

INVESTMENT PERFORMANCE REPORT AT  
MARCH 31, 2012  
SAINT MARY'S UNIVERSITY PENSION PLAN  
26 JUNE 2012

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Partner

Toronto

Not Complete  
Without Commentary

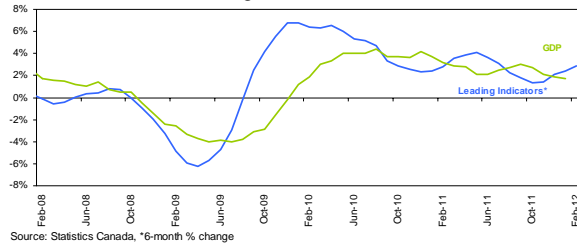
## Agenda

- Market review – what happened in 2011/2012
- Performance review of SMU funds
- Member asset allocation analysis

## MARKET REVIEW WHAT HAPPENED IN 2011/2012

## Economic Environment Canadian economy continues to grow, Europe overhangs

Canada GDP and Leading Indicators



Currency (% Change)	6m	1Y	4Y
C\$ vs \$US	4.3	-2.7	0.7
C\$ vs €	5.0	3.7	5.1
C\$ vs £	1.7	-2.4	6.3
C\$ vs ¥	11.3	-3.4	-4.0

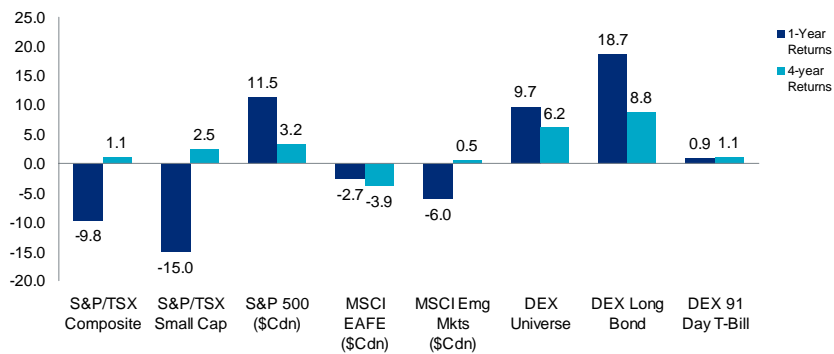


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## Market Index Returns As at March 31, 2012

Annualized Returns to March 31, 2012



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## Historical Market Returns

The table below compares the returns of the international equity market to the Canadian equity market over different time periods.

	S&P/TSX Composite	S&P 500 \$Cdn	MSCI EAFE \$Cdn	MSCI EM \$Cdn	MSCI ACWI \$Cdn
10 years ending December 31, 2010	6.6%	-2.7%	-0.3%	11.5%	-0.5%
10 years ending December 31, 2000	13.1%	20.5%	11.4%	11.1%	15.0%
20 years ending December 31, 2010	9.8%	8.3%	5.4%	11.3%	7.0%
30 years ending December 31, 2010	9.1%	10.0%	9.0%	-	-

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## Two Key Themes Continue

- **Equity market volatility** – Still a lot of uncertainty over the near term
- **Declines in domestic bond yields** – A positive for returns in 2011, but what does this mean going forward?
- Returns experienced over next 10 years may be quite different than last
  - Tempting to say equities will do better
  - Still important to diversify to manage overall portfolio risk

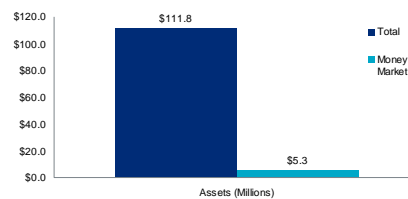
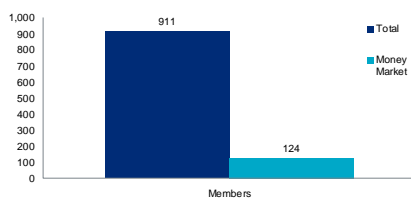
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# FUND PERFORMANCE REVIEW

## Gross Performance to March 31, 2012 Money Market (Sun Life Financial)

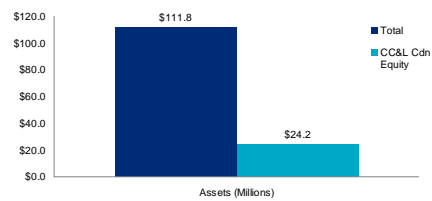
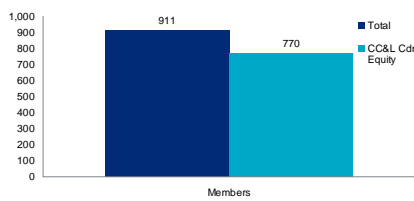
	Fund Return	Value Added	Quartile Ranking
1 year	1.2%	0.3%	Q2
2 years	1.0%	0.1%	Q3
3 years	0.8%	0.1%	Q3
4 years	1.2%	0.1%	Q4
5 years	1.9%	0.1%	Q3



## Gross Performance to March 31, 2012 Canadian Equity (CC&L)

	Fund Return	Value Added	Quartile Ranking
1 year	-9.3%	0.5%	Q2
2 years	4.4%	0.2%	Q2
3 years	16.1%	0.5%	Q2
4 years	2.3%	1.2%	Q2
5 years	2.8%	1.1%	Q1

*Prior to April 2010, Canadian equities were managed by BlackRock. Accordingly, participants only experienced these returns since April 2010.*



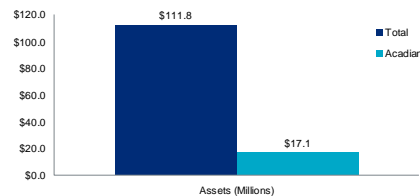
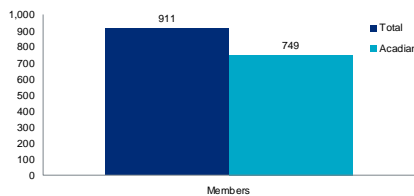
Member and asset data include members who invest in the fund à la carte as well as members who access the strategy through the SMU portfolios

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## Gross Performance to March 31, 2012 International Equity (Acadian)

	Fund Return	Value Added	Quartile Ranking
1 year	-2.4%	0.3%	Q3
2 years	3.8%	2.1%	Q2
3 years	9.3%	0.3%	Q2
4 years	-6.5%	-2.6%	Q4
5 years	-8.4%	-2.6%	Q4



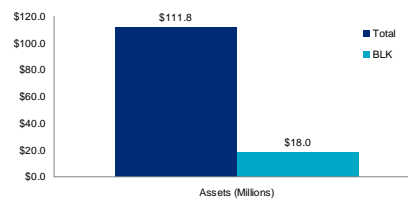
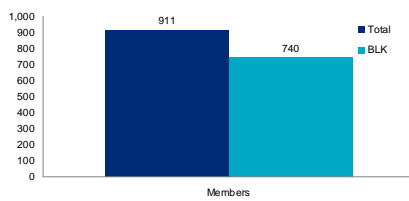
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## Gross Performance to March 31, 2012 U.S. Equity Index (BlackRock)

	Fund Return	Quartile Ranking
1 year	11.5%	Q2
2 years	11.2%	Q2
3 years	14.3%	Q2
4 years	3.2%	Q2
5 years	-0.8%	Q2



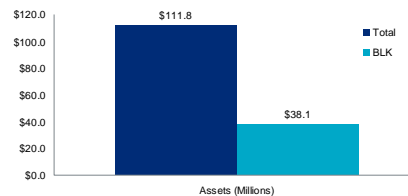
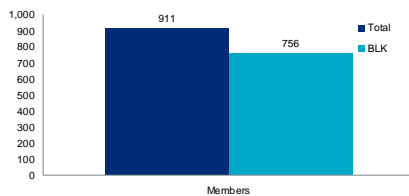
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## Gross Performance to March 31, 2012 Canadian Bond Index (BlackRock)

	Fund Return	Quartile Ranking
1 year	9.8%	Q2
2 years	7.4%	Q3
3 years	6.7%	Q4
4 years	6.2%	Q4
5 years	6.1%	Q4



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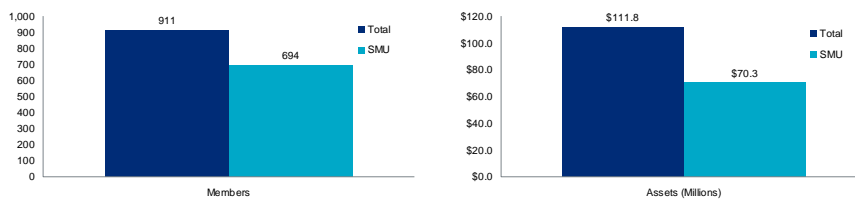
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## Gross Performance to March 31, 2012 SMU Portfolios

	Conservative (30% equity)	Moderate (50% equity)	Balanced (60% equity)	Growth (70% equity)	Aggressive (80% equity)
1 year	7.0%	5.2%	4.1%	3.2%	2.0%
2 years	7.4%	7.4%	7.2%	7.1%	6.9%
3 years	8.8%	10.1%	10.7%	11.2%	11.8%
4 years	4.6%	3.3%	2.7%	2.0%	1.3%

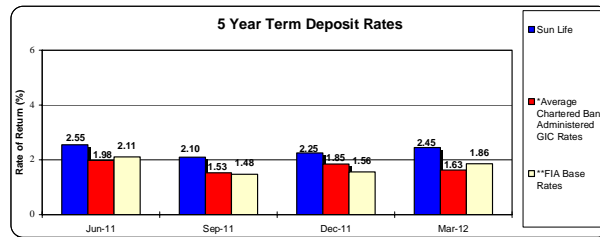
Returns for periods beyond 2 years are simulated based on historical target mixes and past gross returns of underlying funds



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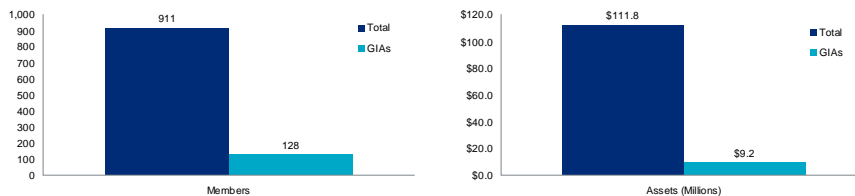
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## GIA Competitiveness 5-Year GIAs



\* Bank of Canada Review, CANSIM Series V122526.

\*\* Financial Institution Average (FIA) calculated from GIC base rates of 6 large Canadian insurance companies.



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## Fees

Period	Fee before HST
Money Market Fund	0.15%
Canadian Bond Index Fund	0.16%
Canadian Equity Fund	0.25%
U.S. Equity Index Fund	0.16%
International Equity Fund	0.88%

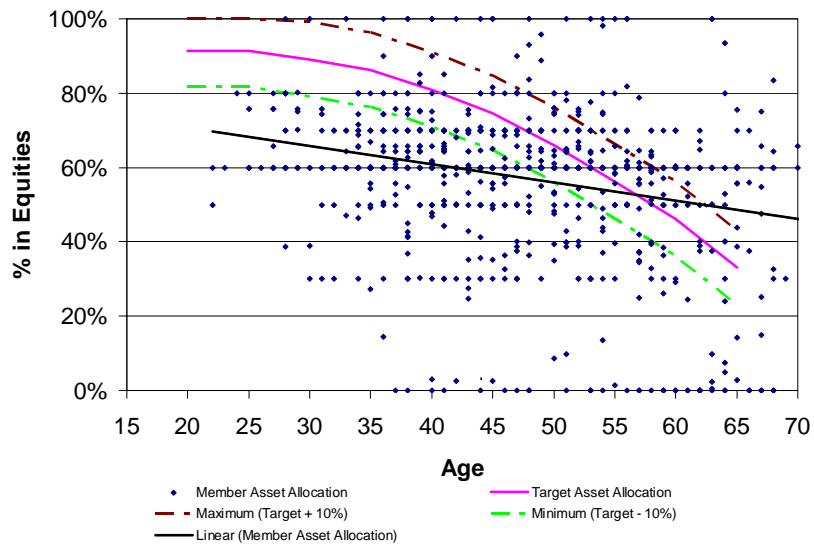
- In addition to the fees noted above, the segregated funds experience operating expenses on an as incurred basis. The expenses typically range from 0.03% to 0.05% p.a.
- Mercer 2011 report concluded fees were competitive for pension plans of similar size and characteristics
- These fees are substantially lower than retail mutual fund fees (even with high-net-worth programs), resulting in a big advantage for Plan members

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## MEMBER ASSET ALLOCATION ANALYSIS

## Member Equity Allocation As at March 31, 2012



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## Conclusions from the Member Asset Allocation Study

- Continued strong preference from members for a simple investment solution
  - Currently the series of 5 target risk portfolio (conservative, ..., aggressive)
- On a positive note, overall trend line suggest that members on average are reducing their allocation to riskier assets as they approach retirement
  - Would hope pattern would be more conclusive and potentially steeper slope
  - Concentration of dots at specific equity levels (e.g. 30%, 60%, 70%) may suggest that some employees are not revisiting their risk profile as they approach retirement

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## Questions?



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