

State Street Global Advisors
Investment Manager Review
February 15, 2012

EXECUTIVE SUMMARY

- On February 15, 2012 Martin Bélanger met with the following State Street Global Advisors professionals from 9:00 a.m. to 1:00 p.m. at their Montréal office:
 - Marco Larocque, Vice President, Relationship Management
 - Louis Basque, Senior Product Engineer
 - Denis Sénécal, Head of Canadian Fixed Income
 - Inya Ivkovic, Chief Compliance Officer, SSgA Canada
 - Emiliano Rabinovich, Portfolio Manager, Global Structured Products
 - Voula Varvakis, Manager, Fixed Income Operations
- SSgA's S&P 500 Index Strategy is ranked "Hire" by Russell.
- SSgA's S&P MidCap 400 Index Strategy is unranked by Russell.
- SSgA's Canadian Bond Fund is ranked "Retain" by Russell.
- SSgA's Long-Term Bond Fund is ranked "Moderate Interest" by Russell.
- SSgA's Money Market Fund is unranked by Russell.
- SSgA's Target Date Funds are unranked by Russell.
- SSgA is a very large organization with extensive resources, although its size prevents it from being nimble at times (e.g. the requirement to provide the exact dollar amount of a contribution two business days in advance makes transitions difficult and they don't provide much flexibility regarding the way they issue performance reports).
- Since our last review, there have been some minor changes in investment personnel and some re-distribution of tasks within the team managing our fixed income portfolios. I don't think these changes are a cause for concerns.
- The tracking error of the Canadian Bond Fund is in line with the investment guidelines.
- The tracking error of the Long-Term Bond Fund is in line with the investment guidelines.
- The Target-Date Funds are behaving according to the investment guidelines in terms of projected maturity value and duration constraints.
- The two Immunized Bond Funds are behaving according to the investment guidelines in terms of asset/liability matching, duration constraints and liquidity.
- The Money Market Fund has met the target value added of 15 bps annualized over the four-year period ending December 31, 2011 and the fund has been in compliance with the revised investment guidelines since November 19, 2009.
- The two U.S. Equity Large Cap Hedged strategies (Diversified Equity Fund and Tier 3 stand alone option) posted a large tracking error in 2011 (-0.48% for the Diversified Equity option and -0.53% for the Tier 3 option). Most of the tracking error is due to the currency hedging. The tracking error could be reduced by moving the management of the U.S. equity products, especially the U.S. Large Cap Equity Hedged product, from a U.S. based strategy to a Canadian-managed strategy.
- The U.S. Equity MidCap Hedged Strategy has had a negative tracking error of 48 bps in 2011, mostly due to currency hedging.

- SSgA has made significant investments to its compliance process in recent months to reduce the legal risks to the organization.
- SSgA or its parent company are currently defending 3 major litigation claims:
 - A Wells Notice from the U.S. Securities and Exchange Commission regarding the management of some fixed income strategies managed from its U.S. operations.
 - Claim filed by the Attorney General of California under the California False Claims Act regarding the way State Street's custody business is handling foreign currency transactions on behalf of its clients.
 - A lawsuit as a result of SSgA using Lehman Brothers as a prime broker.
- The investment teams managing money for UWO are not directly involved with these claims and State Street advised me that they have set aside sufficient funds to cover potential settlements. As such it shouldn't have a material impact on the management of our portfolios.
- All accounts are in compliance with the portfolio guidelines, no major issues have been raised as a result of recent regulatory reviews and SSgA has adequate Code of Conduct and potential conflicts of interests have been disclosed.
- Environmental, social and governance issues are taken into account in the credit analysis process for actively managed portfolios.

RECOMMENDATION

- State Street Global Advisors has managed adequately for us the various fixed income portfolios that we have invested with them, especially the specialty fixed income products, such as the target date funds, and the Money Market Fund, as well as the passive strategies.
- Regarding equity mandates, the tracking error has been larger than expected on currency hedged mandates.
- The firm is still exposed to litigation, but we do not foresee any material impact on our portfolios based on the information provided to us by SSGA at this time.
- SSgA has made significant investments into its compliance process to prevent future litigation.
- The firm can show a lack of flexibility at times and client servicing is fair at best, but it does meet our needs.
- In order to reduce the tracking error on the U.S. equity strategies, I would recommend transferring the management of the U.S. Equity Large Cap Hedged, U.S. Equity Large Cap Unhedged and U.S. Equity Midcap Hedged products from Boston to Montréal.

BACKGROUND

ORGANIZATION

- State Street Global Advisors is the asset management division of State Street Corporation.
- The firm had 2400 employees, including 460 investment professionals as of December 31, 2011.
- The firm had \$1.9 trillion in assets under management as of December 31, 2011.
- SSgA Canada has two offices, 80 employees (down from 107 in 2009) and \$35.0 billion of assets under management as of December 31, 2011.
- Western Retirement Plans had \$436 million in assets under management with SSgA as of December 31, 2011 (\$112 million in U.S. equities and \$324 million in Canadian fixed income and money market).
- Western Operating & Endowment Fund had \$202 million in assets with SSgA as of December 31, 2011 (\$60 million in U.S. equities and \$142 million in Canadian fixed income).
- SSgA gained 1485 new clients and lost 1569 clients in 2011; in Canada they gained 102 new accounts and lost 41.
- SSgA recently announced some workforce reorganization. A total of 260 layoffs were made. The layoffs had limited impact on our portfolios. In the Montreal office Jean Gauthier was let go. He was managing cash accounts and had little involvement on Western portfolios.

FIXED INCOME MANDATES

Canadian Bond Fund

	As of December 31, 2011							Inception Date
	1-Mth	3-Mth	YTD	1-Yr	3-Yr	5-Yr	Since Inception	
Canadian Bond	1.71%	2.09%	9.71%	9.71%	7.43%	6.43%	6.34%	Nov 2003
DEX Universe Bond	1.68%	2.09%	9.67%	9.67%	7.26%	6.37%	6.32%	
<i>Tracking Error</i>	<i>0.03%</i>	<i>0.00%</i>	<i>0.04%</i>	<i>0.04%</i>	<i>0.17%</i>	<i>0.06%</i>	<i>0.02%</i>	

- The objective of the Canadian Bond Fund is to match the risk/return parameters of the DEX Bond Universe.
- The Fund has a target tracking error of less than 10 bps per year.
- The Canadian Bond Fund had a positive tracking error of 4 bps for the year ending December 31, 2011.
- Process hasn't changed: Combine a stratified sampling approach, optimization techniques and a strict credit policy to provide the core to a fixed income allocation.

Portfolio Characteristics as of December 31, 2011

	UWO Canadian Bond Fund	DEX Universe Bond Index
Yield to maturity	2.31%	2.33%
Modified duration	6.8 years	6.8 years
Universe weighting by sector:		
Federal	45.2%	43.8%
Provincial	27.7%	28.1%
Municipal	1.7%	1.6%
Corporate	25.4%	26.5%
Number of issues	628	1147
Average credit rating	AA	AA

Long-Term Bond Fund

	As of December 31, 2011							Inception Date
	1-Mth	3-Mth	YTD	1-Yr	3-Yr	5-Yr	Since Inception	
Long-Term Bond	3.71%	4.94%	18.06%	18.06%	11.89%	8.29%	8.93%	Nov 2003
DEX Long-Term Bond	3.66%	4.94%	18.13%	18.13%	11.93%	8.29%	8.90%	
<i>Tracking Error</i>	<i>0.05%</i>	<i>0.00%</i>	<i>-0.07%</i>	<i>-0.07%</i>	<i>-0.04%</i>	<i>0.00%</i>	<i>0.03%</i>	

- The objective of the Long-Term Bond Fund is to match the risk/return parameters of the DEX Long-Term Overall Index.
- The Fund has a target tracking error of less than 10 bps per year.
- The Long-Term Bond Fund met that target for the year ending December 31, 2011 with a tracking error of -7 bps.
- Process hasn't changed: Combine a stratified sampling approach, optimization techniques and a strict credit policy to provide the core to a long bond allocation.

Portfolio Characteristics as of December 31, 2011

	UWO Canadian Long-Term Bond Fund	DEX Long-Term Bond Index
Yield to maturity	3.37%	3.39%
Modified duration	13.8 years	13.8 years
Universe weighting by sector:		
Federal	29.4%	29.0%
Provincial	48.5%	48.0%
Municipal	1.0%	1.3%
Corporate	21.0%	21.7%
Number of issues	286	425
Average credit rating	AA	AA

Target Date Funds

	As of December 31, 2011							
	1-Mth	3-Mth	YTD	1-Yr	3-Yr	5-Yr	Since Inception	Inception Date
TDF 2012	0.10%	0.25%	2.07%	2.07%	2.54%	4.42%	4.89%	May 2006
TDF 2014	0.45%	0.53%	5.65%	5.65%	4.64%	N/A	6.03%	May 2008
TDF 2016	1.16%	1.31%	9.33%	9.33%	N/A	N/A	9.23%	May 2010

	As of December 31, 2011	
	Current Projected Maturity Value	Projected Maturity Value, at Inception
TDF 2012	129.4	128.8
TDF 2014	126.7	124.4
TDF 2016	123.4	122.2

- The objective of the target-date funds is to provide an attractive return relative to Government of Canada Zero Coupon Bond of similar maturities while offering liquidity prior to maturity.
- Benchmark: The projected maturity value per unit as determined at the inception date of each TDF, based on the returns on Government of Canada residuals with maturity dates closest to the maturity dates of each TDF.
- Duration: +/- 5% versus benchmark.
- Projected maturity values are greater than at inception for all three funds.
- Duration constraint met.
- Although yields have come down significantly in recent months, the funds have performed as expected.

**Target-Date Fund Duration
As at December 31, 2011**

	Target Date Fund – June 2012	Target Date Fund – June 2014	Target Date Fund – June 2016
Fund Duration	0.44	2.52	4.48
Benchmark Duration	0.42	2.41	4.39
Difference	+4.8%	+4.6%	+2.1%

Immunized Bond Funds

	As of December 31, 2011							
	1-Mth	3-Mth	YTD	1-Yr	3-Yr	5-Yr	Since Inception	Inception Date
Admin Immunized Bond	1.50%	1.97%	9.55%	9.55%	6.17%	6.06%	5.95%	Sep 2006
Acad Immunized Bond	1.40%	1.86%	8.94%	8.94%	N/A	N/A	7.33%	Jun 2010

- Funds that the General Accounts of the Administrative Staff Pension Plan and of the Academic Staff Pension Plan are invested in.
- The performance goals: 1) Matching assets and liabilities; 2) Duration: +/- 0.25 years of the target modified duration provided by the university; and 3) Providing sufficient liquidity to pay monthly pension benefits have been met.

**Immunized Bond Fund Duration
As at December 31, 2011**

	Administrative Staff Immunized Bond Fund	Academic Staff Immunized Bond Fund
Fund Duration (yrs)	5.73	5.45
Benchmark Duration (yrs)	5.58	5.31
Difference (yrs)	+0.15	+0.14

Money Market Fund

	As of December 31, 2011							Inception Date
	1-Mth	3-Mth	1-Yr	3-Yr	4-Yr	5-Yr	Since Inception	
Money Market	0.16%	0.27%	1.20%	0.93%	1.63%	2.21%	2.56%	Nov 2003
DEX 91-Day T-Bills	0.08%	0.22%	1.00%	0.72%	1.37%	1.97%	2.35%	
<i>Value Added</i>	<i>0.08%</i>	<i>0.05%</i>	<i>0.20%</i>	<i>0.21%</i>	<i>0.26%</i>	<i>0.24%</i>	<i>0.21%</i>	

- The objective of the Money Market Fund is to provide a high level of current income while preserving capital.
- The Money Market Fund has a target value added of 15 bps per annum over a four-year rolling period; as of December 31, 2011 the Fund's four-year return was 1.63%, compared to 1.37% for the benchmark, for 0.26% of value added.
- As of November 19, 2009, the Money Market Fund became in compliance with the new investment guidelines that were agreed on in December 2008.
- From time to time there are some pricing discrepancies between Northern Trust. The process in place is to use Northern Trust's pricing, unless the pricing difference results in a negative return for a month and as long as the pricing discrepancy is not due to an asset impairment. Historically SSgA has been proven right most of the time as the discrepancies were created by the use of faulty assumptions in Northern Trust systems. For example, in the past Northern Trust's system has calculated the price of floating-rate notes using the full term to maturity instead of the reset period.
- Process hasn't changed:
 - Opportunistic trading
 - Sector rotation
 - Control interest rate risk through targeted duration and specific performance benchmarks
- The portfolio has a positive carry with an exposure to higher yielding corporates.
- The manager has been investing in floating-rate notes maturing in 3, 6 and 9 months using a laddering approach in recent months in order to manage the liquidity.

Portfolio Characteristics as of December 31, 2011

	UWO Money Market Fund	DEX 91-Day T-Bills Index
Average yield	1.15%	0.82%
Weighted average maturity	44 days	91 days
Sector weights:		
Governments	22.9%	100%
Senior Bank Notes	27.9%	0%
Senior Bank FRN	42.6%	0%
Commercial Paper	6.3%	0%
Cash	0.2%	0%

Investment Personnel

- Since our last review, there have been two personnel departures in the fixed income team based in Montréal
 - In September 2011, Omar Slim, Senior Credit Analyst, left the Montréal office for Singapore. Although he's still employed by SSgA, he won't be involved directly with the Canadian fixed income team.
 - In January 2012, Jean Gauthier, Fixed Income Portfolio Manager, was terminated. Jean was involved with cash management accounts and as such, was not managing directly any product for Western. With a significant decline in assets in their cash management accounts, SSgA felt they needed to reduce the personnel involved.
- There are 7 investment professionals on the Canadian Bond team; the team is supported by SSgA Global Credit Team.
- They have two credit analysts, Victor Grigore and Meriem Mechouat, to cover 56 Canadian corporate names.
- There has been a re-distribution of tasks within the team:
 - Philippe Nolet, who has been with SSgA since June 2010, has taken over as the lead portfolio manager on the passive fixed income strategies, reporting to Claudio Ferri. Claudio had temporarily taken over as lead portfolio manager following the departure of Yves Desjardins in April 2010.
 - Christian Hoffman has been the lead portfolio manager on the Money Market Fund since July 2011, reporting to Claudio Ferri.
 - Claudio Ferri is the lead portfolio manager on enhanced and active fixed income portfolios.
- Denis Sénécal is still the Head of the Canadian Fixed Income team.
- It's a little disappointing that the appointments of Philippe Nolet and Christian Hoffman as lead portfolio managers on some of our mandates was not communicated to us. The concern was shared with SSgA who mentioned that they would try to communicate better.

Other

- Environmental, social and governance factors are taken into consideration within the credit analysis process (e.g. environmental assessment will be taken into consideration when analyzing Ontario Hydro).

U.S. EQUITY MANDATES

Performance Analysis

	As of December 31, 2011				Inception Date
	1-Mth	3-Mth	1-Yr	Since Inception	
U.S. Equity Large Cap Hedged (Diversified Equity Fund)	1.06%	11.10%	1.23%	16.55%	April 2009
S&P 500 Hedged	1.10%	11.54%	1.71%	15.87%	
<i>Tracking Error</i>	<i>-0.04%</i>	<i>-0.44%</i>	<i>-0.48%</i>	<i>0.68%</i>	
U.S. Equity Large Cap Hedged (Tier 3)	1.09%	11.25%	1.18%	9.13%	Sep 2009
S&P 500 Hedged	1.10%	11.54%	1.71%	9.36%	
<i>Tracking Error</i>	<i>-0.01%</i>	<i>-0.29%</i>	<i>-0.53%</i>	<i>-0.23%</i>	
U.S. Equity Large Cap Unhedged	1.17%	9.26%	4.65%	7.74%	Sep 2009
S&P 500 Unhedged	1.17%	9.26%	4.64%	7.71%	
<i>Tracking Error</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.01%</i>	<i>0.03%</i>	
U.S. Mid Cap Hedged	-0.34%	11.97%	-3.04%	11.28%	Sep 2009
S&P Midcap 400	-0.30%	12.57%	-2.56%	11.69%	
<i>Tracking Error</i>	<i>-0.04%</i>	<i>-0.60%</i>	<i>-0.48%</i>	<i>-0.41%</i>	

U.S. Equity Large Cap Hedged Strategy

- The objective of the U.S. Equity Large Cap Hedged Strategy is to match the returns and characteristics of the S&P 500 Index as closely as possible.
- They maintain costs as low as possible by using cross trading and by using futures contracts.
- The Fund has a target tracking error of less than 10 bps per year.
- The Fund, for the strategy managed within the Diversified Equity Fund, had a positive tracking error of 68 bps since inception in April 2009.
- Most of the tracking error came in September 2009 when the “B” Funds were merged with the legacy funds. A contribution of \$39.9 million was made to an account with a starting balance of \$8.5 million. Since the contribution was made at a currency exchange rate of 1.0687 CAD/USD and the closing rate for the day was 1.0733 CAD/USD, a gain was created. The U.S. dollar increased by 0.43% for the day, which created a gain of \$171,175. This gain represents 2.01% of the initial balance of \$8.5 million. If we subtract this gain from the realized return of 16.55% over 33 months, we get a return of 15.99%, which is in line with the benchmark return of 15.87%.

**Attribution Analysis – U.S. Equity Large Cap Hedged
September 2009**

September 2009 Contribution	\$39,903,012
Closing exchange rate (CAD/USD)	1.0733
Contribution exchange rate (CAD/USD)	1.0687
Currency gain (%)	0.43%
Currency gain (\$)	\$171,754
Starting account balance	\$8,544,286
Currency gain as a % of starting balance	2.01%
Fund return for September 2009	5.59%
Minus: currency gain	2.01%
Adjusted return	3.58%
Benchmark return	3.64%
Adjusted tracking error	-0.06%

- The tracking error has also been high for the two U.S. Equity Large Cap Hedged strategies recently. The tracking error was -0.48% for the strategy within the Diversified Equity Fund and -0.53% for the Tier 3 Fund in 2011. This is caused by the way the gains and losses from currency hedging are reinvested in the portfolio. The benchmark assumes that the currency hedges are implemented using one month forwards on the month end day at 11:00 a.m. and that the gains or losses are reinvested into the underlying funds at the end of the day. In practice, the process of confirming the gains or losses from the currency hedges make it impossible to reinvest the proceeds at the end of the day. When the markets are volatile, this one-day lag to reinvest the proceeds in the portfolio causes some significant tracking error.
- One way to reduce the tracking error would be to change the vehicle the Western Retirement Plans invest in. Currently, the plans invest in a U.S. based S&P 500 strategy. The currency hedging is done through an overlay, as described above, which causes tracking error, in addition to having to maintain additional custody accounts with Northern Trust, which generate additional fees. SSgA offers a Canadian based S&P 500 strategy that has a currency hedging overlay within the fund, which lowers the tracking by eliminating the one-day lag to reinvest the currency gains or losses. Fees would also be saved by the elimination of custody accounts with Northern Trust. The Canadian based strategy has about \$500 million in assets under management.
- The table below compares the tracking error for the two products:

Year	U.S. Managed Product	Canadian Managed Product
2011	-0.48%	-0.23%
2010	-0.07%	-0.17%

- Although the tracking error was better for the U.S. managed product in 2010, the Canadian-based product is a better option for three reasons:
 1. The one-day slippage in reinvesting the profits/losses generated by the currency hedging can be negative or positive. In the long run it will most likely result in a lower tracking error if there's no one-day lag. The

standard deviation of the tracking was actually 2.5 times larger for the U.S. product in 2010.

2. The Canadian fund will track the index better when there are regular cash flows in and out of the fund, which is the case for the Western Retirement Plans.
3. Custodian fees will be saved by the change.

U.S. Equity Large Cap Unhedged Strategy

- The objective of the U.S. Equity Large Cap Unhedged Strategy is to match the returns and characteristics of the S&P 500 Index as closely as possible.
- They maintain costs as low as possible by using cross trading and by using futures contracts.
- The Fund has a target tracking error of less than 10 bps per year.
- Since inception, the tracking error for the U.S. Equity Large Cap Unhedged Fund has been in line with expectations, with a positive tracking error of 3 bps. In 2011 the tracking error was + 1 bp.

U.S. Equity Midcap Hedged

- The objective of the S&P MidCap 400 Index Strategy is to match the returns and characteristics of the S&P MidCap 400 Index as closely as possible.
- They maintain costs as low as possible by using cross trading and by using futures contracts.
- The Fund has a target tracking error of less than 10 bps per year.
- The Fund had a negative tracking error of 48 bps in 2011. The tracking error is not due to the replication of the benchmark, but to the currency hedges, as described for the S&P 500 strategy. SSgA now offers a Canadian based S&P 400 Midcap strategy. However, the currency overlay is not within the fund but the Canadian based portfolio manager expects to have a better coordination with the currency hedging team given the integration of both teams, as they're both based in Montréal.

Investment Personnel

- SSgA has 65 investment professionals in its Global Equity Beta Solutions Group.
- The team is supported by 23 global traders, 80 operations professionals and 18 data analysts.
- The portfolio manager for the S&P 500 Index and the S&P MidCap Index strategies is David Chin.
- Emiliano Rabinovich manages the Canadian based S&P 500 strategy.
- There have been no changes to the personnel managing our indexed equity strategies since our last review.

COMPLIANCE

- I met with Inya Ivkovic, Chief Compliance Officer for SSgA Canada. She replaced Edith Rathé who left the firm on November 25th, 2011.
- Peter Lindley is the Ultimate Designated Person.

- SSgA is in compliance with the investment objective, investment guidelines and investment constraints of our mandates.
- State Street Corporation (SSgA's parent company) is facing three litigation actions:
 - Wells Notice from the U.S. Securities and Exchange Commission
 - The suit is related to U.S. fixed income securities that were exposed to subprime mortgages; SSgA has faced a number of lawsuits from institutional clients alleging that SSgA had exposed those strategies to more risk than its clients were led to believe.
 - The case is still pending.
 - Putative ERISA class action by investors in unregistered SSgA-managed funds which challenges the division of State Street's securities lending-related revenue between the SSgA lending funds and State Street in its role as lending agent.
 - The claim deals with the way State Street, as a custodian, handles its foreign currency transaction on behalf of its clients.
 - The case is still pending.
 - Lawsuit regarding the use of Lehman Brothers as a prime broker
 - The case is still pending.
 - State Street's response regarding the materiality of the litigation is as follow:

“In the ordinary course of business, State Street and its subsidiaries are involved in disputes, litigation and regulatory inquiries and investigations, both pending and threatened. These matters, if resolved adversely against the Company, may result in monetary damages, fines and penalties or require changes in our business practices. The resolution of these proceedings is inherently difficult to predict. However, we do not believe that the amount of any judgment, settlement or other action arising from any pending proceeding will have a material adverse effect on our consolidated financial condition, although the outcome of certain of the matters may have a material adverse effect on our consolidated results of operations for the period in which such matter is resolved or a reserve is determined to be required.”
- In Canada SSgA is registered with the regulatory authorities as a portfolio manager, a market dealer and an investment fund manager.
- The firm is registered with all provincial security regulators. The regulators typically send questionnaires on a regular basis and if there are some issues they will come onsite to investigate further. They haven't received a regulator in their office in more than 10 years. In Canada, SSgA deals mostly with the Autorité des Marchés Financiers.
- SSgA Canada is not registered with the Securities and Exchange Commission (SEC).
- In the U.S. the SEC's last review was done in 2007 and no major issues were raised.
- The Federal Reserve Bank did a review recently in the U.S. and no major issues were raised.
- SSgA has an adequate Code of Ethics that employees have to comply with.
 - The Code of Ethics is managed globally.
 - Employees need to pre-clear all trades for their own account or a family member.

- Short-term trading is prohibited. There's a minimum two-month holding period.
- Employees can't short sell or buy IPOs.
- Investment professionals have additional restrictions. There's a seven-day blackout period before and after the firm has traded a security.
- Employees have to disclose the holdings of all accounts they own.
- SSgA has adequate policies in place regarding personal trading and the use of soft dollars; they use soft dollars to pay for research regarding index constituents.
- The firm has an adequate policy regarding conflicts of interest:
 - Employees need prior approval to engage in any activity that may be perceived as a conflict of interest.
 - SSgA initially asked every employee to disclose potential conflicts of interest.
 - Employees were asked to resign from their engagement if there was a conflict.
- Ernst & Young audits SSgA's financial statements; PriceWaterhouseCoopers audits its funds.
- The firm audits its organization controls every year and receives a SSAE-16 report from Ernst & Young.

TRADING OVERVIEW

- SSgA's fixed income team gave an overview of its trading practices.
- They use Bloomberg as an order management system to pre-clear all trades.
- They deal with several bond dealers, based on the product.
- They have relationships with National Bank, Scotia Capital, BMO, RBC and Laurentian Bank.
- Pricing is the main criteria used to evaluate dealers; there's no specific rating.
- They use value-at-risk (VaR) as a risk management tool.
- Overall SSgA seems to have adequate trading capabilities for our fixed income portfolios.

**THE UNIVERSITY OF WESTERN ONTARIO
RETIREMENT PLANS & OPERATING AND ENDOWMENT FUND
State Street Global Advisors
Meeting Agenda**

Date: February 15, 2012

Meeting time: 9:00 AM to 1:00 PM

Location: 770 Sherbrook Street West, 11th Floor, Montréal (Québec)

Western Attendee:

Martin Bélanger, Director, Investments

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
- Briefly discuss your business continuity plan

INVESTMENT PERSONNEL (10 min):

- Introduction to key personnel on our mandates
- Discuss personnel turnover for our mandates

REVIEW OF FIXED INCOME PORTFOLIOS for WESTERN RETIREMENT PLANS and OPERATING AND ENDOWMENT FUND (Money Market Fund, Canadian Bond Fund, Long-Term Bond Fund, Target Date Funds, Immunized Bond Funds and Enhanced Canadian Universe Bond Fund) (120 min):

- Overview of your indexing methodology
- Review of security selection process (Money Market Fund and Enhanced Canadian Universe Bond Fund)
- Review of portfolio characteristics
- Performance review
- Attribution analysis (Money Market Fund and Enhanced Canadian Universe Bond Fund)
- Tracking error analysis (for index funds)
- Discuss current portfolio positioning (Money Market Fund and Enhanced Canadian Universe Bond Fund)
- Describe the use of derivatives in any of our portfolios
- Overview of credit research
- Risk management controls used in the management of our portfolios
- Describe any environmental, social or governance criteria used in the selection of securities

REVIEW OF U.S. EQUITY PORTFOLIOS for WESTERN RETIREMENT PLANS and OPERATING AND ENDOWMENT FUND (S&P 500, S&P Midcap 400 and Currency Hedging) (45 min):

- Overview of your indexing methodology
- Performance review and tracking error analysis
- Describe the risk management controls used in the management of our portfolios
- Describe the use of derivatives in any of our portfolios
- Describe any environmental, social or governance criteria used in the selection of securities
- Overview of currency hedging for our portfolios

TRADING (Fixed Income) (30 min):

- Overview of trading systems and methodology
- Execution analysis
- Discuss total trading costs
- Discuss broker/dealer selection

COMPLIANCE (15 min):

- Confirm that all investments managed by State Street Global Advisors on behalf of Western and the Western Retirement Plans are in compliance with the terms and conditions of the Separately Managed Agreement, the Investment Management Agreement as amended, the Agreement of Trust for the S&P Midcap Index Common Trust Fund, the Agreement of Trust for the S&P 500 Index Common Trust Fund, and the Declaration of Trust for the World Index Common Trust Fund and in compliance with all applicable laws.
- 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 SSgA or key investment personnel has been disclosed.

OTHER (10 min):

- Office tour