



University
of Windsor

Open Pension Meeting

November 14, 2019



University of Windsor

Agenda

- Opening Comments & Welcome – Rita LaCivita
- Key Events, Capital Markets and Overall Performance – Todd Nelson (Mercer)
- Investment Manager Presentations
 - Background on Firm
 - Performance as of June 30, 2019
 - Investment Outlook
- Questions and Discussion



Key Events During the Year – Financial Markets

- Growth forecasts for the Eurozone have declined significantly due to weakness in manufacturing. **The European Central Bank has limited ability to stimulate the economy**, and a ‘no deal’ Brexit remains a risk.
- **US economic growth remains moderate**, with weakness in manufacturing being offset by solid personal consumption.
- Monetary and fiscal policies should remain supportive across most regions but **escalating trade tensions** could weigh on the growth outlook.



Key Events During the Year – Financial Markets

- Canadian economic data remains stronger than expected, following real GDP growth of 3.7% (annualized) in the second quarter, and solid employment gains in August and September.
- The **Canadian yield curve inverted during the second and third quarter of 2019**, with the 30-year Government of Canada yield falling while the 2-year yield rose.
 - This prompted speculation that the **Bank of Canada (BoC) may be forced to cut interest rates**, as an inverted yield curve has historically been a precursor to recession.



Capital Market Performance: June 30, 2019

	Q2 2019	Year ending June 30, 2019
FTSE Canada 91 Day T-Bill	0.4%	1.6%
FTSE Canada Universe Bond Index	2.5%	7.4%
FTSE Canada Long Bond Index	4.8%	11.4%
S&P/TSX Composite Index	2.6%	3.9%
MSCI All Country World Index	1.5%	5.6%
MSCI World Index	1.9%	6.2%



Capital Market Performance: Sept 30, 2019

	Q3 2019	Year ending Sept 30, 2019
FTSE Canada 91 Day T-Bill	0.4%	1.7%
FTSE Canada Universe Bond Index	1.2%	9.7%
FTSE Canada Long Bond Index	2.5%	17.1%
S&P/TSX Composite Index	2.5%	7.1%
MSCI All Country World Index	1.4%	4.4%
MSCI World Index	2.0%	4.9%



Key Issues Facing Pension Plans

- **Volatile markets** can cause fluctuations in pension costs
 - Use of diversified asset classes can help in mitigating volatility.
 - New infrastructure investment, which typically exhibits lower volatility than equities, will help mitigate risk.
- **Global trade tensions** call for more diversification within the global equity space.



Key Issues Facing Pension Plans

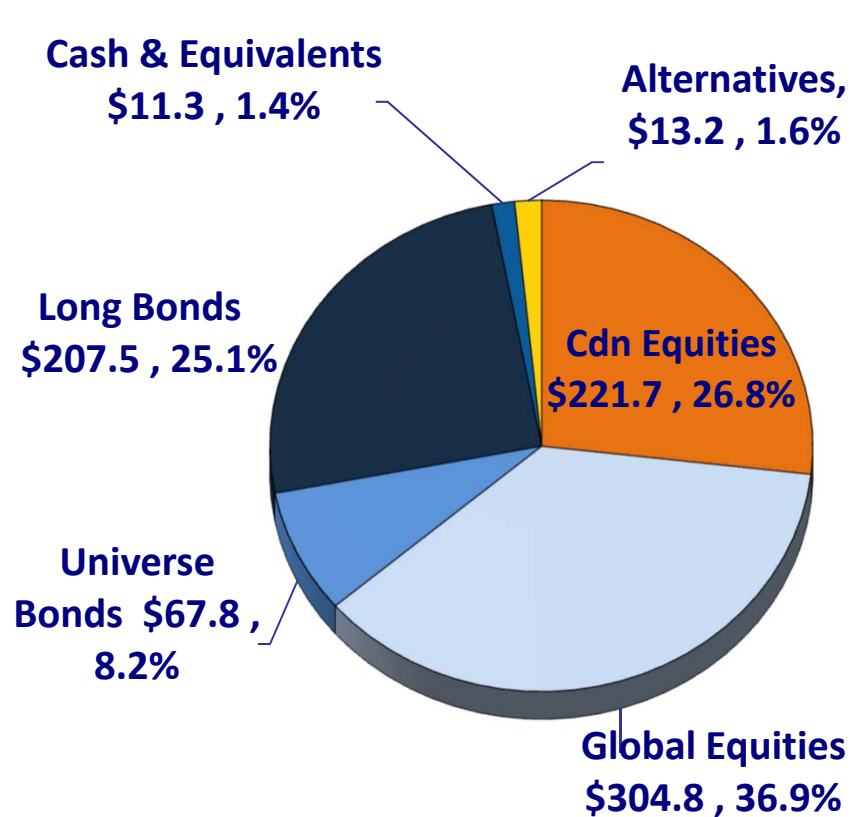
- **Managing risk and diversification** in pension portfolios
 - Alternative asset classes such as real estate and infrastructure continue to increase in usage.
 - Global equity diversification trend continues as home country bias allocation to Canadian equity decreases.



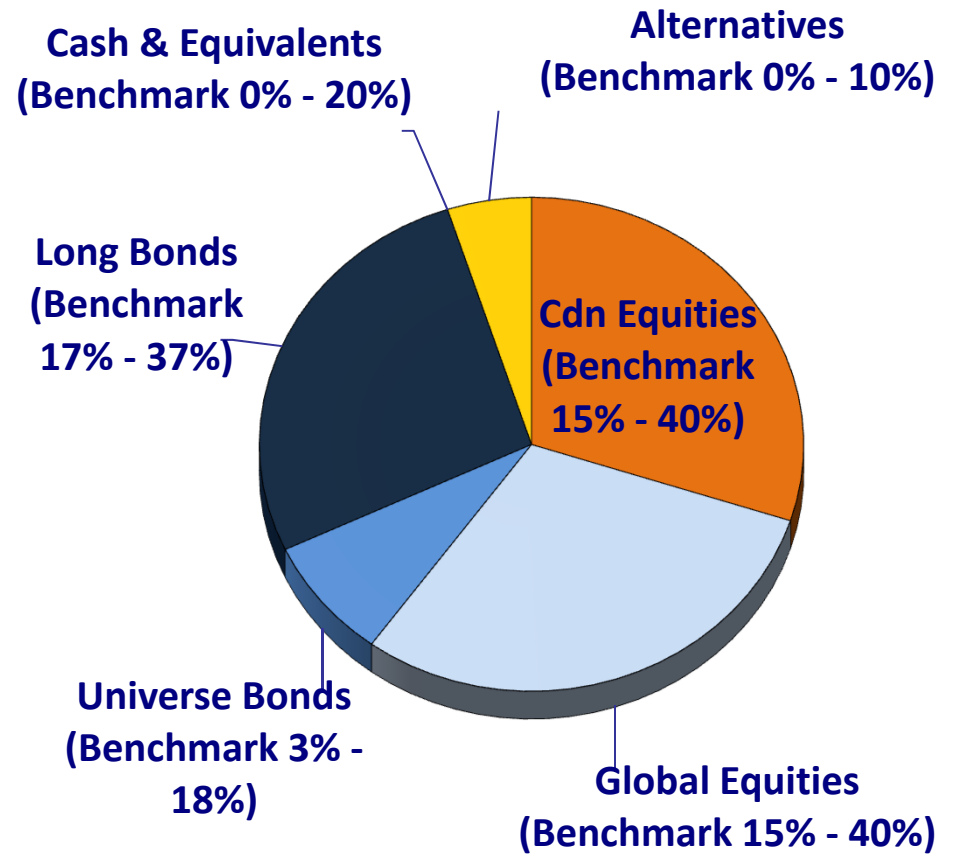
Performance Results



Pension Plan - Asset Mix (\$M) - June 30, 2019



Actual Mix
Total \$826.3M

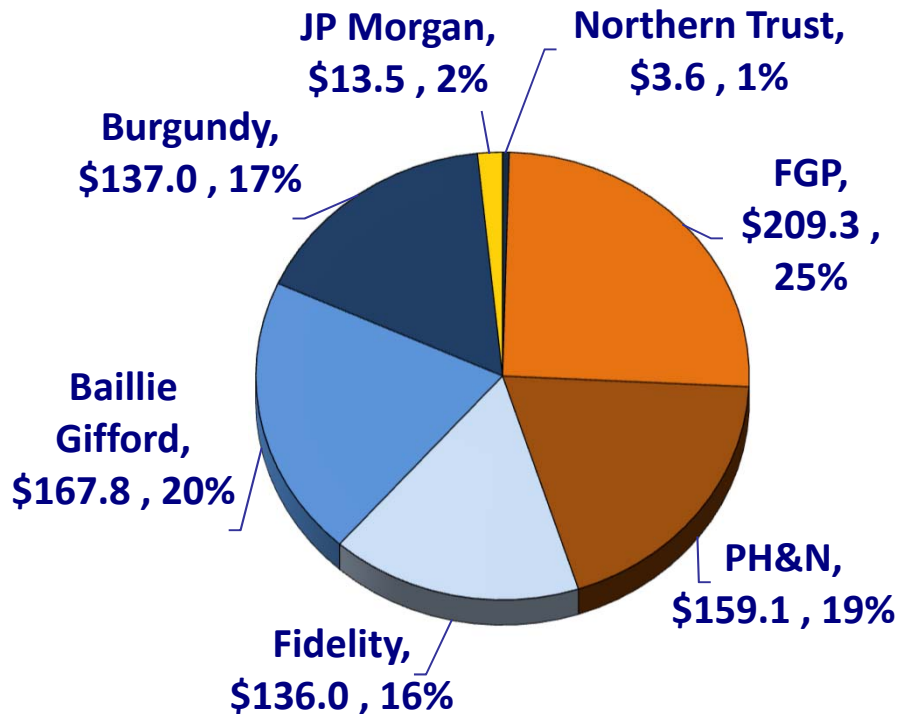


Benchmark Asset Mix



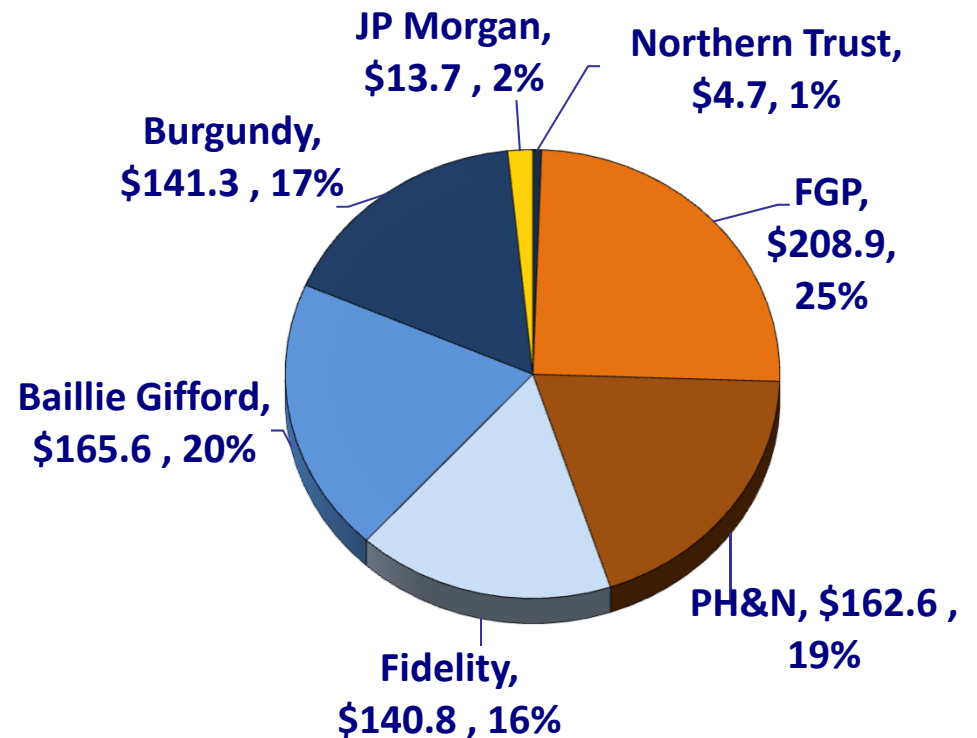
Asset Allocation by Manager (in \$M)

June 30, 2019



**Total Market Value
\$826.3M**

September 30, 2019



**Total Market Value
\$837.6M**



Total Pension Fund Returns as of June 30, 2019

	Market Value (\$M)	3 Months	1 Year	2 Year	3 Year
Total Fund	\$826.3	2.7%	5.4%	7.5%	8.8%
University of Windsor Benchmark		2.9%	7.2%	7.4%	8.1%
Faculty Plan Portion	\$566.8	68.6%			
Employee Plan Portion	\$259.5	31.4%			



Asset Returns by Manager

	Market Value (\$M) June 30, 2019	Annual Returns			
		1 year	2 years	3 years	4 years
Foyston, Gordon & Payne	209	1.5%	4.9%	5.8%	5.0%
Phillips, Hager & North	159	10.4%	6.4%	4.9%	5.6%
Fidelity	136	6.7%	8.8%	9.5%	7.9%
Baillie Gifford	168	5.1%	12.2%	17.5%	12.5%
Burgundy	137	7.0%	6.9%	8.9%	N/A
Cash	4	1.6%	1.3%	1.0%	0.9%
JP Morgan	13	N/A	N/A	N/A	N/A
Total Fund	826	5.4%	7.5%	8.8%	7.2%
U of Windsor Benchmark		7.2%	7.4%	8.1%	6.8%



Total Pension Fund Returns as of Sept 30, 2019

	Market Value (\$M)	3 Months	1 Year	2 Year	3 Year
Total Fund	\$837.6	1.5%	7.2%	8.1%	7.7%
University of Windsor Benchmark		2.1%	9.6%	8.5%	7.4%
Faculty Plan Portion	\$573.7	68.5%			
Employee Plan Portion	\$263.9	31.5%			



Impact of Investment Performance for Faculty Plan

June 30, 2019

Gross Fund Return: **5.23%**

Net Fund Return: **4.75%**

- Money Purchase balances increased by 4.75% for active members
- Money Purchase pensions decreased by 4.54% for all retirees who retired prior to July 1, 2004
- Money Purchase pensions decreased by 2.40% for those who retired on and after July 1, 2004
 - Actual decrease is the difference between the return and 6% plus the mortality adjustment
- Minimum Guaranteed pensions for all retirees increased by 2.00%



Impact of Investment Performance for Employees Plan

June 30, 2019

Gross Fund Return: **5.26%**

Net Fund Return: **4.72%**

- Rate of credited interest on employee contributions for the year ending June 30, 2019 is 1.73%
- 4 year Average Fund Return for pension increases is 6.64%
- Pensions increased by 0.52%
- Actual increase is 50% of excess average return over 5.60%, limited to 50% of the CPI increase (2.12% at June 30, 2019)



Investment Manager Presentations

1. **Foyston, Gordon & Payne** – Gabriel Lopezpineda
2. **Phillips, Hager & North** – Anthony Di Ginosa
3. **Fidelity** – Lawrence Lim
4. **Baillie Gifford** – Ben Drury
5. **Burgundy Asset Management** – Ariel Lubecki



Foyston, Gordon & Payne Presentation



University of Windsor

Open Pension Committee Meeting

November 14, 2019

Gabriel Lopezpineda, Vice President - Institutional Client Services



PERFORMANCE: UNIVERSITY OF WINDSOR PENSION FUND

as of June 30, 2019

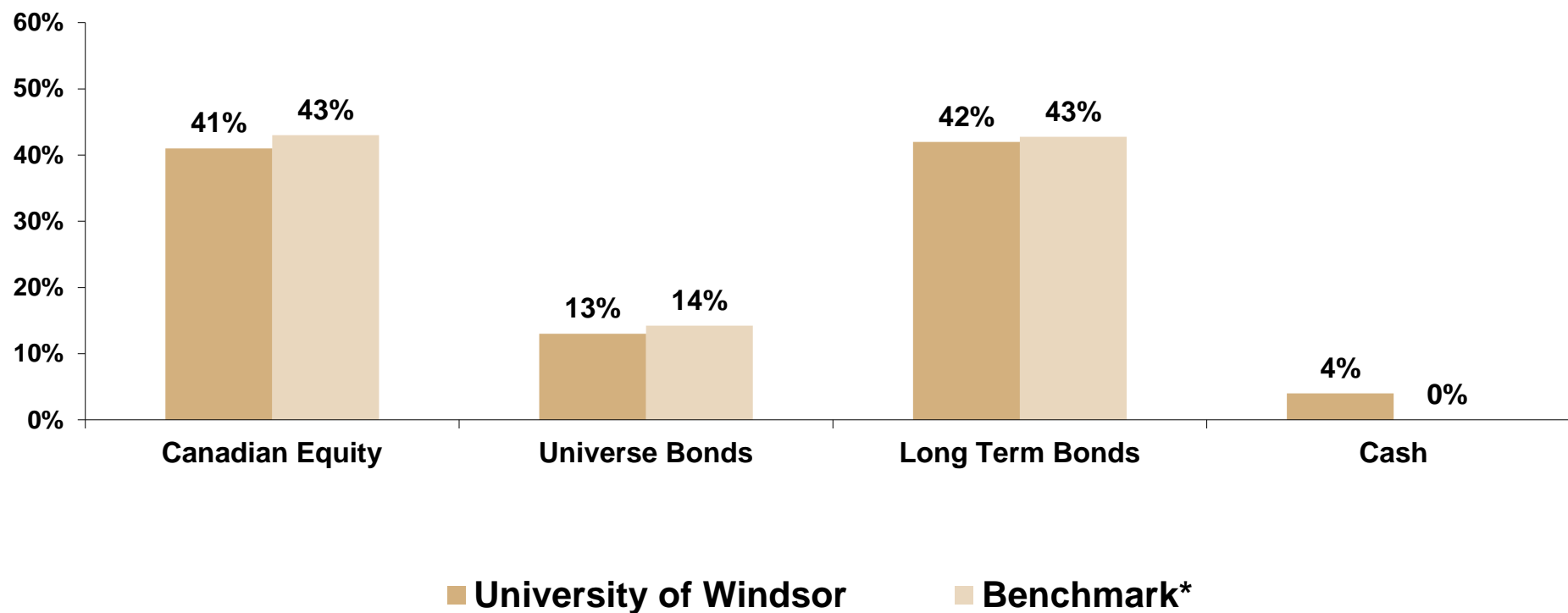
ANNUALIZED RETURNS AS AT June 30, 2019	1 YR (%)	3 YRS (%)	5 YRS (%)	7 YRS (%)	10 YRS (%)	15 YRS (%)	SINCE INCEPTION* (%)
Total Portfolio	1.5	5.8	4.1	6.6	7.4	7.0	7.6
Benchmark	7.8	6.2	5.2	6.2	6.6	6.6	5.3
Value Added	-6.3	-0.4	-1.1	+0.4	+0.8	+0.4	+2.3

CALENDAR YEAR RETURNS	YTD** (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)
Total Portfolio	10.1	-5.3	7.9	13.4	-3.2	8.9	9.7	8.2	5.7	12.6	18.0
Benchmark	15.8	-3.5	7.0	9.9	-1.7	11.1	3.7	5.5	3.0	12.6	14.4
Value Added	-5.7	-1.8	+0.9	+3.5	-1.5	-2.2	+6.0	+2.7	+2.7	0.0	+3.6

*Inception Date: March 31, 1998

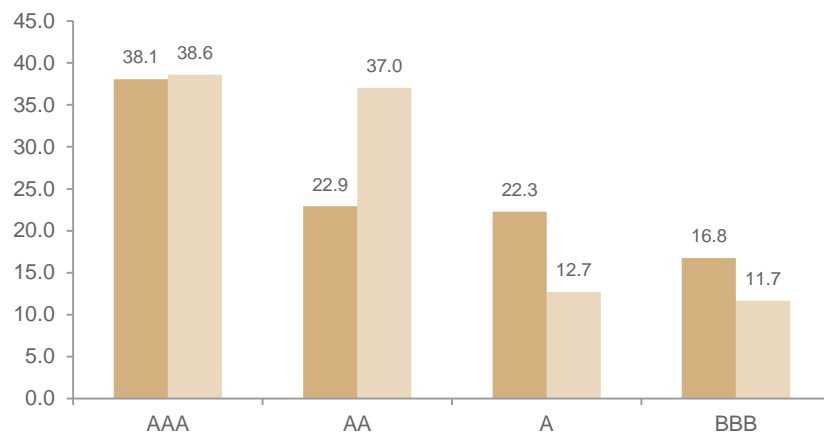
****YTD to September 30, 2019**

See appendix for notes & disclosures

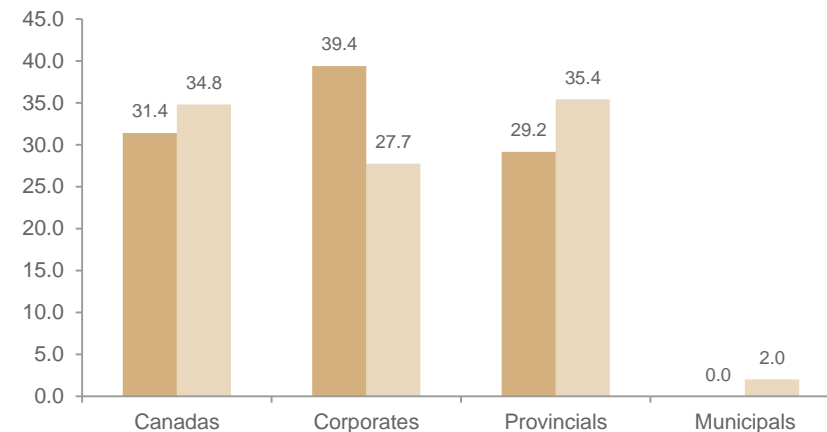


AUM	
Fund Value at June 30, 2019	\$209,316,279

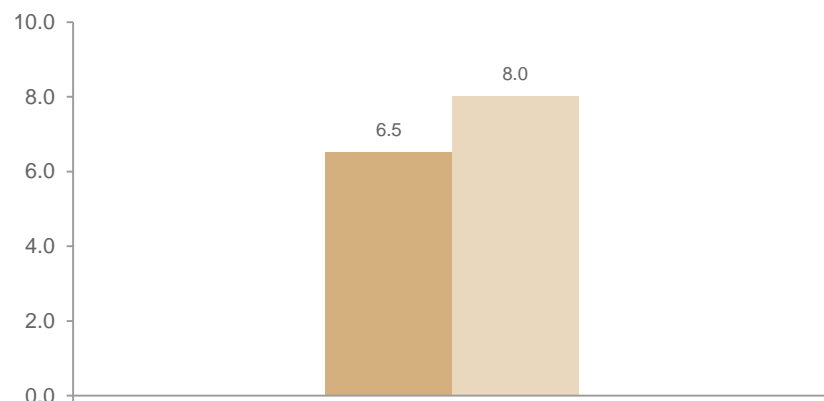
Credit Quality (%)



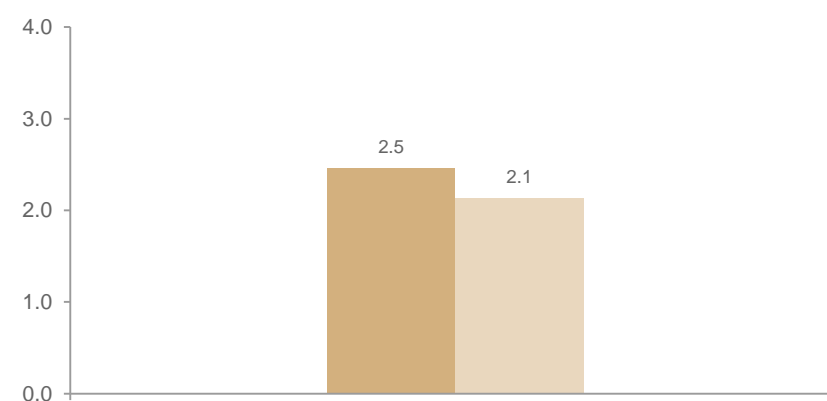
Sector Allocation (%)



Modified Duration in years



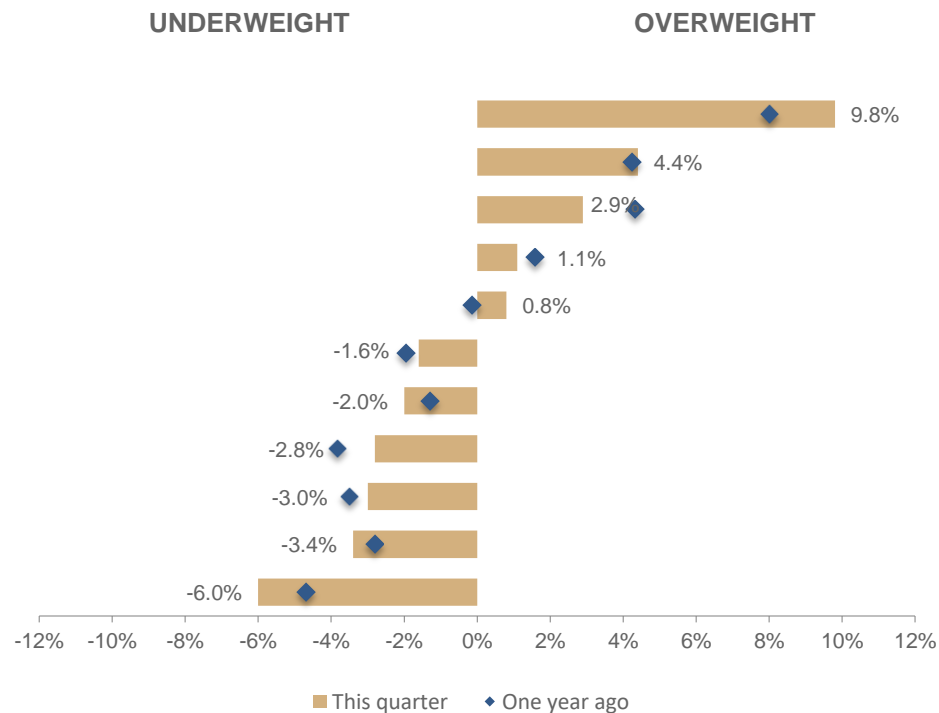
Yield (%)



FGP Universe Bond Fund
FTSE Canada Universe Bond Index *

*Source: PC Bond Analytics – June 30, 2019
Note: Credit Quality based on FTSE Canada Universe Bond Index ratings methodology
Totals may not add to 100% due to rounding.
See appendix for notes & disclosures

	FGP (%)	S&P/TSX* (%)
Financials	41.8	32.0
Energy	21.5	17.1
Consumer Discretionary	7.1	4.2
Information Technology	6.2	5.1
Communication Services	6.4	5.6
Consumer Staples	2.3	3.9
Health Care	0.0	2.0
Materials	8.2	11.0
Utilities	1.3	4.3
Real Estate	0.0	3.4
Industrials	5.4	11.4



Stock selection drives sector allocation

*Source: TD Securities – June 30, 2019
See appendix for notes & disclosures

Phillips, Hager, & North Presentation



University of Windsor

Open Pension Meeting

Presented by:

Anthony Di Ginosa, Institutional Portfolio Manager

What did bond yields do yesterday?

Who needs a press conference...

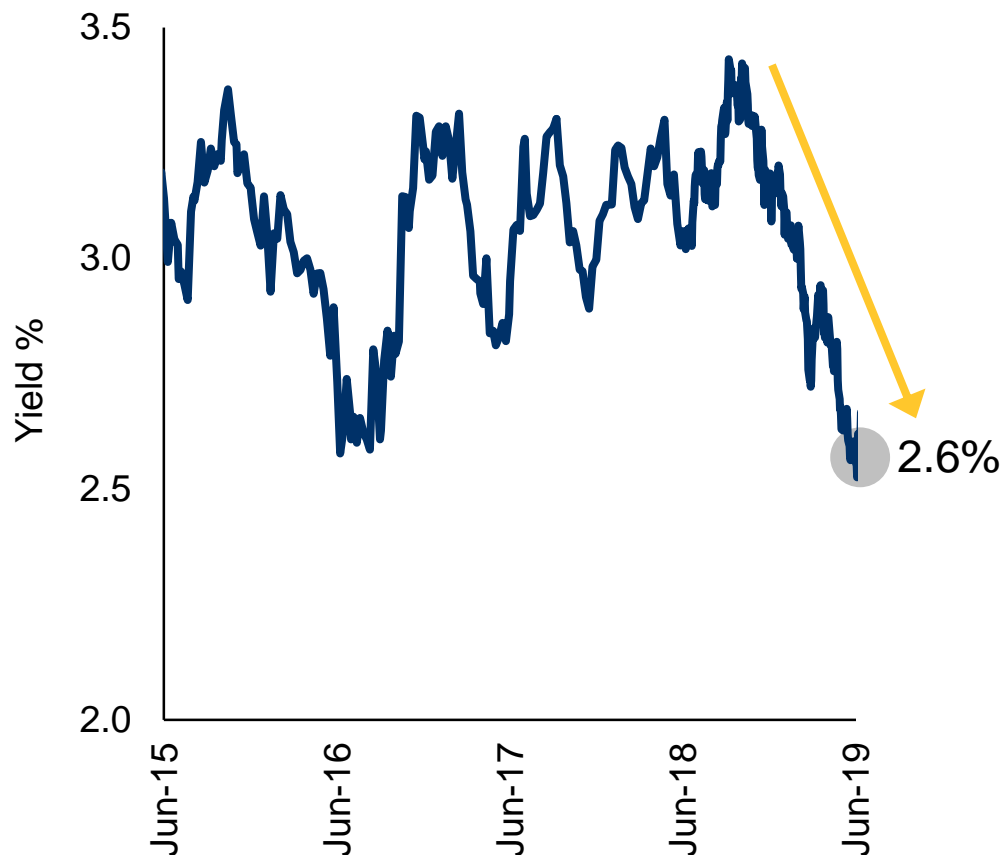


CartoonStock.com

Bond market review

Significant drop in yields has led to strong returns from bonds

FTSE Canada Long Term Overall Bond Index yields



Source: FTSE Global Debt Capital Markets Inc.

Total returns as of June 30, 2019 (%)

	1 Yr	4 Yr
Short Term Overall*	4.1	1.5
Universe*	7.4	3.3
Long Term Overall*	11.4	5.8

Sector (Long Term Overall Bond Index)

Canada	11.2	4.5
Provincial	11.7	5.9
Corporate	10.7	6.8

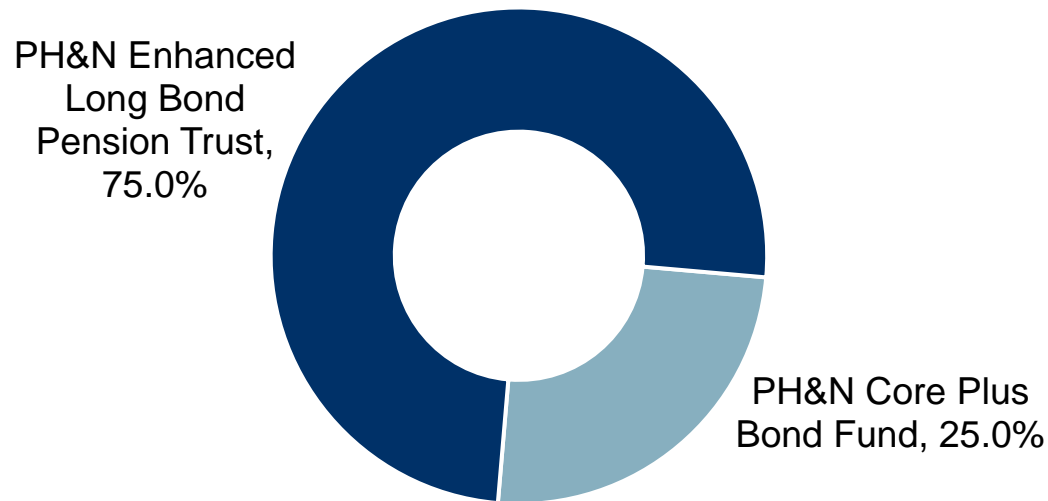
* Representative components of the FTSE Canada bond indices.
FTSE Canada Short Term Overall Bond Index
FTSE Canada Universe Bond Index
FTSE Canada Long Term Overall Bond Index

University of Windsor Pension Plan performance summary*

Performance in-line with long-term expectations

	1 Yr (%)	4 Yr (%)
U of W Pension Plan Consolidated	10.43	5.58
<i>Benchmark</i>	<i>10.40</i>	<i>4.90</i>
Value-Added	+0.03	+0.68

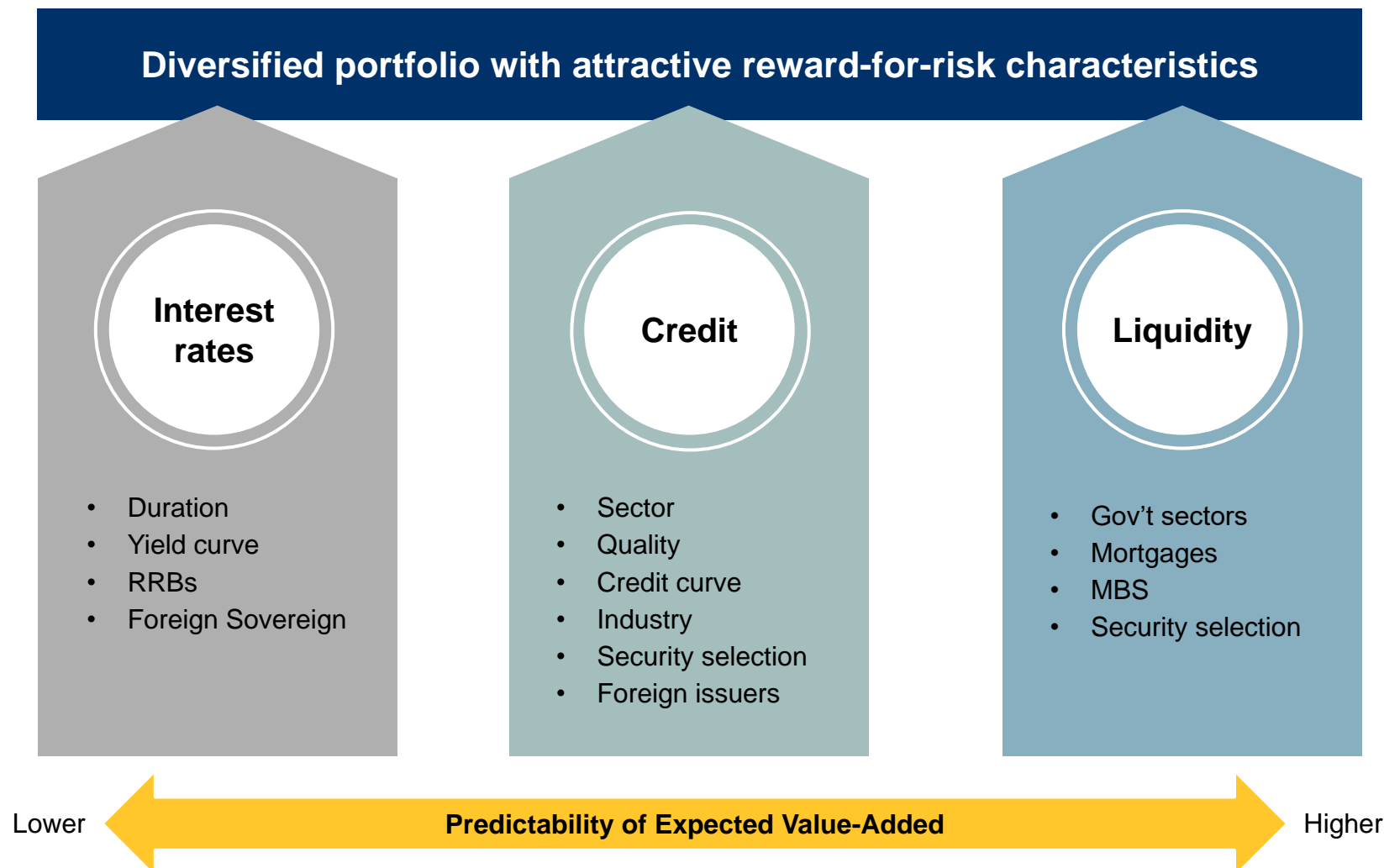
Current Portfolio Distribution



* As of June 30, 2019

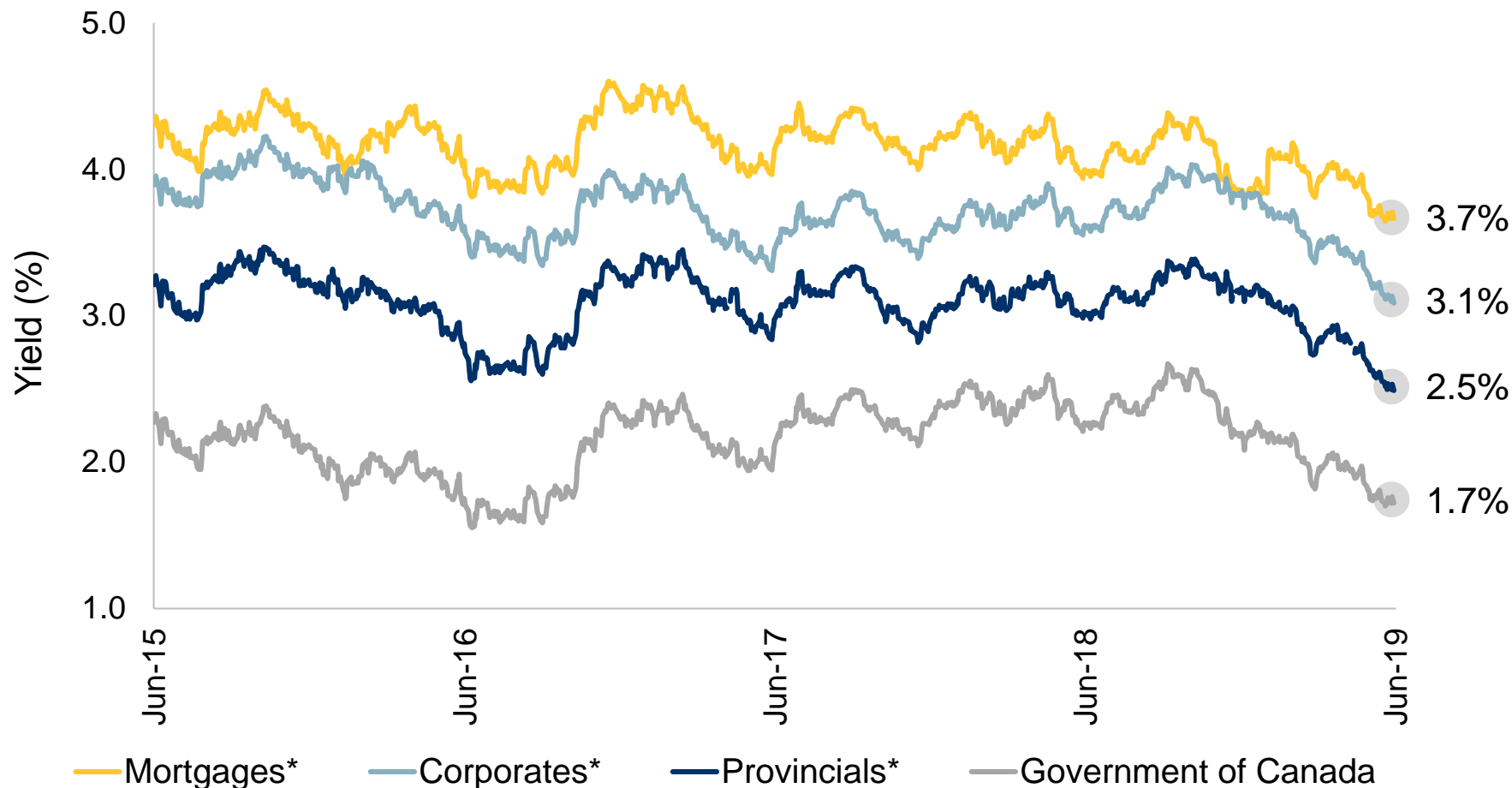
PH&N fixed income investment philosophy

Multiple sources of risk/opportunity



Opportunities in the bond market

Credit and liquidity strategies



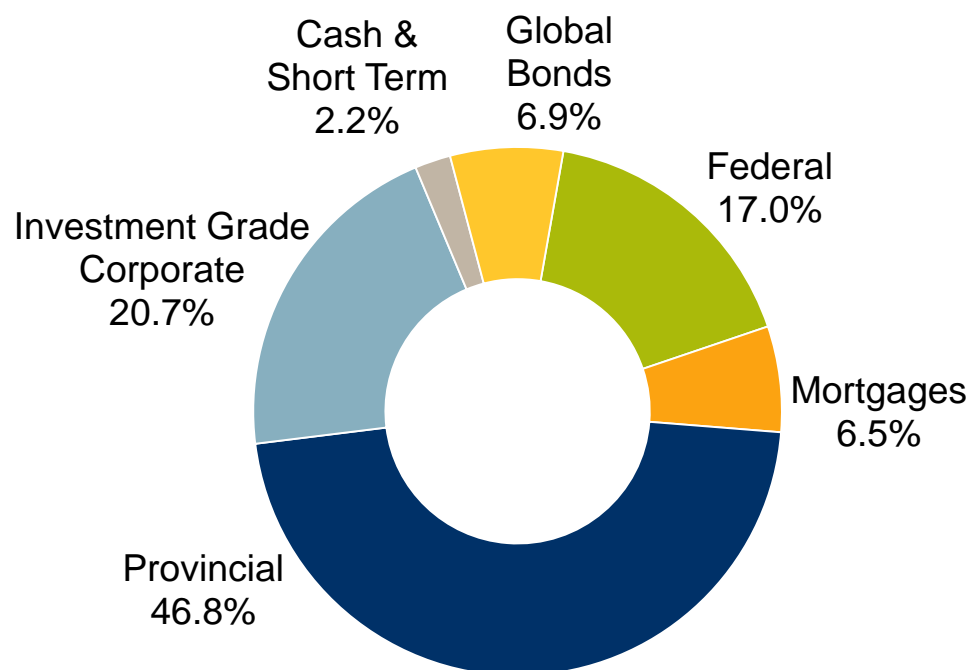
* Mortgages: PH&N Long Mortgage Pension Trust
Corporates: Long-term A-rated corporate bonds
Provincials: Ontario 30-year bonds
Source: FTSE Global Debt Capital Markets Inc., PH&N

RBC Global Asset Management
PH&N Institutional

University of Windsor Pension Plan

Conservative portfolio, positioned defensively

Sector Distribution*



Portfolio characteristics*

Portfolio yield	2.58%
Benchmark yield	2.45%
Incremental	+0.13%

* As of June 30, 2019

Fidelity Presentation



University of Windsor

Canadian Focused Equity

Q3 2019

November 14, 2019

Lawrence Lim
Director, Institutional Client Management

Presentation to:



University
of Windsor

Canadian Focused Equity

Strategy overview

Portfolio Manager	<ul style="list-style-type: none">▪ Joe Overdevest▪ 17 years experience, 17 years with Fidelity
Research Team	<ul style="list-style-type: none">▪ Fidelity Canada Asset Management: 18 Fundamental Analysts▪ + Global research team
Risk Control Parameters	<ul style="list-style-type: none">▪ Benchmark: S&P/TSX Capped Composite Index▪ Sector weights: Index weights +/- 7.5%▪ Style and capitalization: Core, all-cap▪ No. of holdings: 40 to 80



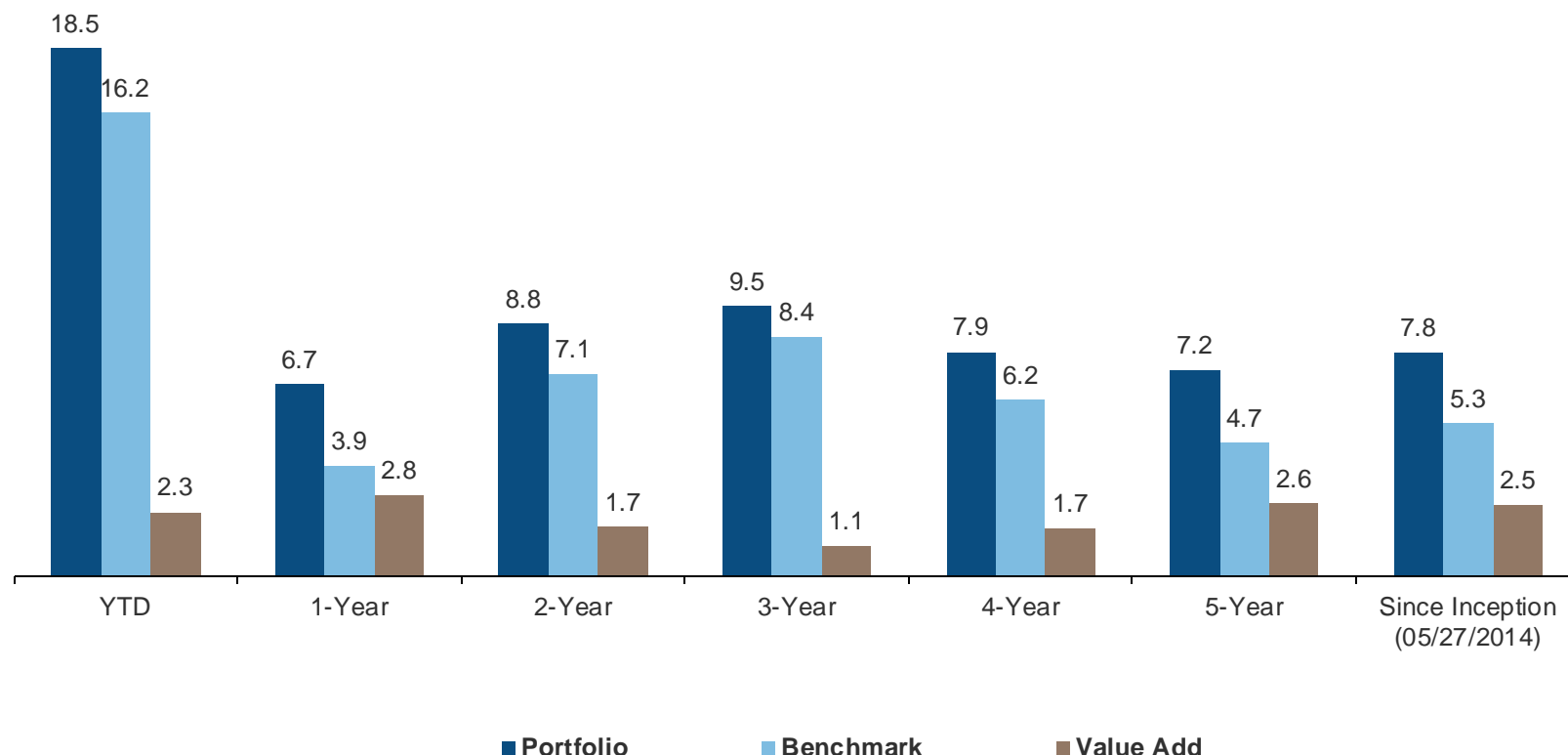
10 Year	
▪ Excess Return (Gross):	3.7%
▪ Tracking Error:	3.8%
▪ Information Ratio:	1.0

Inception date of strategy is Mar 31, 2003. Data as at September 30, 2019. Returns based on composite performance. While the fund is typically managed to this constraint, the portfolio manager retains the discretion to deviate from it, and it is not included as part of the fund's investment strategy. Composite Benchmark: S&P/TSX Capped Composite Index.

Canadian Focused Equity

Gross performance vs. S&P/TSX Capped Composite

For period ending June 30, 2019



Client account information is shown. Returns in Canadian dollars. Past performance is no guarantee of future results. Performance is shown gross of any fees and expenses, including advisory fees, which when deducted will reduce returns. See the GIPS Composite Performance Data for annual performance figures that are net of the maximum investment advisory fee charged to any client employing this strategy. Pool benchmark: S&P/TSX Capped Composite Index.

Canadian equity market performance

S&P/TSX Composite Index

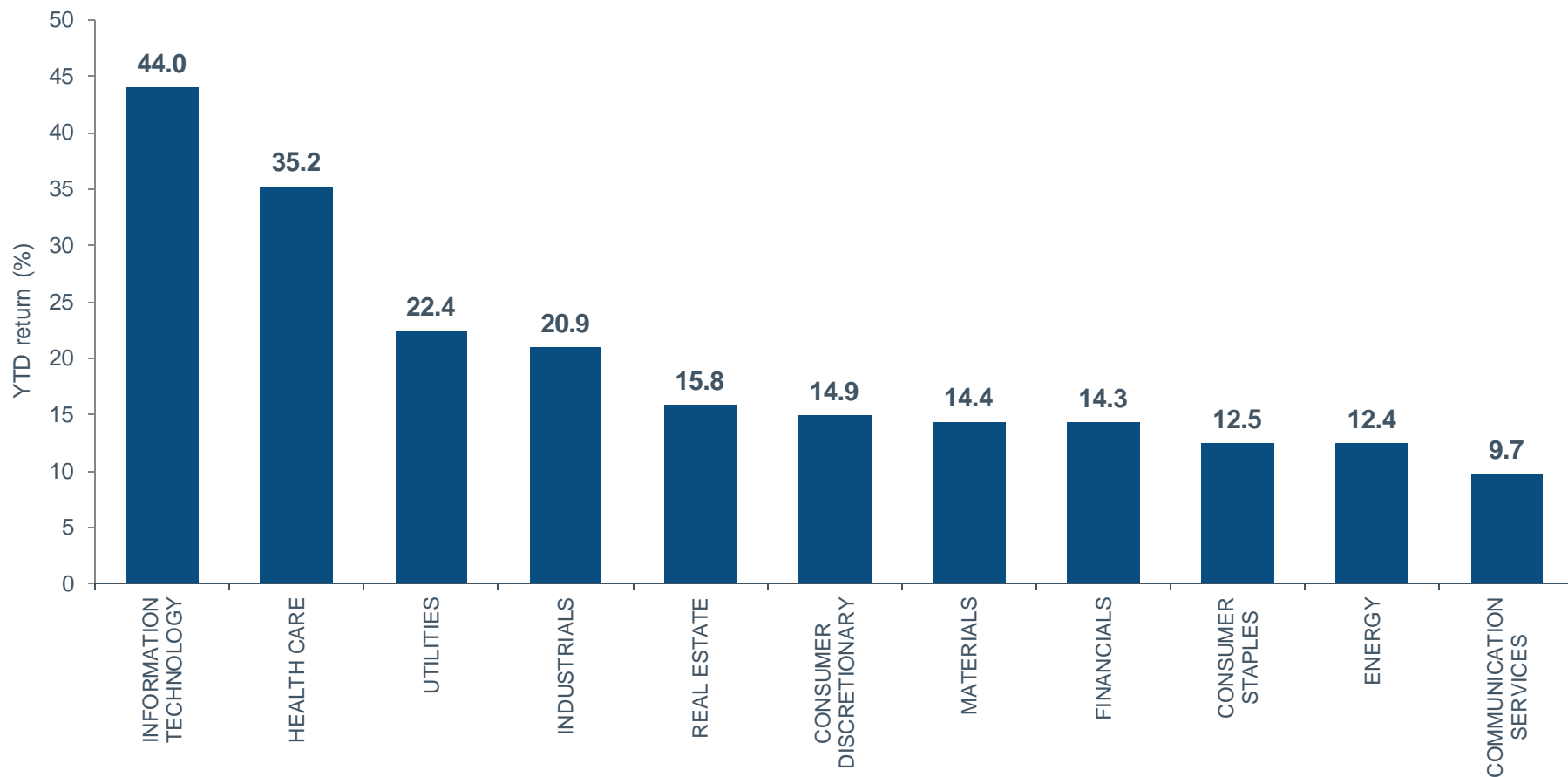


	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD
Price Return (%)	14.5	7.2	-35.0	30.7	14.5	-11.1	4.0	9.6	7.4	-11.1	17.5	6.0	-11.6	16.3
Total Return (%)	17.3	9.8	-33.0	35.1	17.6	-8.7	7.2	13.0	10.6	-8.3	21.1	9.1	-8.9	19.1

Source: Datastream, as at September 30, 2019.

S&P/TSX sector returns

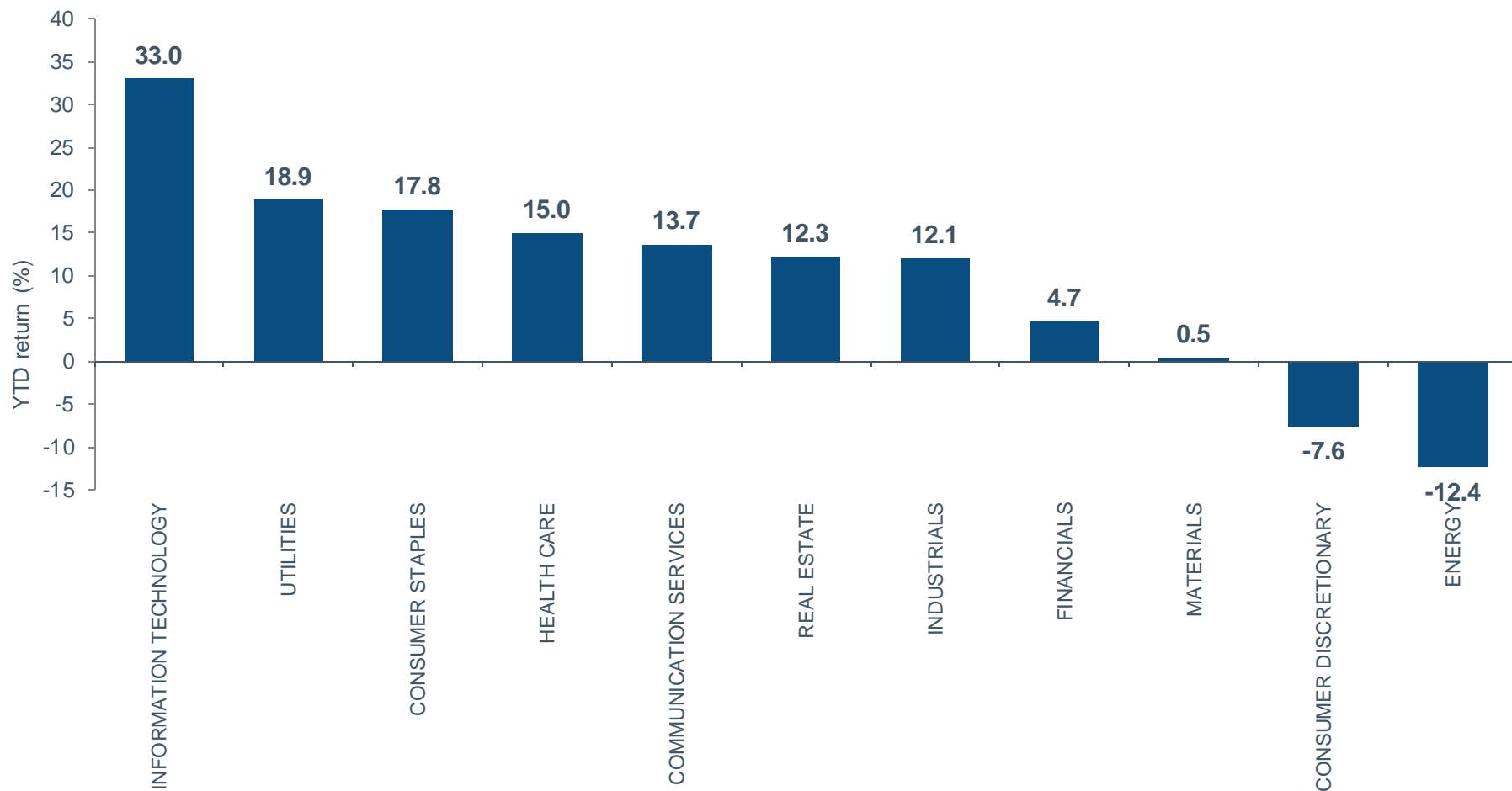
YTD total returns



Source: Fidelity Investments, as at June 30, 2019.

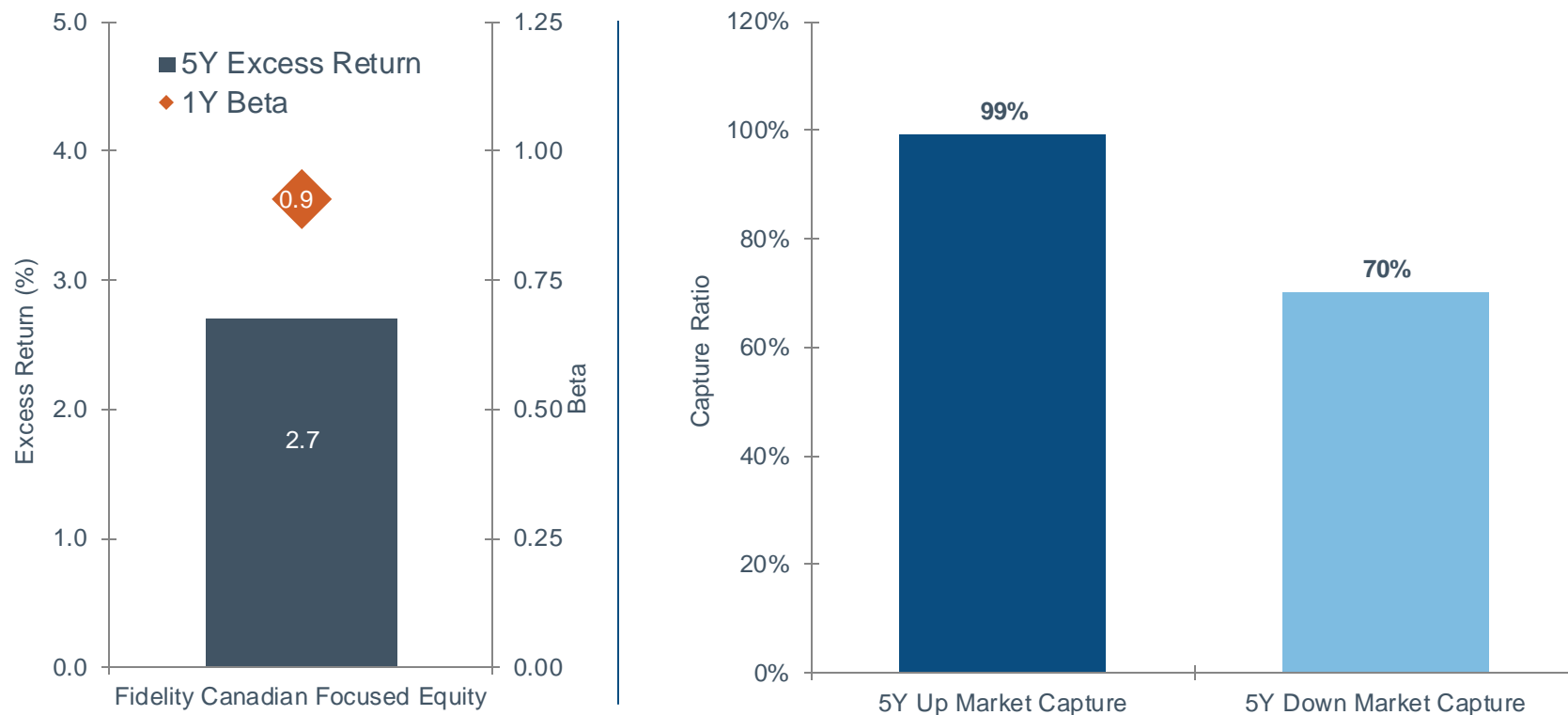
S&P/TSX sector returns

12 month total returns



Source: Fidelity Investments, as at June 30, 2019.

Canadian Focused Equity



	No. of periods	% of periods
Periods of outperformance*	151	100%
Periods of underperformance	0	0%
Total no. of 4-year periods	151	100%

Source: Fidelity Investments. Data as at September 30, 2019. Pool account information is shown. Returns in Canadian dollars. Performance shown gross of fees. Past performance is no guarantee of future results. Performance for periods greater than one year has been annualized. The upside/downside capture ratio measures performance in up/down markets relative to the Fund's benchmark (as defined by S&P/TSX Capped Composite Index). It is calculated by compounding and annualizing the monthly returns for the Fund and the index in periods when the index was up/down. The annualized return of the Fund is divided by the annualized return of the index to produce the capture ratio for corresponding up/down market performance periods. *Composite information is shown.

FIC GIPS Composite Performance Data

Canadian Focused Equity Composite** Versus S&P/TSX Capped Composite

As of September 30, 2019

Year	Period	Composite Gross Return (%)	Benchmark Return (%)	Value Added (%)*	Number of Portfolios at Year End	Composite Three-Year Standard Deviation %	Benchmark Three-Year Standard Deviation %	Internal Dispersion %	Highest Return %	Median Return %	Lowest Return %	Composite Assets at Year End (millions)	Firm Assets at Year End (millions)
2019	YTD	22.73	19.11	3.62	26	N/A	N/A	0.16	23.32	22.74	22.63	5,376	N/A
2018	Annual	-5.71	-8.89	3.17	26	8.19	7.91	0.52	-5.18	-5.62	-7.29	4,314	N/A
2017	Annual	9.11	9.10	0.02	27	7.83	7.40	0.24	10.11	9.24	8.97	4,458	540,581
2016	Annual	15.98	21.08	-5.10	25	8.75	8.32	1.05	18.82	17.55	15.37	3,895	506,581
2015	Annual	1.73	-8.32	10.04	23	8.60	8.47	0.93	2.90	0.33	-0.64	2,910	N/A
2014	Annual	12.84	10.55	2.29	23	8.06	8.31	0.75	14.29	13.91	12.30	2,803	N/A
2013	Annual	29.38	12.99	16.39	19	9.61	10.24	0.74	33.20	29.50	28.90	1,799	N/A
2012	Annual	9.44	7.19	2.25	15	11.52	11.64	0.43	9.84	9.34	7.76	900	N/A
2011	Annual	-6.15	-8.71	2.56	14	14.50	15.01	0.14	-5.98	-6.14	-6.47	649	N/A
2010	Annual	17.88	17.61	0.28	11	20.28	20.23	0.43	18.12	17.96	16.15	594	N/A

* Value added is calculated by taking the gross composite return less the benchmark return ** The inception of this composite is March 31, 2003; performance is presented for the period March 31, 2003 through September 30, 2019

Notes

Definition of "Firm" - For GIPS purposes, the "Firm" includes all of the portfolios managed by the investment management units of the Fidelity Investments Canada group of companies ("FIC").

Changes to Definition of the "Firm" - Effective January 1, 2018, portfolios managed by other members of the Fidelity Investments organization including FIAM LLC and Fidelity Institutional Asset Management Trust Company (together, "FIAM"), Fidelity Management & Research Company and its subsidiaries and/or Fidelity Investments Money Management, Inc., that are also substantially similar to mandates advised by FIC and managed by the same portfolio management team were removed from the firm definition due to organizational changes. The Firm was newly created as of January 1, 2016 to reflect organizational changes. However, the Firm includes accounts that were also included in the firm of FIAM, which claimed compliance with GIPS.

Basis of Presentation - The Firm claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Firm has been independently verified for periods January 1, 2016 through December 31, 2017. Accounts that are part of the Firm were part of FIAM, which was verified for the periods January 1, 1990 through December 31, 2015. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all of the composite requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The Firm's list of composite descriptions is available upon request. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Returns - Gross composite returns do not reflect the deduction of investment advisory ("IA"), administrative or custodial fees, but do include trading expenses.

Composite and Benchmark 3 Year Standard Deviation - For periods where the 3 Year Standard Deviation is shown above as N/A for the composite and benchmark, 3 year standard deviation is not shown either because 36 months of monthly returns were not available for this composite or we only have a partial year of data available for current year.

Firm Assets - Returns prior to January 2016 were achieved from portfolios managed by the portfolio managers while employed by a prior firm, FIAM; therefore, total firm assets for such periods are not applicable.

Composite Description - The investment objective of this composite is to seek long-term capital appreciation by investing in a concentrated portfolio of Canadian equities. The composite is composed of all fee-paying discretionary accounts that are managed by the Firm in this style.

Composite Creation Date - This composite was created on 01/01/2016.

Derivative Exposure - Typically, portfolios may make limited use of derivative instruments to manage and invest cash inflows of underlying accounts within the composite. They are not used for hedging purposes. Derivative instruments are only used when and as client guidelines permit.

Calculation Methodology Change - Due to the implementation of a new performance calculation system in 2015, the translation methodology changed for composites that contain one or more underlying constituents whose base currency and valuation point differs from this composite's valuation point. From inception through 12/31/2015, the composite was calculated in this scenario using the underlying constituent's valuation point; from 1/1/2016 forward, the composite was calculated in this scenario using the composite's valuation point.

Currency Change - Prior to January 1, 2016, the base currency of this composite was US Dollars (USD). On January 1, 2016 the base currency of this composite was changed to Canadian Dollars (CAD) effective retroactively.

Fee Schedule - The maximum scheduled investment advisory fee for this strategy is 40 basis points, which may be subject to certain decreases as assets under management increase. The investment advisory fee applicable to a portfolio depends on a variety of factors, including but not limited to portfolio size, the level of committed assets, service levels, the use of a performance fee or minimum fee arrangement, and other factors.

Effect of Investment Advisory Fee - Returns will be reduced by the investment advisory fee and any other expenses incurred in the management of the portfolio. For example, an account with a compound annual return of 10% would have increased by 61% over five years. Assuming an annual advisory fee of 40 basis points, the net return would have been 57% over five years.

Pool Portfolio - The composite contains a pool portfolio that is presented net of custody and audit fees. Investment security transactions for the pool portfolio are accounted for on trade date-plus-one.

Known Inconsistencies in Exchange Rates - The composite base currency is Canadian Dollar (CAD). One or more of the current or historic constituent portfolios have a base currency that differs from the composite and uses a valuation point that differs from other constituent portfolios.

Benchmark Change - Prior to January 1, 2016 the benchmark for this composite was the MSCI Canada Index (Net). Effective January 1, 2016 the benchmark was replaced by the S&P/TSX Capped Composite Index. The change was made to provide a more meaningful benchmark for performance comparisons.

Past performance is no guarantee of future returns.

Baillie Gifford Presentation



University of Windsor

UNIVERSITY OF WINDSOR

Ben Drury. November 2019



Where Baillie Gifford pooled funds are held, please note the fund portfolio information contained within this report is confidential, proprietary information and should be maintained as such and not disseminated. The content is intended for information purposes only and should not be disclosed to other third parties or used for the purposes of market timing or seeking to gain an unfair advantage.

University of Windsor and Baillie Gifford

Appointed

—June 16, 2010

Strategy

—Global Alpha

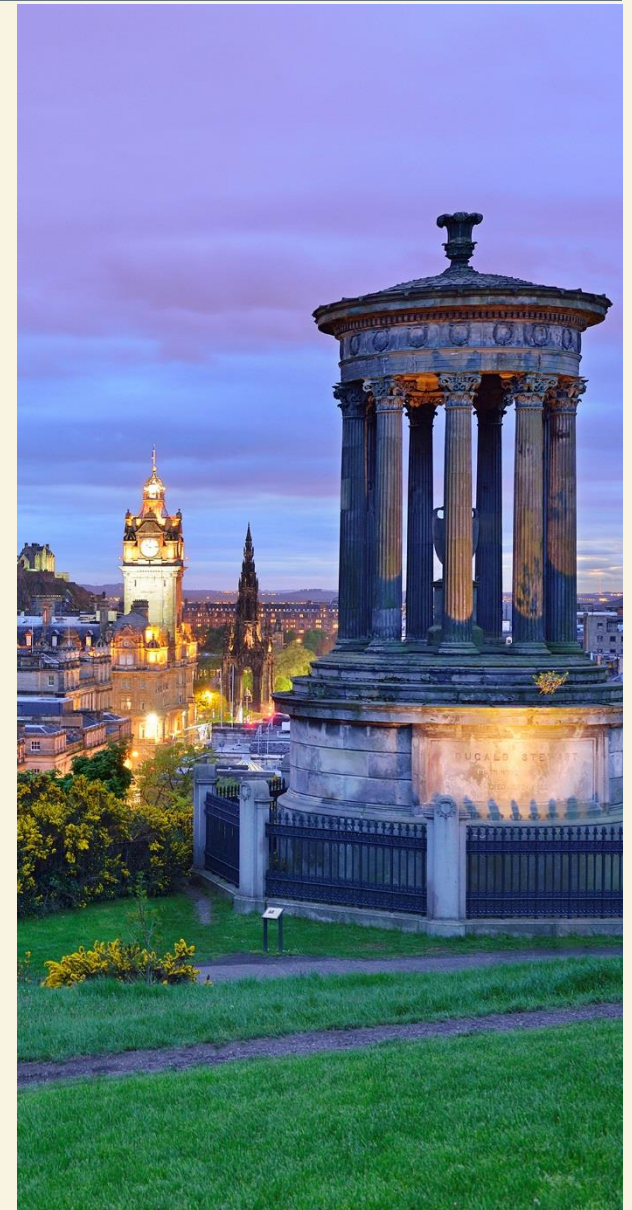
Objective

—To produce capital growth over the long term by investing primarily in global equities

Portfolio Values as at June 30, 2019

—University of Windsor Pension Plans: C\$167,760,735

Source: Baillie Gifford & Co.



Investment Philosophy

Reward Seeking

- A Global Equity Strategy that is very different to the index
- Bottom up stock picking

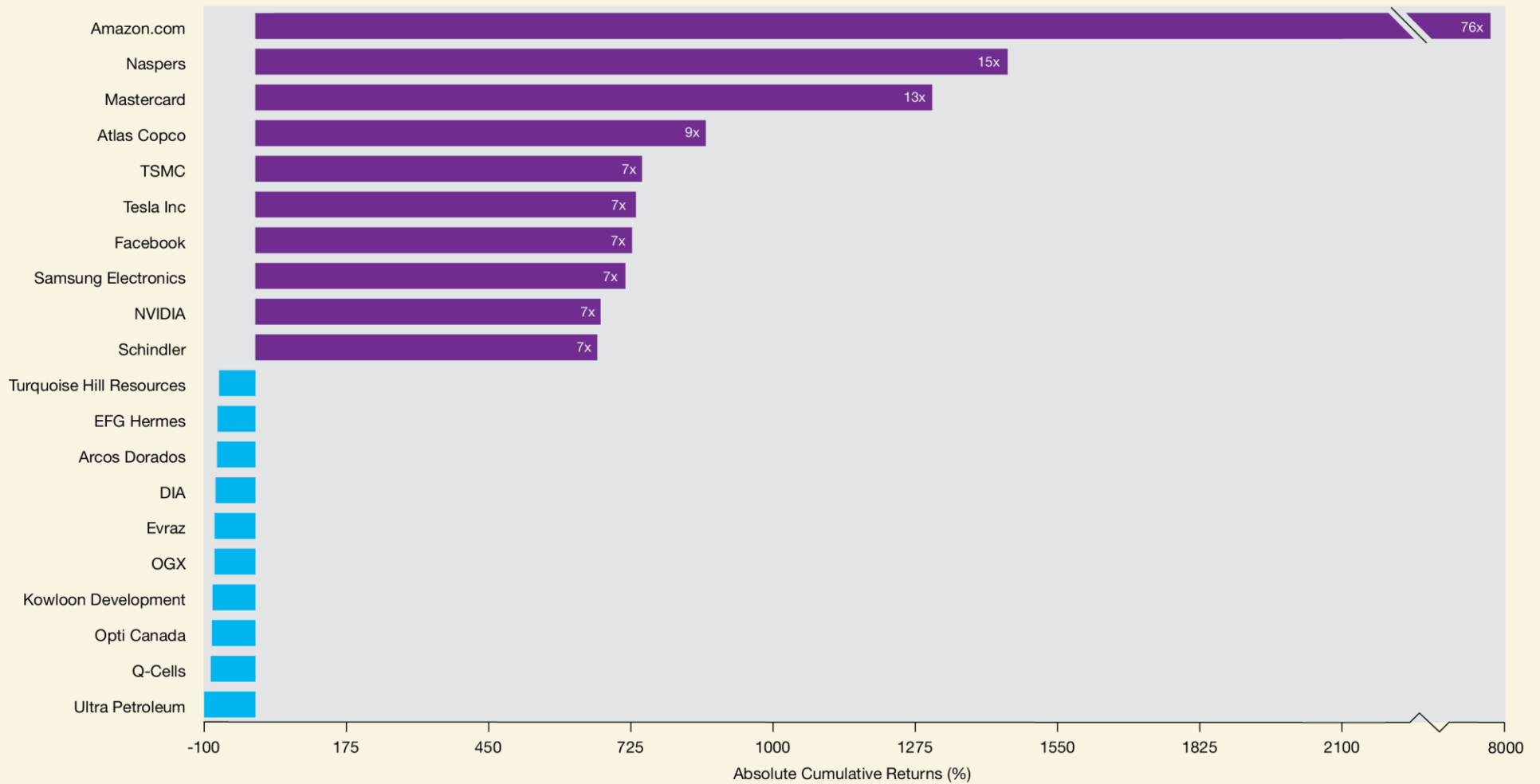
Embrace Asymmetry

- Superior growth leads to long-term outperformance; we search for under-appreciated growth in many different forms

Patience

- Investment not speculation, we seek to turn time and volatility to our advantage
- Five year horizon, short-term returns will be volatile

Embrace Asymmetry



Source: StatPro. Stock returns for Global Alpha composite since inception (May 31, 2005) to September 30, 2019. In CAD.

Global Alpha Research Agenda 2019



DATA, HEAL THYSELF

- Data collection
- Hyper-personalisation



EMERGING MARKETS

- Headlines vs Fundamentals
- Shanghai research office



SEEING WHAT OTHERS DON'T



FORTRESSES UNDER SIEGE

- Cyclical industries
- Differentiated view



INNOVATION TURNS INDUSTRIAL

- Cloud infrastructure
- Software-as-a-service

Portfolio and Transactions

Holding Size	Growth Stalwarts	30.5%	Rapid Growth	37.7%	Cyclical Growth	19.1%	Latent Growth	11.1%	Total
~2.0%	Prudential Anthem AIA MasterCard Moody's Visa SAP Pernod Ricard	Naspers Amazon.com Alibaba Ping An Insurance Alphabet							32.8%
~1.0%	Thermo Fisher Scientific Microsoft AJ Gallagher ResMed Schindler Service Corporation International Olympus Waters Bureau Veritas	Facebook HDFC MarketAxess ICICI Bank Shopify Reliance Industries Zillow Seattle Genetics Ryanair B3	CRH Banco Bradesco Martin Marietta Materials Royal Caribbean Cruises TSMC Markel Advantest Richemont EOG Resources SMC Atlas Copco	Apache MS&AD Insurance Kirby Corp BHP Billiton Fairfax Financial Sumitomo Mitsui Trust Sberbank Signify		41.3%			
~0.5%	Broadridge Financial Solutions Sysmex	Schibsted Chipotle Mexican LendingTree Netflix Grubhub CyberAgent Ctrip.com Autohome Illumina 58.com Tesla Inc Myriad Genetics Axon Enterprise Interactive Brokers	Abiomed Meituan Dianping The Trade Desk Novocure Genmab Chegg Alnylam Spotify Infineon Mail.ru Group Just Eat Adevinta	Deutsche Boerse TD Ameritrade Teradyne Wabtec SiteOne Landscape Supply Jardine Matheson Epiroc Jefferies Financial Group Orica Ritchie Bros. Auctioneers Persol Holdings Sands China Hays Albemarle	Bank of Ireland A.P. Møller - Mærsk Stericycle Howard Hughes Now Inc Tsingtao Brewery Brilliance China Automotive	24.4%			
Complete Sales	Kansai Paint Verisk Analytics	Baidu.com LINE Corporation NetEase	CH Robinson First Republic Bank Svenska Handelsbanken	Advanced Micro Devices Fiat Chrysler Automobiles HTC MultiChoice Group Rohm					

Source: Baillie Gifford & Co. As at June 30, 2019. Cash: 1.5%.

Based on Baillie Gifford Global Alpha Fund.

Totals may not sum due to rounding.

Transactions 6 months to June 30, 2019. **New Buys**, **Additions**, **Reductions**.

Performance Update

Investment Returns to June 30, 2019

	Fund (NAV) (%)	Benchmark (%)	Difference (%)
Since Inception* (p.a.)	15.7	12.8	+2.9
5 Years (p.a.)	14.3	11.2	+3.1
3 Years (p.a.)	17.5	12.5	+5.1
12 Months	5.1	5.6	-0.5

Source: StatPro, MSCI. Totals may not sum due to rounding.

Fund performance shown above is based on the NAV calculated by CIBC Mellon and is gross of fees.

Benchmark: MSCI AC World.

*Inception date of the University of Windsor Pension Plans: June 16, 2010.

Our Perspective

—Focused on corporate fundamentals

—Megatrends, not headlines

—Research Agenda promotes long-term thinking

All investment strategies have the potential for profit and loss.
Past performance is not a guide to future returns.

Top and Bottom Ten Stock Contributors 12 Months to June 30, 2019

	Fund (%)	Benchmark (%)	Contribution (%)
Banco Bradesco	1.5	0.1	0.8
ICICI Bank	1.6	0.0	0.6
Shopify	0.5	0.0	0.5
MarketAxess	0.9	0.0	0.4
Mastercard	2.1	0.4	0.4
AIA	2.2	0.2	0.3
LendingTree	0.5	0.0	0.3
Ping An Insurance	1.5	0.1	0.3
B3	0.6	0.0	0.3
Advanced Micro Devices*	0.2	0.0	0.3
Apache	1.9	0.0	-1.0
Ryanair	1.0	0.0	-0.6
Baidu.com*	0.9	0.1	-0.6
CyberAgent	0.8	0.0	-0.5
Alibaba	2.4	0.5	-0.3
Zillow	0.9	0.0	-0.3
EOG Resources	1.1	0.1	-0.3
Bank of Ireland	0.8	0.0	-0.3
Microsoft	0.5	1.8	-0.3
Grubhub	0.8	0.0	-0.3

Source: StatPro, MSCI.

Benchmark: MSCI AC World.

*Sold during the period.

Summary

Stability and patience

Fundamentals, not headlines

Optimistic, not anxious



Burgundy Presentation



University of Windsor



UNIVERSITY OF WINDSOR PENSION PLAN
Investment Review

Ariel Lubecki,
Vice President, Senior Institutional Relationship Manager

Nov. 14, 2019

INVESTMENT PHILOSOPHY

Protect and Grow Capital

- 1) Avoid incurring permanent loss of capital
- 2) Own a portfolio of high-quality businesses for the long-term
- 3) Contrarian and opportunistic: *“Be fearful when others are greedy and greedy when others are fearful.”* – Warren Buffett

WHAT WE LOOK FOR

HIGH QUALITY BUSINESSES AVAILABLE AT A DISCOUNT

QUALITY

Business Characteristics

- Barriers to entry
- Limited competition
- Economic resilience
- Industry leadership

Managerial Characteristics

- Capable, honest management
- Excellent capital allocation record
- Equity ownership
- Good corporate governance

Financial Characteristics

- Growth in free cash flow
- Low capital requirements
- High return on invested capital
- Strong balance sheet

WHAT WE LOOK FOR

HIGH QUALITY BUSINESSES AVAILABLE AT A DISCOUNT

Valuation

Good companies grow intrinsic value over the long term

- In-house valuation using a discounted cash flow (“DCF”) analysis:
 - 5-year forecasts of revenue, earnings and cash flows
 - Conservative estimates of growth (0-2%) and discount rates (8.0% or greater)

Buy Decision



UNIVERSITY OF WINDSOR PENSION PLAN

- Assets as at June 30, 2019: C\$137,035,057
- Burgundy hired in December 2015
- Strategy Overview - Burgundy Global Equity Fund:

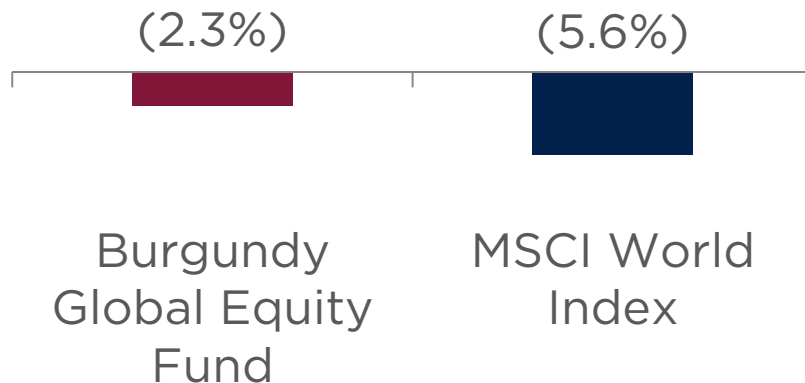
Concentrated	Benchmark Agnostic	Opportunistic
<ul style="list-style-type: none">▪ Between 40-60 holdings▪ Maximum 10% in any name	<ul style="list-style-type: none">▪ Built bottom-up, company by company▪ Sector weights 0-40%	<ul style="list-style-type: none">▪ Market cap range, \$3 billion plus▪ Up to 15% may be invested in emerging markets

CONSISTENT FOCUS ON QUALITY

BURGUNDY GLOBAL EQUITY FUND PERFORMANCE

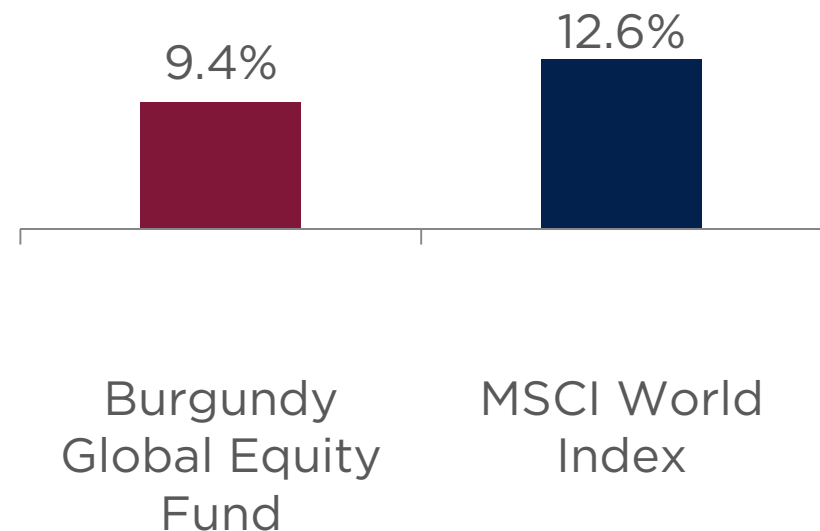
Second Half of 2018

- Interest rates and trade tensions rise
- Negative sentiment leads to risk aversion
- Investors show a strong quality bias



First Half of 2019

- US Federal Reserve reverses course on interest rate hikes
- Borrowing costs decrease
- Risk-on environment results in outperformance in cyclical sectors



Performance reported in Canadian dollars, gross of fees.

BURGUNDY

UNIVERSITY OF WINDSOR PENSION PLAN

PERFORMANCE AS AT JUNE 30, 2019

Performance (%)

	Quarter	YTD	1 Year	2 Years	3 Years	Since Inception ⁽¹⁾
Total Portfolio	0.6	9.5	7.0	6.9	8.9	7.6
MSCI World Index	2.1	12.6	6.3	9.8	12.6	9.2

Calendar Year Performance (%)

	2018	2017	2016
Total Portfolio	0.4	11.8	3.8
MSCI World Index	(0.2)	15.0	4.9

(1) Inception Date: December 21, 2015
Performance reported in Canadian dollars, gross of fees.
Performance for periods greater than one year is annualized.

BURGUNDY GLOBAL EQUITY FUND

PERFORMANCE AS AT JUNE 30, 2019

Performance (%)

	QTR	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	10 Yrs	Since Inception ⁽¹⁾
Total Portfolio	0.6	9.4	7.0	6.9	8.9	9.5	12.2	13.8	11.2
MSCI World Index	2.1	12.6	6.3	9.8	12.6	9.9	11.7	12.6	9.2

Calendar Year Performance (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	Mar '08 to Dec '08
Total Portfolio	0.5	11.8	3.8	26.7	17.4	36.5	13.9	5.5	7.7	5.9	(5.8)
MSCI World Index	(0.2)	15.0	4.9	18.9	15.1	35.9	14.2	(2.8)	6.6	11.4	(18.5)

Negative market performance

(1) Inception Date: February 29, 2008
Performance reported in Canadian dollars, gross of fees.
Performance for periods greater than one year is annualized.

BURGUNDY

COMPANY PROFILE

NESTLÉ S.A.

Quality Business

- Leading market positions by category and geography.
- Significant global and local scale advantages in advertising, distribution, R&D and manufacturing.
- Present in attractive categories with resilient demand.

Excellent Financials/Management

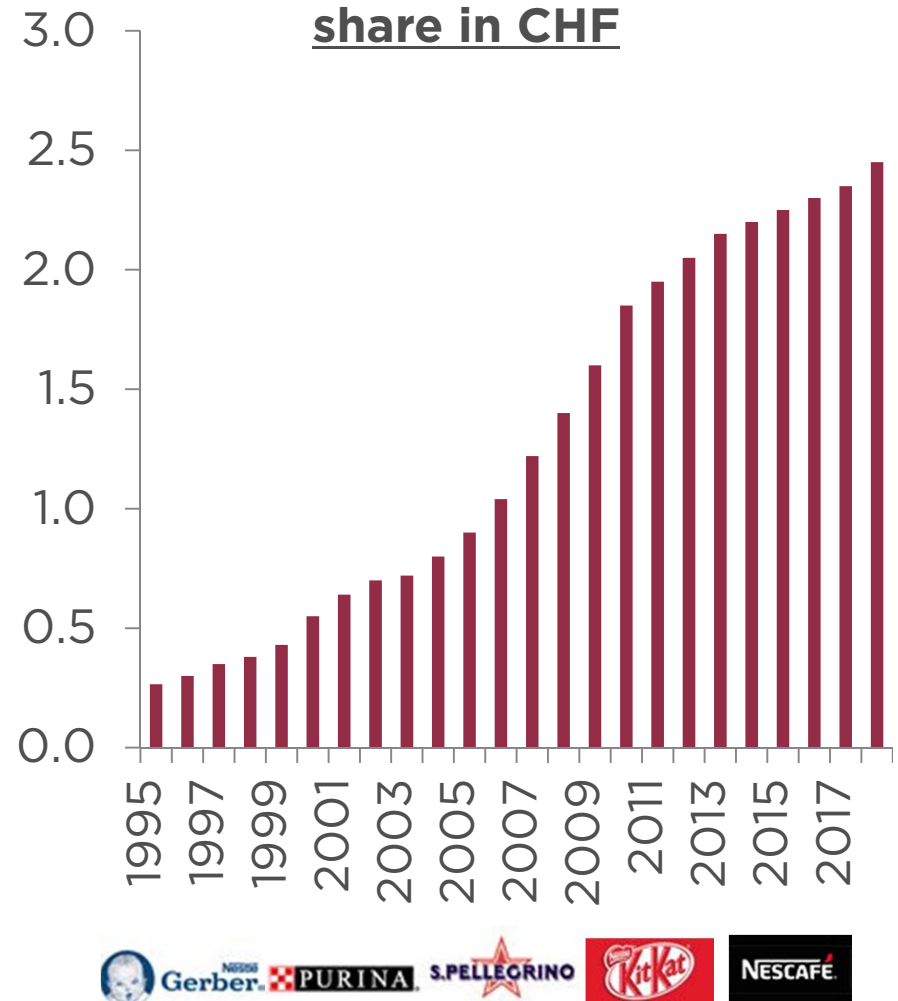
- Track record of revenue growth & margin expansion
- New CEO, Mark Schneider, has a tremendous track record for creating shareholder value.
- Our research indicates that there is a considerable opportunity to improve profitability.

Valuation⁽¹⁾

- | | |
|--------------------|---------|
| ▪ Current price | CHF 106 |
| ▪ Intrinsic value | CHF 106 |
| ▪ Margin of safety | 0% |

(1) As at July 31, 2019
Source: Burgundy research

Sustainable dividend per share in CHF



Dividend data source: Bloomberg

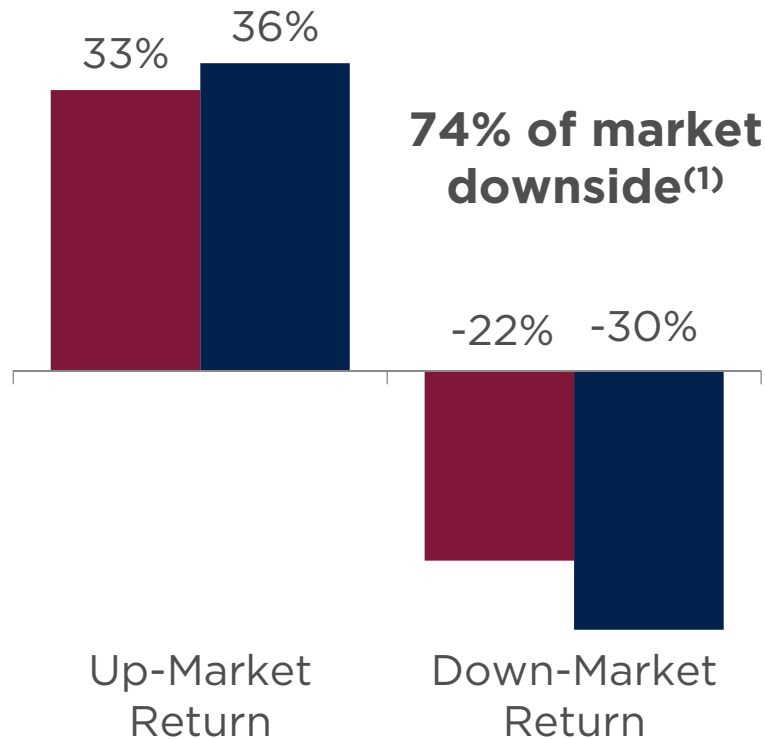
BURGUNDY

GLOBAL EQUITY PERFORMANCE

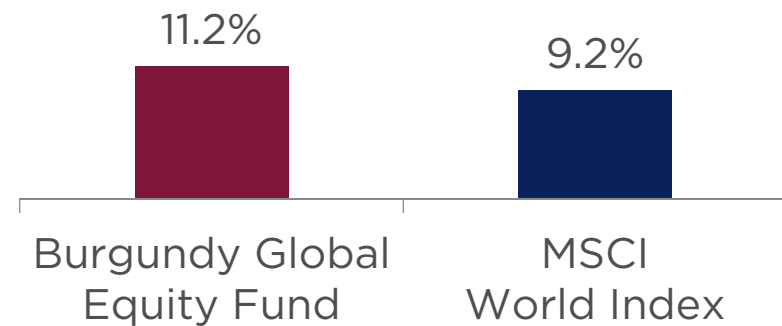
CAPITAL PRESERVATION IS KEY TO LONG-TERM SUCCESS

Long-Term Outperformance

**91% of market
upside⁽¹⁾**



**Annualized since Inception⁽²⁾
to June 30, 2019**



(1) Source: eVestment, monthly returns since inception to June 30, 2019

(2) Inception: February 29, 2008

Performance reported in Canadian dollars, gross of fees.

LOOKING FORWARD

- 1. A slowing economy favours quality investing:** we believe the combination of slower economic activity, declining interest rates and occasional shocks should bode relatively well for high quality businesses.
- 2. Steady earnings:** we expect our holdings to continue to deliver competitive returns due to their steady earnings outlooks and reasonable valuations.
- 3. Waiting for volatility:** year-to-date (YTD) we have not seen enough volatility to warrant meaningful changes to our portfolios. We remain confident that we will see more opportunities as the economic cycle matures further.



University
of Windsor

Open Pension Meeting

November 14, 2019



University of Windsor