significant value added of +5.2% since inception



- Value lost of -0.8% in 4th quarter and -5.0% for the year
- Value added of +7.0% over three years

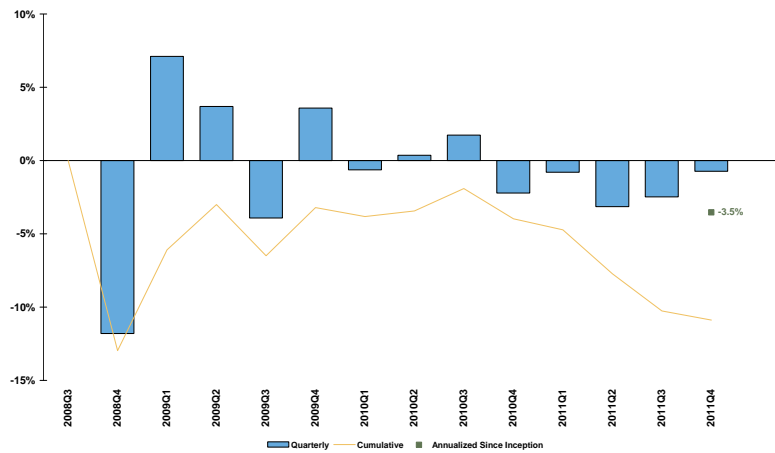
44

Russell Investments

## Global Stocks – T. Rowe Price

Value Added Over MSCI World Index

Value lost of -3.5% since inception



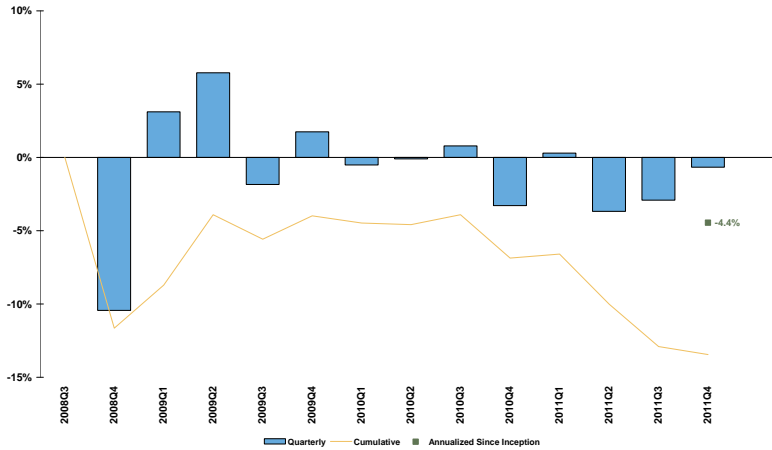
- Value lost of -73 bps in 4th quarter and underperformed by -7.0% for the year
- Overweight Technology; underweight Health Care, Consumer Staples, Utilities, and Telecom
- Russell Rank: Hire

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Russell Investments

## Global Stocks – T. Rowe Price

Value Added Over MSCI World Growth Index  
Value lost of -4.4% since inception



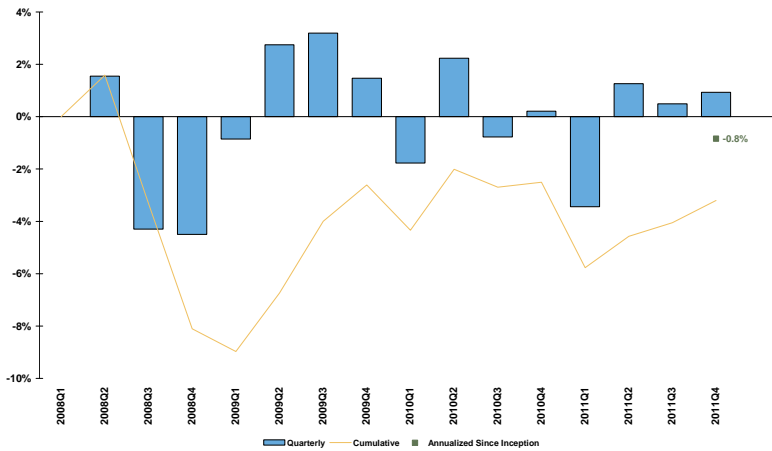
- Value lost of -0.7% in 4<sup>th</sup> quarter and by -6.9% for the year

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Russell Investments

## Global Stocks – Mackenzie

Value Added Over MSCI World Index



- Outperformed by +94 bps in 4<sup>th</sup> quarter but underperformed by -68 bps for the year
- Overweight Telecom, Financials, Technology, and Health Care; underweight Consumers, Materials, and Utilities

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Russell Investments



# Global Stock Profile

at December 31, 2011

	Harris Associates	T. Rowe Price	Global Equity Comp.	Mackenzie SRI	MSCI World Index
<b>Portfolio Allocations</b>					
Portfolio Size (\$M)	38.1	37.3	75.3	3.2	22.9 T
% of structure	50.6%	49.5%	100.0%	---	---
Cash	1.4%	3.1%	2.2%	1.6%	0.0%
<b>Style</b>					
	SLIGHT GROWTH BIAS			NEUTRAL	
Price/Book	1.4 x	1.9 x	1.6 x	1.6 x	1.7 x
Price/Earnings (Exc. Neg. Earnings)	12.3 x	13.2 x	12.7 x	12.1 x	12.6 x
Dividend Yield	2.5%	1.6%	2.1%	3.5%	2.9%
Price/Cash Flow	7.7 x	9.4 x	8.5 x	7.4 x	7.5 x
<b>Cap Size</b>					
			MC OVERWEIGHT	MC UNDERWEIGHT	
Large Cap (Over \$10.7B)	61.0%	65.3%	63.5%	73.4%	66.6%
Medium Cap (\$2.8B - \$10.7B)	36.5%	33.5%	35.0%	21.6%	32.1%
Small Cap (Under \$2.8 B)	1.6%	1.3%	1.5%	1.7%	1.1%
Market Cap Average Nlog (\$Bil)	28.1	31.9	29.9	38.1	36.6
<b>Sector Weights (Red = 3% or more below index, Green = 3% or more above index)</b>					
				SIGNIFICANT SECTOR BETS	
Information Technology	22.7	26.5	24.5	16.5	12.0
Health Care	2.0	5.3	3.6	14.5	10.5
Consumer Discretionary	21.7	9.8	15.9	1.5	10.3
Consumer Staples	5.7	6.1	5.9	9.6	11.0
Energy	4.4	13.0	8.6	13.3	11.8
Materials	9.5	7.1	8.3	1.7	7.2
Industrials	9.4	12.8	11.1	9.0	11.0
Financial	23.4	18.0	20.7	22.4	17.7
Telecommunication Services	0.0	1.1	0.5	11.4	4.3
Utilities	1.3	0.4	0.9	0.0	4.0
Sector Deviation	22	17	17	16	---
<b>Country Allocation</b>					
			MODERATE BETS	LARGE BETS	
United Kingdom	3.1	13.6	8.2	10.8	9.8
Total Europe Ex United Kingdom	39.5	11.1	25.5	28.7	17.4
Japan	12.1	0.0	6.2	13.7	9.1
Pacific Basin Ex Japan	---	7.0	3.5	21.7	5.6
United States	40.4	57.7	48.9	16.7	52.7
% in Emerging Market Countries	2.8	14.4	8.6	14.5	0.0
Country Deviation (Equity MV)	23.7	15.9	11.3	39.2	---
% in Non Index Countries	2.8	15.5	9.0	17.5	---
<b>Concentration</b>					
% in Ten Largest Holdings	55.1	35.2	32.0	38.7	10.4
Number of Holdings	43	71	109	42	1615

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Russell Investments

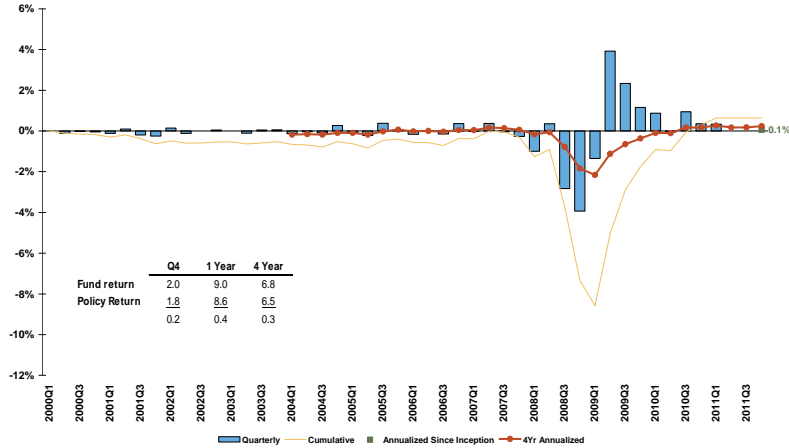


## 4. Fixed Income

## Diversified Bond Fund

Value Added Over Policy\*

Added Value of +3.0% over 3 years (1<sup>st</sup> Quartile)



- Outperformed the benchmark by +23 bps in Q4 and by +40 bps for the year
- Added value over benchmark by +0.3% over 4 years

\* Policy: 66.5% DEX Universe Index, 33.5% BC Global Aggregate Hdq CAD since 01/31/07

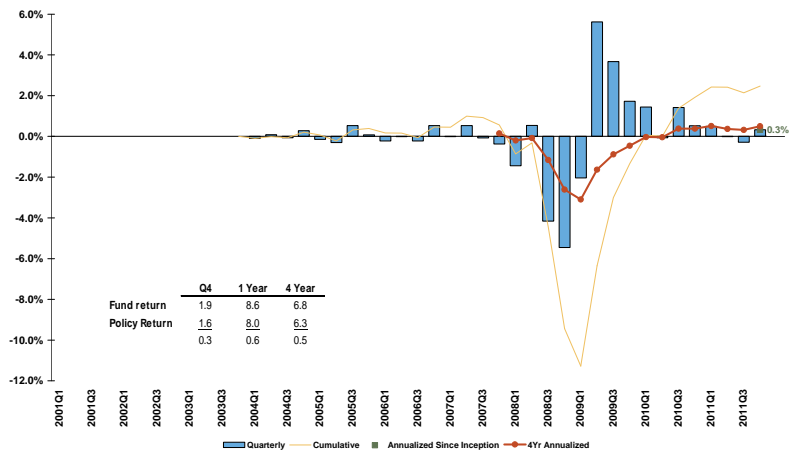
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Russell Investments

## Bonds – AllianceBernstein Core+

Value Added Over AllianceBernstein Benchmark\*

Value added of +0.5% over 4 years



- Outperformed the benchmark by +34 bps over the quarter
- Outperformed by +60 bps for the year
- Russell rank: Hire

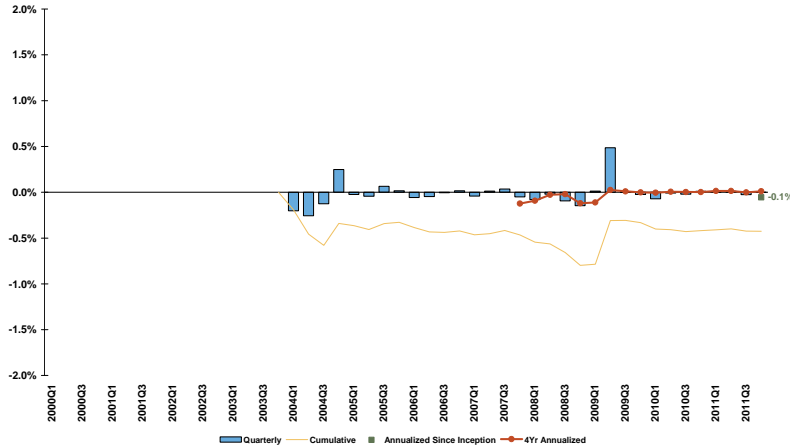
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Russell Investments

## Bonds (State Street)

Value Added Over DEX Universe

Slightly trailing benchmark since inception



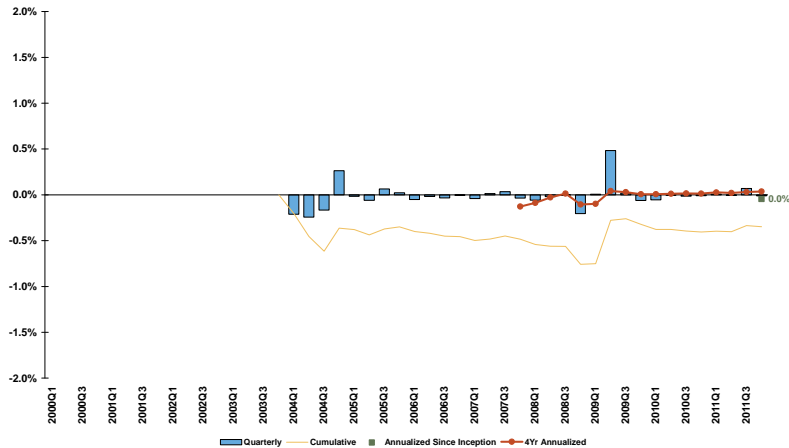
- Matched benchmark in 4<sup>th</sup> quarter
- Russell rank: Retain

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Russell Investments

## Canadian Bond Fund - State Street

Value Added Over DEX Universe



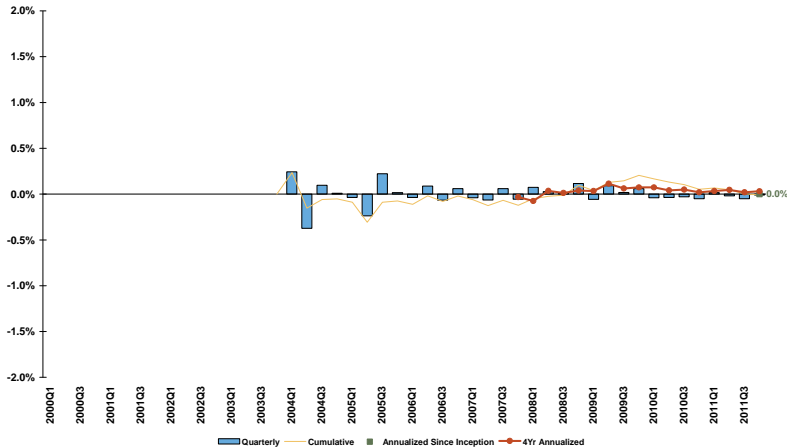
- Matched benchmark since inception

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Russell Investments

## Long Term Bond Fund – State Street

Value Added Over DEX Long Term Index  
Keeping pace with the benchmark



- Russell rank: Moderate Interest

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Russell Investments

## Canadian Bond Profile\*

at December 31, 2011

	AllianceBernstein	StateStreet	Fund Composite**	DEX Universe
<b>Portfolio Allocations</b>				
Portfolio Size (\$M)	\$178.1	\$87.7	\$265.7	\$1,155.2B
% of Structure	67%	33%	100%	--
Number of Holdings	272	761	n/a	1,147
<b>Characteristics</b>				
			<b>HIGHER YIELD</b>	
Modified Duration (Yrs)	6.4	6.8	6.5	6.8
Yield to Maturity	2.9%	2.3%	2.7%	2.3%
<b>Term Structure (%)</b>				
			<b>MID TERM OVERWEIGHT</b>	
Cash	5	0	3	0
Short (1-5 years)	32	48	37	47
Medium (5-10 years)	44	24	37	25
Long (10+ years)	19	28	22	29
<b>Sector Weights (% of Portfolio)</b>				
			<b>PROVINCIAL UNDERWEIGHT</b>	
Federal Bonds	41	43	42	44
Provincial & Municipal Bonds	15	29	19	30
Corporate Bonds	26	29	27	26
Foreign Government	5	0	3	0
Foreign Corporate	0	0	0	0
Other (MBS, CMBS, ABS, etc.)	7	0	5	0
Cash	5	0	3	0
<b>Quality:</b>				
			<b>LOWER QUALITY BIAS</b>	
AAA	58	51	56	49
AA	10	23	14	23
A	17	21	18	20
BBB	13	5	11	7
Lower than BBB	1	0	1	0

\*Manager supplied data

\*\*Fund composite represents a dollar-weighted combination of the manager supplied information

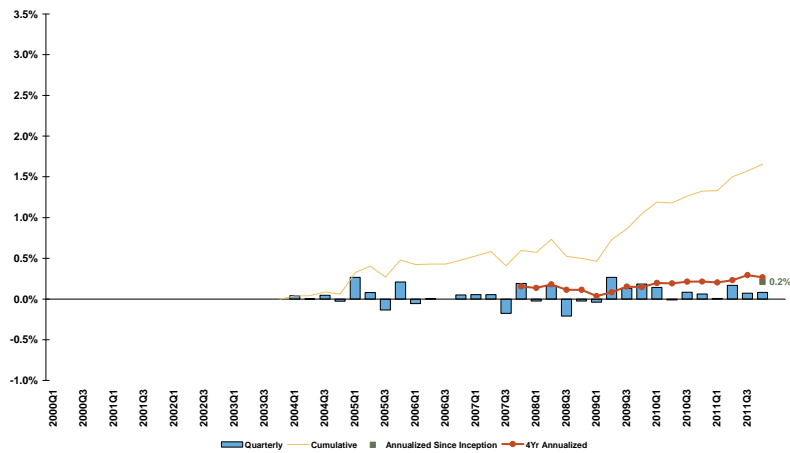
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Russell Investments

## 5. Money Market Fund

### Money Market – State Street

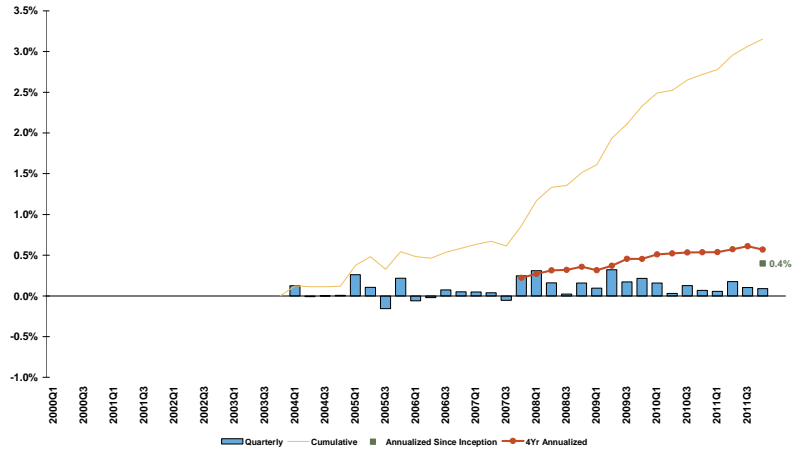
Value Added Over DEX 91 Day T-Bills



- Outperformed the benchmark by +8 bps for 4<sup>th</sup> quarter and by +33 bps for the year
- Value added of +0.2% since inception

## Money Market – State Street

Value Added Over DEX 30 Day T-Bills



- Secondary benchmark

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Russell Investments



## 6. Target Date Funds

## Target Date Funds

Portfolio Positions: December 31, 2011

### A. Duration

Fund	Duration		Deviation	
	Target	Actual	Actual	Maximum
June 1, 2012	0.42	0.44	0.02	0.02
June 1, 2014	2.42	2.53	0.11	0.12
June 1, 2016	4.42	4.48	0.06	0.22

### B. Dispersion

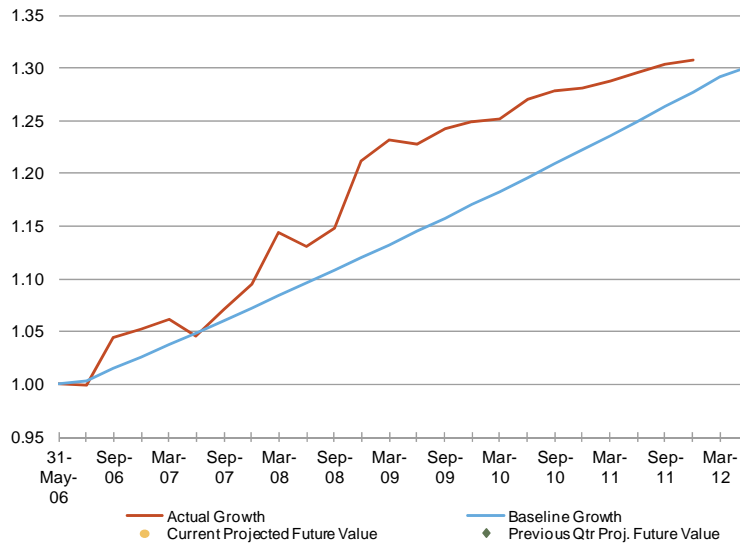
Fund	Years to Maturity	Short Term Holdings	
		Actual	Maximum
June 1, 2012	0.42	100.0%	100%
June 1, 2014	2.42	0.8%	25%
June 1, 2016	4.42	0.1%	25%

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Russell Investments

## Target Date Fund Performance Tracking

June 1, 2012 Fund – Growth of a dollar

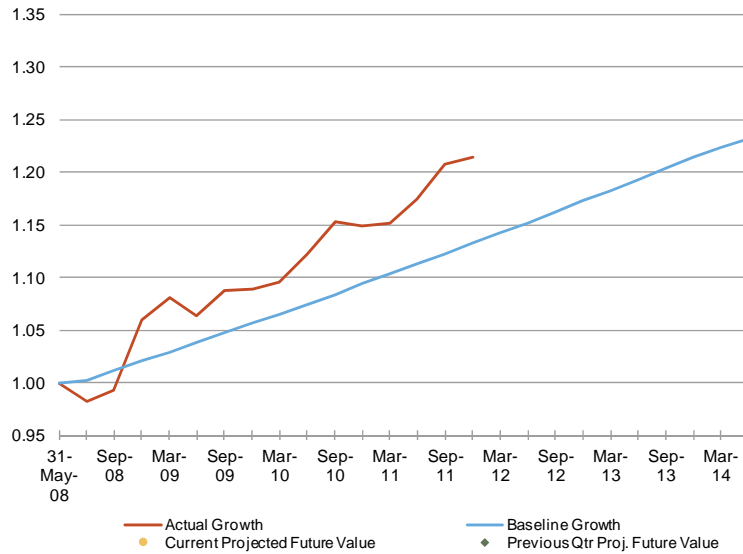


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Russell Investments

## Target Date Fund Performance Tracking

June 1, 2014 Fund – Growth of a dollar

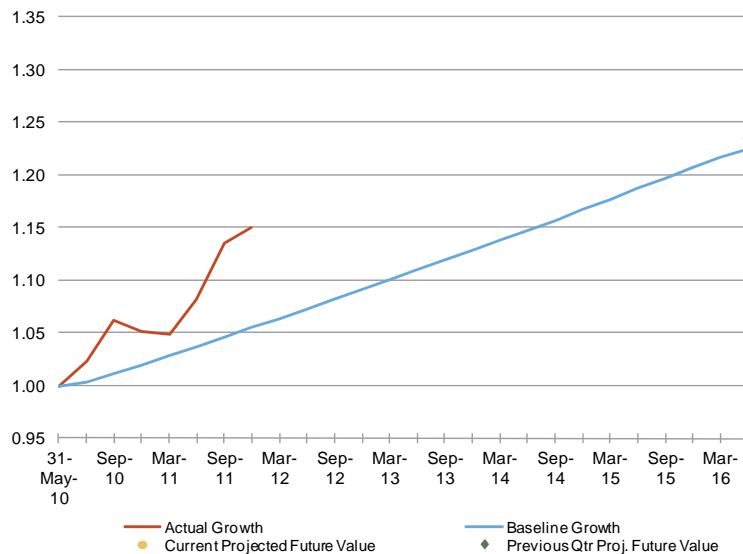


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## Target Date Fund Performance Tracking

June 1, 2016 Fund – Growth of a dollar



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