

Open Pension Meeting

December 1, 2011

thinking forward

Agenda

- Discussion of Key Events during 2010/11
- Capital Markets Performance to June 30, 2011 with 3rd and 4th Quarter Updates
- Overview of Pension Fund as of June 30, 2011 & September 30, 2011
 - ✓ Asset allocation by Manager and Asset Mix
 - ✓ Fund performance
- Manager Presentations
 - ✓ Background on firm
 - ✓ Performance as of June 30, 2011 and 3/4Q11
 - ✓ Investment Outlook
- Questions

Key events during the year

thinking forward

Key events during the year

- Implemented new governance structure
 - Created single Investment Committee to provide oversight on the investment operations of the pension plans, endowment fund, and the University's operating funds
 - Consolidated responsibilities previously managed by the Pension Committee and Investment Committee
 - Members include staff, volunteers and representatives of members/retirees of Faculty and Staff Pension Plan
 - Reasons for change:
 - Consolidate expertise on investment issues
 - Leverage committee across all investment funds
 - Create economies of scale

Key events during the year (cont'd)

- Implemented Sprucegrove and Baillie Gifford to manage global equities
 - Sprucegrove was chosen because of its value style that emphasizes bottom up, fundamental research
 - Baillie Gifford was chosen because it favors growth companies and for its expertise in emerging markets
- Decided to terminate McLean Budden. Reasons:
 - Performance
 - Volatility of performance
 - Service
 - Change of ownership
- Search for new Canadian equity managers conducted in 3rd and 4th Quarter of 2011
 - Met four finalists candidates on November 3, 2011
 - SSgA approved by the Board of Governance on November 22, 2011

Capital Markets

thinking forward

Capital Market Performance: June 30, 2011

Year Ending June 30, 2011

DEX 91-Day T-Bill Index	0.9%
DEX Universe Bond Index	4.7%
DEX Long Bond Index	7.0%
S&P/TSX Composite Index	20.9%
S&P 500 Index (\$Cdn)	18.7%
MSCI EAFE Index (\$Cdn)	18.9%
MSCI Emerging Markets Index (\$Cdn)	16.4%
Median Manager in Mercer Balanced Universe	13.8%

Capital Market Performance: Since June 30, 2011

	Q3 2011	Q4- To Nov 18
DEX 91-Day T-Bill Index	0.3%	0.1%
DEX Universe Bond Index	5.1%	0.5%
DEX Long Bond Index	9.8%	0.9%
S&P/TSX Composite Index	-12.0%	2.6%
S&P 500 Index (\$Cdn)	-7.0%	6.0%
MSCI EAFE Index (\$Cdn)	-12.5%	0.6%
MSCI Emerging Markets Index (\$Cdn)	-16.3%	4.5%
Median Manager in Mercer Balanced Universe	-6.2%	--

Key Issues Facing Pension Plan Sponsors

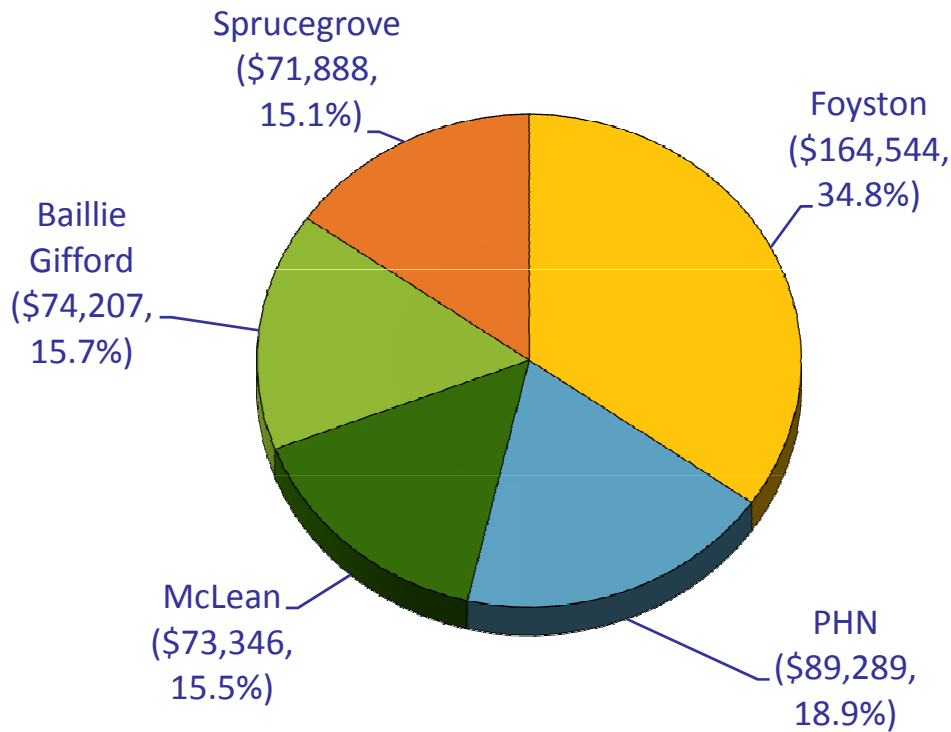
- ✓ Volatile markets and currencies cause great fluctuations in pension costs
- ✓ Low interest rates and low returns on pension funds result in increased pension costs for plan sponsors
- ✓ Much uncertainty about performance of markets and direction of interest rates
- ✓ Managing risk and diversification in pension portfolios

Performance Results

thinking forward

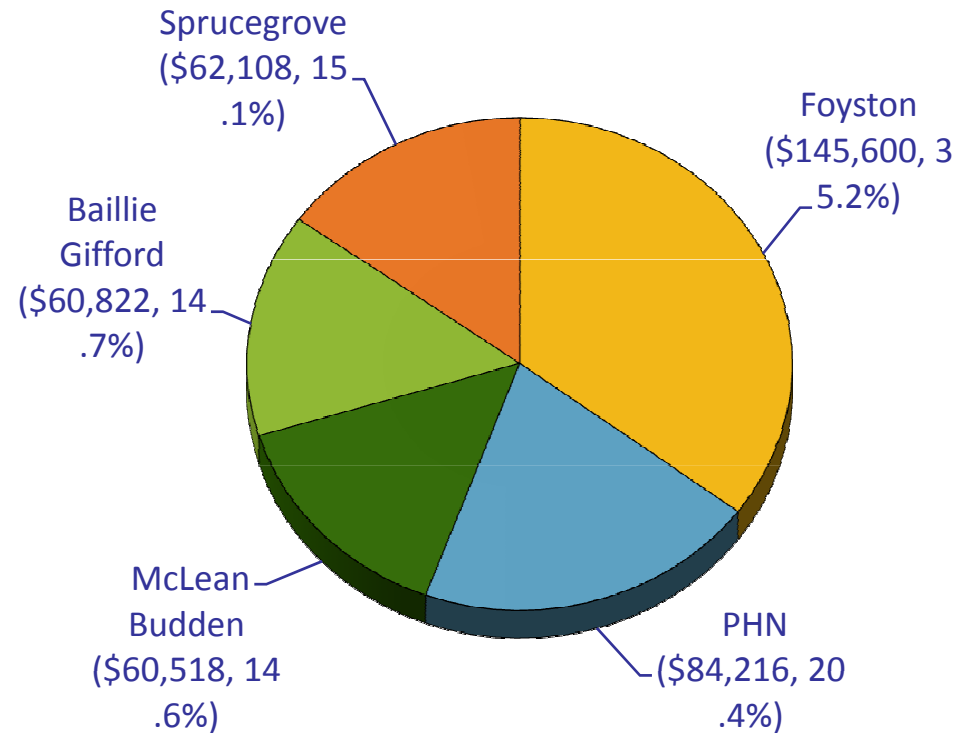
Asset Allocation by Manager (\$000)

June 30, 2011



**Total Market value of the Plan -
\$475,507,000**

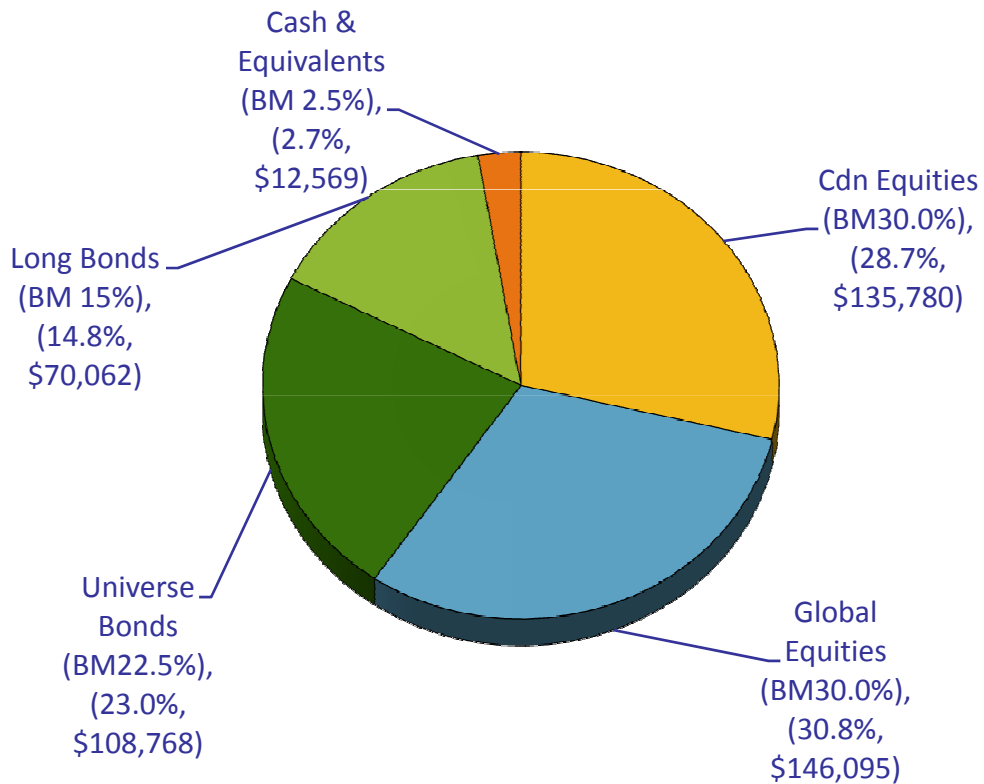
June 30, 2010



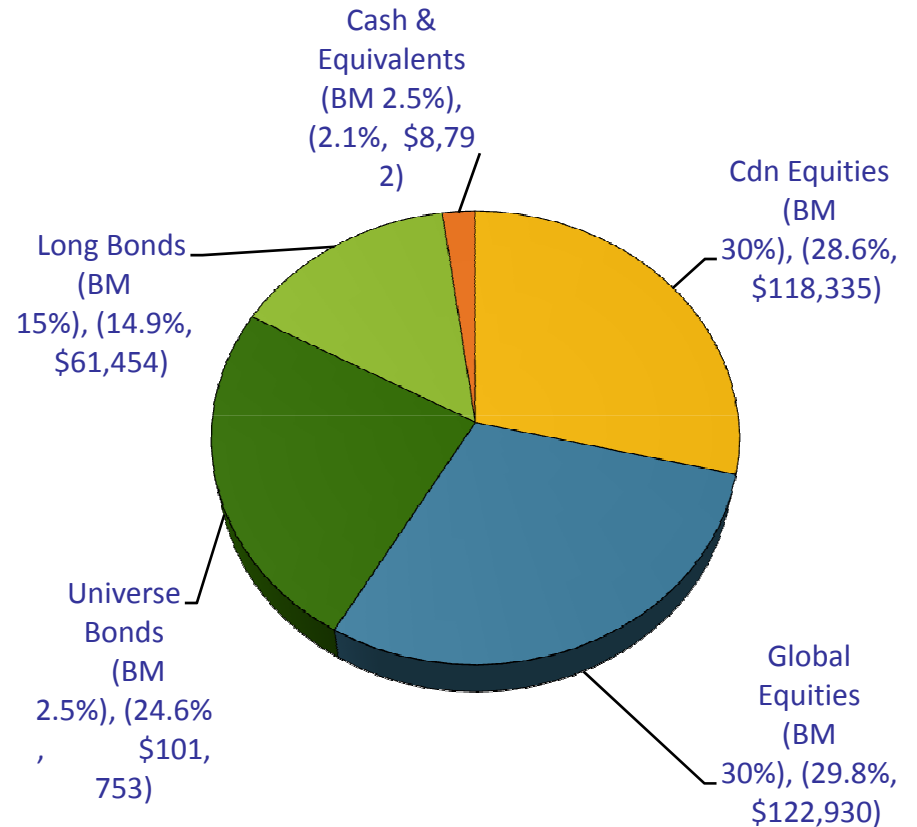
**Total Market value of the Plan -
\$415,406,000**

Asset Mix (\$000)

June 30, 2011



June 30, 2010



Total Pension Fund Returns as of June 30, 2011

	Mkt Value at Jun 30/11 (000's)	Recent QTR				
		To Date (3 mths)	One Year To Jun 30/11	Annualized to June 30, 2011		
				2 Years	3 Years	4 Years
Total Fund	\$ 475,507	-0.67%	14.84%	11.33%	4.40%	2.67%
U of Windsor Benchmark		-0.50%	13.99%	10.78%	3.09%	2.19%
Faculty Plan portion	\$ 328,990	69.2%				
Non-Faculty Plan portion	\$ 146,517	30.8%				

Annual Rates of Return as of June 30, 2011

	Market Value June 30/11 (000's)	% MV	Annual to Jun 30/11	Annual to Jun 30/10	Annual to Jun 30/09	Annual to Jun 30/08	Annual to Jun 30/07
Total Fund	\$475,507		14.8%	7.9%	-8.2%	-2.3%	15.6%
U of Windsor Benchmark			14.0%	7.7%	-10.6%	-0.5%	13.8%
<u>Allocation by Manager:</u>							
Foyston, Gordon & Payne	\$ 164,544	34.6%	13.9%	11.8%	-3.0%	1.0%	14.0%
Phillips, Hager & North	89,289	18.8%	6.0%	11.2%	-3.0%	3.2%	13.9%
McLean Budden	73,346	15.4%	21.2%	6.3%	-25.5%	6.1%	16.6%
Baillie Gifford	74,207	15.6%	22.1%	N/A			
Sprucegrove	71,888	15.1%	15.8%	N/A			
Cash	2,233	0.5%					
	<u>\$475,507</u>	<u>100%</u>					

Impact of Investment Performance for Faculty Plan

Gross fund return 14.81% for the year ended June 30, 2011

Net return of 14.24%

- Money Purchase balances increased by 14.24% for active members
- Money Purchase pensions for all retirees increased by:
 - 6.31% for those who retired before July 1, 2004
 - 7.13% for those who retired on and after July 1, 2004
 - (Actual increase is 50% of excess average return over 6% and mortality adjustment)
- Minimum Guaranteed pensions for all retirees increased by 2.00%

Impact of Investment Performance for Employees' Plan

Gross fund return 14.75% for the year ended June 30, 2011

Net return of 14.13%

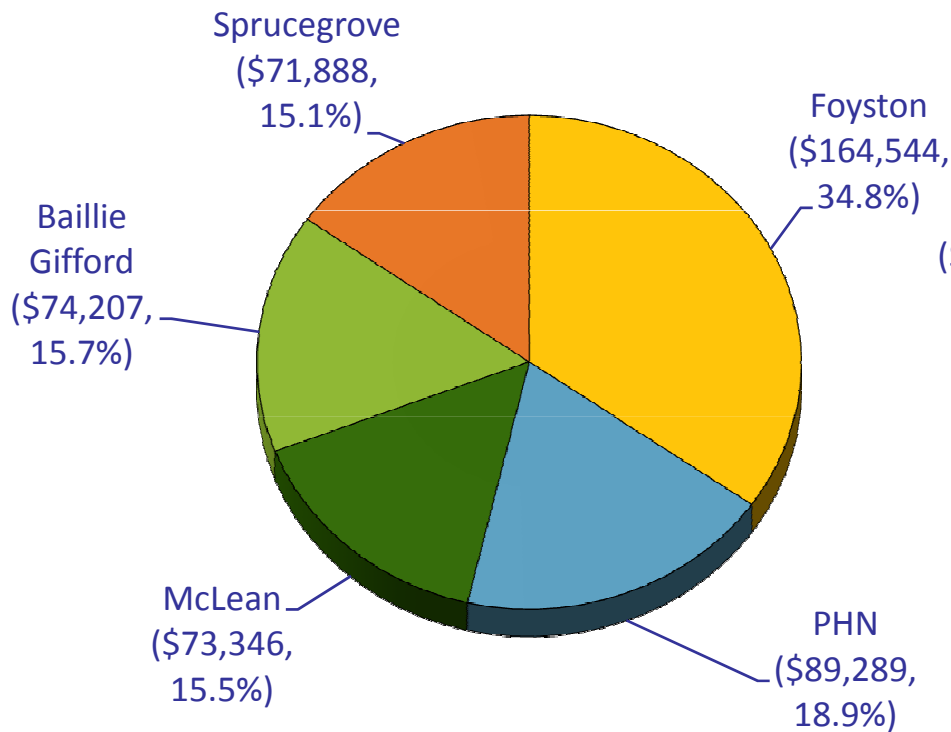
- Rate of credited interest on employee contributions for the year ending June 30, 2011 is 1.85%
- Average Fund Return for pension increases is 2.28%
 - 4 year average of fund return
- Pensions remain unchanged
 - Actual increase is 50% of excess average return over 6%, limited to 50% of the CPI increase (2.51% at June 30, 2011)

Annualized Rates of Return as of September 30, 2011

	Mkt value at Sep 30/11 (000's)	Recent QTR To Sep 30/11 (3 mths)	One Year To Sep 30/11	Annualized to September 30, 2011		
				2 Years	3 Years	4 Years
Total Fund	\$ 444,867	-5.73%	0.39%	4.60%	5.23%	1.38%
U of Windsor Benchmark		-4.28%	1.30%	4.85%	4.66%	1.11%
Faculty Plan portion	\$ 306,513	68.9%				
Non-Faculty Plan portion	\$ 138,354	31.1%				

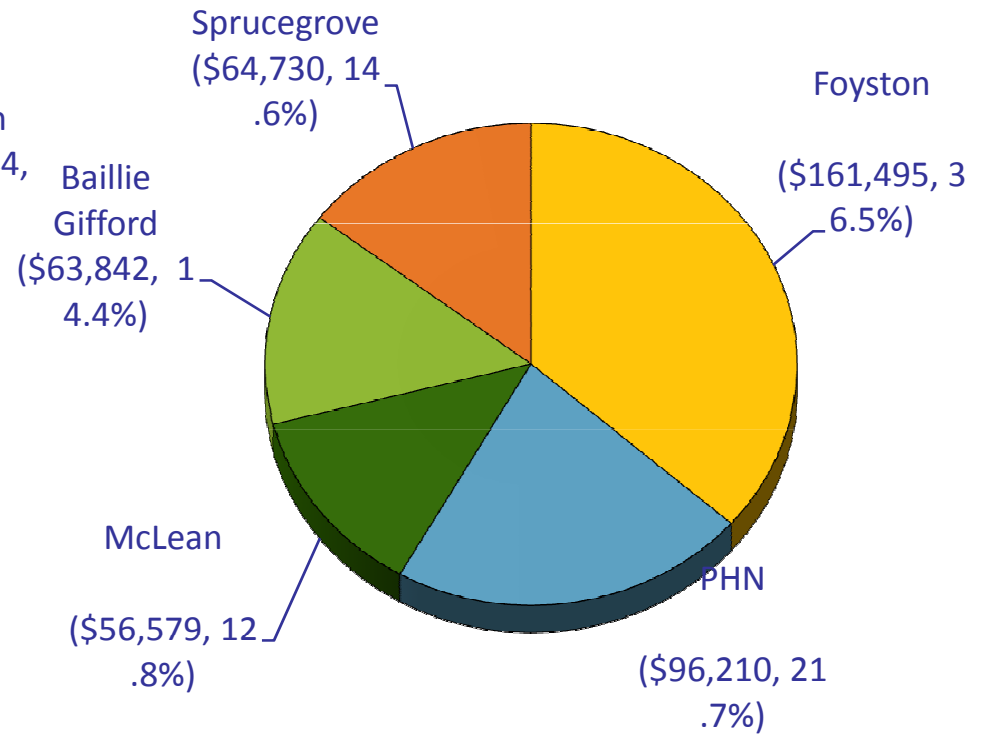
Asset Allocation by Manager (\$000)

June 30, 2011



Total Market value of the Plan -
\$475,507,000

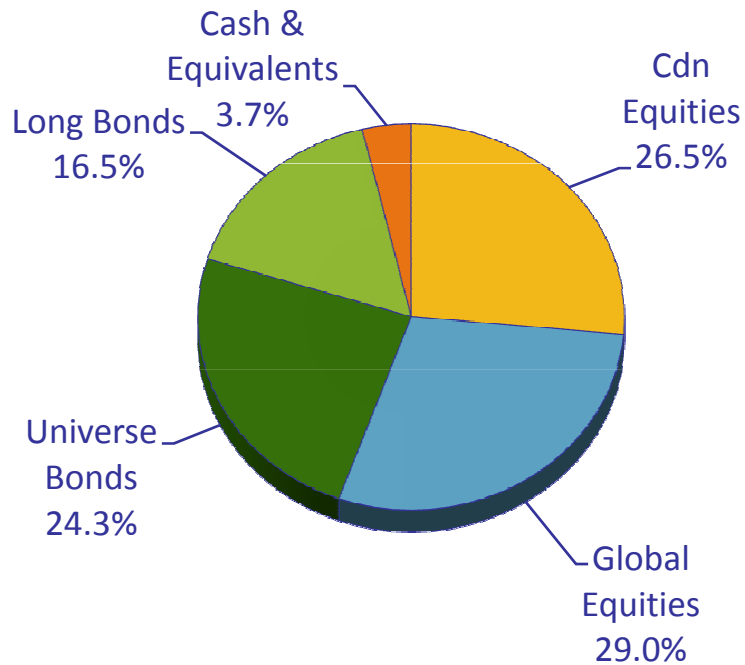
September 30, 2011



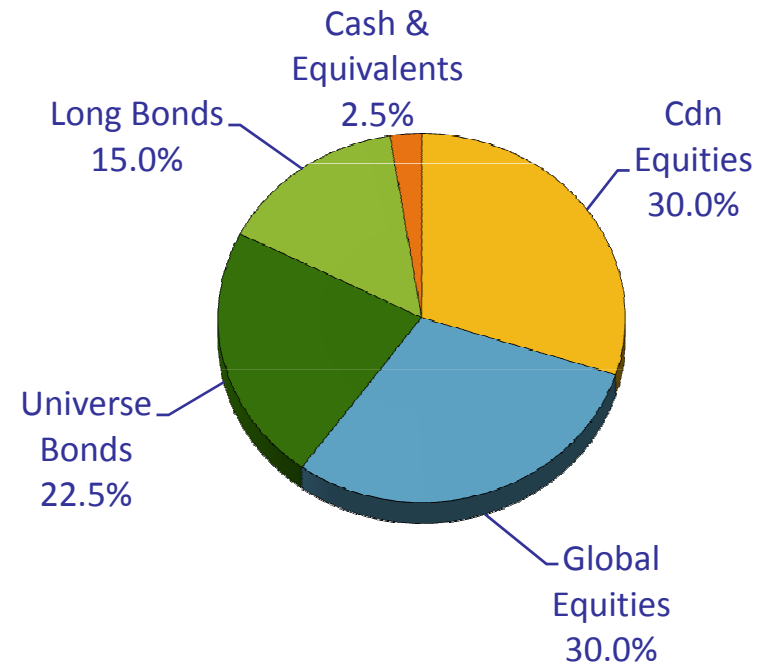
Total Market value of the Plan
\$444,867,000

Asset Mix as of September 30, 2011 (000's)

Actual Asset Mix

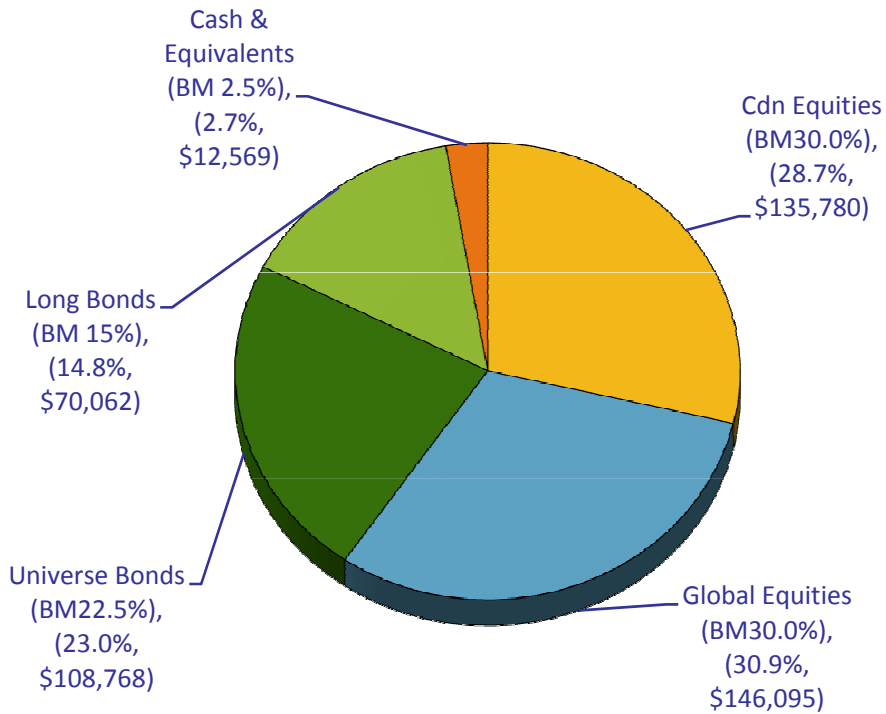


Asset Mix Benchmark

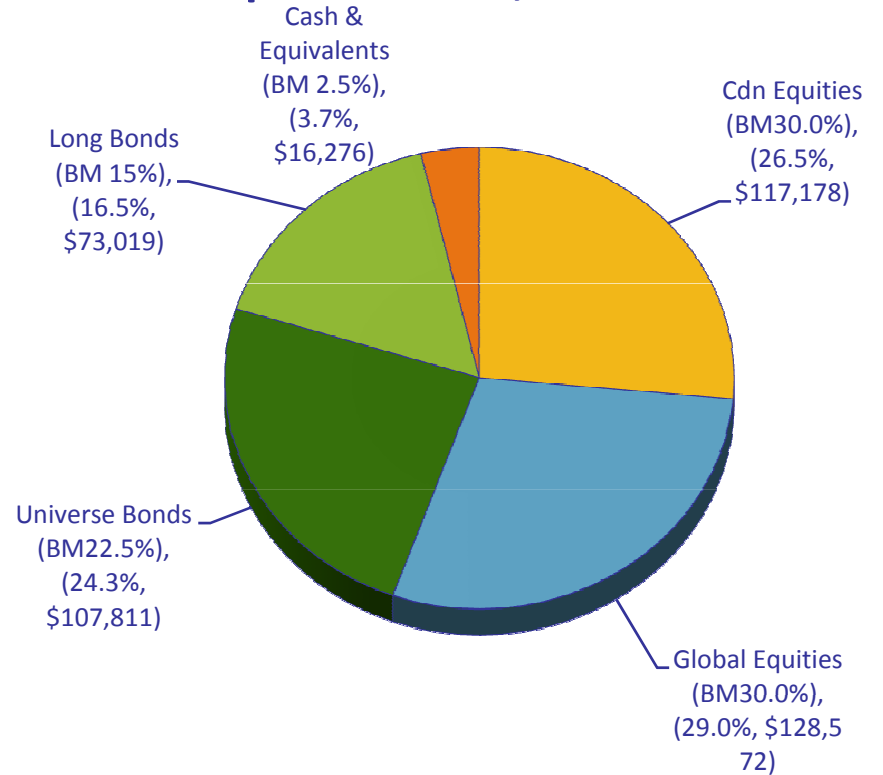


Asset Mix (\$000)

June 30, 2011



September 30, 2011



Investment Manager Presentations

1. Phillips, Hager & North
 - Michel Rhéaume
2. Foyston, Gordon & Payne
 - Jim Houston
3. McLean Budden
 - Rob Stapleford
4. Baillie Gifford
 - Geraldine Deighan & Fiona MacLeod
5. Sprucegrove
 - Marcel Leroux

Investment Management Presentation to



Open Committee Meeting

December 1, 2011

Presented by: Michel Rhéaume, Vice President

University of Windsor

Returns to June 30, 2011

	Qtr (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
University of Windsor	2.9	2.3	6.0	4.5	6.0
Benchmark*	2.8	2.2	5.3	3.0	5.6
Universe Bonds	2.3	2.2	5.2	4.6	6.1
Benchmark**	2.2	2.0	4.3	1.4	4.5
Long Bonds	3.9	2.5	7.5	n.a.	n.a.
DEX Long Bond Index	3.9	2.5	7.0	n.a.	n.a.

*Benchmark:

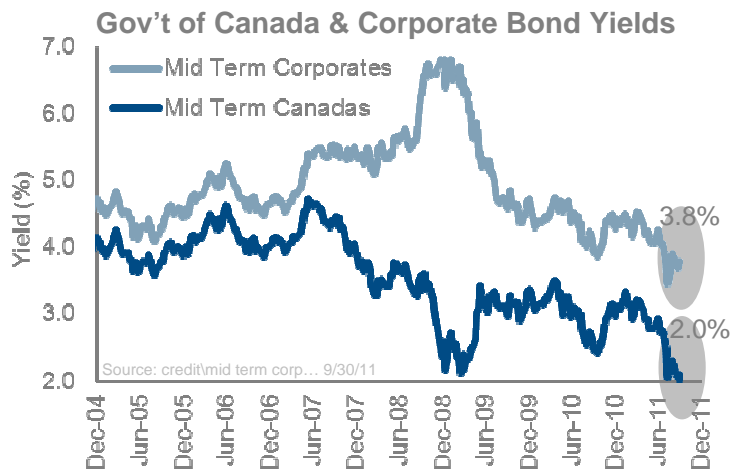
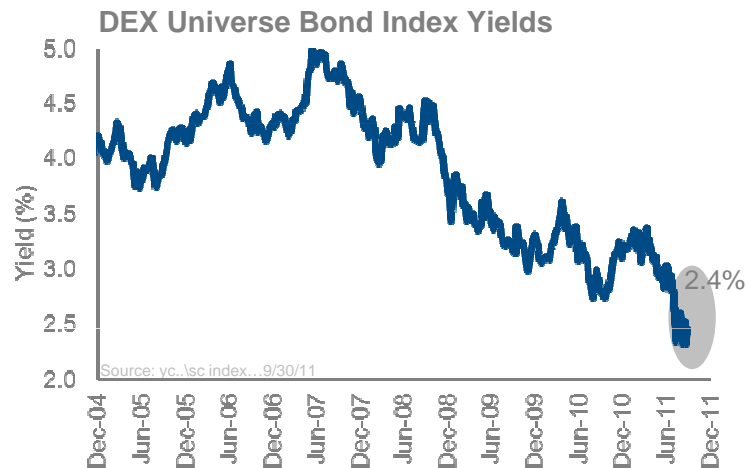
Dec. 1, 2009 to June 30, 2010: 6% DEX 91-Day T-Bill, 56% DEX Universe Bond Index and 38% DEX Long Bond Index.

Sept. 1, 2008 to Nov. 30, 2009: 4% DEX 91-Day T-Bill, 38% DEX Universe Bond Index, 26% DEX Long Bond Index and 32% S&P/TSX Capped Composite Index.

Dec. 1, 2004 to Aug. 30, 2008: 57% DEX Universe Bond Index and 43% S&P/TSX Composite Index.

**Benchmark since July 1, 2010: 11% DEX 91-Day T-Bill and 89% DEX Universe Bond Index.

Bond Market Review



	1 Yr
September 30, 2011	%
DEX Long Bond Index	11.2
DEX Universe Bond Index	6.7
DEX Short Bond Index	3.9
Sector (Mid-term)	
Canada	7.9
Provincial	7.7
Corporate	6.8
Sector (Long-term)	
Canada	12.3
Provincial	11.0
Corporate	10.5

Downshifting Expectations

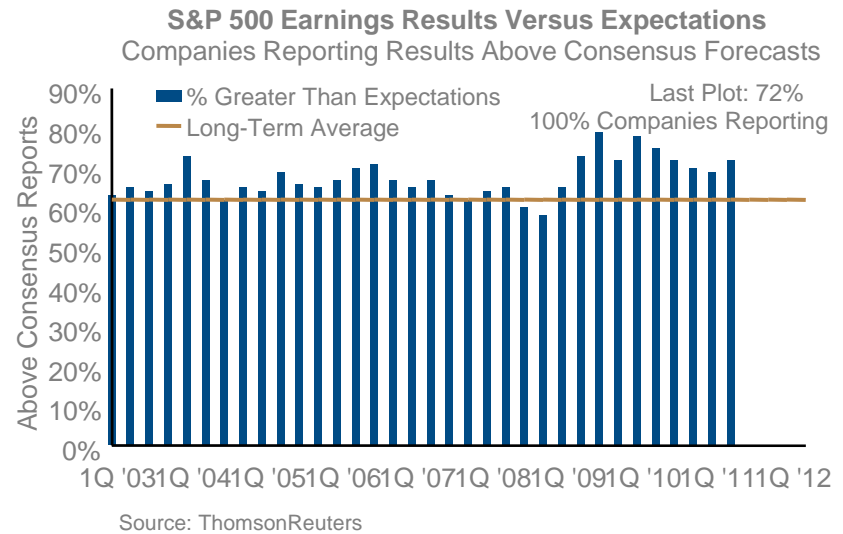
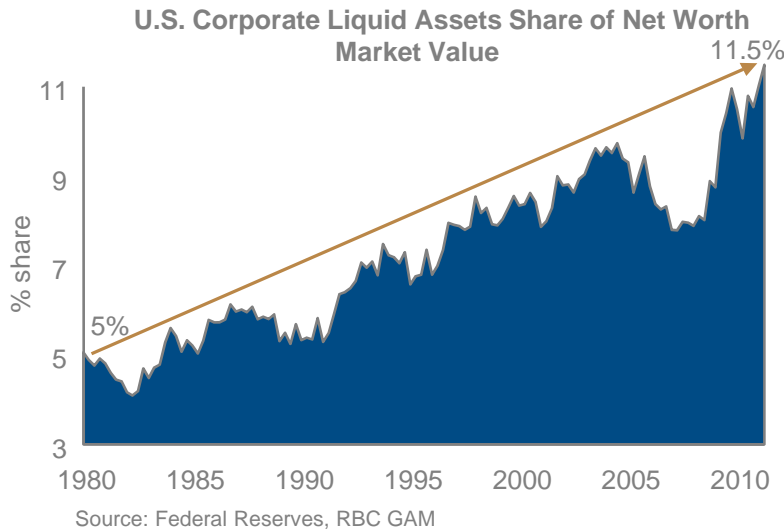
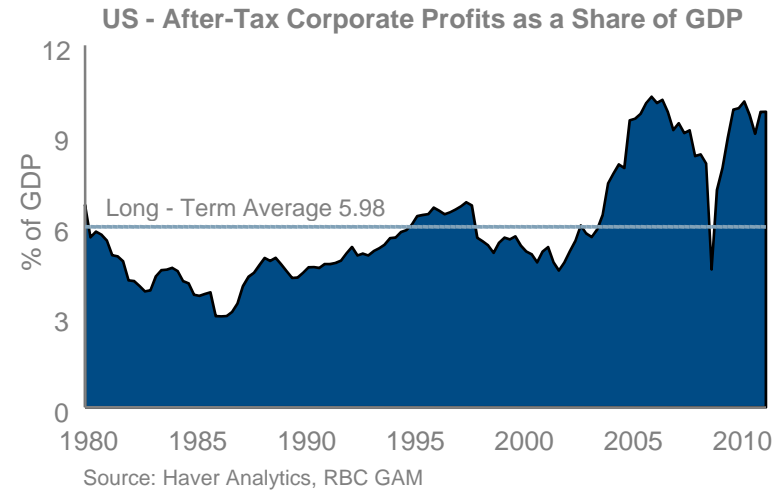


Source: Citigroup Alpha Surprise Index, RBC GAM

- Markets focus on both absolute level of economic indicators, *and level relative to expectations.*
- Economic data has repeatedly been worse than expected by the market.
- Expectations have now become overly pessimistic; another recession is feared.
- Trend is beginning to reverse: stronger data has surprises to the upside. This should help restore risk appetites.

Businesses Remain Relatively Unscathed

- The business sector remains strong, defying the broader economic trend
- Corporate profits make up a commanding share of GDP
- Businesses are cash rich; risk of default low
- Earnings surprises remain moderately positive
- Need to hire more workers
- Provides a backstop to equities and credit



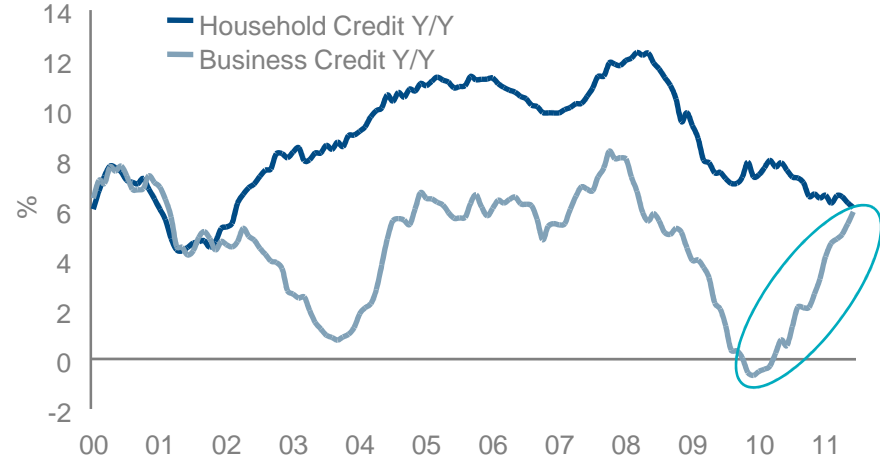
Canadian Economy Remains OK

Canadian Labour Market Has Held Up Well



Source: Haver, RBC GAM

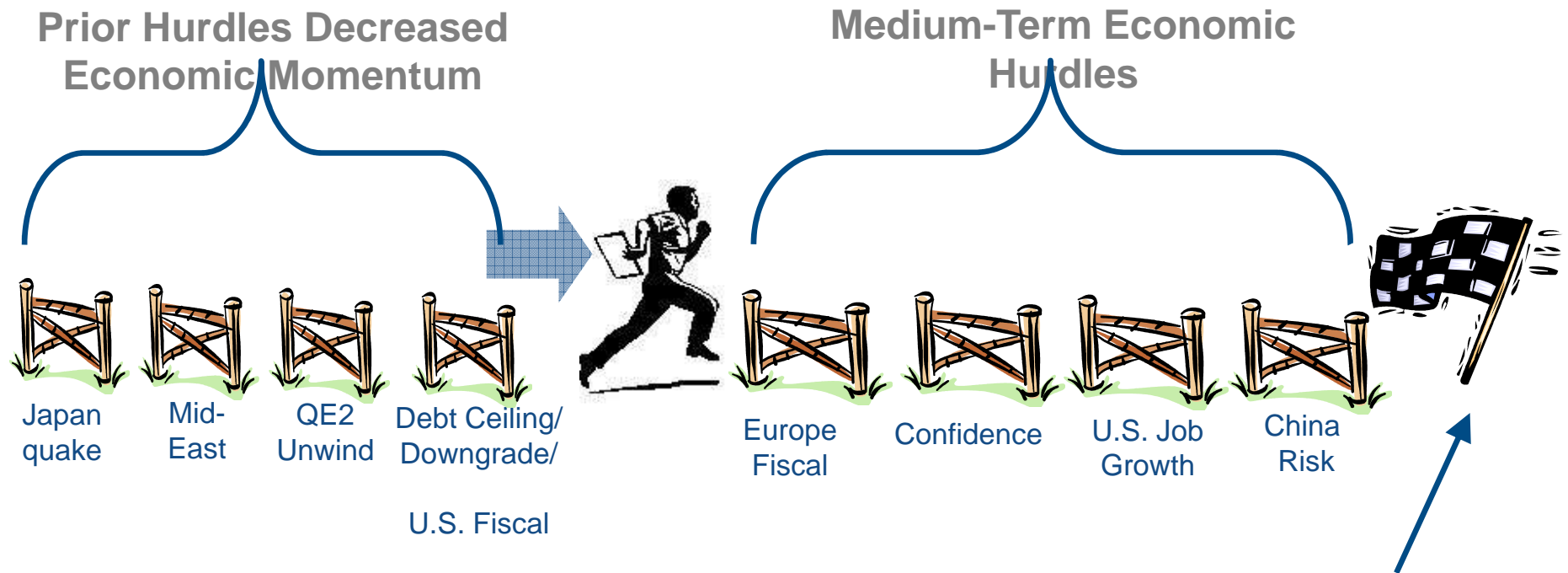
No Lack of Credit Growth in Canada



Source: Haver, RBC GAM

- Canadian economic outlook is reasonable
- No major austerity necessary, fiscal is ok
- Majority gov't good for political stability
- High oil prices: mixed effect for Canada
- Productivity remains a problem
- Drag from strong CAD has diminished

Economic Overview: Some Hurdles Cleared, Some Ahead



Hurdles do two things:

- 1) Economy moves slower as it clears the hurdles
- 2) Economy risks falling over a hurdle

Economic Outlook - Summary

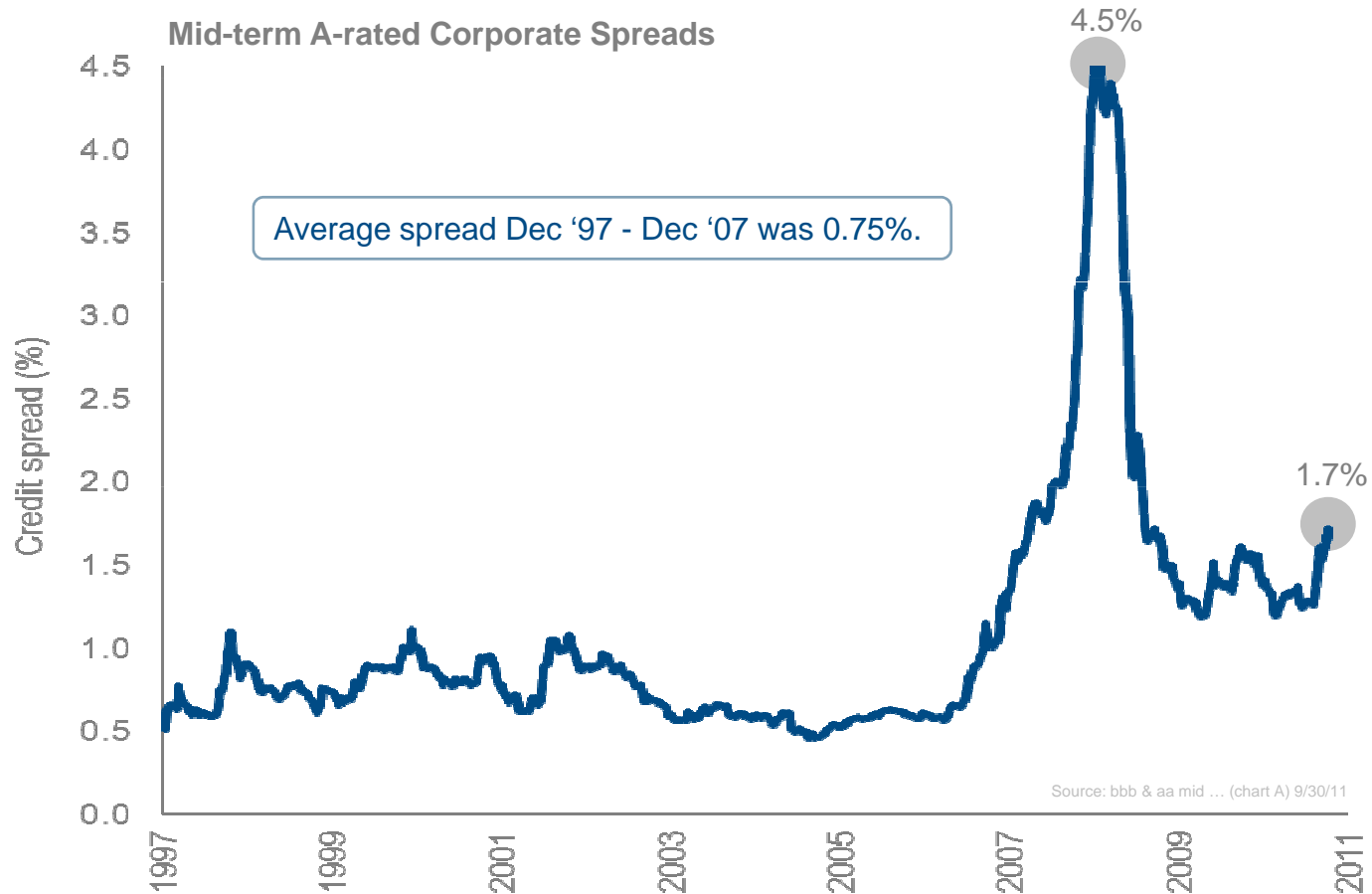
It's A Long and Winding Road . . .



The Economist – September 3, 2011

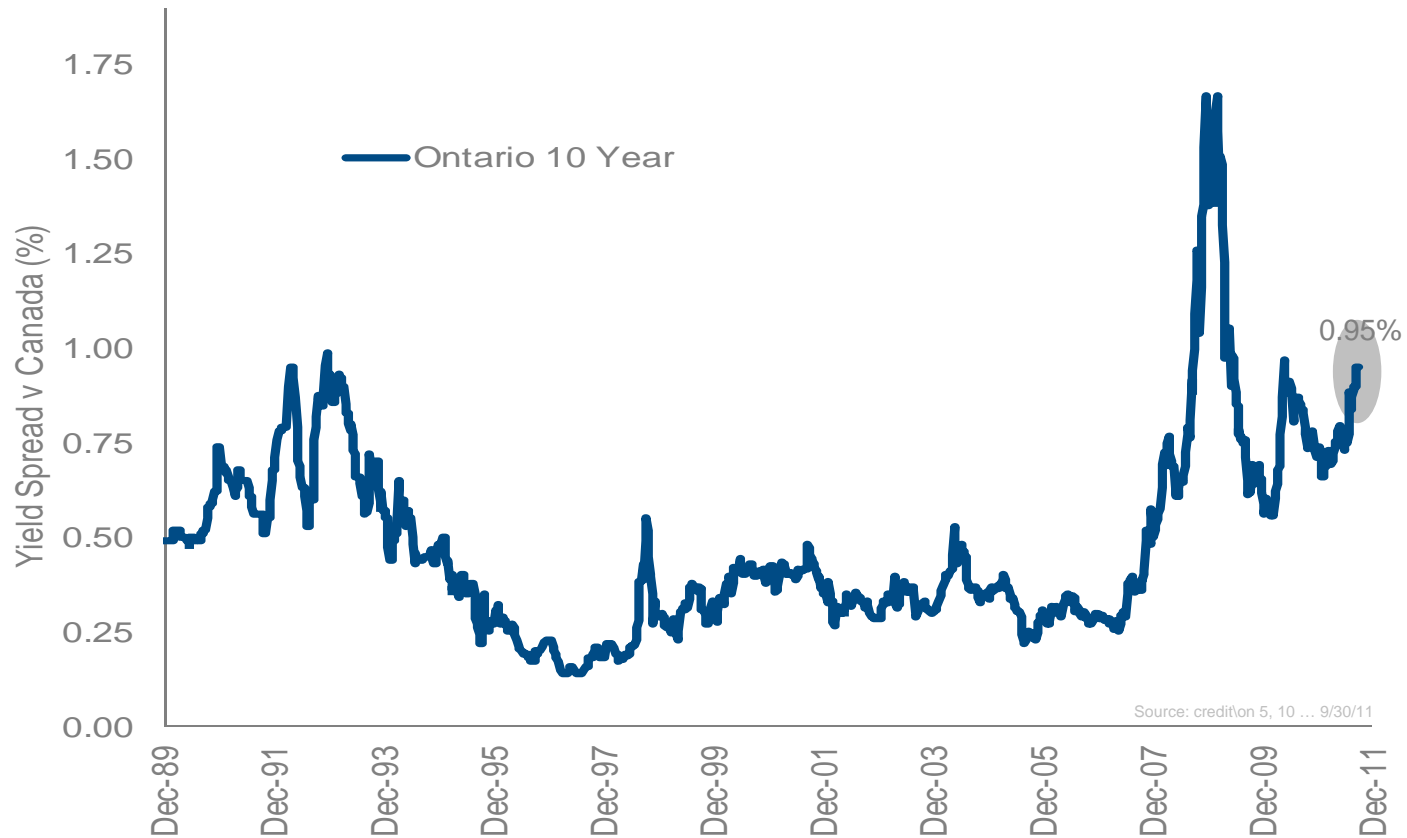
Corporate Credit Spreads

Attractive but Room to Increase



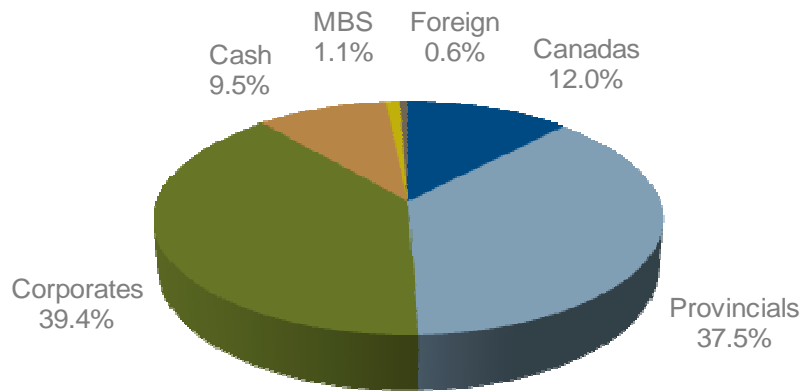
Provincial Credit Spreads

Attractive Opportunity to Build Yield



University of Windsor Portfolio Structure

As of June 30, 2011



Portfolio Duration:	8.24 yrs
Benchmark Duration:	8.37 yrs
Portfolio Yield:	3.59%
Benchmark Yield:	<u>3.37%</u>
Incremental	+0.22%

- Portfolio structured to outperform in an environment of positive economic growth
 - short duration position
 - focus on exposure to high quality risk premiums

- Government of Canada allocation low in favour of higher yielding credit strategies
 - majority of provincial exposure represents Province of Ontario securities
 - corporate allocation emphasizes high quality, short-term financial securities

- Material yield advantage despite higher than normal cash position

INVESTMENT PRESENTATION

Open Pension Committee Meeting

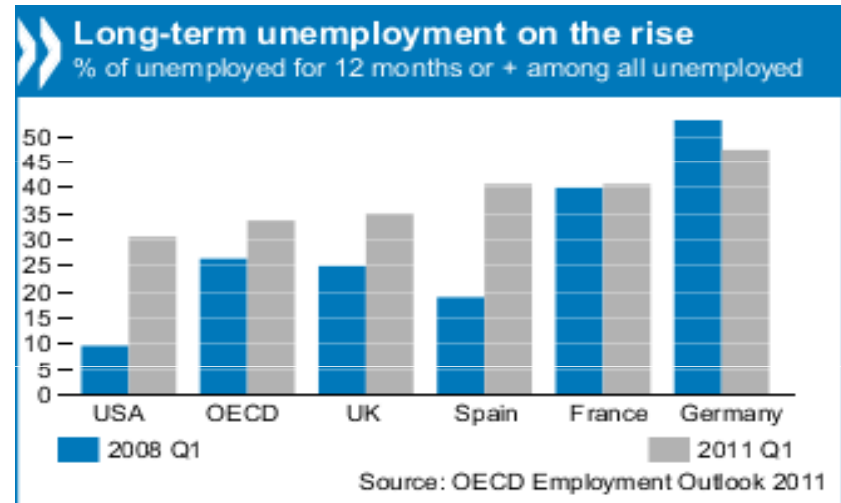
Jim Houston, CFA
President

December 1, 2011

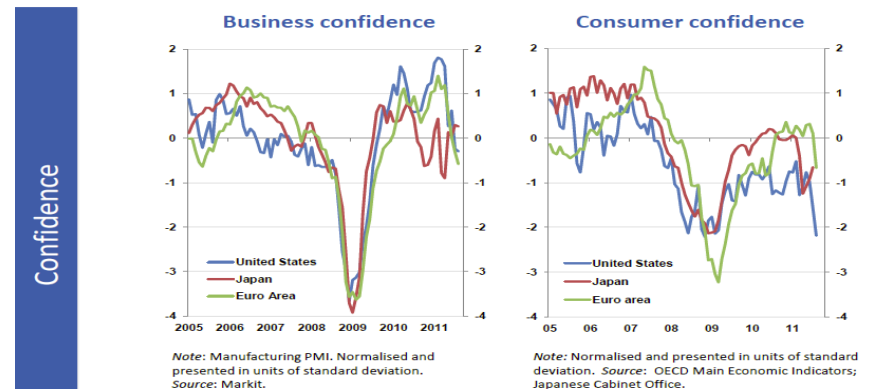


Outlook: Remain Defensive

- World economy exposed to heightened financial risks
- Sovereign debt and fiscal policy concerns
- Policy tools appear ineffective
- Confidence weak – deleveraging, unemployment, politics
- Sub-par global growth environment



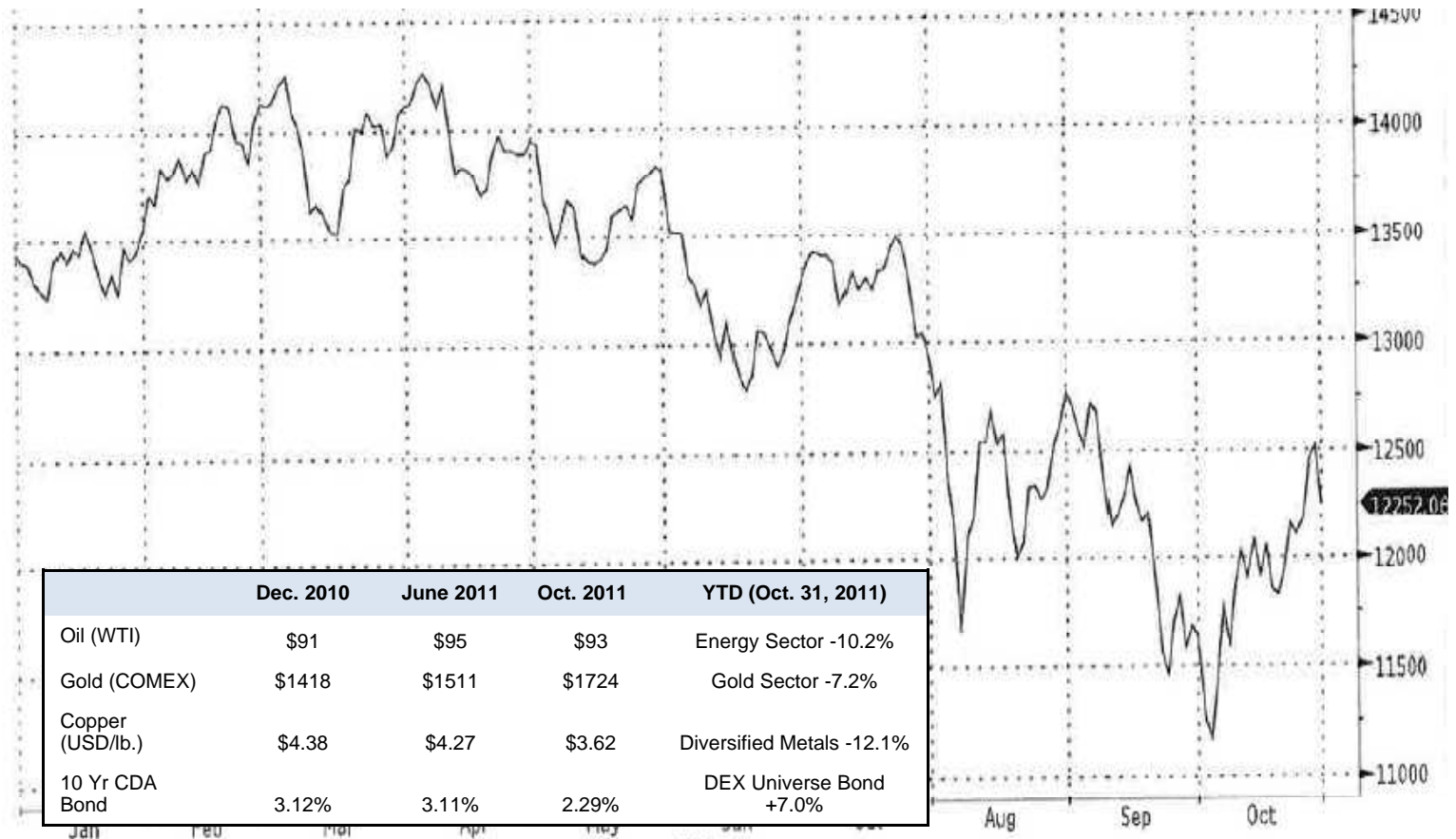
Confidence has weakened



Source: OECD September 2011

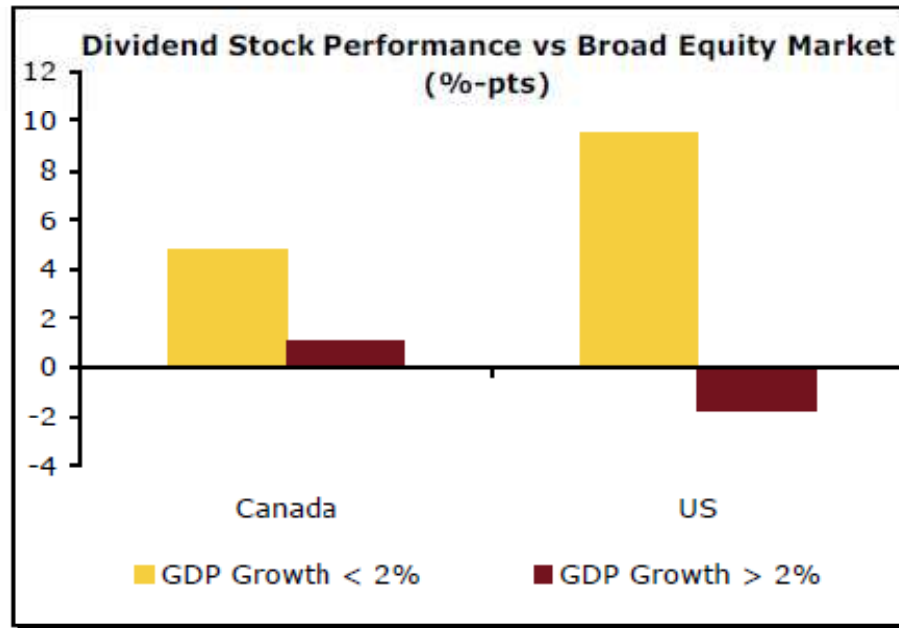
Volatility Continues

S&P/TSX Price Index



Source: Bloomberg & National Bank Financial

Dividend Stock Outperformance Greatest in Challenging Times

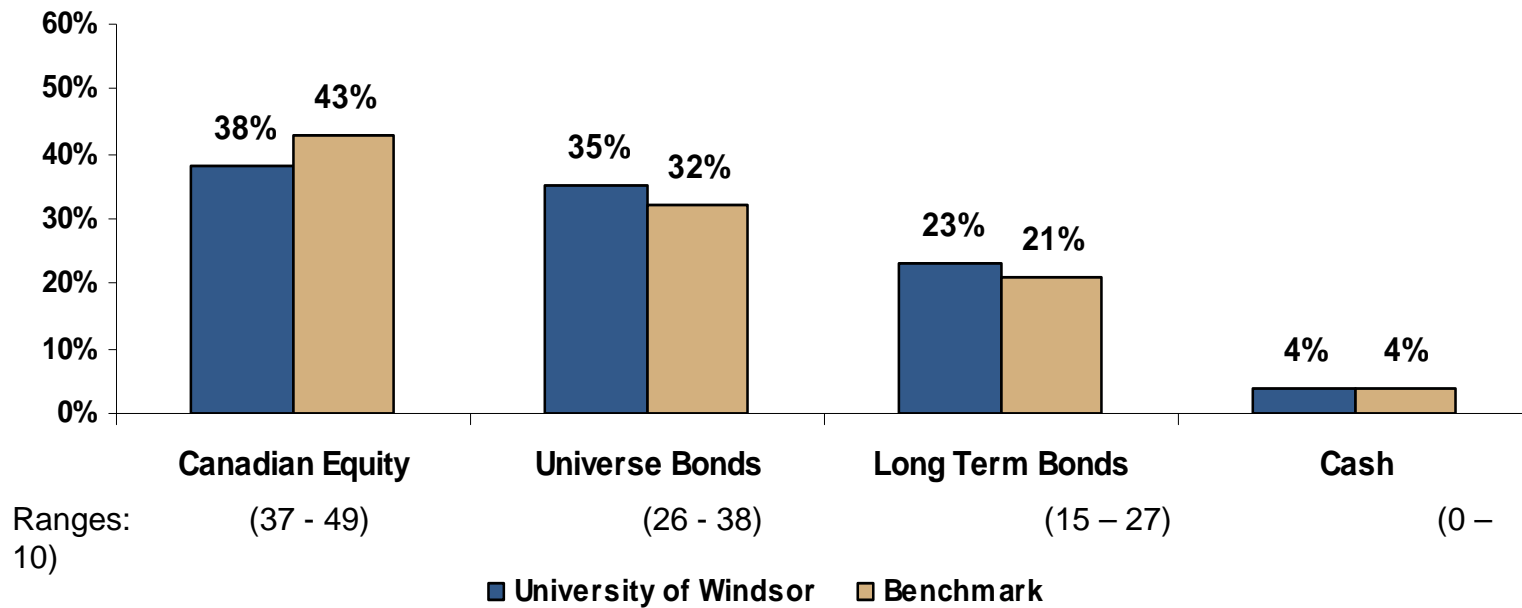


Source: S&P, Indxis, CIBC

Source: CBC World Markets

University of Windsor Pension Plan – Asset Mix

- Underweight Canadian equities
- Overweight bonds
- Fund yield 3.1%



June 30, 2011

Canadian Equities

Energy – Global

- Unique fundamentals support long-term position
 - Long-life reserves and good free cash flow
- Demand and reservoir depletion rates increasing, reduced spare capacity

Major Consumer Franchises (Good Dividend Yield and Valuation)

- Canadian Banks
 - Excellent capital levels
 - Solid value and yield
- Telcos
 - Strong management, wireless revenue growth
 - Growing dividends

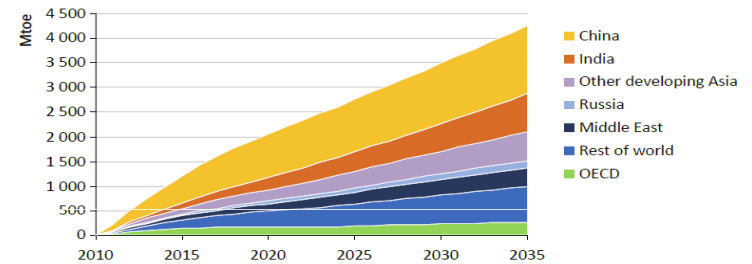
Selective Value Opportunities

- Sound business models
- Net asset values exceed market price

Emerging economies continue to drive global energy demand

WORLD ENERGY OUTLOOK 2011

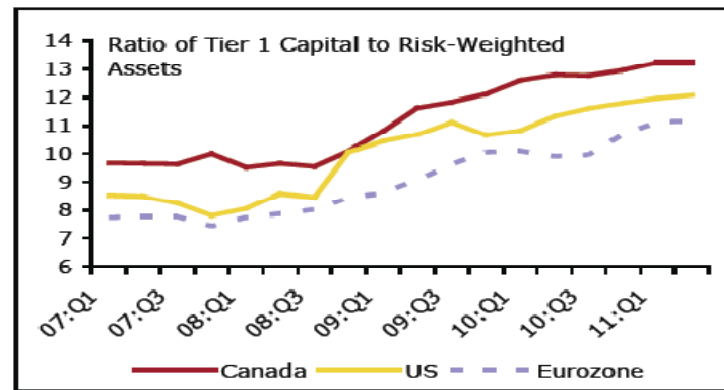
Growth in primary energy demand in the New Policies Scenario



Global energy demand increases by one-third from 2010 to 2035, with China & India accounting for 50% of the growth

Source: IEA

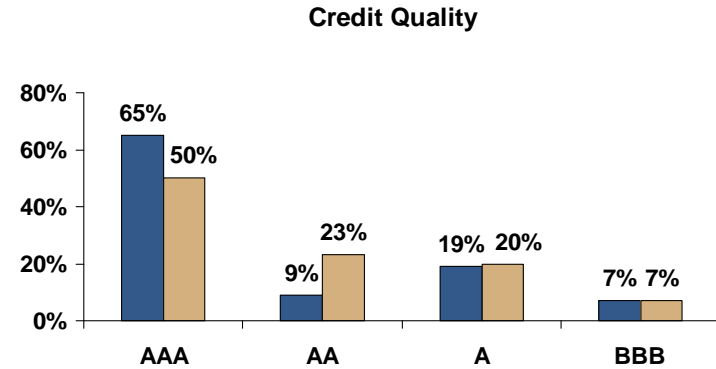
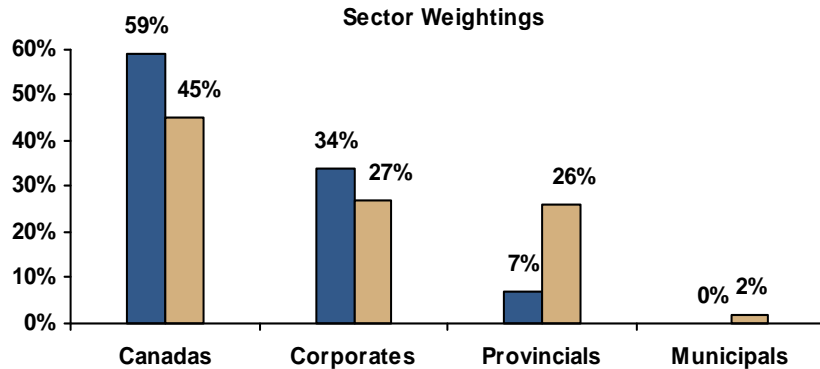
Banks' Capital Positions Have Generally Improved Since 2008



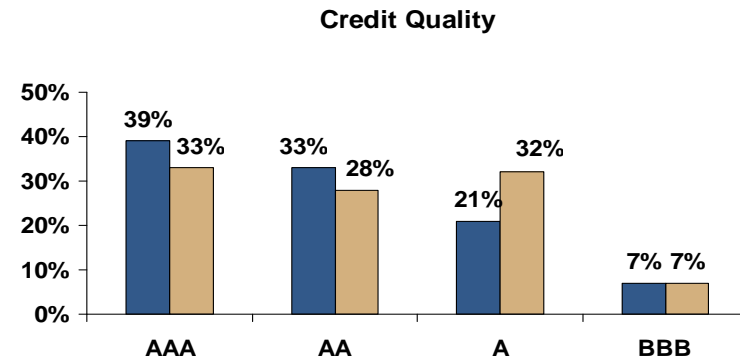
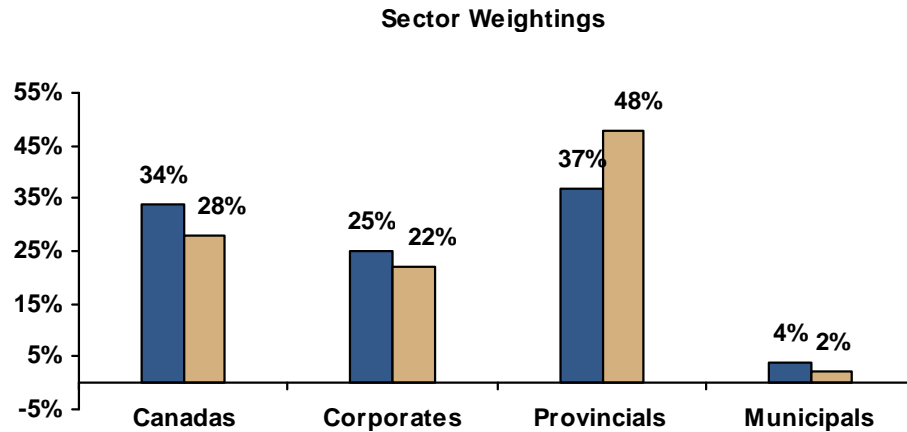
Source: Bloomberg, CIBC, weighted by market cap

Source: CIBC World Markets

FGP Bond Fund



Long Bond Fund



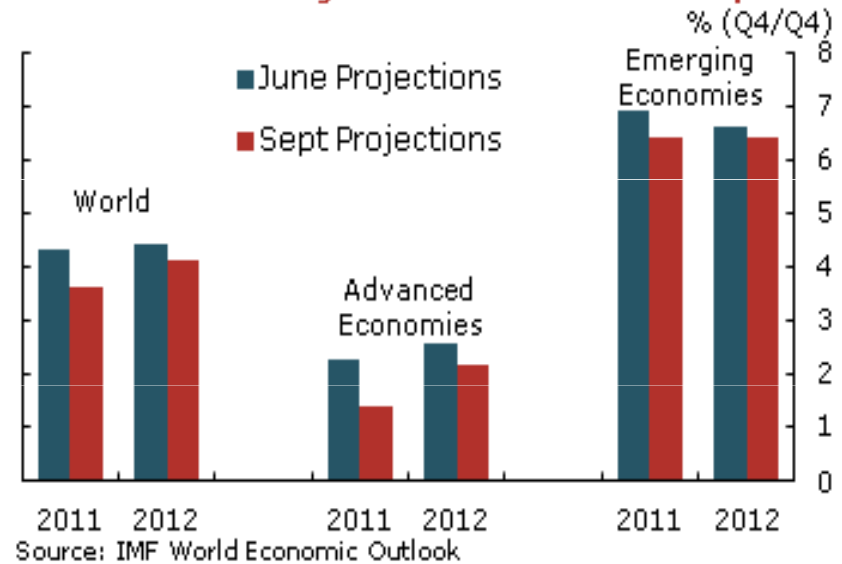
*Source: PC Bond Analytics – June 30, 2011

- Macro environment overwhelms bottom-up fundamental value
- Defensive positioning against undue volatility in the short run and wealth erosion over the long term

Focus on:

- Preservation of capital
- Valuation
- Quality
- Income

GDP Growth Projections Down Globally



Replacing McLean Budden with SSgA for Canadian Equities

- Decided to terminate McLean Budden. Reasons:
 - Performance
 - Volatility of performance
 - Service
 - Change of ownership
 - Process followed by Investment Committee:
 - Careful review of MB
 - Substantial discussion of desired characteristics for replacement manager
 - Considered passive options
 - Mercer provided analysis of a number of highly rated Canadian equity managers
 - Committee interviewed four managers of November 3
 - Decision was to award Canadian equity mandate to SSgA
 - Reasons for selecting SSgA:
 - Consistency of performance
 - Complement FGP which has value style
-
- Build upon existing relationship with SSgA

McLean Budden – Domestic Equities

	Mkt value (000's)	Recent QTR		Annualized to September 30, 2011		
		To Sep 30/11 (3 mths)	One Year To Sep 30/11	2 Years	3 Years	4 Years
Canadian Equity Fund	\$ 56,579	-20.57%	-13.20%	-3.05%	-0.84%	-5.93%
Index: S&P/TSX capped		-12.02%	-3.55%	3.75%	2.66%	-1.90%
Value added target +1.25 bp over bm		-11.71%	-2.30%	5.00%	3.91%	-0.65%
Additional value added (shortfall)		-8.86%	-10.90%	-8.05%	-4.75%	-5.28%
Additional value added (shortfall) net of fees (31bps)		-8.94%	-11.21%	-8.36%	-5.06%	-5.59%

BAILLIE GIFFORD

University of Windsor Pension Plans

December 1, 2011

Geraldine Deighan and Fiona MacLeod



Our Relationship

Appointed:

— **June 2010**

Baillie Gifford:

— **An independent Edinburgh based asset management firm**

Global Alpha:

— **A global equity strategy**

— Growth

— Best Ideas

— Long Term

Portfolio Performance

Performance Objective:

- To exceed the return of the MSCI AC World Index over time
- Outperform by 2.0 - 3.0% per annum (gross) over rolling five year periods

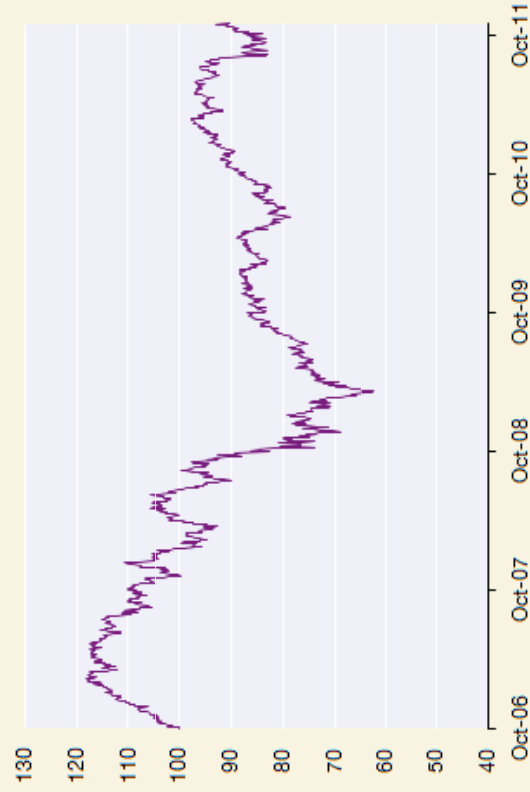
Investment Returns

	Fund %	Benchmark %	Difference %
12 Months to June 30, 2011	22.4	18.8	+3.6
Since Inception* to September 30, 2011 (p.a.)	7.3	4.8	+2.5

Sources: Baillie Gifford, gross of fees
* June 30, 2010

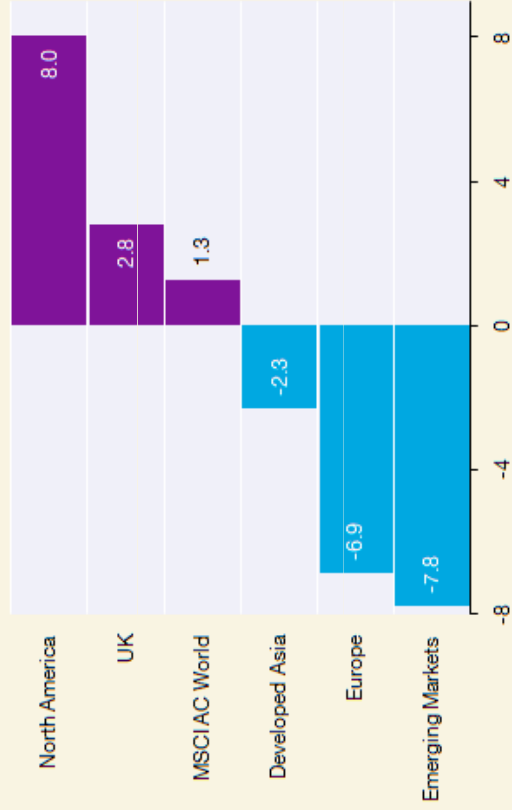
Investment Backdrop

MSCIAC World – Last 5 Years



Source: Datastream, in Canadian dollars

Market Returns – 12 Months to October 31, 2011



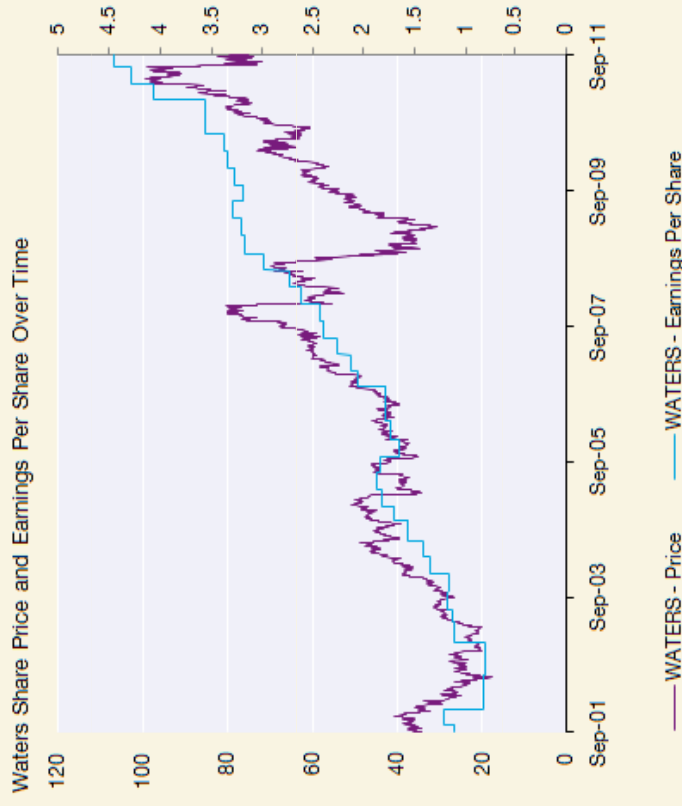
Source: Datastream, in Canadian dollars

Our Positioning

Market sell off indiscriminate

High excess returns can be made at point of greatest negativity

As global stock pickers we see a number of significantly undervalued growth stocks



Source: Datastream, all returns in US\$

Investing in companies not countries

Your Portfolio – Examples of Exciting Growth Stocks

Nestlé



Hellenic Bottling



FLIR



Shandong Weigao



Outlook

Expect continued volatility

Maintain portfolio bias towards companies exposed to secular growth drivers and rapidly growing economies in the East

Continue to find compelling investment opportunities



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University of Windsor

December 1, 2011

Private & Confidential

Performance Notes

Sprucegrove Investment Returns

Investment performance returns exclude any investment management fees paid by the investor. Investment advisory fees will reduce stated returns. Performance returns are calculated on a time weighted, total return basis which includes dividend net of withholding taxes and interest income, realized and unrealized gains or losses, transaction costs and other expenses, if any. For example, a 90 basis point investment advisory fee applied to an investment with an annual gross return of 10% will provide a compounded gross return of 10.0% after 1 year and a 61.1% return after 5 years while the compounded net return after investment advisory fees would result in a return of 9.04% after 1 year and a 54.16% after 5 years.

MSCI EAFE & World Indices

The Morgan Stanley Capital International (MSCI) EAFE and World Indices are presented as benchmarks for investment performance. The Indices are the arithmetical average, weighted by market value of the performance of companies representing the stock markets of Canada, the U.S., Europe, Australasia, and the Far East. Returns shown assume reinvestment of dividends. The MSCI EAFE Index includes a selection of stocks from 22 developed markets and is designed to measure the equity performance of developed markets, excluding Canada and the United States. MSCI World Index includes the 22 countries that make up the EAFE Index along with Canada and the U.S. Throughout this report MSCI data is provided as a comparative reference only and may not be used in any way without the express permission of MSCI.

S&P 500 Index

The S&P 500 Index is presented as a benchmark for investment performance. The Index is the arithmetic average, weighted by market value of the performance of companies representing the stock markets of the U.S. Returns shown assume reinvestment of dividends. The S&P Index includes 500 leading companies in leading industries of the U.S. economy.

Specific Recommendations

Examples of specific holdings are intended to demonstrate our investment process and should not be construed as representative of investment performance. It should not be assumed that investments made in the future will be profitable or will equal any results presented. A list of all securities purchased and sold within the past year (together with dates and prices) is available upon request.

Possibility of Loss

Investors should be aware that market conditions affect performance and that investment programs carry with them the possibility of loss. It should not be assumed that investments made in the future will be profitable or will equal any results shown in this document.

Performance Notes (continued)

GIPS Compliance Notes

Sprucegrove Investment Management Ltd. (Sprucegrove) claims compliance with the Global Investment Performance Standards (GIPS®). Sprucegrove has been independently verified for the periods May 1, 1985 to December 31, 2010. The composites have been examined for the periods May 1, 1985 to December 31, 2010.

Definition of the Firm

Sprucegrove is registered in most provinces in Canada as Investment Fund Manager and Portfolio Manager and with the SEC as an Investment Advisor. It manages fully discretionary accounts for fee paying clients. All portfolios with a market value greater than \$15 million are included in a composite.

Composite and Benchmark Definition

Composites and their corresponding benchmarks are determined by equity mandate (EAFE, Global or U.S.) and by the country in which the respective account is domiciled (Canada or the United States). The following is a list of the composites and their benchmarks:

Composite	Inception Date of Composite	Benchmark
EAFE Equity Accounts – Canadian Clients	May 1985	MSCI EAFE Net Index - CAD
Global Equity Accounts – Canadian Clients	July 1992	MSCI World Net Index - CAD
U.S. Equities Accounts – Canadian Clients	November 2011	S&P 500 Net Index - CAD
EAFE Equity Accounts – U.S. Clients	October 1985	MSCI EAFE Net Index – USD

Fee Schedules

The following are the standard fee schedules based on the market value of assets managed.

Pooled Fund Accounts

	Assets Managed	Rate
First	5,000,000.00	0.90%
Next	10,000,000.00	0.65%
Next	25,000,000.00	0.55%
Next	35,000,000.00	0.50%
Next	225,000,000.00	0.25%
Balance		0.20%

Separate Fund Accounts

	Assets Managed	Rate
First	25,000,000.00	0.70%
Next	25,000,000.00	0.60%
Next	25,000,000.00	0.50%
Next	225,000,000.00	0.25%
Balance		0.20%

Composite Dispersion

Composite dispersion is calculated as the difference in percentage in performance between the highest and lowest performing portfolios in the composite.

Policies

Sprucegrove's policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

Withholding Taxes

Composite and benchmark returns are stated net of withholding taxes on dividends.

Past Performance

Prior to Sprucegrove commencing operations in 1993, the Sprucegrove team managed two EAFE portfolios at Confederation Life Insurance, from their inception in 1985, until the portfolios were acquired by Sprucegrove in 1994. Accordingly the performance of these portfolios are linked to their continuation at Sprucegrove as follows: The EAFE Equity Accounts – Canadian Clients composite includes the performance of the Confederation Life International Pooled Fund from 1985 to 1994; The EAFE Equity Accounts - U.S. Clients composite includes the performance of the Confederation Life American International Pooled Fund from 1985 to 1994.

Further Information

To obtain a presentation that complies with GIPS requirements, and/or a list of composite description, please contact your client service representative.

Investment Philosophy

Ownership of Value

- Quality Companies at Attractive Valuations

Emphasis on Stock Selection

- Bottom-up Process

Long-Term Investors

- Low Portfolio Turnover

Internal Research

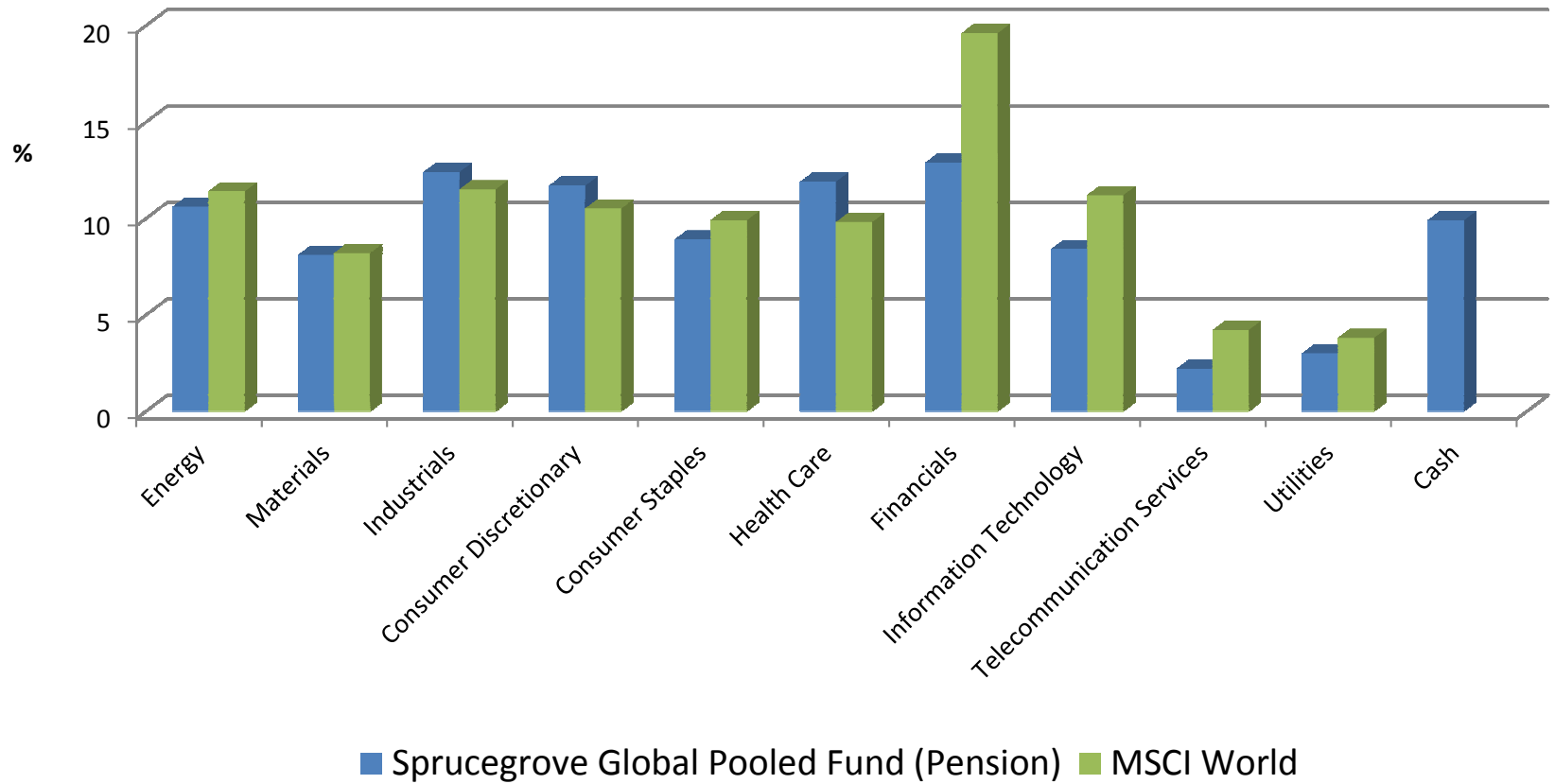
- “Working List” of Quality Companies

Investment Process – Research

Characteristics of “Working List” Companies

- Record of High and Consistent Profitability
- Market Leadership/Competitive Advantage
- Financial Strength
- Opportunity to Grow the Business
- Capable Management

Sector Exposures – Ending June 30, 2011



Sector Returns – 1 year ending June 30, 2011 Sprucegrove Global Pooled Fund (Pension)

Sector	Performance 1 year ending June 30, 2011 (%)	
	Sprucegrove Global Pooled Fund (Pension) ¹	MSCI World
Energy	29.2	32.9
Materials	12.9	29.6
Industrials	21.2	23.9
Consumer Discretionary	31.6	26.1
Consumer Staples	17.9	15.4
Health Care	12.6	16.2
Financials	2.7	9.6
Information Technology	6.0	12.4
Telecomm. Services	4.4	21.7
Utilities	14.8	6.2
Cash	-	-
Total	<u>15.8</u>	<u>18.5</u>

¹ Returns are gross of fees in Canadian dollars.

Impact Stocks – 1 year ending June 30, 2011

Sprucegrove Global Pooled Fund (Pension)

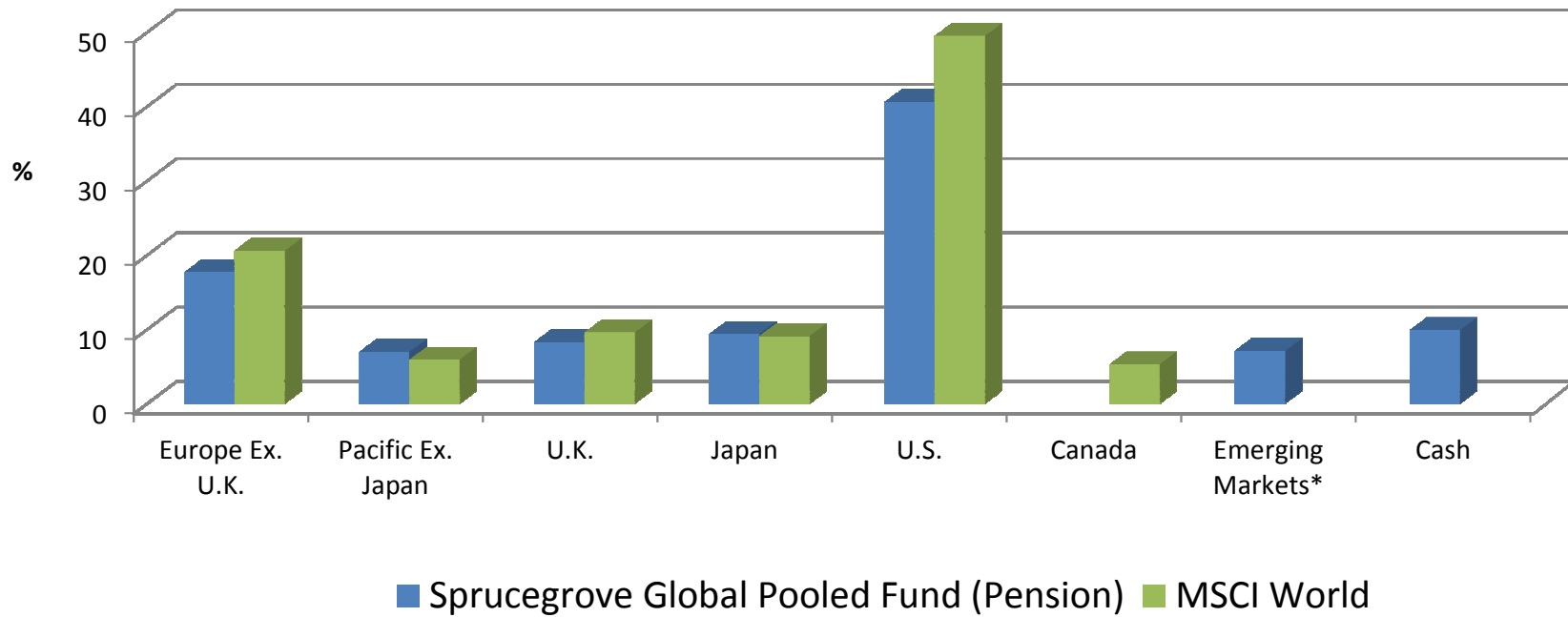
Top 5 Contributors	Country	Sector	Average Weighting 1 year (%)*	Estimated Contribution (bps)
BMW ***Q2,Q4	Germany	Consumer Discretionary	1.4	90
Walgreen **Q3	United States	Consumer Staples	2.1	70
Pfizer	United States	Health Care	2.0	63
adidas ***Q2	Germany	Consumer Discretionary	1.5	59
Royal Dutch Shell	U.K.	Energy	1.7	55
				346
Bottom 5 Contributors				
Tellabs	United States	Information Technology	0.8	(25)
Berkshire Hathaway	United States	Financials	1.7	(20)
China Mobile **Q1	China	Telecom. Services	0.8	(10)
Washington Federal **Q1,Q3,Q4	United States	Financials	1.4	(10)
Allied Irish Banks	Ireland	Financials	0.0	(8)
				(73)

** Addition

*** Reduction

(1) Elimination Q4 2010

Regional and Country Exposures – Ending June 30, 2011



Top 10 Holdings, as at June 30, 2011 Sprucegrove Global Pooled Fund (Pension)

Stock	% of Fund	Normalized P/E (x)	P/B (x)	Dividend Yield (%)	Projected ROE (%)	Financial Leverage (x)
3M	2.5	13.3	4.0	2.3	30.0	1.8
Markel	2.5	8.0	1.2	0.0	15.0	3.4
Johnson & Johnson	2.4	11.5	3.2	3.4	28.0	1.9
Walgreen	2.2	14.5	2.6	1.6	18.0	1.9
Novartis	2.2	11.0	2.0	4.3	18.0	2.0
Pfizer	2.0	9.0	1.8	3.9	20.0	2.2
Wells Fargo	1.9	6.9	1.1	1.7	16.0	9.3
Merck	1.9	10.0	2.0	4.3	20.0	2.3
Carnival	1.9	10.0	1.3	2.6	13.0	1.6
Procter & Gamble	1.8	14.2	2.7	3.0	19.0	2.1
Average		10.9	2.2	2.6	20.0	2.0¹
MSCI World		14.7	1.8	2.6	12.0	2.6¹

The **top ten** holdings represented **21.3%** of the Fund at quarter-end.

¹ Financial Leverage weighted average excludes companies in the Financials sector.

Portfolio Characteristics, as at June 30, 2011 Sprucegrove Global Pooled Fund

		Sprucegrove Global Pooled Fund (Pension)	MSCI World	Difference	Average Since Inception ¹ Sprucegrove Global Pooled Fund (Pension)
Quality					
Projected ROE	(%)	17.1	12.0	+43%	16.1
Financial Leverage	(X)	2.0	2.6	-23%	2.2
Valuation					
Normalized P/E	(X)	12.2	14.7	-17%	14.4
Price/Book	(X)	2.1	1.8	+17%	2.3
Dividend Yield	(%)	2.6	2.6	---	2.6

¹ Fund Inception: June 29, 1995.

Annualized Performance Results, ending June 30, 2011

Sprucegrove Global Pooled Fund (Pension)

	Q2 (%)	YTD (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	5 Years (%)	10 Years (%)	15 Years (%)	Since Inception (%)
Sprucegrove Global Pooled Fund (Pension)¹	0.3	0.4	15.8	11.7	2.0	(4.7)	(0.3)	2.6	6.4	7.0
MSCI World	(0.3)	2.3	18.5	9.3	(1.2)	(4.8)	(0.6)	(0.6)	3.0	3.9
University of Windsor²	0.3	0.4	15.8	-	-	-	-	-	-	15.2
MSCI World	(0.3)	2.3	18.5	-	-	-	-	-	-	17.5

¹ Inception date of Fund: June 29, 1995

² Inception date of **University of Windsor: June 14, 2010**

Returns shorter than a 1-year period are arithmetic returns and have not been annualized. Returns greater than a 1-year period have been annualized. Returns are gross of fees in Canadian dollars.

Questions

thinking forward