

**UNIVERSITY OF WESTERN ONTARIO RETIREMENT PLANS**  
**Harris Associates L.P.**  
**Manager Overview**

***UWO Retirement Plans***

- Harris manages 8.75% of the Diversified Equity Fund

***Assets Under Management (As of September 30, 2009)***

<b>UWO Fund</b>	<b>Mandate</b>	<b>Assets</b>	<b>Fees</b>	<b>Date Hired</b>	<b>Pool or Seg</b>
Diversified Equity	Global equity	\$39.5 million CAD	0.75%	October 1, 2008	Pooled Fund (Limited Partnership)

***Investment Style***

Harris uses a bottom-up value investment process. The firms' investment philosophy has three tenets:

- Buy businesses trading at a significant discount to their estimate of intrinsic value
- Invest in companies expected to grow their intrinsic value over time
- Invest with management teams that think and act as owners

Their process has 6 steps:

1. *Defining the universe*: Harris defines its universe using qualitative screens that focus on regulatory and legal issues, currency issues, ownership issues and liquidity.
2. *Idea generation*: the firm applies quantitative and qualitative research to identify attractive stocks in the mid and large cap segments. Their valuation screens include low price to net asset value, low enterprise value to net operating income and return on capital employed. The firm also tries to leverage their local intelligence network and take advantage of opportunistic events.
3. *Fundamental research*: their fundamental research focuses on understanding the economics of the business, assessing the quality of management, evaluating the alignment of shareholders' interests and performing field work.
4. *Approved lists*: their investment process results in the creation of a U.S. and a non-U.S. approved lists that must be used by portfolio managers to select securities. Securities on the approved list have attractive businesses, have been thoroughly scrutinized, have a value assigned and a sell price has been established and are the focus of ongoing intensive research.
5. *Portfolio construction and risk management*: the final portfolio is constructed from the most attractive securities from both approved lists. Market capitalization must be greater than US\$ 5 billion at the time of

purchase. The maximum weights are 7% per holding, 25% per industry, 30% per country (except U.S. where the limit is 65%) and 15% in emerging markets. Risk controls are taken into account by their philosophy, their rigorous research process, their diversification and their currency management.

6. *Sell criteria*: they sell when the price reaches its intrinsic value, when other more attractive alternatives are identified or when they realized that they made a mistake. They also trim stocks according to future potential.

### *Historical Performance*

The target value added for this mandate is 150 bps over 4-year rolling periods.

#### **Returns As of September 30, 2009**

	<b>2009 Q3</b>	<b>Year-to-Date</b>	<b>1-Yr</b>
Harris Global Large Cap	14.78%	30.21%	16.24%
MSCI World Net	8.11%	6.95%	-2.98%
Value Added	6.67%	23.26%	19.22%

**UNIVERSITY OF WESTERN ONTARIO RETIREMENT PLANS  
Harris Associates L.P.  
Meeting Agenda**

**Date:** October 26, 2009

**Meeting time:** 9:00 AM to 10:00 AM

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

**UWO Attendees:**

Stephen Foerster, Prof. Richard Ivey School of Business  
Stephen Hicoock, Prof. Earth Sciences  
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, Student Information Services and Administration  
Craig Dunbar, Prof. Richard Ivey School of Business  
Martin Bélanger, Director, Investments  
Bruce Curwood, Investment Consultant, Russell Investment Group  
Andrea Magahey, Pension & Benefits Lawyer

**1) ORGANIZATION (10 Min):**

- Discuss any meaningful change to your corporate structure since mandate inception
- Review changes in assets under management
- Discuss clients gained and lost
- Discuss your business continuity plan, with a focus on the H1N1 flu virus

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

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

**3) REVIEW OF GLOBAL LARGE CAP L.P. (30 Min):**

- Performance overview
- Attribution analysis
- Portfolio characteristics
- Overview of investment process and changes to investment policy, if any; please provide examples of stocks added that meet your investment criteria
- Buys/Sells for the year
- Detractors/contributors to performance
- Top 10 holdings
- Describe how you measure and control portfolio investment risk
- Discuss capacity issues

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

**4) COMPLIANCE (10 Min):**

- Confirm that all investments managed by Harris Associates L.P. on behalf of UWO are in compliance with the terms and conditions of the Investment Manager Mandate and Performance Standards document 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

**5) OTHER (5 Min):**

- Market outlook
- Questions