June 30, 2015 Pension Quarterly Investment Report

Performance Review

University of Guelph Pension Plans

2nd Quarter 2015

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Pension Plans Results Overview

(Gross Returns for the 12 months ended June 30th, 2015)

The Total Plan returned 7.6% for the last 12 months, an underperformance of 1.7% versus its composite benchmark.

Canadian Equity

- The Canadian equity portfolio returned -0.5% over the past year, beating the S&P/TSX by 0.7%.
- Results are mixed for the plan's large cap managers. CC&L has been steadily outperforming over all reported periods with a one-year outperformance of 5.6%. Burgundy and Sionna lagged by 2.1% and 2.3% respectively over the last year.
- Despite the relatively poor performance of small cap stocks in Canada, the plan's manager (Sionna) performed extremely well, outperformed the index by 16.1%.

U.S. Equity

- U.S. equity markets performed very well in Canadian dollar terms, with a one-year return of 25.9% for the S&P500.
- The plan's U.S. equity investments performed well with a return of 28.2%, outperforming the benchmark by 230 basis points.
- The plan's large cap manager (Barrow) beat the Russel 1000 Value index by 5.4%. Significant value was added versus their respective indices by the small-(6.3%) and mid-cap portfolios (9.5%) managed by Wedge.

Global/Non-North American Equity

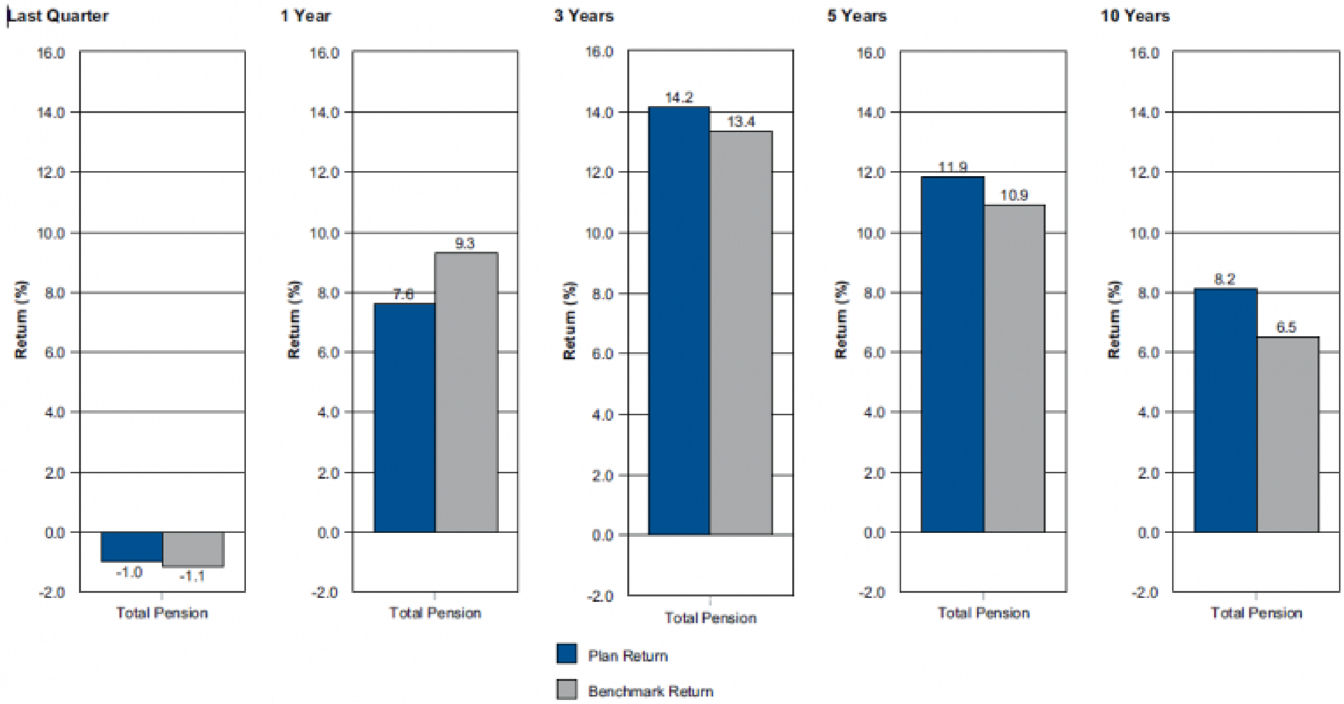
- In Canadian dollars, Non-North American equity largely underperformed the U.S., but outperformed Canada with the MSCI EAFE index returning 12.7%.
- The plan's Non-North American equity performance deteriorated during the past year with a 2.3% underperformance. Both LSV and Tweedy Browne trailed the MSCI EAFE over the last year.
- Global equity, as measured by the MSCI World ex-Canada index, performed very well in Canadian dollars with a return of 20.4% over the last year. The pension's only Global equity manager, Acadian, outperformed the index by 40 basis points.

Fixed Income

- The Canadian fixed income portfolio is indexed to the FTSE TMX Universe and, as expected, matched its return of 6.3% over the past year.
- The 3.3% two-year return for Cash includes a private equity investment that was held at book for many years and was written up to market value and exited in May 2014.
- The real estate portfolio managed by Greystone underperformed its index by 0.8%.
- Currency hedging, which is implemented for risk control rather than to generate returns, was a drag on performance as it cost the portfolio 1.9%.

Total Pension Portfolio Vs Composite Benchmark

As of June 30, 2015 (Gross of Fees, Annualized for Periods over 1 year)



Returns are presented gross of fees in CAD
Current Composite Benchmark: 25% S&P/TSX Comp Capped + 20% MSCI EAFE ($CAD) + 20% S&P 500 ($CAD) + 28% FTSE TMX Universe + 2% FTSE TMX 91 Day T-Bill + 5% IPD Canada Annual Property index.

Annualized Asset Class Performance

As of June 30, 2015 (Gross of Fees)

	Allocation		Performance(%)										
	Market Value ($)	% of Portfolio	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
Canadian Equity	**309,509,858**	**23.4**	**1.9**	**-0.5**	**14.0**	**14.6**	**8.4**	**10.7**	**10.8**	**51**	**5.1**	**7.7**	**8.6**
S&P/TSX Composite Index			0.9	-1.2	12.8	11.1	5.3	8.3	8.9	3.1	3.5	5.5	6.9
Relative Performance			*1.0*	*0.7*	*1.2*	*3.5*	*3.1*	*2.4*	*1.9*	*2.0*	*1.6*	*2.2*	*1.7*
US Equity	**232,042,856**	**17.5**	**10.0**	**28.2**	**26.9**	**28.2**	**22.4**	**22.3**	**20.1**	**15.0**	**10.0**	**10.0**	**9.1**
S&P 500			9.1	25.9	25.9	25.5	21.8	21.2	18.3	12.7	8.5	9.2	8.1

Relative Performance			*0.9*	*2.3*	*1.0*	*2.7*	*0.6*	*1.1*	*1.8*	*2.3*	*1.5*	*0.8*	*1.0*
Non-North American Equity	**228,636,295**	**17.2**	**12.4**	**10.4**	**18.5**	**20.5**	**14.0**	**15.4**	**13.3**	**9.2**	**5.0**	**7.1**	**7.2**
MSCI EAFE Index			14.1	12.7	18.8	20.3	12.3	13.7	10.7	5.5	2.8	4.8	5.8
Relative Performance			*-1.7*	*-2.3*	*-0.3*	*0.2*	*1.7*	*1.7*	*2.6*	*3.7*	*2.2*	*2.3*	*1.4*
Global Equity	**114,841,966**	**8.7**	**11.5**	**20.8**	**24.0**	**24.4**	**18.8**	**19.9**	**16.4**	**8.7**	**4.9**	**6.9**	**7.3**
MSCI World Ex Canada			11.4	20.4	23.1	23.4	17.6	17.9	14.9	9.4	6.0	7.3	7.2
Relative Performance			*0.1*	*0.4*	*0.9*	*1.0*	*1.2*	*2.0*	*1.5*	*-0.7*	*-1.1*	*-0.4*	*0.1*
Canadian Fixed Income	**377,178,134**	**28.5**	**2.4**	**6.3**	**5.8**	**3.8**	**5.2**	**5.1**	**5.4**	**5.5**	**5.6**	**5.6**	**4.9**
FTSE TMX Universe Index			2.4	6.3	5.8	3.8	5.2	5.1	5.4	5.6	5.8	5.6	5.0
Relative Performance			*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*-0.1*	*-0.2*	*0.0*	*-0.1*
Real Estate	**58,119,955**	**4.4**	**2.4**	**5.7**	**7.4**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
IPD Canadian Property Index			2.3	6.5	7.8	9.7	10.9	11.4	10.3	9.1	9.1	10.0	10.8
Relative Performance			*0.1*	*-0.8*	*-0.4*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Internal Cash (STIF)*	**6,607,193**	**0.5**	**0.4**	**1.0**	**3.3**	**2.2**	**0.2**	**0.2**	**02**	**1.4**	**1.3**	**16.0**	**14.6**
FTSE TMX Canada 91 Day T-Bill - C$			0.4	0.9	0.9	0.9	1.0	0.9	0.8	1.0	1.4	1.7	1.8
Relative Performance			*0.0*	*0.1*	*2.4*	*1.3*	*-0.8*	*-0.7*	*-0.6*	*0.4*	*-0.1*	*14.3*	*12.8*

Total Pension (Net of Fees)	**1,325,464,024**	**100.0**	**4.4**	**7.2**	**13.2**	**13.7**	**10.4**	**11.4**	**10.6**	**7.7**	**6.0**	**7.8**	**7.8**
Composite Benchmark			5.7	9.3	14.3	13.4	9.9	10.9	10.1	6.4	5.3	6.4	6.5
Relative Performance			*-1.3*	*-2.1*	*-1.1*	*0.3*	*0.5*	*0.5*	*0.5*	*1.3*	*0.7*	*1.4*	*1.3*
Total Pension (Gross of Fees)	**1,325,464,024**	**100.0**	**4.6**	**7.6**	**13.7**	**14.2**	**10.9**	**11.9**	**11.1**	**8.1**	**6.4**	**8.2**	**8.2**
Composite Benchmark			5.7	9.3	14.3	13.4	9.9	10.9	10.1	6.4	5.3	6.4	6.5
Relative Performance			*-1.1*	*-1.7*	*-0.6*	*0.8*	*1.0*	*1.0*	*1.0*	*1.7*	*1.1*	*1.8*	*1.7*
Total Pension ex.FX Overlay (Gross of Fees)	**1.326,936,257**	**100.1**	**5.9**	**9.5**	**15.0**	**15.2**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Composite Benchmark			5.7	9.3	14.3	13.4	9.9	10.9	10.1	6.4	5.3	6.4	6.5
Relative Performance			*0.2*	*0.2*	*0.7*	*1.8*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Effect of Passive Currency Hedge			**-1.3**	**-1.9**	**-1.3**	**-1.0**	**N/A**	**N/A/**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Current Composite Benchmark: 25% S&P/TSX Comp Capped + 20% MSCI EAFE ($CAD) + 20% S&P 500 ($CAD) + 28% FTSE TMX Universe + 2% FTSE TMX 91 Day-T-Bill + 5% IPD Canada Annual Property Index.

*Cash amounts and percentages presented exclude residual manager cash balances and FX overlay (currency hedging). However, they include the proceeds of the former Banyan Private Equity position, which explains its high 2-year return of 3.3%. All returns are reported gross of fees in CAD except for the Total Pension Plan where returns are displayed both net and gross of fees. EAFE stands for Europe, Australasia and Far East. The IPD Canadian Property Index is published quarterly with a 2-month lag, it is approximated by taking the previous quarter's return and converting it to a monthly basis (Index data from CIBC Mellon).

Annual Asset Class Performance

(Gross of Fees)

	Performance(%)									
	Jul 2014	Jul 2013	Jul 2012	Jul 2011	Jul 2010	Jul 2009	Jul 2008	Jul 2007	Jul 2006	Jul 2005

	to Jun 2015	to Jun 2014	to Jun 2013	to Jun 2012	to Jun 2011	to Jun 2010	to Jun 2009	to Jun 2008	to Jun 2007	to Jun 2006
Canadian Equity	**-0.5**	**30.7**	**15.8**	**-8.4**	**20.6**	**10.9**	**-23.2**	**5.3**	**30.7**	**17.4**
S&P/TSX Composite Index	-1.2	28.7	7.9	-10.3	20.9	12.0	-25.7	6.7	22.7	19.6
Relative Performance	*0.7*	*2.0*	*7.9*	*1.9*	*-0.3*	*-1.1*	*2.5*	*-1.4*	*8.0*	*-2.2*
US Equity	**28.2**	**25.5**	**30.9**	**6.7**	**21.6**	**10.0**	**-11.4**	**-19.4**	**9.9**	**1.7**
S&P 500	25.9	25.8	24.8	11.4	18.8	4.5	-15.6	-17.1	15.3	-1.4
Relative Performance	*2.3*	*-0.3*	*6.1*	*-4.7*	*2.8*	*5.5*	*4.2*	*-2.3*	*-5.4*	*3.1*
Non-North American Equity	**10.4**	**27.2**	**24.7**	**-3.4**	**20.9**	**3.4**	**-12.4**	**-20.5**	**26.3**	**7.4**
MSCI EAFE Index	12.7	25.3	23.3	-8.5	19.1	-2.8	-21.0	-14.2	22.0	15.3
Relative Performance	*-2.3*	*1.9*	*1.4*	*5.1*	*1.8*	*6.2*	*8.6*	*-6.3*	*4.3*	*-7.9*
Global Equity	**20.8**	**27.2**	**25.3**	**3.5**	**24.3**	**0.2**	**-27.9**	**-18.1**	**24.3**	**11.4**
MSCI World Ex Canada	20.4	25.8	24.2	1.7	19.2	1.0	-18.5	-15.3	18.6	6.3
Relative Performance	*0.4*	*1.4*	*1.1*	*1.8*	*5.1*	*-0.8*	*-9.4*	*-2.8*	*5.7*	*5.1*
Canadian Fixed Income	**6.3**	**5.3**	**0.0**	**9.4**	**4.7**	**7.2**	**6.0**	**6.5**	**5.0**	**-0.6**
FTSE TMX Universe Index	6.3	5.3	-0.2	9.5	4.7	6.9	7.0	6.8	4.8	-0.7
Relative Performance	*0.0*	*0.0*	*0.2*	*-0.1*	*0.0*	*0.3*	*-1.0*	*-0.3*	*0.2*	*0.1*
Real Estate	**5.7**	**9.1**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
IPD Canadian Property Index	6.5	9.2	13.4	14.8	13.3	5.2	1.7	9.6	17.0	18.5
Relative Performance	*-0.8*	*-0.1*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Internal Cash (STIF)*	**1.0**	**5.6**	**0.0**	**-5.3**	**0.2**	**0.1**	**9.2**	**0.0**	**243.9**	**2.9**

FTSE TMX Canada 91 Day T-Bill-C$	0.9	1.0	1.0	1.0	0.9	0.3	2.0	4.1	4.3	3.2
Relative Performance	*0.1*	*4.6*	*-1.0*	*-6.3*	*-7.0*	*-0.2*	*7.2*	*-4.1*	*239.6*	*-0.3*
Total Pension (Net of Fees)	**7.2**	**19.6**	**14.7**	**1.1**	**15.4**	**6.7**	**-8.4**	**-5.1**	**23.7**	**7.3**
Composite Benchmark	9.3	19.5	11.6	0.1	15.2	6.1	-13.3	-2.4	15.6	7.9
Relative Performance	*-2.1*	*0.1*	*3.1*	*1.0*	*0.2*	*0.6*	*4.9*	*-2.7*	*8.1*	*-0.6*
Total Pension (Gross of Fees)	**7.6**	**20.1**	**15.2**	**1.6**	**15.9**	**7.1**	**-8.1**	**-4.8**	**24.0**	**7.6**
Composite Benchmark	9.3	19.5	11.6	0.1	15.2	6.1	-13.3	-2.4	15.6	7.9
Relative Performance	*-1.7*	*0.6*	*3.6*	*1.5*	*0.7*	*1.0*	*5.2*	*-2.4*	*8.4*	*-0.3*
Total Pension ex. FX Overlay (Gross of Fees)	**9.5**	**20.8**	**15.5**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Composite Benchmark	9.3	19.5	11.6	0.1	15.2	6.1	-13.3	-2.4	15.6	7.9
Relative Performance	*0.2*	*1.3*	*3.9*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*

Current Composite Benchmark: 25% S&P/TSX Comp Capped + 20% MSCI EAFE ($CAD) + 20% S&P 500 ($CAD) + 28% FTSE TMX Universe + 2% FTSE TMX 91 Day T-Bill + 5% IPD Canada Annual Property Index.

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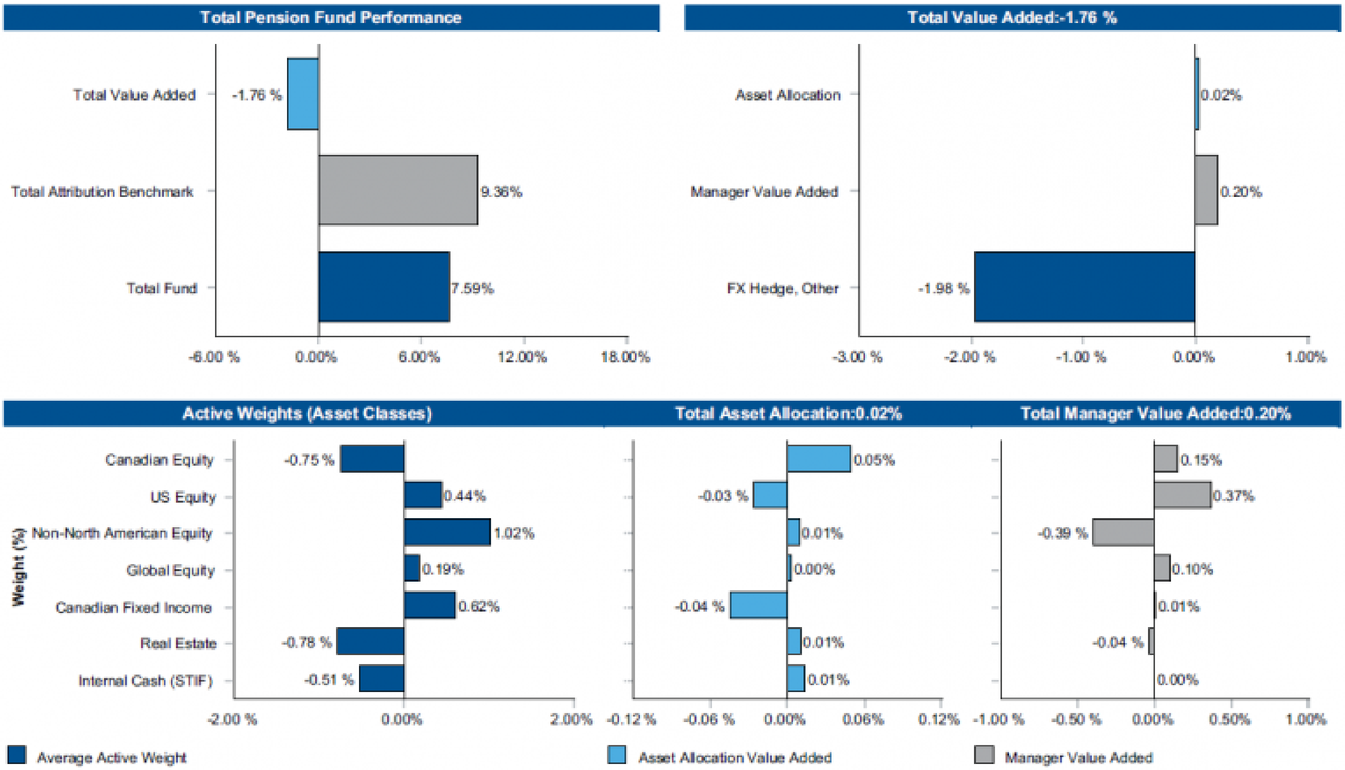
EAFE stands for Europe, Australasia and Far East.
The IPD Canadian Property Index is published quarterly with a 2-month lag, it is approximated by taking the previous quarter's return and converting it to a monthly basis (Index data from CIBC Mellon).

Performance Attribution

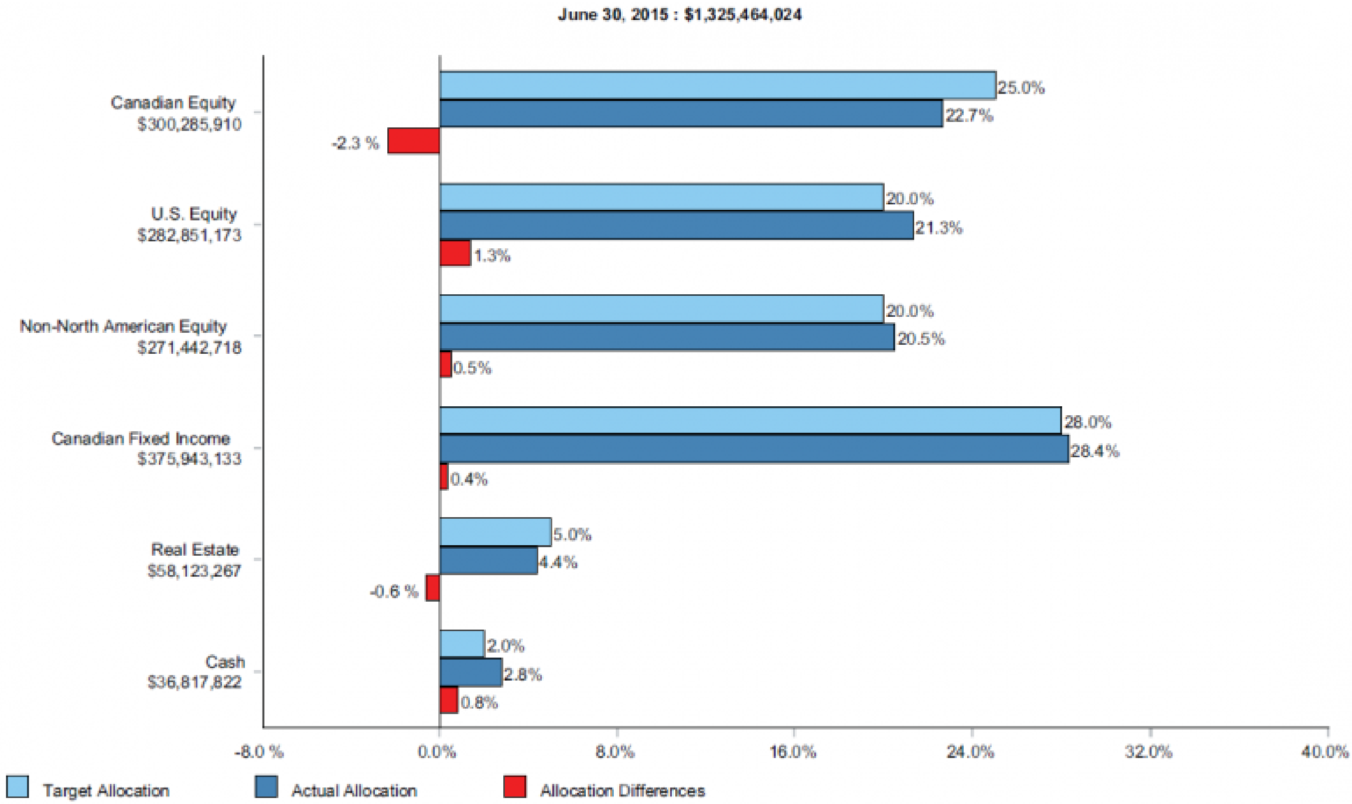
Total Pension Plans Vs Attribution Benchmark
1 Year Ending June 30, 2015



Returns are presented gross of fees in CAD
The Attribution Benchmark was created to account for small variations of asset allocation between the Total Pension Plans and their Composite Benchmark. Its composition is as follows: 25% S&P/TSX Comp Capped + 16% S&P 500 ($CAD) + 16% MSCI EAFE ($CAD) + 8% MSCI World + 28% FTSE TMX Universe + 5% IPD Canada Annual Property Index + 2% FTSE TMX 91 Day T-Bill.
The Benchmarks do not assume currency hedging.
“Other” includes the effects of all other factors on the Total Pensions Plans' relative return, including rebalancing and residual trading returns.

Pension Plans Asset Mix

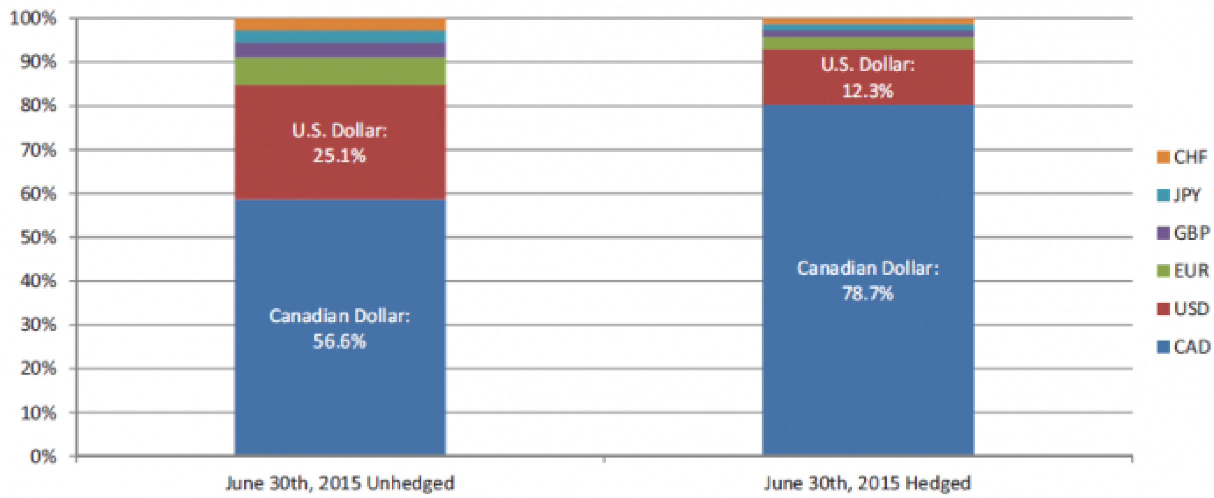
Actual Allocation Vs Investment Policy Allocation
As of June 30, 2015



Note: this actual allocation displays the aggregate managers' holdings regardless of their mandate: Cash presented includes internal cash (STIF) and manager residual cash balances (data from CIBC Mellon). Real Estate includes Greystone Real Estate and a residual position in Banyan Private Equity ($3,239).

Pension Currency Exposure

As of June 30th, 2015

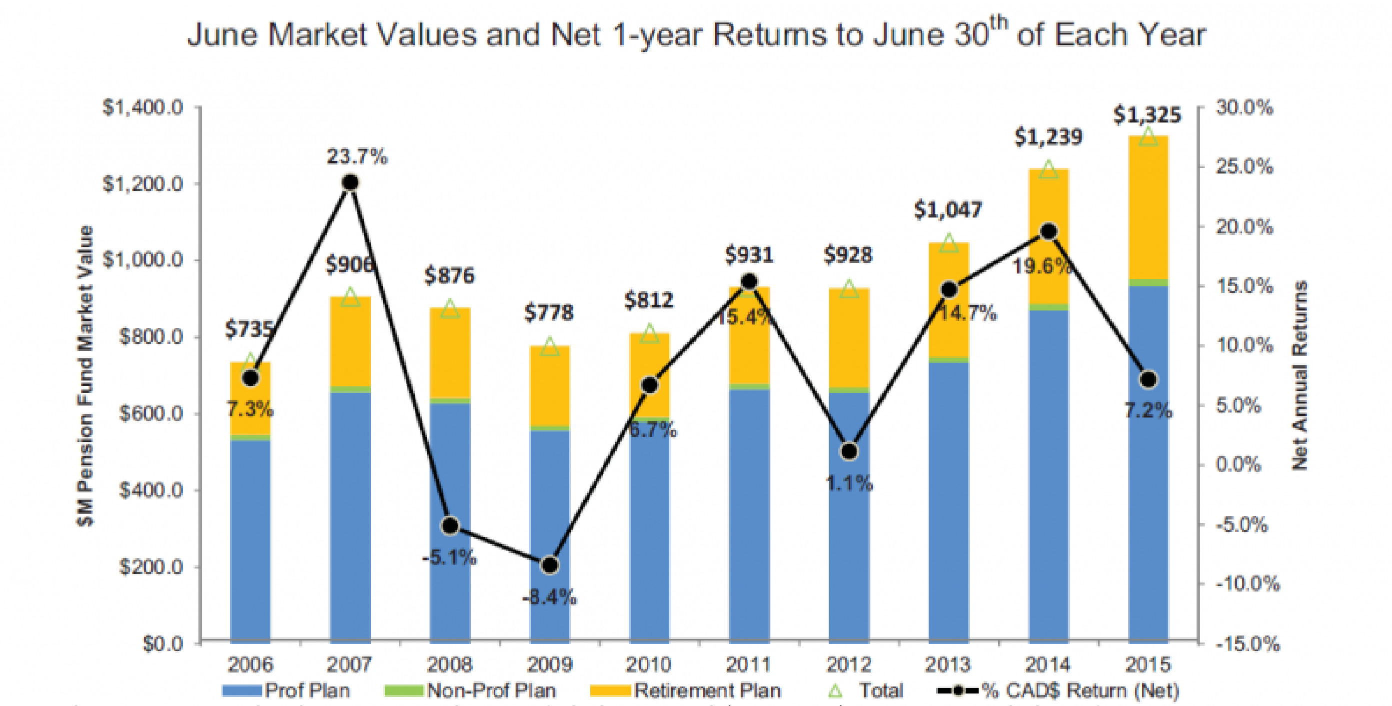


Currency	June 30, 2015 Unhedged	Gross Exposure (CAD)	Hedge (CAD)	June 30, 2015 Hedged	Net Hedged Exposure (CAD)
Canadian Dollar	56.6%	750,940.505	291,903,670	78.7%	1,042,844,175
US Dollar	25.1%	333,268,294	-170,705,183	12.3%	162,563,111
Euro	6.0%	80,099,491	-43,064,127	2.8%	37,035,363

British Pound	3.3%	43,768,363	-23,444,445	1.5%	20,323,918
Swiss Franc	2.6%	34,145,031	-17,855,057	1.4%	16,289,974
Japanese Yen	2.8%	37,032,235	-18,582,709	1.2%	18,449,526
Other	3.6%	47,753,195	-19,724,380	2.1%	28,028,815

Note: The Net Hedged Exposure equals the fund's original currency exposure to its total investments (Gross Exposure) plus the currency hedge implemented by Mesirow, which is designed to protect the pension fund from excessive foreign currency fluctuations.

Growth of Pension Assets



Over the last 12 months the total Pension portfolio increased $86 M to $1,325 M consisting of:

-Total contributions of $65.2 M and distributions of $65.0 M
- one year return (net of investment management fees) of 7.2% compared to 19.6% one year ago

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