

UNIVERSITY OF WESTERN ONTARIO RETIREMENT PLANS
AllianceBernstein
Manager Overview

Western Retirement Plans

- AllianceBernstein manages 15%¹ of the Diversified Equity Fund, 50% of the Non- North American Equity Fund and 60% of the Diversified Bond Fund
- Since September 1, 2010 both the Diversified Equity Fund and the Non-North American Equity Fund are invested in the Sanford C. Bernstein International Equity Fund

Assets Under Management (As of December 31, 2012)

UWO Fund	Mandate	Assets	Fees²	Date Hired	Pool or Seg
Diversified Equity	International (EAFE) equity	\$70.6 million	0.67%	March 1, 2001	Pooled fund
Non-North American Equity	International (EAFE) equity	\$6.8 million	0.67%	November 10, 1997	Pooled fund
Diversified Bond	Global fixed income (50% Canada, 50% international)	\$167.0 million	0.24%	December 2, 2003 ³	Segregated fund

Investment Style – International Equity

The University invests in AllianceBernstein International Diversified Value strategy for the Diversified Equity Fund and the Non-North American Equity Fund. Since September 1, 2010 both the Diversified Equity Fund and the Non-North American Equity Fund are invested in a pooled fund that doesn't require securities to be listed on prescribed stock exchanges, which means that it may invest in emerging markets equities.

AllianceBernstein uses a bottom-up value approach. The firm looks for companies suffering from temporary troubles whose stocks are selling at a discount. They use a combination of quantitative and fundamental research to determine a company's long-term earnings power. Their quantitative approach involves looking at price multiples such as price-to-earnings and price-to-book ratios, but also success factors such as return on equity, price momentum and earnings revisions. Their fundamental research involves finding what went wrong and determining whether the company can recover. They do this by conducting interviews with company management, suppliers and competitors.

Investment Style – Global Fixed Income

The University invests in a global fixed income portfolio that has a target mix of 50% Canadian bonds and 50% non-Canadian bonds. AllianceBernstein uses fundamental and quantitative research to find opportunities. Fundamental research involves reviewing an issuer's credit rating and assessing a particular industry. Quantitative research involves comparing valuations and finding the best

¹ The Allocation will decline to 8% with the asset mix approved on December 3, 2012.

² AllianceBernstein gives the University a 10% discount on fees for the Global Bond Fund because of the multiple mandates we have with them.

³ The portfolio has been managed according to the current guidelines since February 2007.

combination of bonds. They seek to add value through security selection, sector allocation (choosing between federal, provincial and corporate bonds), country/yield curve selection and currency selection.

Historical Performance – International Equity (Diversified Equity Fund & Non-North American Equity Fund)

The target value added for this mandate is 300 bps, before fees, over full market cycles.

Annualized Returns as of December 31, 2012

	2012Q4	1-Yr	3-Yr	5-Yr	10-Yr	Since Inception
International Value	8.96%	10.28%	-3.18%	-8.39%	2.13%	2.19%
MSCI EAFE	7.84%	14.72%	1.80%	-3.52%	3.37%	2.11%
Value Added	1.12%	-4.44%	-4.98%	-4.87%	-1.24%	0.08%

Annual Returns (Calendar Years)

	2012	2011	2010	2009	2008
International Value	10.28%	-16.10%	-1.91%	14.98%	-38.18%
MSCI EAFE	14.72%	-9.97%	2.13%	11.91%	-29.18%
Value Added	-4.44%	-6.13%	-4.04%	3.07%	-9.00%

Historical Performance – Global Fixed Income

The target value added for this mandate is 100 bps, before fees, over full market cycles.

Annualized Returns as of December 31, 2012

	2012Q4	1-Yr	3-Yr	5-Yr	Since Inception
Western Global Fixed Income	1.42%	7.05%	8.39%	6.85%	4.83%
Benchmark ⁴	0.69%	5.07%	6.31%	6.04%	4.14%
Value Added	0.73%	1.98%	2.08%	0.81%	0.69%

Annual Returns (Calendar Years)

	2012	2011	2010	2009	2008
Western Global Fixed Income	7.05%	8.69%	9.46%	14.67%	-4.61%
Benchmark	5.07%	8.00%	5.89%	5.23%	6.08%
Value Added	1.98%	0.69%	3.57%	9.44%	-10.69%

⁴ Benchmark is 50% DEX Universe Bond Index and 50% Barclays Aggregate Hedged to CAD.

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AllianceBernstein
Meeting Agenda

Date: February 4, 2013

Meeting time: 11:00 AM to 12:30 PM

Location: The University of Western Ontario, Support Services Building, Room 4210

Western Attendees:

Stephen Foerster, Prof. Richard Ivey School of Business
Michelle Loveland, Prof. DAN Program in Management and 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
Jeffrey Symons, 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 GLOBAL BOND MANDATE (15 Min):

- Overview of investment process and changes to investment policy, if any
- Performance overview
- Attribution analysis
- Detractors/contributors to performance
- Portfolio characteristics
- Discuss changes made to the portfolio
- Discuss current portfolio positioning
- Describe the use of derivatives in the portfolio
- Discuss your exposure to high yield bonds
- Discuss your exposure to emerging markets
- Discuss currency management
- Describe how you measure and control portfolio investment risk

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

4) REVIEW OF INTERNATIONAL VALUE MANDATE (60 Min):

Overview of investment process and changes to investment policy, if any; please provide examples of stocks added that meet your investment criteria

- *Clearly articulate why your recent performance is consistent with your investment style and why you have underperformed most value managers*
- Performance overview
- Attribution analysis (sector and security selection effects)
- Detractors/contributors to performance (individual stocks)
- Portfolio characteristics
 - *Demonstrate that the portfolio manager has not deviated from its stated investment style by reviewing portfolio characteristics*
- Discuss changes made to the portfolio
- Discuss current portfolio positioning
 - *Clearly articulate how the current portfolio positioning is expected to generate outperformance going forward*
- Discuss your exposure to emerging markets
- Discuss currency management
- Describe how you measure and control portfolio investment risk
- Report how you integrate environmental, social and governance factors in your investment process and the impact on your portfolio and investment strategy

5) COMPLIANCE (10 Min):

- Confirm that all investments managed by AllianceBernstein on behalf of Western are in compliance with the terms and conditions of the Investment Manager Mandate 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 AllianceBernstein or key investment personnel has been disclosed