

**UNIVERSITY OF WESTERN ONTARIO RETIREMENT PLANS**  
**Beutel, Goodman & Company**  
**Manager Overview**

***UWO Retirement Plans***

- Beutel, Goodman manages 10% of the Diversified Equity Fund and 33 <sup>1/3</sup>% of the Canadian Equity Fund

***Assets Under Management (As of August 31, 2011)***

<b>UWO Fund</b>	<b>Mandate</b>	<b>Assets</b>	<b>Fees<sup>1</sup></b>	<b>Date Hired</b>	<b>Pool or Seg</b>
Diversified Equity	Canadian equity	\$45.9 million CAD	0.26%	August 2009	Segregated fund
Canadian Equity	Canadian equity	\$28.7 million CAD	0.26%	August 2009	Segregated fund

***Investment Style***

Beutel Goodman uses a bottom-up value process to select securities. Its philosophy is based on four principles:

- Preservation of capital is paramount
- Business value is determined by the present value of sustainable free cash flow; they define free cash flow as: Net Earnings + Depreciation + Amortization – Maintenance Capital Expenditures
- Low valuations outperform high valuations
- Purchase of companies below business value

Beutel Goodman focuses on a firm's ability to create long-term shareholder value through free cash flow generation. They believe that long-term shareholder value is created by: management skill, competitive advantage, strategic positioning, industry structure, profitability and financial strength.

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<sup>1</sup> Assets are commingled with the Operating & Endowment Fund to calculate fees

*Historical Performance*

The target value added for this mandate is 200 bps over 4-year rolling periods.

**Current Year Returns as of September 30, 2011**

	<b>2011 Q3</b>	<b>Year-to-Date</b>
Beutel, Goodman	-11.99%	-10.22%
S&P/TSX	-12.02%	-11.88%
Value Added	0.03%	1.65%

**Annualized Returns as of September 30, 2011**

	<b>1-Yr</b>	<b>2-Yr</b>
Beutel, Goodman	-3.97%	2.55%
S&P/TSX	-3.55%	3.75%
Value Added	-0.41%	-1.20%

**Annual Returns as of September 30, 2011**

	<b>2011</b>	<b>2010</b>
Beutel, Goodman	-3.97%	9.51%
S&P/TSX	-3.55%	11.61%
Value Added	-0.41%	-2.10%

**UNIVERSITY OF WESTERN ONTARIO RETIREMENT PLANS**  
**Beutel, Goodman & Company**  
**Meeting Agenda**

**Date:** October 13, 2011

**Meeting time:** 11:00 AM to 12:00 PM

**Location:** The University of Western Ontario, Support Services Building, Room 4220

**UWO Attendees:**

Stephen Foerster, Prof. Richard Ivey School of Business  
Shannon Butler, Prof. Management & Organizational Studies  
Michelle Loveland, Prof. Management & Organizational Studies  
Ab Birch, Systems Support Analyst, Financial Services  
Jim Loupos, Internal Audit  
Cindy Servos, Associate Director, Finance, Schulich School of Medicine and Dentistry  
Jane O'Brien, Associate Vice-President, Human Resources  
Louise Koza, Director, Total Compensation  
Lynn Logan, Associate Vice-President, Financial Services  
Krys Chelchowski, Director of Administration, Faculty of Health Sciences  
Craig Dunbar, Prof. Richard Ivey School of Business  
Martin Bélanger, Director, Investments  
James Stockford, Manager, Pension Operations  
Bruce Curwood, Investment Consultant, Russell Investment Group

**1) ORGANIZATION (5 Min):**

- Discuss any meaningful change to your corporate structure since the last review
- Review changes in assets under management
- Discuss clients gained and lost

**2) INVESTMENT PERSONNEL (5 Min):**

- Overview of key personnel on our mandates
- Discuss personnel turnover

**3) REVIEW OF UWO PORTFOLIOS (45 Min):**

- Overview of investment process and changes to investment policy, if any; please provide examples of stocks added that meet your investment criteria
- Performance overview
- Attribution analysis (sector and security selection effects)
- Detractors/contributors to performance (individual stocks)
- Portfolio characteristics
- Discuss changes made to the portfolio
- Discuss current portfolio positioning
- Describe how you measure and control portfolio investment risk
- Discuss capacity issues

- Report how you integrate environmental, social and governance factors in your investment process and the impact on your portfolio and investment strategy

**4) COMPLIANCE (5 Min):**

- Confirm that all investments managed by Beutel, Goodman & Company on behalf of UWO are in compliance with the terms and conditions of the Letter of Appointment signed with UWO on August 24, 2009 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 Beutel, Goodman & Company or key investment personnel has been disclosed