

Open Pension Meeting

November 17, 2014



Agenda

- Opening comments & Welcome – Sandra Aversa

- Key Events, Capital Markets and Overall Performance
 - ✓ Mark Fieldhouse – Mercer

- Manager Presentations
 - ✓ Background on Firm
 - ✓ Performance as of June 30, 2014 and Sept 30, 2014
 - ✓ Investment Outlook

- Questions and Discussion



Key Events during the year

- Although long term interest rates declined, pushing up the value of pension liabilities, strong foreign equity market performance helped improve pension funded positions
 - FTSE TMX Canada Long Bond yield: 3.56% at June 30, 2014 vs. 3.80% at June 2013
 - MSCI World Index returned 25.9% in Canadian dollar terms over the year ending June 30, 2014
- Canadian markets had impressive gains, with the S&P/TSX composite posting a return of 28.7% over the year ending June 30, 2014



Key Events during the year (cont'd)

- Canadian Institute of Actuaries to release new mortality table in 2014
 - ✓ Indicates people are living longer. Will lead to higher pension liabilities
- Province continues initiative to consolidate broader public sector pension plan assets
- Increased public discussion about expanding CPP and QPP



Capital Market Performance



Capital Market Performance - June 30, 2014

	Year ending June 30, 2014
91 Day CDN T-Bill	1.0%
FTSE TMX Canada Universe Bond Index	5.3%
FTSE TMX Canada Long Bond Index	7.6%
S&P/TSX Composite Index	28.7%
MSCI World Index (\$Cdn)	25.9%
MSCI Emerging Markets Index (\$Cdn)	15.8%
Median Manager in Mercer Balanced Universe	19.0%



Capital Market Performance: September 30, 2014

	Q3 2014	YTD 2014
91 Day CDN T-Bill	0.2%	0.7%
FTSE TMX Canada Universe Bond Index	1.1%	5.9%
FTSE TMX Canada Long Bond Index	2.3%	11.6%
S&P/TSX Composite Index	-0.6%	12.2%
MSCI World Index (\$Cdn)	2.8%	9.7%
MSCI Emerging Markets Index (\$Cdn)	1.4%	8.1%
Median Manager in Mercer Balanced Universe	0.9%	8.4%



Key Issues Facing Pension Plan

- ✓ **Volatile markets** can cause large fluctuations in pension costs
 - Diversify equities among major markets
- ✓ Impact of **low interest rate environment**
 - Makes it difficult to avoid volatility of equities;
 - Funding relief measures to help sponsors deal with uncertain costs; and
 - Sponsors consider higher returns in alternate fixed income strategies
- ✓ **Managing risk and diversification** in pension portfolios
 - Sponsors consider alternative investments such as real estate and infrastructure
- ✓ **Longevity improvements** continue to increase pension costs
Continued trend to defined contribution plans or cost shared plans

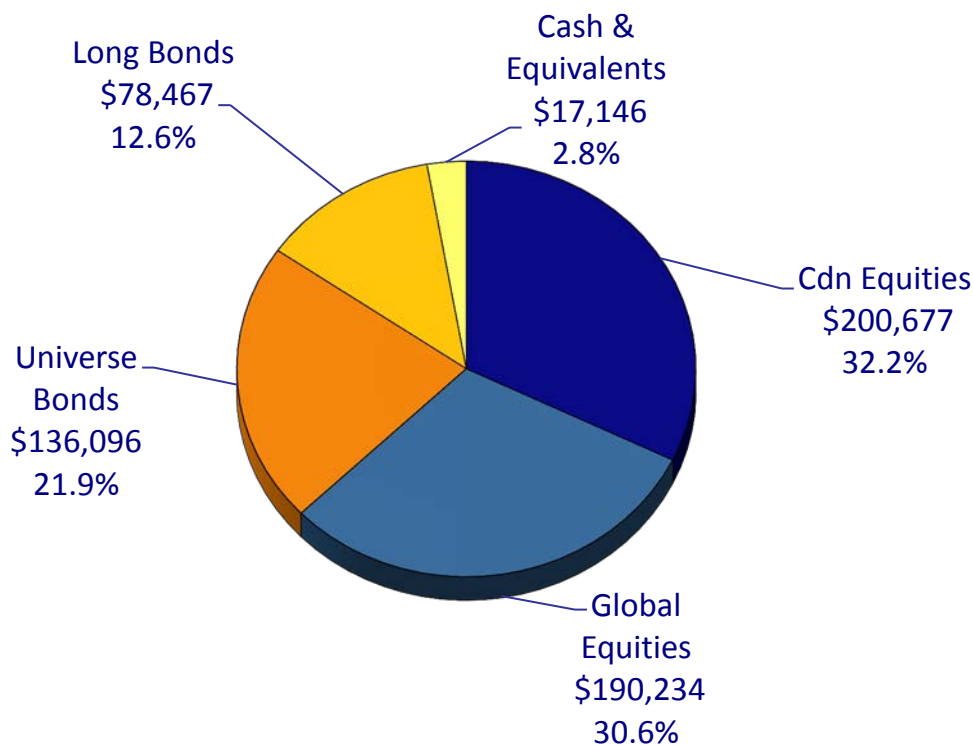


Performance Results

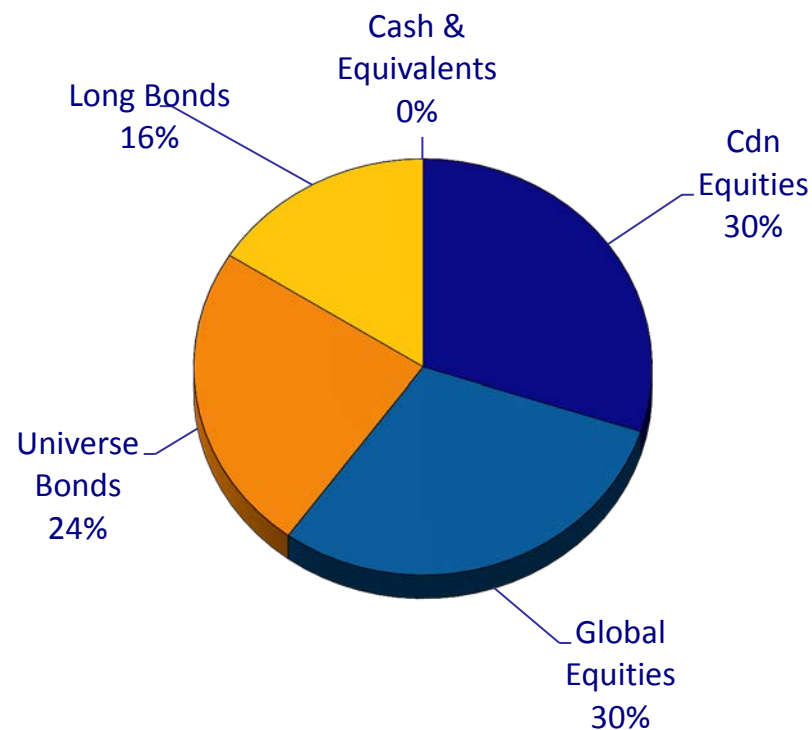


Pension Plan - Asset Mix (\$M)

June 30, 2014



Actual Mix
Total \$622,620

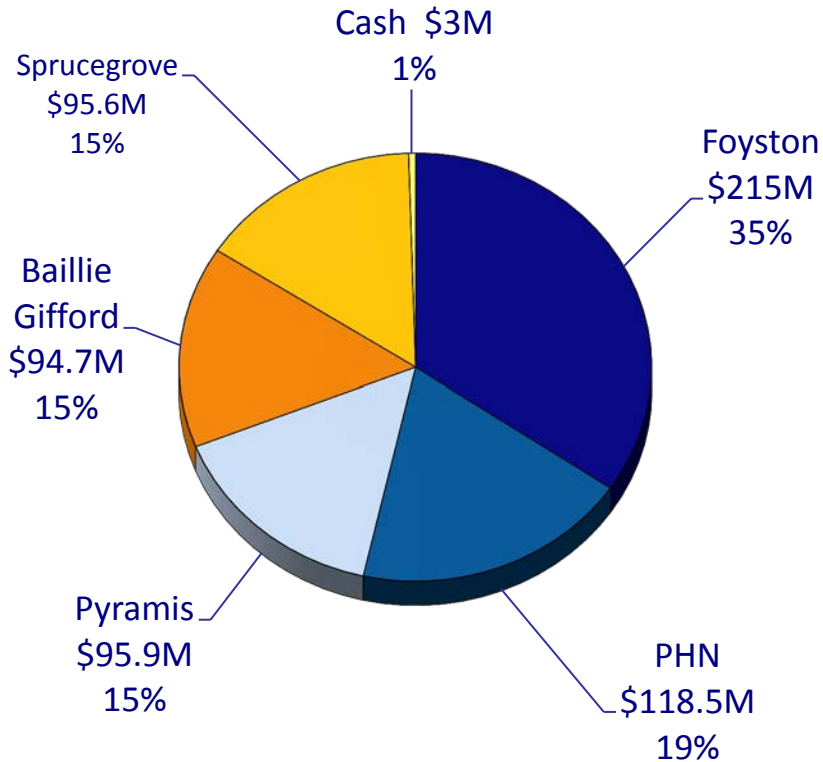


Target Mix



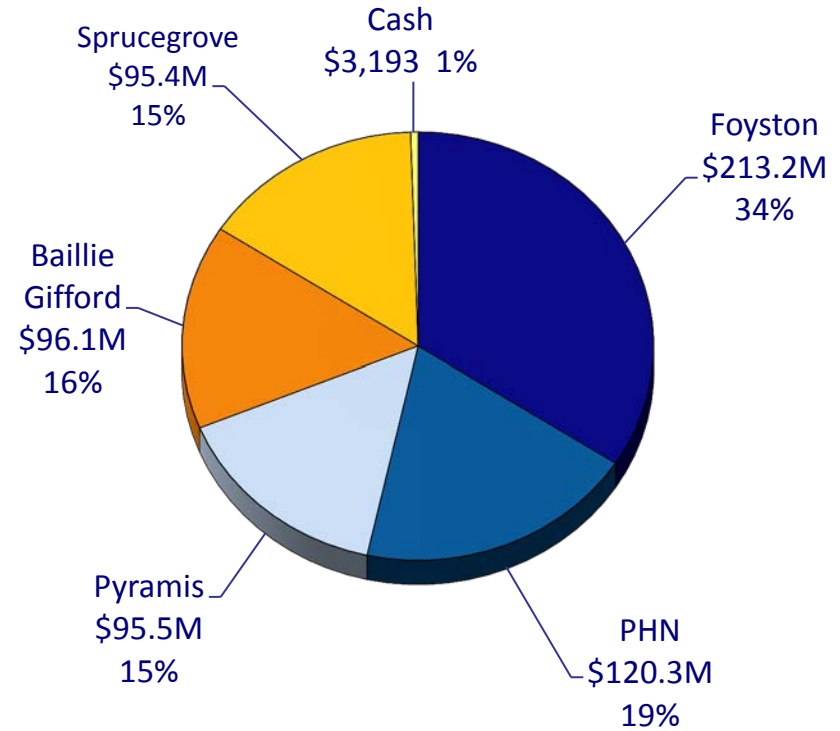
Asset Allocation by Manager (\$M)

June 30, 2014



Total Market Value
\$622.6M

September 30, 2014



Total Market Value
\$623.8M



Total Pension Fund Returns as of June 30, 2014

	Mkt value at June 30 2014 (\$M)	Recent QTR		Annualized to June 30, 2014		
		at June 30 2014 (3 mths)	One Year at June 30 2014	2 Years	3 Years	4 Years
Total Fund	\$622.6	2.97%	20.13%	15.77%	10.48%	11.56%
U of Windsor Benchmark		3.46%	18.38%	13.20%	9.28%	10.44%
Faculty Plan portion	\$424.9	68.25%				
Employees Plan portion	\$197.7	31.75%				



Asset Allocation by Manager (\$M)

	Market Value	%	Annualized to June 30			
	30-Jun-14	Market Value	1 year	2 years	3 years	4 years
<u>Allocation by Manager:</u>						
Foyston, Gordon & Payne	\$215.0	34.53%	17.05%	12.93%	9.66%	10.71%
Phillips, Hager & North	118.5	19.03%	6.57%	2.99%	5.83%	5.88%
Pyramis	95.9	15.41%	N/A	N/A	N/A	N/A
Baillie Gifford	94.7	15.20%	27.25%	27.39%	17.10%	18.33%
Sprucegrove	95.6	15.35%	24.90%	23.47%	15.38%	15.47%
Cash	3.0	0.48%	0.97%	0.99%	0.98%	0.96%
Total Fund	<u>\$622.6</u>		20.13%	15.77%	10.48%	11.56%
U of Windsor Benchmark			18.38%	13.20%	9.28%	10.44%



Total Pension Fund Returns as of Sept 30, 2014

	Mkt value at Sept 30 2014 (\$M)	Recent QTR at Sept 30 2014		Annualized to Sept 30, 2014		
		(3 mths)	One Year at Sept 30 2014	2 Years	3 Years	4 Years
Total Fund	\$623.8	0.41%	15.62%	13.96%	12.83%	9.58%
U of Windsor Benchmark		1.26%	16.03%	11.90%	11.35%	8.75%
Faculty Plan portion	\$425.4	68.19%				
Employees Plan portion	\$198.4	31.81%				



Impact of Investment Performance for Faculty Plan

Gross fund return 20.09% for the year ended June 30, 2014

Net return of 19.51%

- Money Purchase balances increased by 19.51% for active members
- Money Purchase pensions for all retirees increased by:
 - 11.48% for those who retired before July 1, 2004
 - 12.49% for those who retired on and after July 1, 2004(Actual increase is the difference between the return and 6% plus the mortality adjustment)
- Minimum Guaranteed pensions for all retirees increased by 1.43%



Impact of Investment Performance for Employees Plan

Gross fund return 20.04% for the year ended June 30, 2014

Net return of 19.39%

- Rate of credited interest on employee contributions for the year ending June 30, 2014 is 1.45%
- 4 year Average Fund Return for pension increases is 11.12%
- Pensions increased by 0.72%
- Actual increase is 50% of excess average return over 5.6%, limited to 50% of the CPI increase (1.43% at June 30, 2014)



Investment Manager Presentations

1. Foyston, Gordon & Payne - Steve Copeland & David Adkins
2. Pyramis Global Investments - Edward Lui & Lawrence Lim
3. Phillips, Hager & North - Kevin De Sousa & Terri Cugno
4. Baillie Gifford – Tim Gooding & Nick Wood
5. Sprucegrove - Sebastien Roy & Craig Merrigan



INVESTMENT PRESENTATION

Open Pension Committee Meeting

Stephen Copeland, CFP, CFA – Senior Vice President Investments

David Adkins, CFA – Senior Vice President

November 17, 2014



University of Windsor Pension Plan – Domestic Balanced

Annualized Time Weighted CDN\$ Rates of Return Period Ending June 30, 2014

	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	Fiscal June 30th	Since Inception (March 31, 1998)
Total Fund	8.8%	17.1%	12.9%	9.7%	10.7%	10.8%	17.1%	8.7%
Benchmark	9.0	15.2	8.8	6.6	7.9	8.0	15.2	5.4*
Value Added	-0.2	+1.9	+4.1	+3.1	+2.8	+2.8	+1.9	+3.3

*Benchmark inception date as of March 31, 2000

See appendix for notes & disclosures

University of Windsor Pension Plan – Domestic Balanced

Annualized Time Weighted CDN\$ Rates of Return Period Ending September 30, 2014

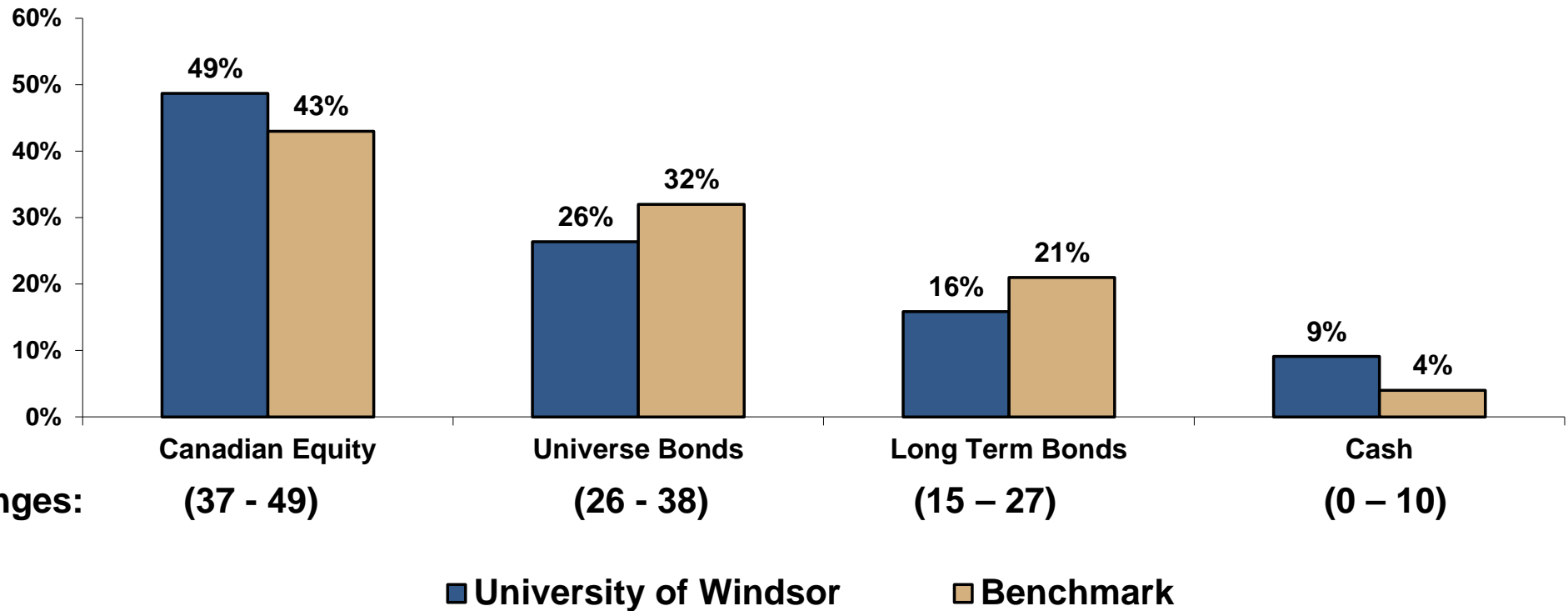
	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	Fiscal June 30th	Since Inception (March 31, 1998)
Total Fund	8.7%	12.8%	10.7%	10.3%	9.0%	9.3%	-0.2%	8.6%
Benchmark	9.6	13.1	7.1	7.4	6.4	7.0	0.6	5.3*
Value Added	-0.9	-0.3	+3.6	+2.9	+2.6	+2.3	-0.8	+3.3

*Benchmark inception date as of March 31, 2000

See appendix for notes & disclosures

University of Windsor Pension Plan – Asset Mix

As of June 30, 2014



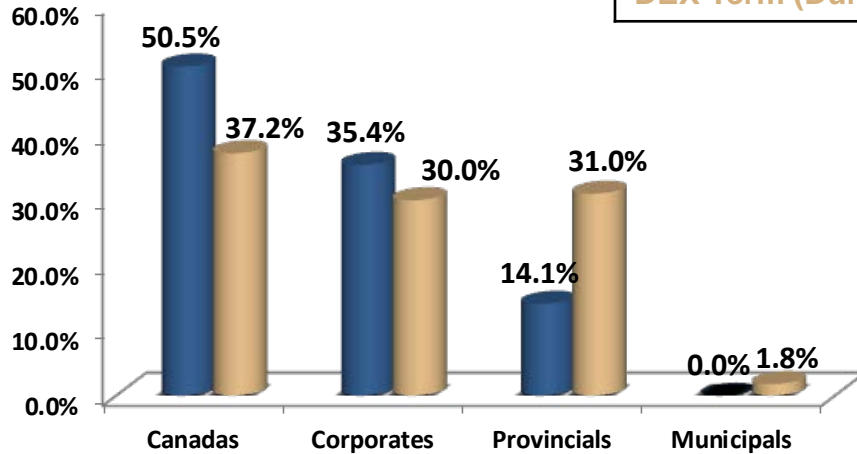
AUM	
Fund Value at June 30, 2014	\$215,179,340

Fixed Income - Quality

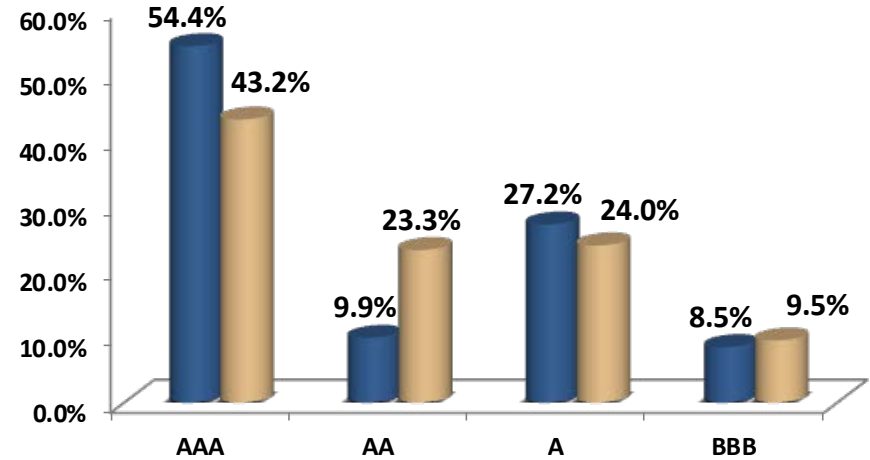
FGP Bond Fund

Sector Weightings

FGP Term (Dur.)	7.7 (5.9)
DEX Term (Dur.)	10.0 (7.1)



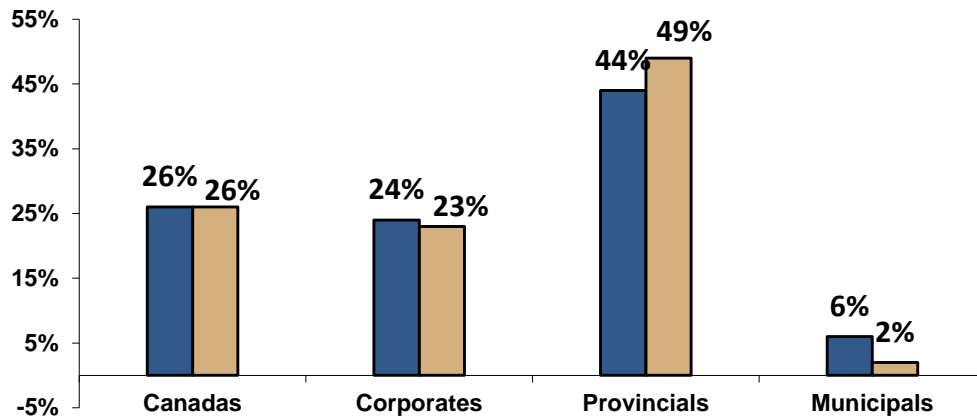
Credit Quality



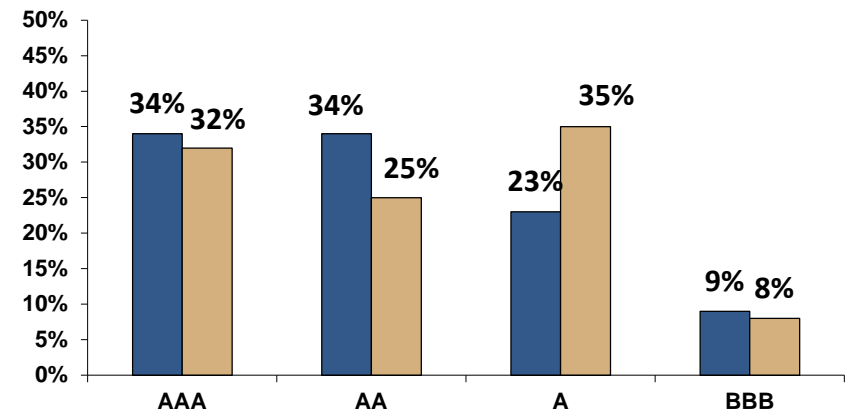
Long Bond Fund

Sector Weightings

FGP Term (Dur.)	20.2 (12.8)
DEX Term (Dur.)	22.7 (14.1)



Credit Quality



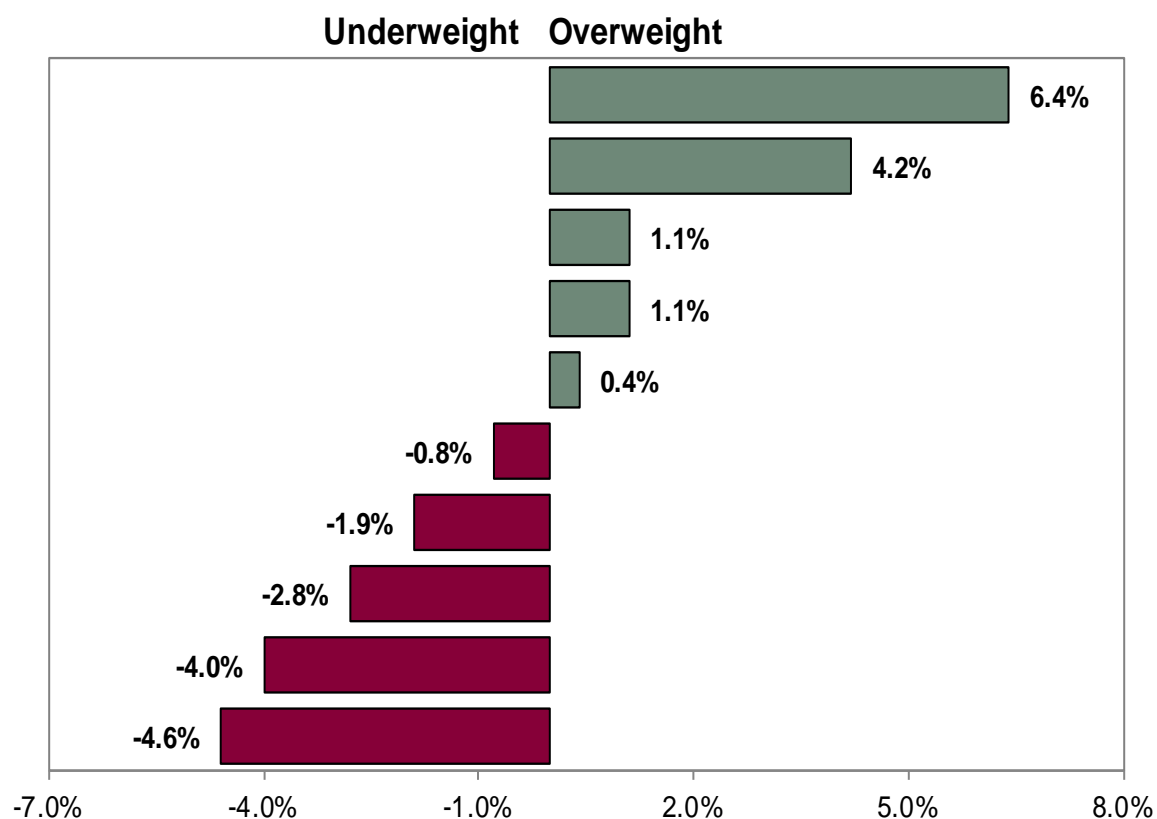
*Source: PC Bond Analytics – June 30, 2013

Canadian Equities - Sector Allocation

As of June 30, 2014

- Valuation and sustainable earnings drive stock selection
- Portfolio positioned for rising interest rates

Sector	S&P/TSX*	FGP
Consumer Discretionary	5.3%	11.7%
Financials - No REITS (4.2%)	33.7%	37.9%
Information Technology	1.8%	2.9%
Energy - No Pipes (6.4%)	27.1%	28.2%
Consumer Staples	2.6%	3.0%
Telecom. Services	4.5%	3.7%
Utilities	1.9%	0.0%
Health Care - No VRX (2.2%)	2.8%	0.0%
Industrials - No Rails (4.8%)	7.9%	3.9%
Materials - No Golds (5.6%)	12.3%	7.7%
Cash		1.0%



*Source: National Bank Financial – June 30, 2014

Pharma, Pipes and Rails - Oh My!

Market Movers	TSX % Sept. 30, 2014	2014 P/E*	EPS Yield	Dividend Yield	Payout Ratio*	Q3	YTD
Canadian Pacific Railway (CP)	1.98%	27.5	3.6%	0.60%	17.0%	20.2%	44.7%
Canadian National Railway (CNR)	3.50%	21.3	4.7%	1.30%	28.0%	14.6%	31.3%
Enbridge (ENB)	2.44%	27.2	3.7%	2.61%	71.0%	5.9%	15.5%
TransCanada Corp (TRP)	2.20%	24.0	4.2%	3.40%	81.0%	13.3%	18.8%
Valeant Pharmaceuticals (VRX)	2.65%	23.5	4.3%	0.00%	0.0%	8.8%	17.8%
	12.77%						

*Source: RBC Capital Markets

Laggards	FGP CEF Weight	FGP P/E	EPS Yield	Dividend Yield	Current Payout	Q3	YTD
Suncor Energy (SU)	5.5%	13.3	7.5%	2.30%	28.0%	-10.9%	8.8%
Imperial Oil (IMO)	5.0%	12.4	8.1%	0.90%	15.0%	-5.9%	12.5%
Husky Energy (HSE)	2.3%	11.2	8.9%	3.90%	65.0%	-10.8%	-8.8%
	12.8%						

See appendix for notes & disclosures

FGP Buy Discipline: Canfor Corp. (CFP)

Purchased: Q3 2014

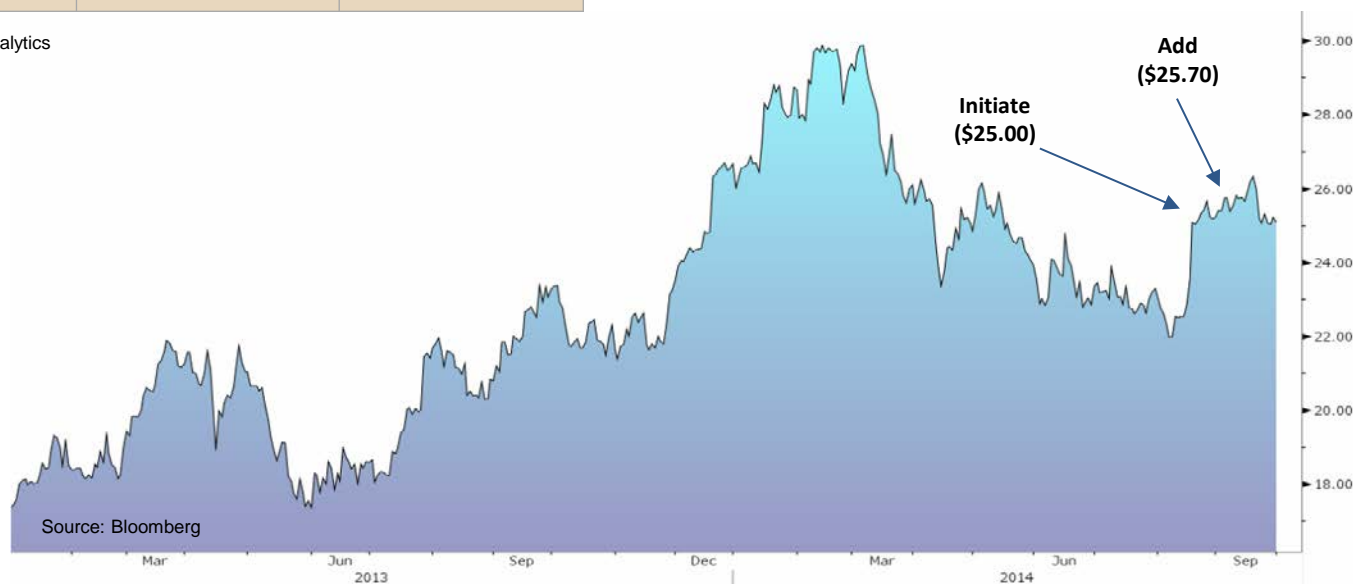
- **Quality:** 2nd largest North American lumber producer
Owns 50.4% of Canfor Pulp: largest producer of NBSK pulp in North America
Has re-invested heavily in mills
- **Profitability:** Cyclical; \$0.22, \$1.64 EPS for '12, '13 respectively
- **Value:** Fair value range 11x 2016 EPS (\$2.95) or \$32.45

Investment Thesis:

- Positive outlook for lumber prices
- Solid insider ownership (Pattison owns 43%)
- Strong near-term free cash flow
- Beneficiary of weakening CAD\$

Q3 2014	CFP	S&P/TSX
Price/Earnings	11.3x	16.4x

Source: FGP, BNY Mellon Analytics



See appendix for notes & disclosures

Environment

- Worldwide economic growth uneven
- U.S. GDP bounces up firmly from Q1/14 decline
- Europe's peripheral economies retreat after modest stabilization
- Stresses build on Chinese property market and financial system
- Japan negatively impacted by April sales tax increase – QE increased
- Equity valuations over-extended
- Bonds benefiting in short-run from less than robust inflation

Strategy

- Maintain shorter than index term and duration
- Higher cash position for capital preservation
- Defensive positioning in the stock market

Notes & Disclosures

Investment returns are expressed in Canadian dollars unless otherwise noted, gross of investment management fees, net of fund expenses for FGP pooled funds, and include reinvestment of dividends and income. Returns are time weighted and annualized for periods greater than one year. Values change frequently and past investment performance may not be repeated.

FGP's institutional and private clients' accounts (FGP GIPS Compliant Firm) claim compliance with the Global Investment Performance Standards (GIPS) on a firm-wide basis. The FGP GIPS Compliant Firm has been independently verified for the periods from January 1, 2000 to December 31, 2013. Verification assesses whether (1) the firm has complied with all the composite construction 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. The verification and performance examination reports as well as a complete listing of all composites are available upon request. Please send requests to William Cunningham at wcunningham@foyston.com.

Securities mentioned herein are not to be construed as recommendations to buy or sell and are not representative of Foyston, Gordon & Payne Inc. accounts/portfolios as a whole.

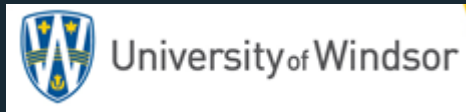
S&P/TSX Index Data: Source: TSX Copyright (2014) TSX Inc. All Rights Reserved.

Pyramis Global Advisors®

Pyramis Canadian Focused Equity

November 17, 2014

PRESENTATION TO:



Edward Lui
Institutional Portfolio Manager

Lawrence Lim
Director, Institutional Client Management

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(P) 705539.1.0

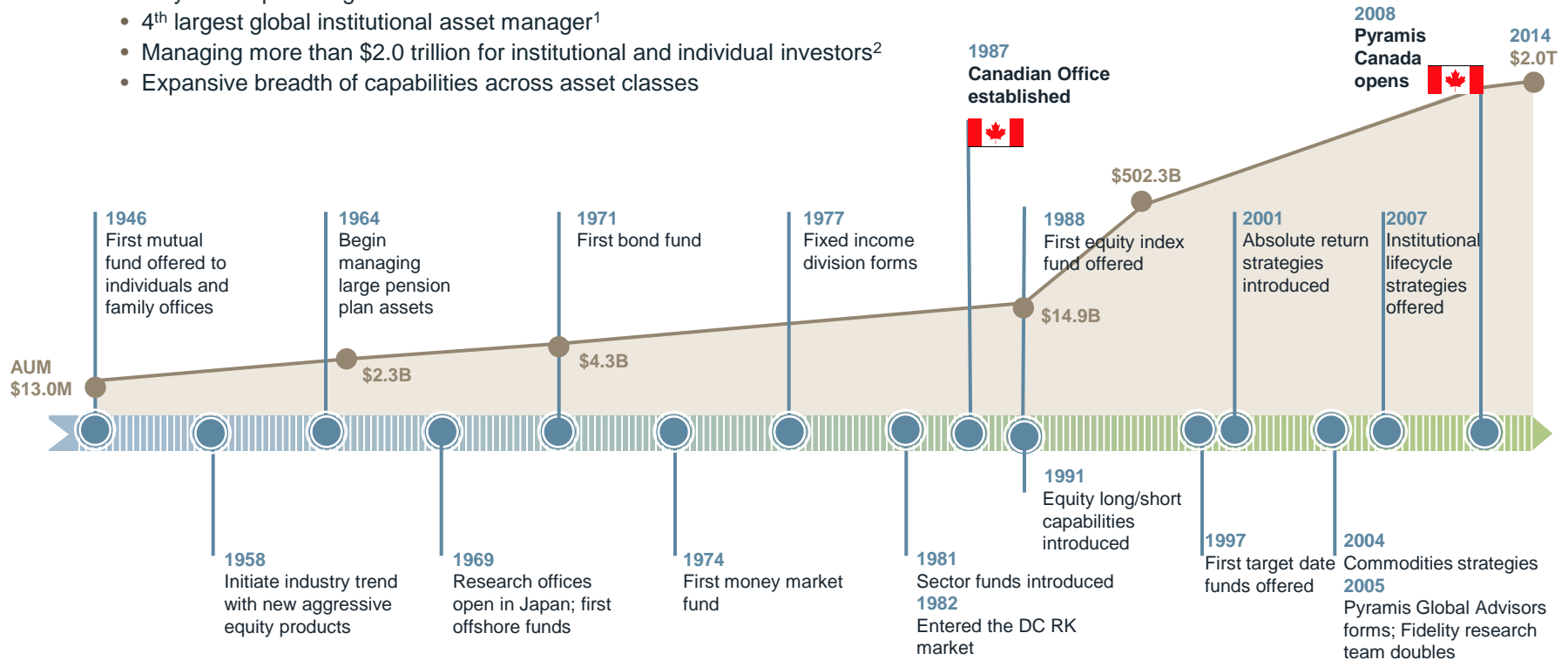
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Our Asset Management Heritage

Established in 1946 as a privately-held organization, today Fidelity Investments is one of the world's leading global asset managers. We have been managing institutional assets since our doors opened.

- 65 years of providing investment solutions and innovation to our clients
- 4th largest global institutional asset manager¹
- Managing more than \$2.0 trillion for institutional and individual investors²
- Expansive breadth of capabilities across asset classes



► **Pyramis Global Advisors formed in 2005 to focus exclusively on bringing world class products and solutions to institutional investors globally.**

¹ Source: eVestment as of December 31, 2013.

² Fidelity's assets under management as of September 30, 2014.

Research resources described herein include the combined resources of Pyramis and Fidelity Investments.

Pyramis Canadian Focused Equity

Portfolio Manager	<ul style="list-style-type: none"> • Joe Overdeest • 12 years experience, 12 years with Fidelity • Co-Portfolio Manager: Andrew Marchese
Research Team	<ul style="list-style-type: none"> • Team Canada: 11 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 • Holdings range: 40-80 stocks



10-Year Results (gross of fees)	
<ul style="list-style-type: none"> • Excess Return: 	3.5% (1st quartile*)
<ul style="list-style-type: none"> • Tracking Error: 	3.6%
<ul style="list-style-type: none"> • Information Ratio: 	1.0 (1st quartile*)

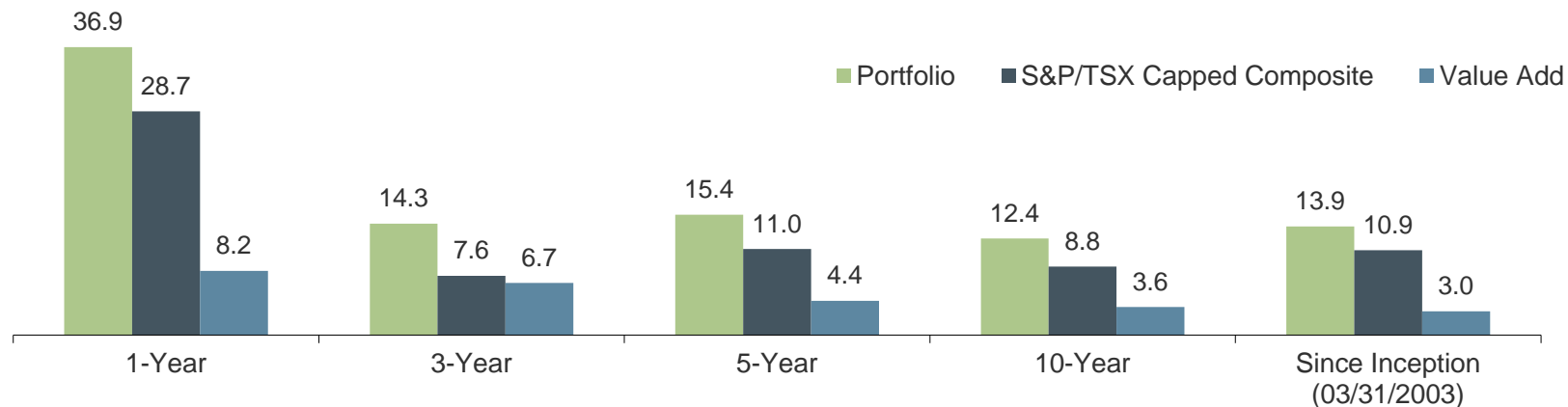
*Source: eVestment Alliance. Peer universe is the eVestment Canadian All Cap Equity universe. Data indicating the Q3 2014 ranking of Pyramis' strategies is from eVestment Alliance data retrieved on October 17, 2014 with at least 94% of managers in the universe reporting, and based on 110 investment products. Data as at September 30, 2014. All returns have been annualized. 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. Data has been rounded. Pool Benchmark: S&P/TSX Capped Composite Index. Composite Benchmark: MSCI Canada Index, as per the supplemental information complemented by the GIPS Composite Performance Data.



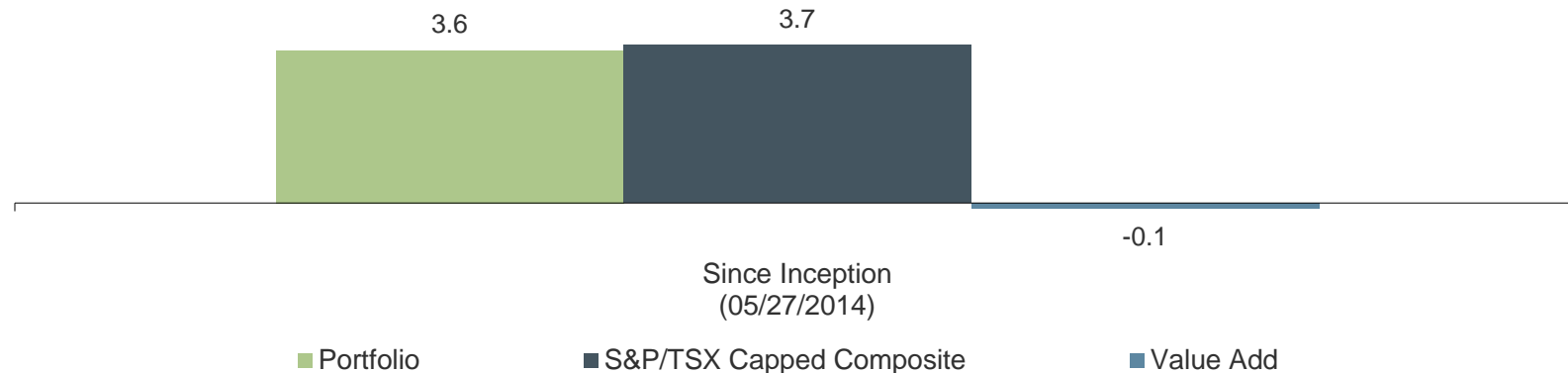
Pyramis Canadian Focused Equity

Gross performance vs. S&P/TSX Capped Composite

COMPOSITE PERFORMANCE (%) – AS AT JUNE 30, 2014



CLIENT PERFORMANCE (%) – AS AT JUNE 30, 2014

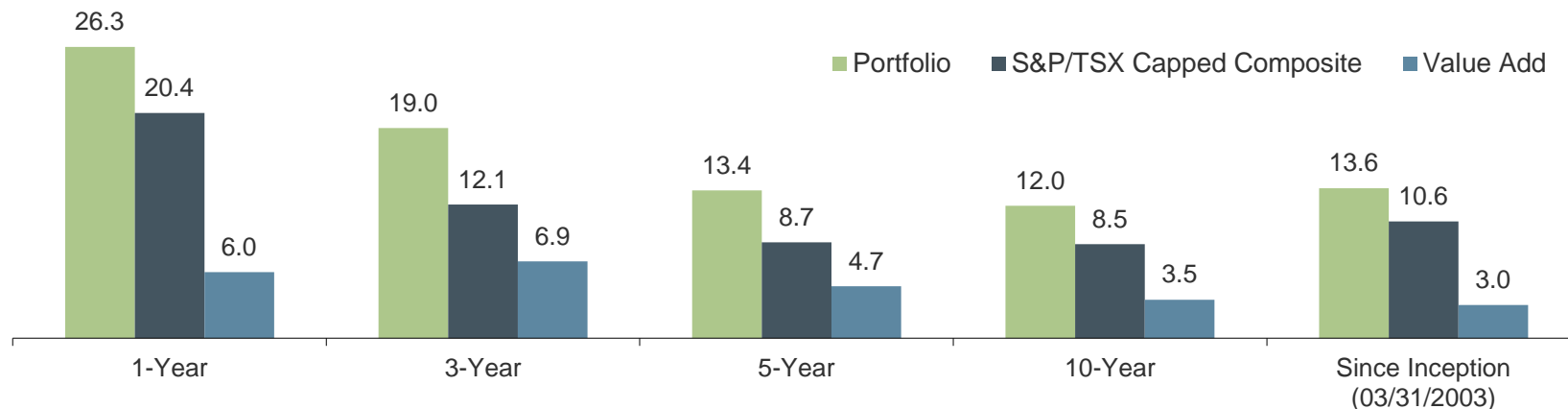


Returns in Canadian dollars. Past performance is no guarantee of future results. Performance is shown gross of any fees and expenses, including advisory fees, which when deducted will reduce returns. See the GIPS Composite Performance Data for annual performance figures that are net of the maximum investment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

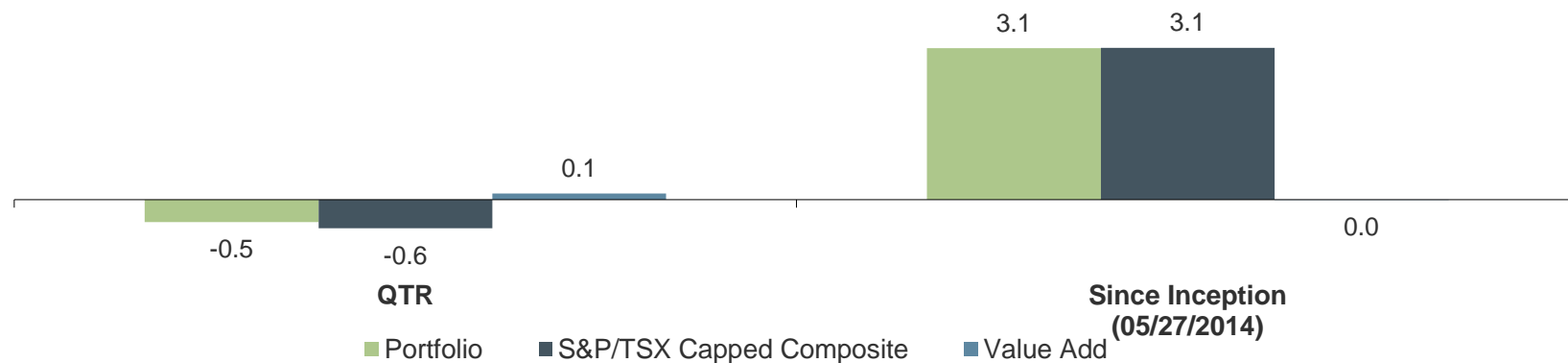
Pyramis Canadian Focused Equity

Gross performance vs. S&P/TSX Capped Composite

COMPOSITE PERFORMANCE (%) – AS AT SEPTEMBER 30, 2014



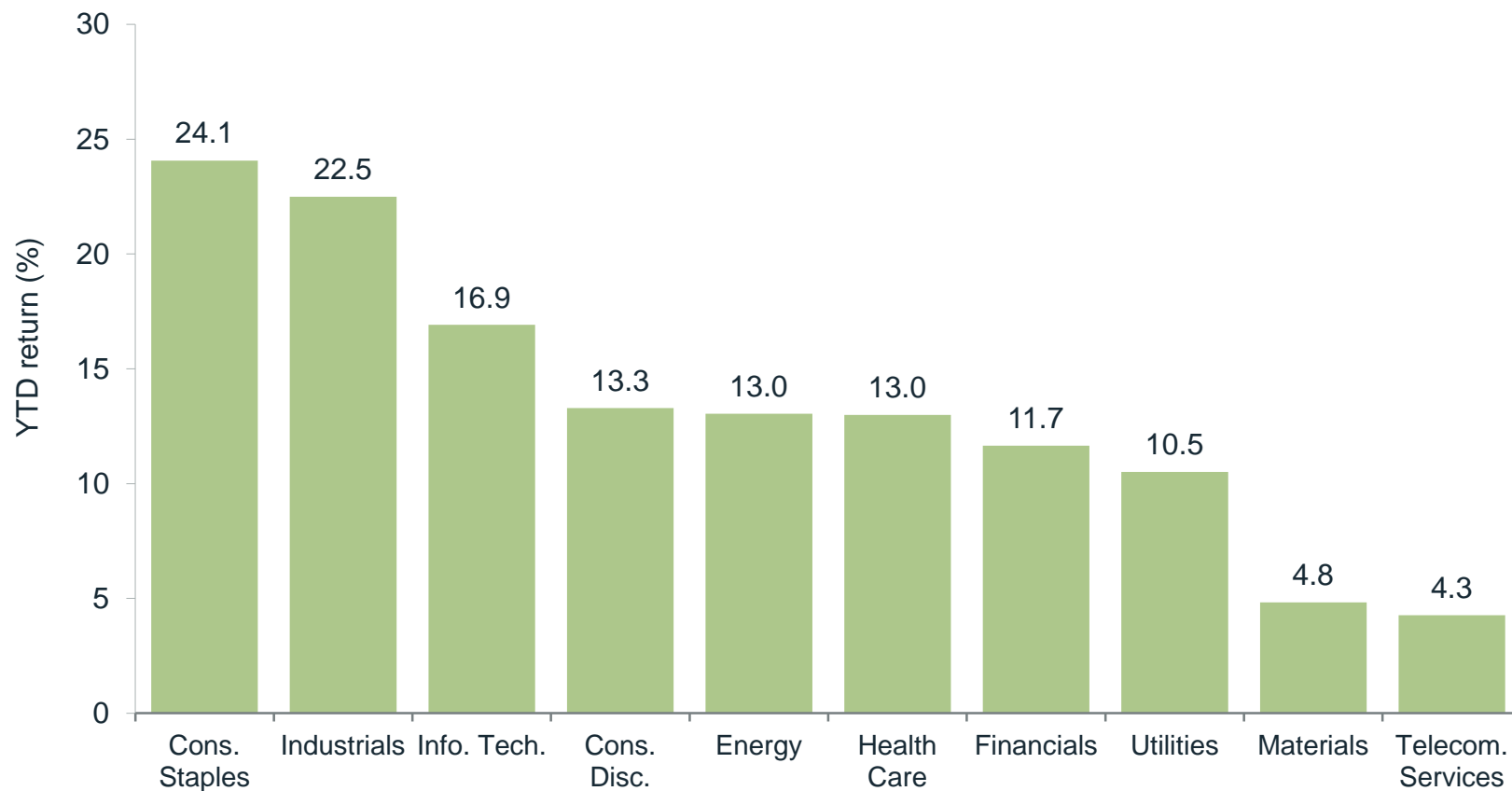
CLIENT PERFORMANCE (%) – AS AT SEPTEMBER 30, 2014



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. Composite benchmark is MSCI Canada, as per the supplemental information complemented by the GIPS Composite Performance Data.

S&P/TSX sector returns

2014 YTD total return

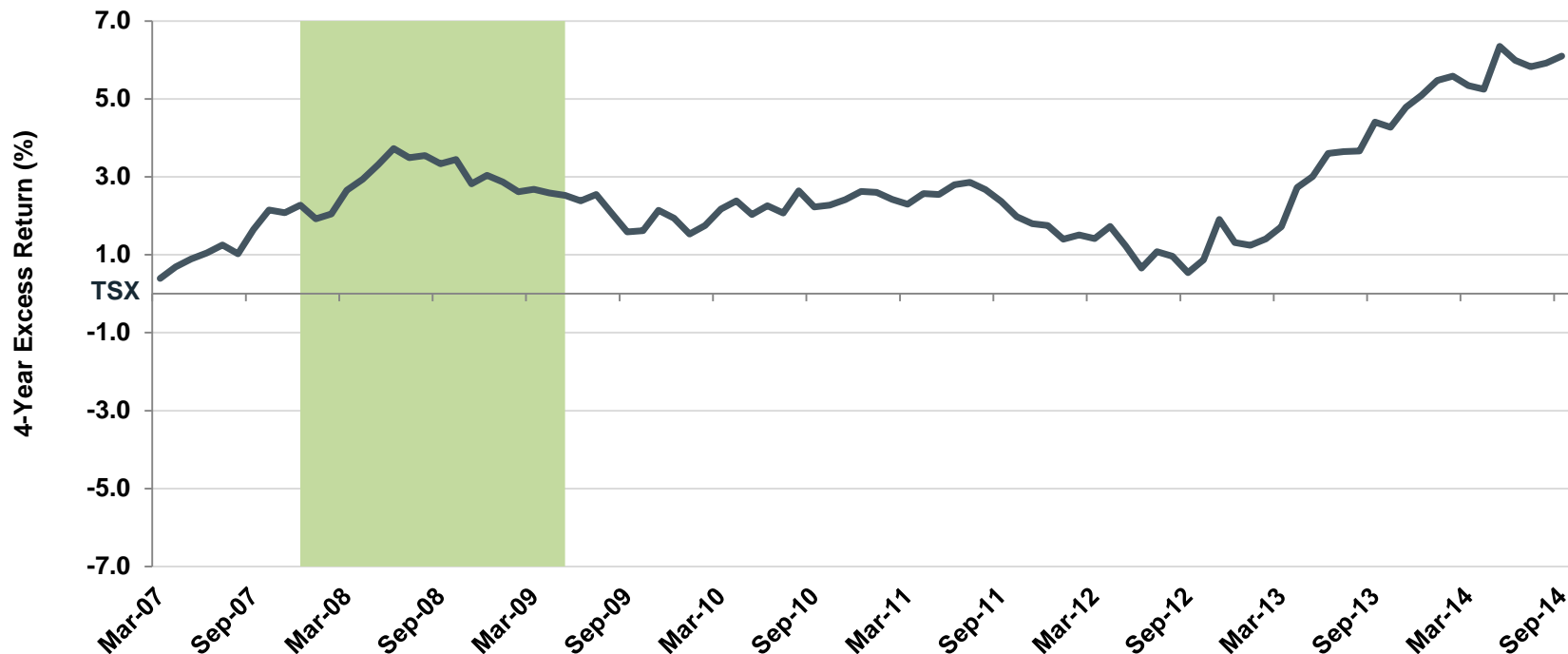


Source: Datastream, as at September 30, 2014.

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Pyramis Canadian Focused Equity

Composite 4-year excess returns vs. S&P/TSX Capped Composite Index



	No. of periods	% of periods
Periods of outperformance	91	100%
Periods of underperformance	0	0%
Total no. of 4-year periods	91	100%

Data as at September 30, 2014. Composite performance is shown.

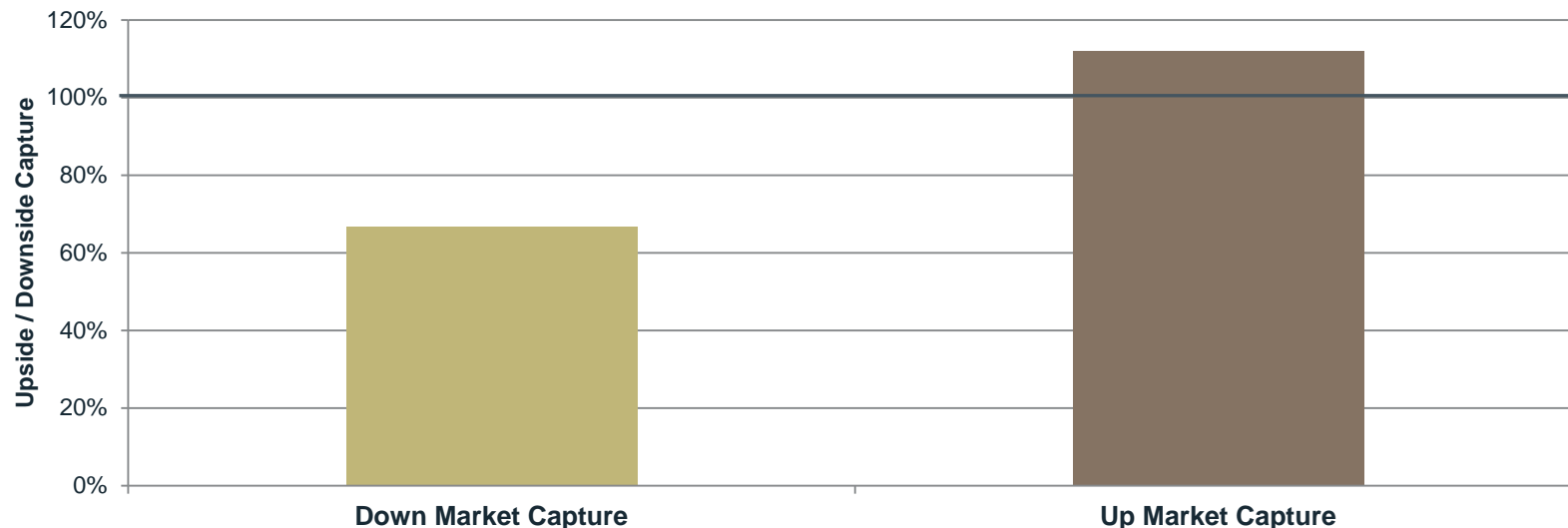
Source: FMRCo. Shaded areas indicate recessions. 4-year excess returns have been calculated monthly using composite performance since the strategy's inception (03/31/2003). Composite performance is shown. Supplemental information is complemented by the GIPS Composite Performance Data.

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Pyramis Canadian Focused Equity

Composite Upside / Downside Capture Rates

FOUR YEARS ENDING SEPTEMBER 30, 2014



	Down Years		Up Years	
	2008	2011	2012	2013
Canadian Focused Equity Composite	-30.0%	-6.2%	9.4%	29.4%
S&P/TSX Capped Composite	-33.0%	-8.7%	7.2%	13.0%
Excess Return	3.0%	2.6%	2.2%	16.4%

Capture rates are based on monthly annualized returns. Benchmark used is the S&P/TSX Capped Composite Index. Up markets include months for which the benchmark return is positive; down markets include months for which the benchmark return is negative. Past performance is no guarantee of future results. Returns in Canadian Dollars. 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 fees charged to any client employing these strategies. Sources: FMR Co, eVestment Alliance. Pool benchmark: S&P/TSX Capped Composite Index. Composite benchmark: MSCI Canada. Totals may not equal due to rounding.

Pyramis Canadian Focused Equity

Key strategy highlights

- **Well-resourced:** Access to over 300 research professionals globally
- **Concentrated portfolio** of our best ideas: 40-60 stocks
- **Core investment approach** with a focus on risk management.
 - No style or market cap bias
- Seeks to provide **value added returns in both up and down markets conditions**

Source: FMR LLC and Pyramis Global Advisors as at September 30, 2014.

Research professionals include research analysts and associates and reflect the combined resources of Pyramis and Fidelity Investments as at September 30, 2014.

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GIPS Composite Performance Data

Canadian Focused Equity Composite (CAD) versus MSCI Canada Index (Net)

As at September 30, 2014

Period	Composite Return (Gross%)	Composite Return (Net%)	Benchmark Return (%)	Value Added (%)*	Number of Portfolios	Total Composite Assets End of Period (\$M)	Composite 3 Year Standard Deviation (%)	Benchmark 3 Year Standard Deviation (%)	Asset Weighted Standard Deviation (%)	Percent of Firm's Assets
2014 YTD	14.13	13.45	12.40	1.73	24	2,832	8.20	9.00	N/A	less than 1%
2013 Annual	29.38	28.36	12.80	16.58	19	1,799	9.61	10.33	0.74	less than 1%
2012 Annual	9.44	8.58	6.55	2.89	15	900	11.52	11.63	0.46	less than 1%
2011 Annual	(6.15)	(6.91)	(10.87)	4.72	14	649	14.50	14.72	0.15	less than 1%
2010 Annual	17.88	16.96	14.34	3.54	11	594	20.28	20.38	0.45	less than 1%
2009 Annual	34.51	33.47	34.87	(0.36)	11	610	19.64	19.81	0.81	less than 1%
2008 Annual	(30.00)	(30.59)	(33.28)	3.28	7	318	17.84	17.75	0.20	less than 1%
2007 Annual	16.33	15.42	10.40	5.93	6	420	11.06	10.73	0.07	less than 1%
2006 Annual	14.55	13.65	18.15	(3.60)	7	379	11.32	10.41	0.09	less than 1%
2005 Annual	29.19	28.18	24.30	4.89	7	349	N/A	N/A	N/A	less than 1%
2004 Annual	14.89	13.99	13.05	1.84	less than 5	161	N/A	N/A	N/A	less than 1%

* Value Added is calculated by taking the gross composite return less the benchmark return.

Notes

Definition of the "Firm"

For GIPS purposes, the "Firm" includes: (1) all of the portfolios managed by the investment management units of the Pyramis Global Advisors group of companies ("Pyramis"); and (2) portfolios managed by Pyramis' affiliates, Fidelity Management & Research Company and its subsidiaries ("FMR Co.") and/or Fidelity Investments Money Management, Inc. ("FIMM"), that are also substantially similar to institutional mandates advised by Pyramis and managed by the same portfolio management team.

Changes to Definition of the "Firm"

Effective January 1, 2009, the definition of the Firm was revised to exclude Pyramis' management of funds that invest in real estate and exclude other affiliated advisers or divisions no longer held out to the public as a part of Pyramis. Effective January 1, 2011, the definition of the Firm was revised to include substantially similar investment strategies managed by FMR Co. and/or FIMM and the same portfolio management team. Effective January 1, 2013, the definition of the Firm was revised to include subsidiaries of FMR Co.

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 the periods January 1, 1990 through December 31, 2013. 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. Net composite returns are calculated by deducting the maximum standard IA fee that could have been charged to any client employing this strategy during the time period shown, exclusive of performance fee or minimum fee arrangements. IA fees paid by a client vary depending upon a variety of factors, including portfolio size and the use of any performance fee or minimum fee arrangement. Actual returns will be reduced by the IA fee and any administrative, custodial, or other fees and expenses incurred. Returns could be higher or lower than those shown. A client's fees are generally calculated based on the average month-end assets at market value during the quarter as calculated by the Firm, and are billed quarterly in arrears. More information regarding fees is available upon request. These investment performance returns were calculated without a provision for United States income taxes.

Composite Creation Date

This composite was created in 2003

Composite Description

The investment objective of this composite is to seek long-term capital appreciation by investing in a concentrated portfolio of Canadian equities while adding incremental return above the MSCI Canada (Net) Index. The composite is composed of all fee-paying discretionary accounts that are managed by the Firm in this style.

Composite Name Change

The composite name changed in 2012 from the Canada Growth Composite to the Canadian Focused Equity Composite to better reflect the underlying investments in the portfolios.

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.

Fee Schedule

The maximum scheduled investment advisory fee for this strategy is 80 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 80 basis points, the net return would have been 55% over five years.

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.

Known Inconsistencies in Exchange Rates

The composite base currency is U.S. Dollar (USD). 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.

Currency Translation

Please note that the base currency of this composite is U.S. Dollar (USD). Presented performance is shown in Canadian Dollar (CAD), translated using the New York Close valuation point.

Past performance is no guarantee of future results.

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Presentation to
University of Windsor

November 17, 2014

Presented by
Kevin De Sousa



RBC Global
Asset Management



The Thirst for Yield



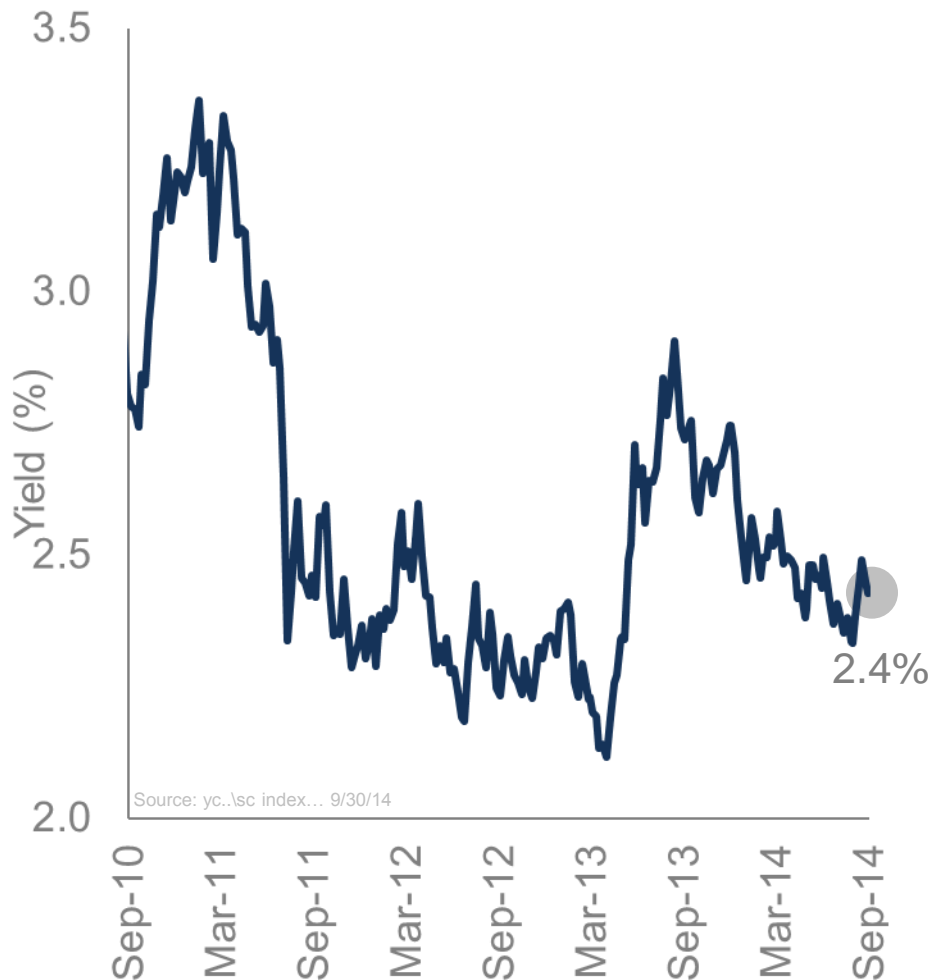
“Income!”

Grant's Interest Rate Observer – February 21, 2014

Bond Market Review

Yields Fall, Credit Strong

FTSE TMX Canada Universe Bond Index Yields



	1 Yr %	Q3 2014 %
June 30, 2014		
Universe Bond Index	5.3	1.1
Long Term Bond Index	7.7	2.3
Sector (Mid Term Overall Bond Index)		
Canada	5.1	0.8
Provincial	6.4	1.0
Corporate	7.9	0.7

Source: FTSE TMX Global Debt Capital Markets Inc.

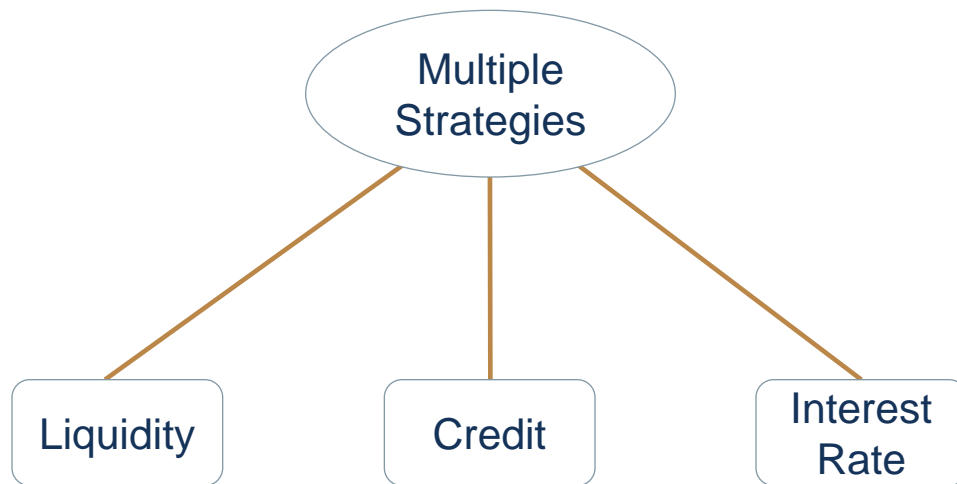
University of Windsor Pension Plan

Performance Summary as of June 30, 2014

	1 Yr (%)	4 Yrs (%)	Q3 2014 (%)
U of W Pension Plan Consolidated	6.60	5.87	1.59
Benchmark	<u>6.20</u>	<u>5.51</u>	<u>1.51</u>
<i>Value Added</i>	+0.40	+0.36	+0.08

PH&N IM Fixed Income Investment Philosophy

Multiple Sources of Risk/Opportunity



Predictability of expected value-added

Most —————→ **Least**

- Aim to provide consistent value-added
- Breadth of strategies is key
- Focus on return/risk relationship

Goal is to build a diversified portfolio with attractive relative returns

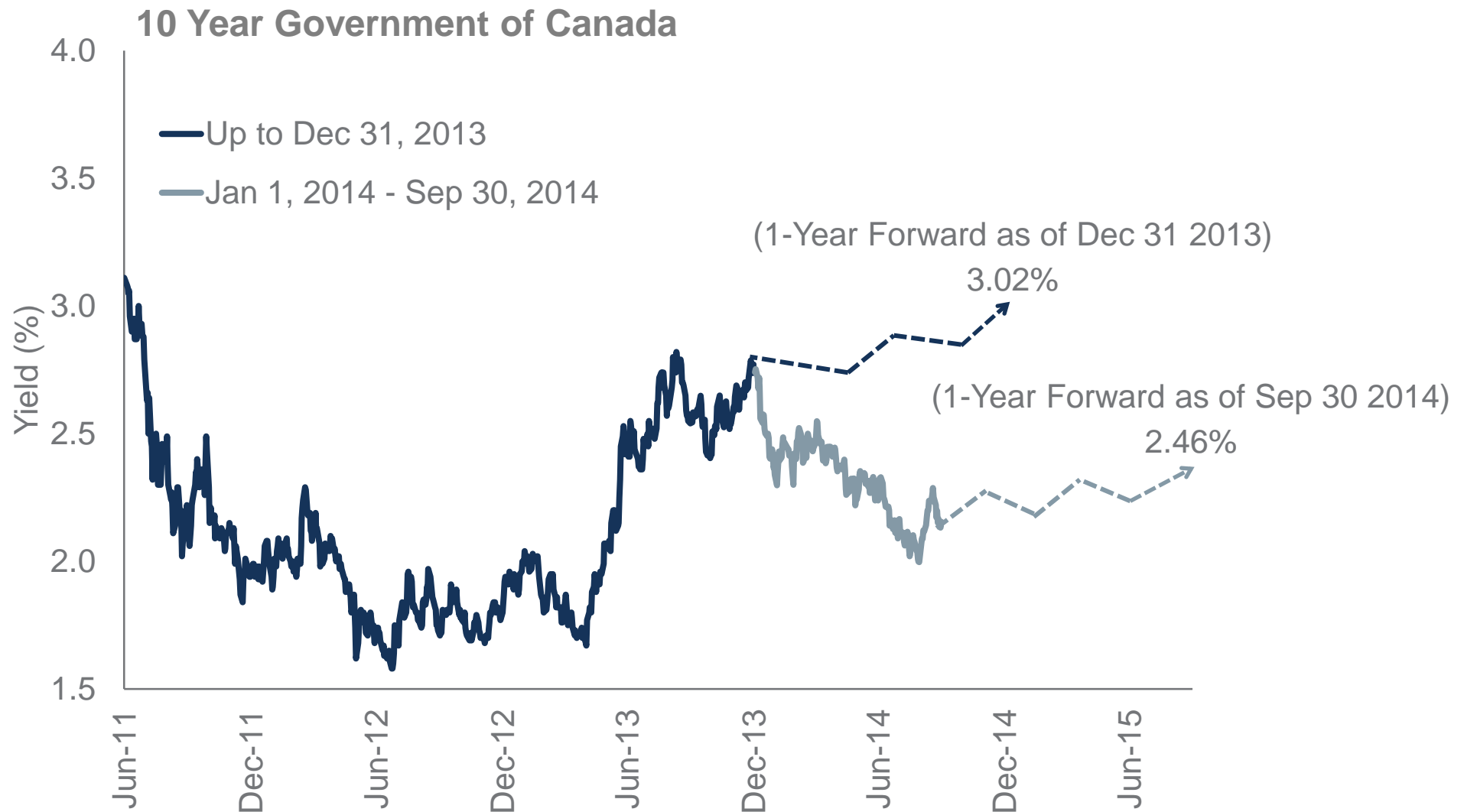
What Is Normal For Yields?

Perspectives on where U.S. Bond Yields may be 10 years from now



Source: Global Financial Data, Bloomberg

We Expect Higher Bond Yields But Path to Higher Yields Will Remain Volatile

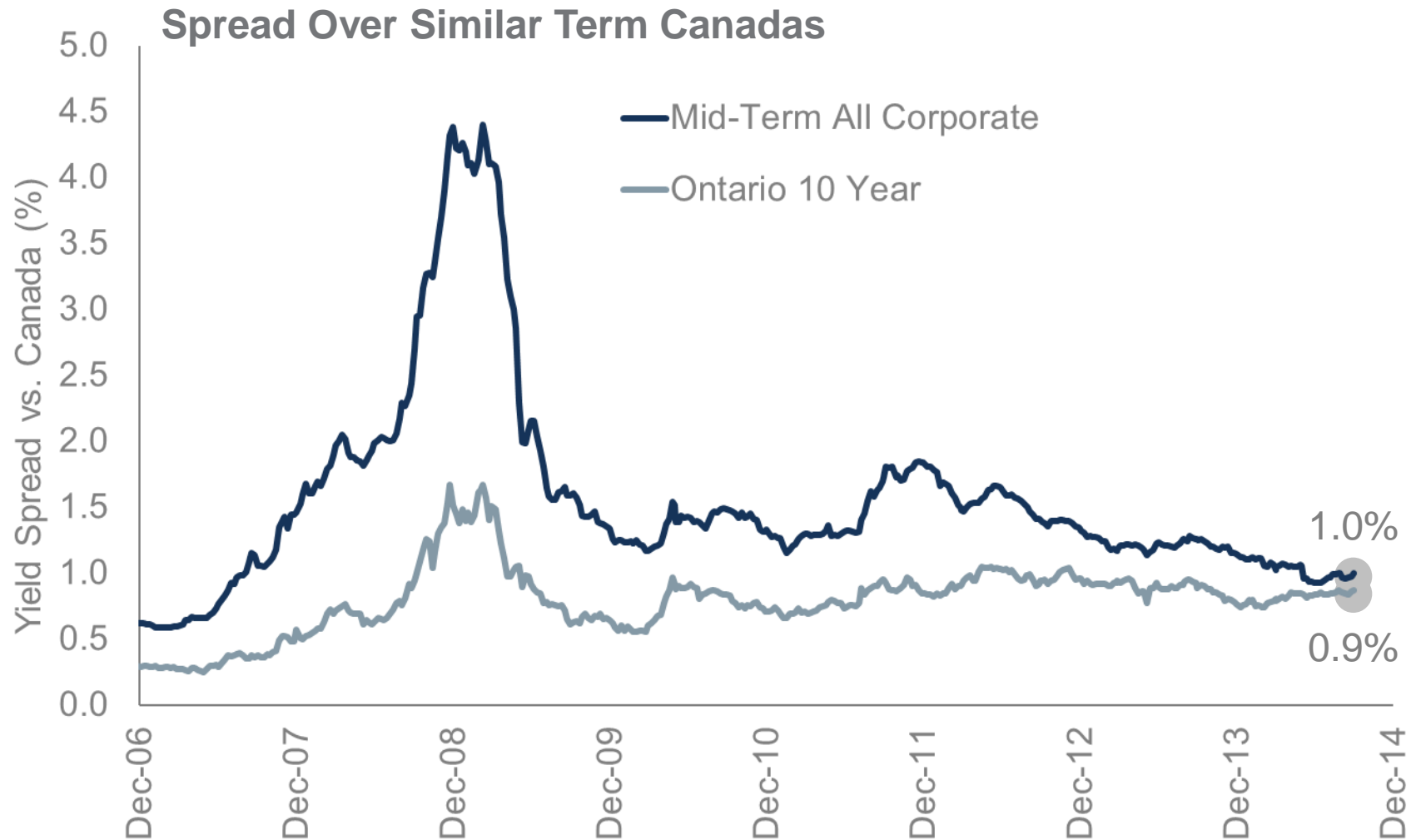


Source: FTSE TMX Global Debt Capital Markets Inc., BondLab

Source: yc...ca 10 yr yields 10/15/14

Active Management of Sector Allocation

Relative Value in Provincial and Corporate Bonds



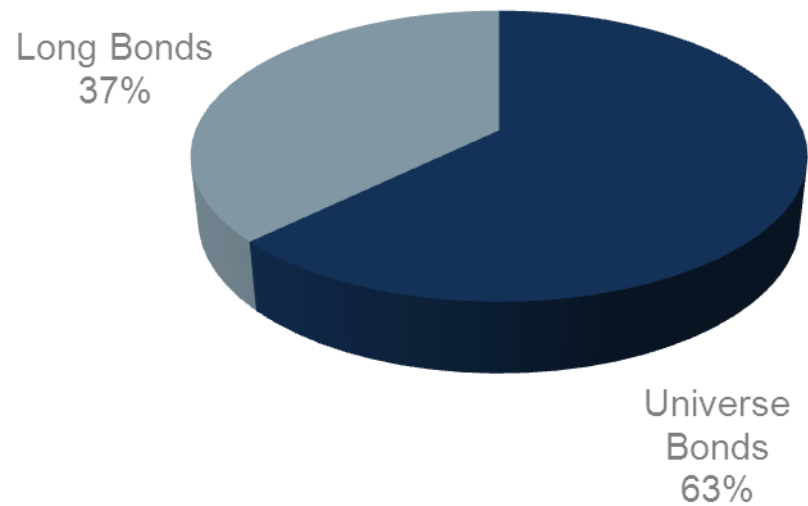
Source: FTSE TMX Global Debt Capital Markets Inc., BondLab

Source: credit\provincial vs corp 9/30/14

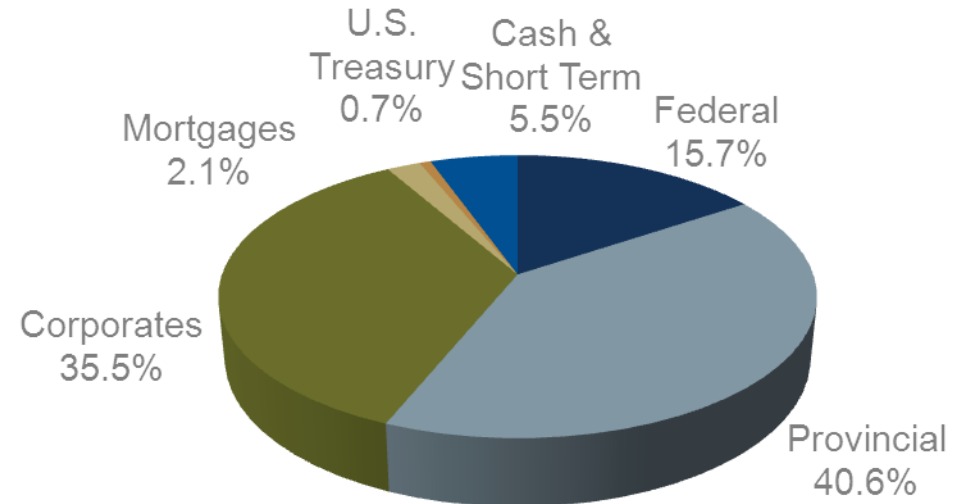
University of Windsor Pension Plan

Portfolio Summary as of September 30, 2014

Portfolio Distribution



Sector Distribution



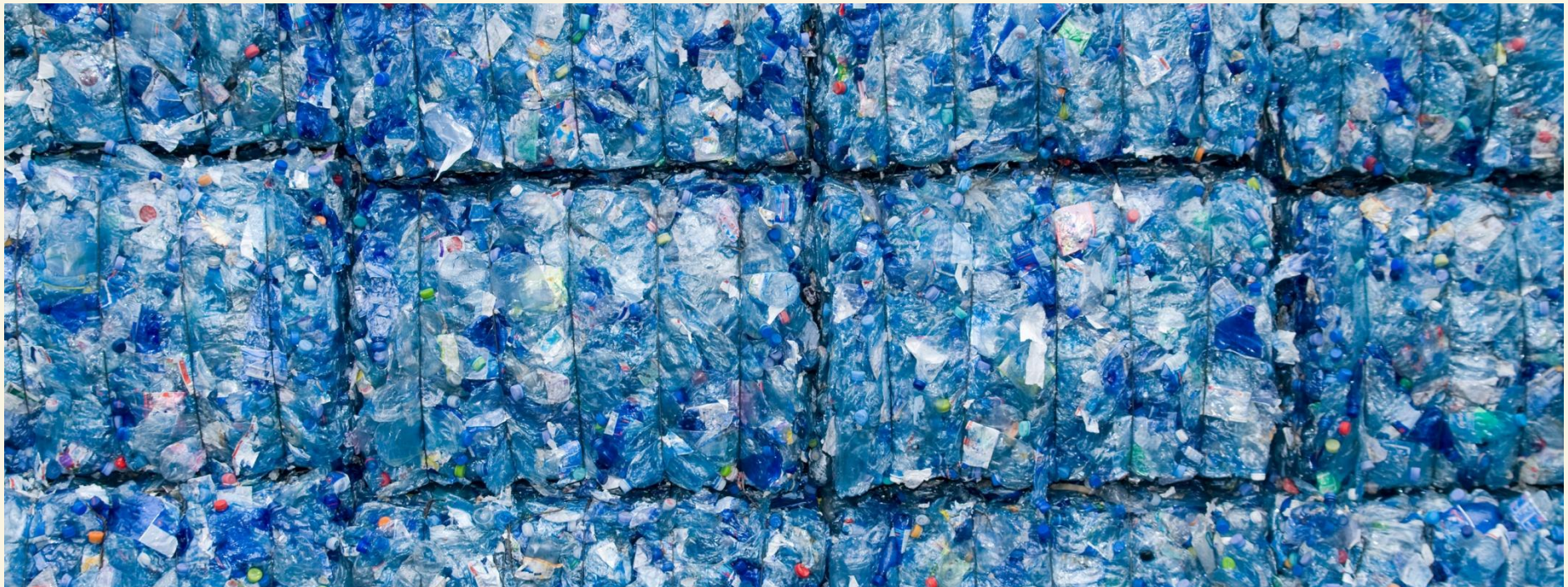
Portfolio Yield:	2.99%
Benchmark Yield:	<u>2.81 %</u>
Incremental	+0.18%

BAILLIE GIFFORD

University of Windsor Pension Plans

November 17, 2014

Nick Wood



Our Relationship

Appointed:

— June 2010

Portfolio Value as at November 3, 2014

— C\$99,218,144

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 All Country World Index over time

Investment Returns

	Fund %	Benchmark %	Difference %
12 Months to June 30, 2014	26.7	24.8	+1.9
Since Inception* to September 30, 2014 (p.a.)	17.6	15.3	+2.3

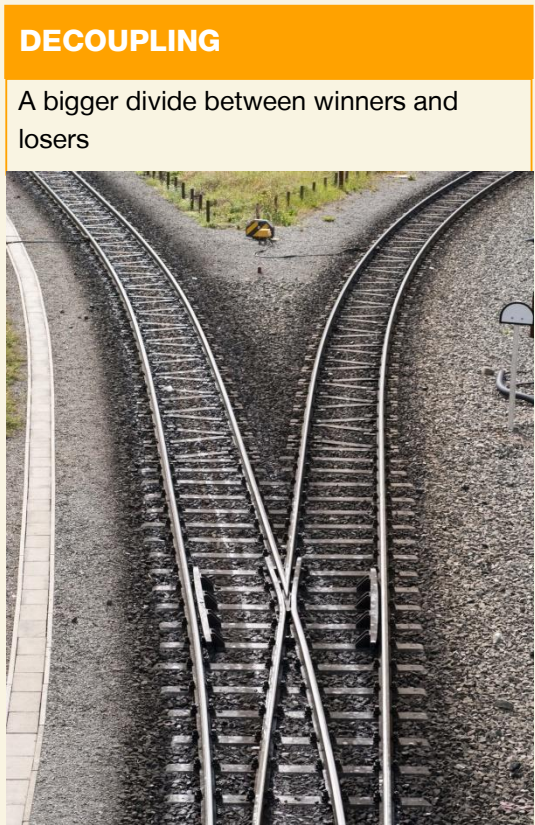
Source: Baillie Gifford, gross of fees
* June 30, 2010

Top and Bottom Ten Stock Contributors 12 Months to June 30, 2014

	Fund %	Benchmark %	Contribution %
Naspers	2.6	0.1	0.6
Royal Caribbean Cruises	2.0	0.0	0.6
Tesla Motors	0.9	0.0	0.6
Baidu	1.2	0.0	0.5
EOG Resources	1.5	0.1	0.5
Prudential	3.2	0.2	0.5
Facebook	0.7	0.3	0.3
Illumina [†]	0.6	0.0	0.3
Moody's	1.7	0.0	0.3
ICICI Bank	0.7	0.0	0.3
Apple [†]	0.0	1.4	-0.4
eBay	1.9	0.2	-0.4
Mindray	1.1	0.0	-0.4
China Resources Enterprise	0.8	0.0	-0.3
Coca Cola HBC	1.3	0.0	-0.3
Ryanair	1.8	0.0	-0.2
Garanti Bankasi [†]	0.2	0.0	-0.2
Weight Watchers [†]	0.1	0.0	-0.2
Rolls Royce	1.5	0.1	-0.2
Waters	1.1	0.0	-0.2

Source: Baillie Gifford/StatPro
[†] Not currently held in portfolio

Global Alpha - Research Focus



DECOUPLING

A bigger divide between winners and losers



EMERGING MARKET DIVERGENCE

Secular growth stories where weakness in Emerging Markets provides opportunity



NORMALISATION

Companies that benefit from a rise in interest rates and a swing in sentiment towards higher but less certain returns.



EMERGING QUALITY GROWTH

Underappreciated growth provided by changes in demand, supply, industry structure and management behaviour



IMPACT OF INNOVATORS

The increasing rate of change:
A healthcare super-cycle and a winner takes all scenario within technology holdings



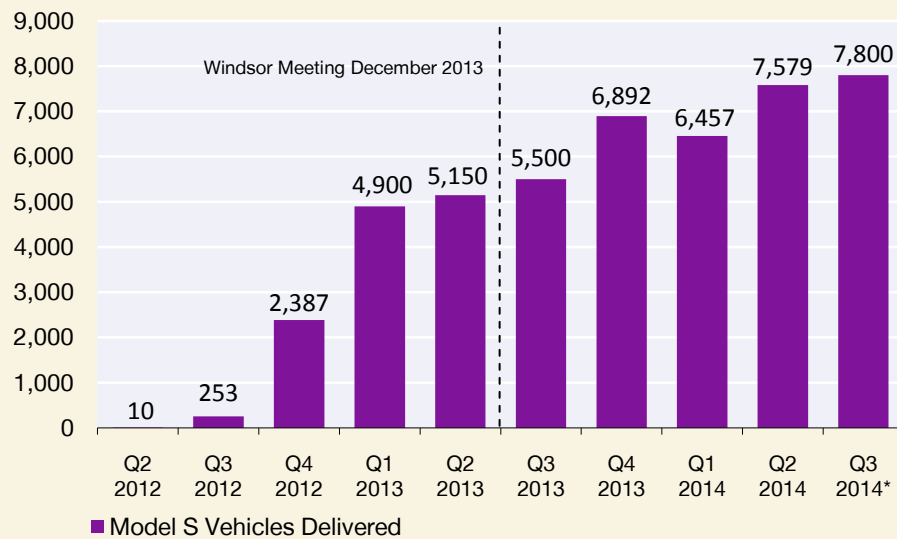
Global Alpha – Innovation

TESLA MOTORS

- Electric vehicle manufacturer
- Superior battery gives extended range
- Company shortly to release other models

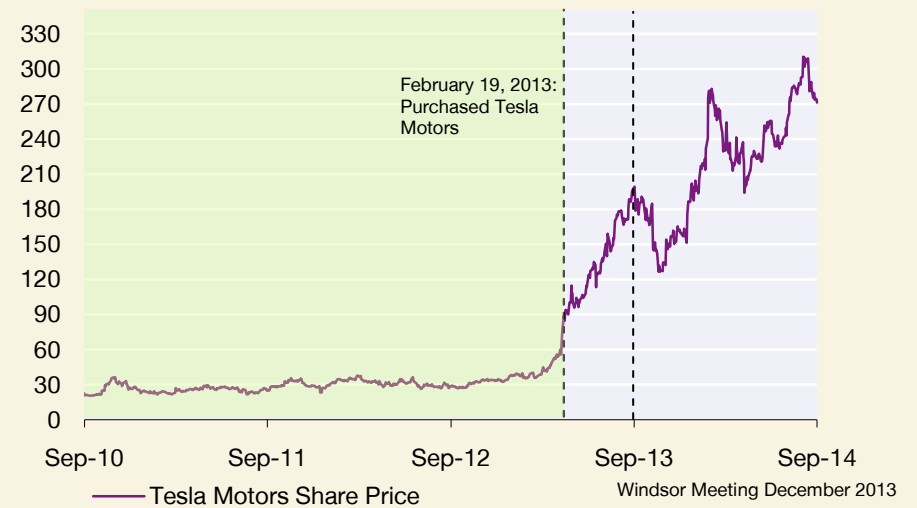


Tesla Motors Model S Vehicles Delivered



Source: Company Reports and Wedbush Securities, Inc.
 *Estimated figure
 Image Sources: © iStockphoto.com

Tesla Motors Share Price



Source: Datastream. In Canadian dollars

Global Alpha – Normalisation

TD AMERITRADE

- Online broker
- Currently under-earning due to low interest rates
- Growing client assets through industry consolidation



US 10-Year Treasury Bonds Yield



Source: Datastream
Image Sources: © iStockphoto.com

TD Ameritrade Share Price



Source: Datastream. In Canadian dollars

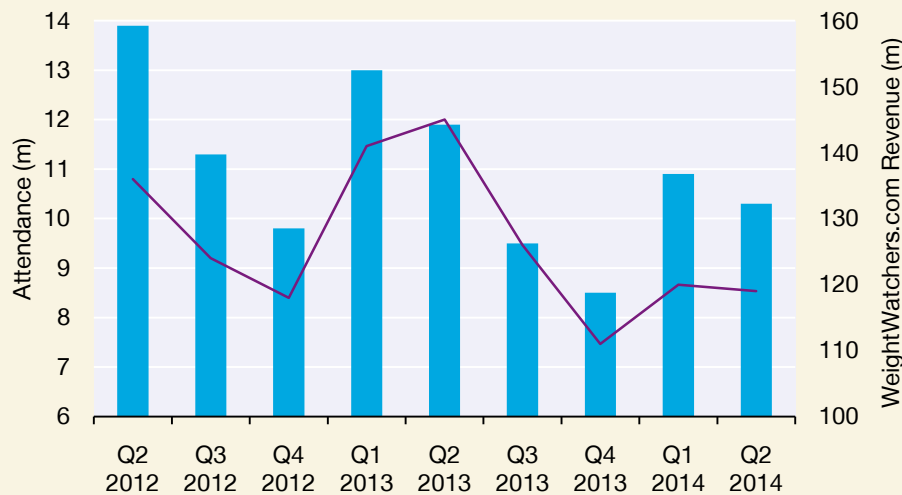
Global Alpha – “An increasingly difficult competitive environment”

Weight Watchers

- Online offering designed to increase the addressable market
- Increasing traction with corporate plans
- Struggled to compete with free app offerings



Weight Watchers Attendance vs Revenue



Source: WeightWatchers.com
Image Sources: © iStockphoto.com

Weight Watchers Share Price



Source: Datastream. In Canadian dollars

Outlook

Research Agenda Update

- We continue to find growth opportunities in emerging Asia, conviction in the economic recovery in America is rising and there are early signs of recovery in the European periphery

We remain focused on finding exciting companies that will drive growth for the next five years and beyond

We will look to capitalise on short-term share price volatility in order to invest in attractive long-term opportunities



© iStockphoto.com



University of Windsor

Global Equities

November 17, 2014

Sebastien Roy

Sprucegrove Investment Philosophy - Highlights

- **Management of global equity portfolios**
- **Value approach, based on security selection**
- **Long-term investors**
- **Internal research**
- **Identify superior businesses selling at attractive valuations**

- **Record of profitability**
- **Competitive advantage**
- **Financial strength**
- **Growth opportunities**
- **Management**

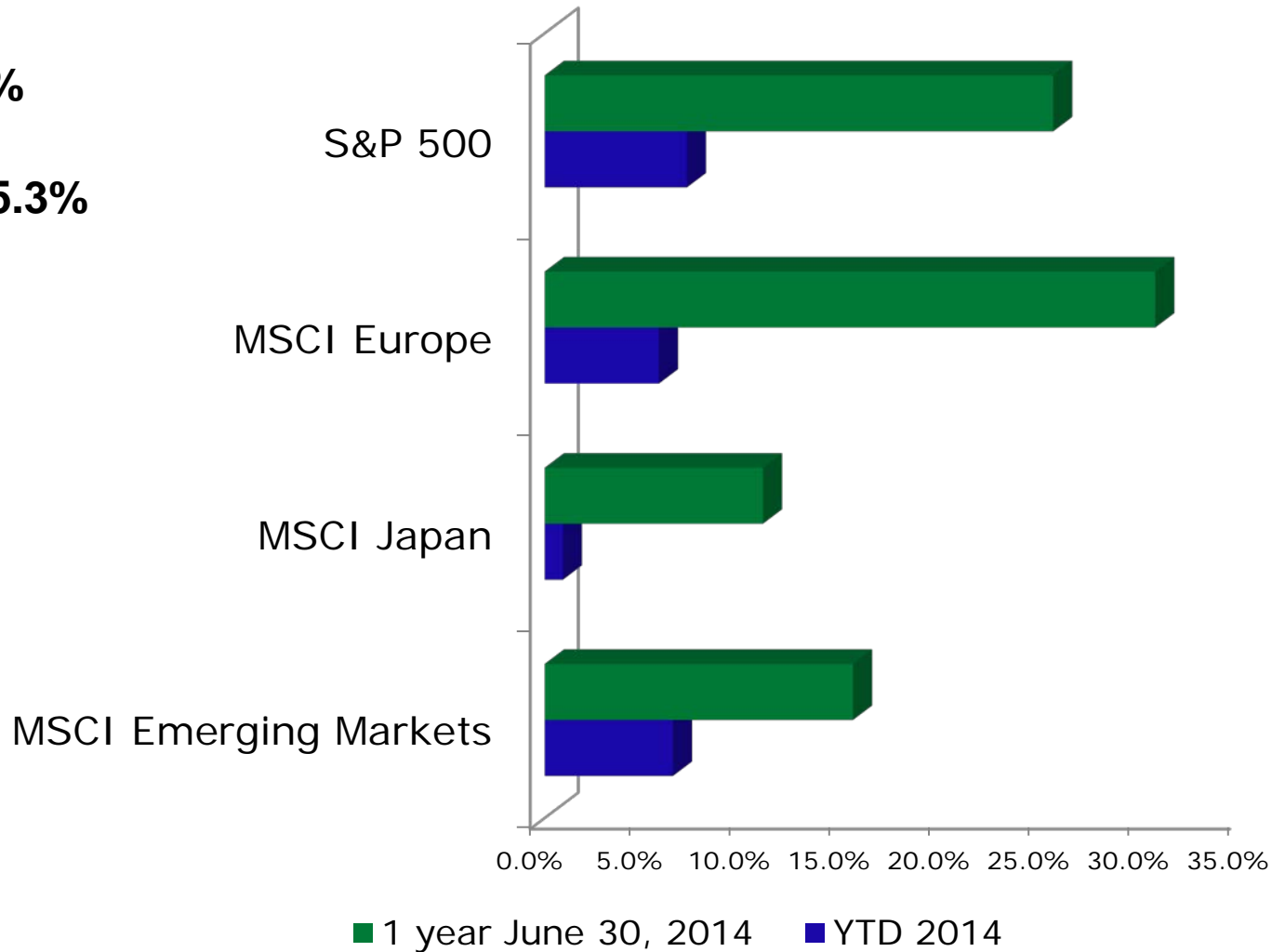
- **Renewed concerns about economic growth in Europe**
- **U.S. market continues to advance**
- **Volatility in Asia**
- **Emerging markets stabilize**
- **Increased geopolitical risks**

Index returns Year-to-date and 1 year to June 30, 2014

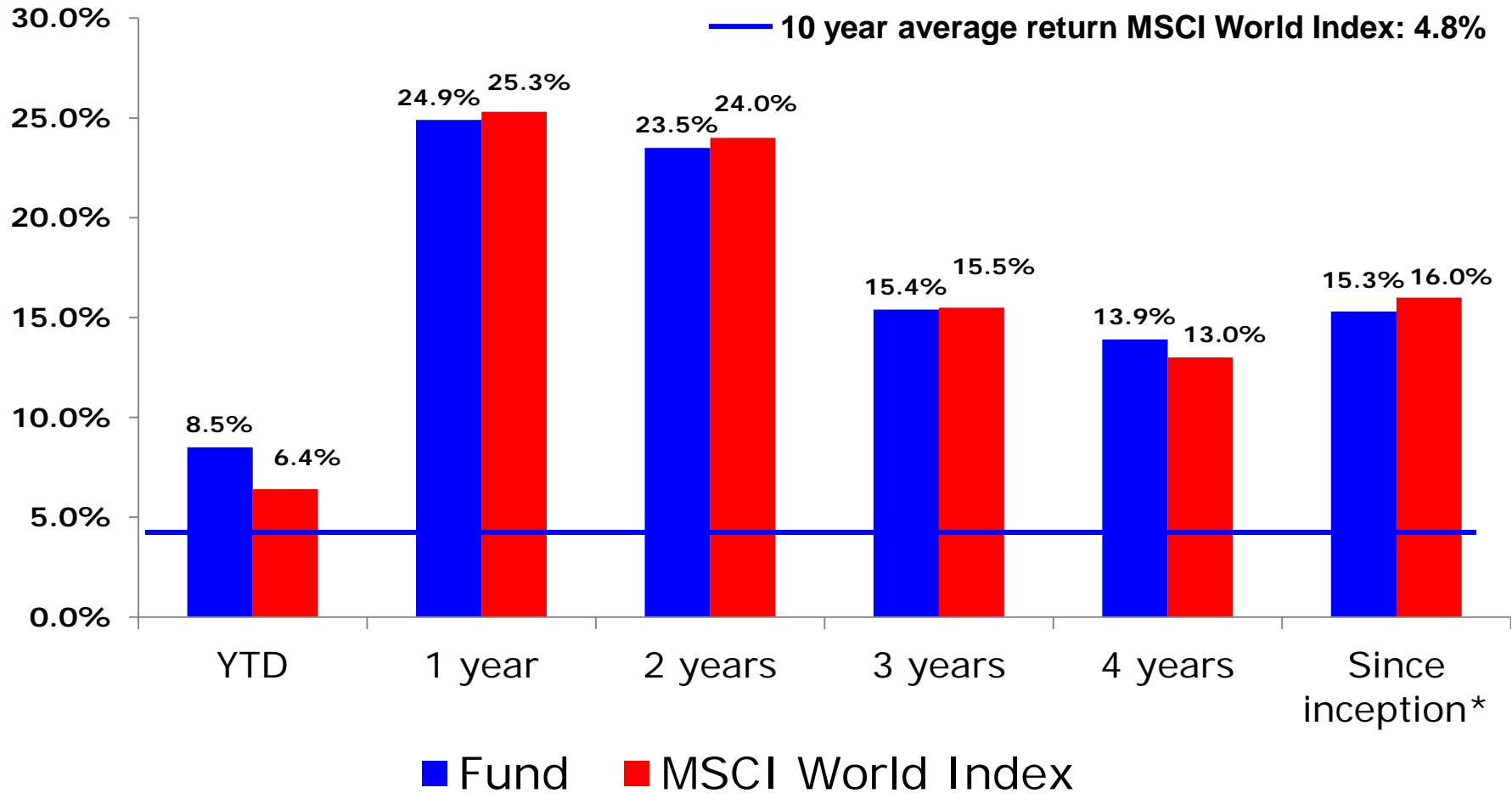
MSCI World Index Returns:

YTD: 6.4%

1 year: 25.3%



Annualized Performance Results, ending June 30, 2014 Sprucegrove Global Pooled Fund (Pension)



* 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.

Sprucegrove Global Pooled Fund (Pension) :

Top 10 Holdings at June 30, 2014

Stock	Country	Sector	% of Fund
Markel	U.S.	Financials	3.8
Wells Fargo	U.S.	Financials	2.9
Novartis	Switzerland	Health Care	2.2
Banco Santander	Spain	Financials	2.1
3M	U.S.	Industrials	2.1
HSBC	U.K.	Financials	2.0
Apache	U.S.	Energy	2.0
Berkshire Hathaway	U.S.	Financials	1.9
CRH	Ireland	Materials	1.9
Johnson & Johnson	U.S.	Health Care	1.8
			22.7



	Projected ROE	Financial Leverage ¹	Normalized P/E
Top 10 Weighted Average	16.1%	1.9x	12.0x
MSCI World Index	12.0%	2.8x	18.1x

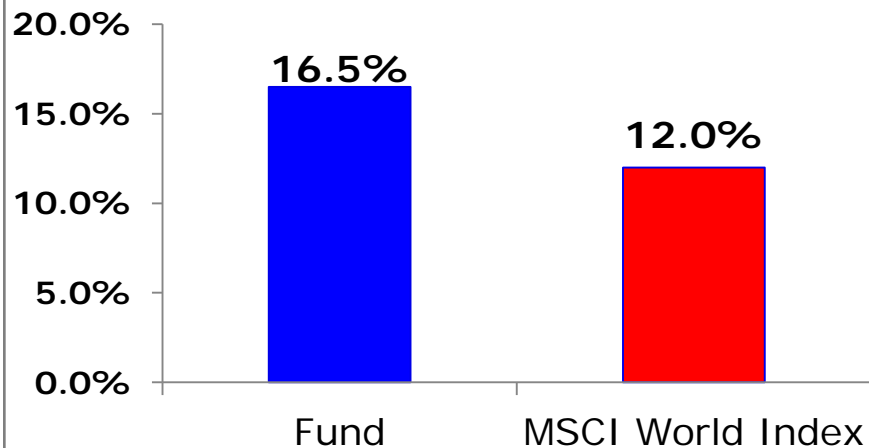
¹ Financial Leverage weighted average excludes companies in the Financials sector.

Portfolio Characteristics at June 30, 2014

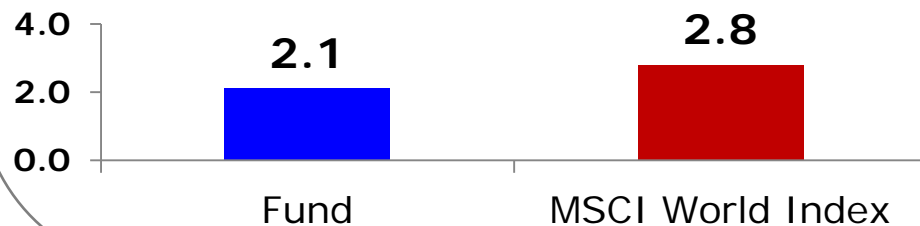
Sprucegrove Global Pooled Fund (Pension)

Quality

Projected ROE



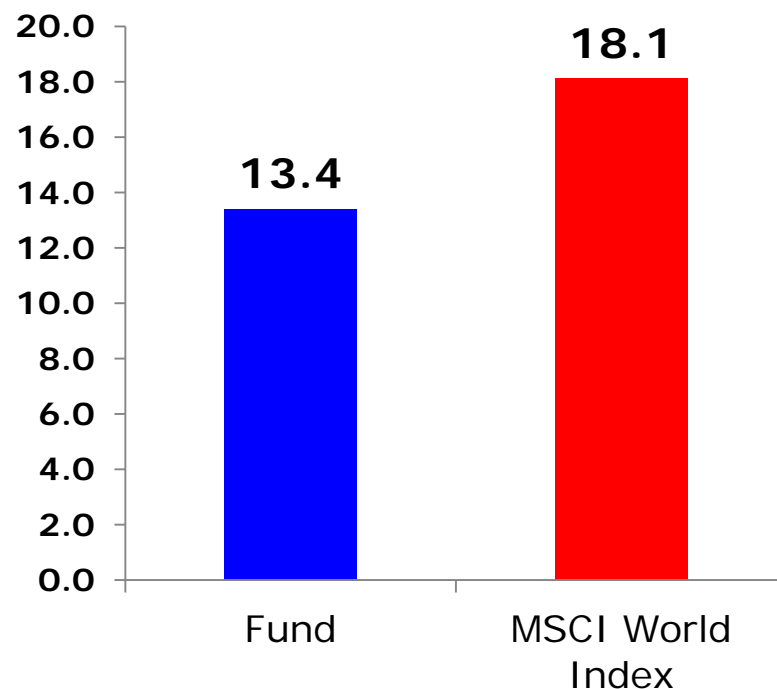
Financial leverage¹ (X)



¹ Financial Leverage weighted excludes companies in the Financials sector.

Valuation

Normalized P/E (X)



Questions and Discussion

