



2012-13 Fund Report

Please visit the following websites for further information

Fund Report Frequently Asked Questions

www.queensu.ca/advancement/fundstewardship/FAQ.html

Queen's University Pooled Endowment Fund

www.queensu.ca/advancement/fundstewardship/PEF.html

Fund Report Questionnaire

www.queensu.ca/fundreports

Initiative Campaign

www.queensu.ca/initiative

Making a Gift to Queen's

www.givetoqueens.ca

Donor Stories

www.queensu.ca/advancement/donorstories.html

The James R. Booth Memorial Award

Fund: 71115

For fiscal period: May 1, 2012 to April 30, 2013

Gifts contributed to this permanent fund are consolidated with the capital gifts of other donors and invested as part of Queen's University's Pooled Endowment Fund (PEF). The investment objectives and guidelines, the choice of fund managers, and the payout and expense policies applicable to the PEF are determined by the Board of Trustees' Investment Committee. All numbers are rounded to the nearest dollar.

Terms of Reference for the Fund:

Established in November 2007 by the Class of Commerce 1966 in memory of their classmate James R. Booth, B.Com. 1966, and awarded on the basis of financial need and academic achievement to full-time students in the Bachelor of Commerce program in the School of Business.

I. Status of the Fund's Capital:

Book Value: Total of gifts to capital account, with reinvested payout and other adjustments
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Opening Balance – May 1, 2012		\$14,473
New Capital Account Activity – May 1 to April 30:		
Contribution(s)	450	
Other	0	
Recapitalization of Income – as per recapitalization on next page	0	
Total:		450
Balance in Capital Account – April 30, 2013		<u><u>\$14,923</u></u>

Market Value: Value of capital account reflecting investment appreciation or depreciation since inception.

Units Held	Units	Value per Unit	Market Value
As of April 30, 2013	5,391	2.6588	\$14,333

The James R. Booth Memorial Award

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II. Status of the Fund's Income:

Income Account Activity: Investment income paid to the account and disbursed for purposes as specified in the fund's terms of reference

Opening Balance – May 1, 2012		\$ 8
Contribution(s)	0	
Income credited based on 2012-13 payout rate (0.0999 per unit)	521	
Income credited calculated on new capital account activity	6	
Other	0	
Total:		527

Total available for disbursement through April 30, 2013		<u>\$ 535</u>
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Award Recipient(s):

Dan Mandelman

Total distributed in period	(475)
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Transfer to capital account for capitalization – see previous page	0
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Balance in Income Account – April 30, 2013	<u>\$ 60</u>
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Projected Payout to Income Account (2013-14): Based on the Board approved “payout rate” of \$0.0924 per unit

Units Held as of April 30, 2013	5,391	Units
Payout Rate	<u>0.0924</u>	per unit
Next year's projected income		\$ 498
Balance from April 30, 2013		\$ 60
Projected Balance in Income Account (May 2013–April 2014)		<u>\$ 558</u>

Frequently Asked Questions - Class Funds



Please accept our sincere appreciation for the leadership you are providing your classmates in your class fund initiative. Class giving efforts fund many important student awards and special initiatives that continue to make a positive difference at Queen's. The class giving model relies on the commitment of individuals to endorse and persuade their classmates to reconnect with Queen's and leave a group legacy in such a special manner. Thank you for championing this effort.

We are pleased to provide the following with this year's 2012-13 fund report for **The James R. Booth Memorial Award**:

Sandra Booth
Colin Stephenson

What information on the Fund Report could we provide to fellow classmates?

Book Value vs Market Value

As the Market Value reflects the investment performance of the Pooled Endowment Fund, which fluctuates monthly, the fund's **Book Value** (or Capital Account Balance) should be provided to the class.

Capital Account Balance (April 30, 2013):	\$14,923
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Investment Income

To reflect investment income year-over-year and potential fund growth, we recommend reporting annual investment income (please note that this is not necessarily what will be disbursed):

2012-13 Investment Income:	\$521
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2013-14 Investment Income:	\$498
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Historical Award Data

Number of award recipients since Fund's inception:	5
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Total disbursed since Fund's inception:	\$2,575
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Award Recipient

While we are pleased to provide the recipient's name in the fund report, privacy legislation requires different handling when communicating to classmates.

Under the Freedom of Information Protection of Privacy Act (FIPPA) the release of information the award recipient consents to on all awards administered through the Office of the University Registrar, Student Awards allows for the release of the recipient's full name, program of study, year, and address or a telephone number. This information can only be released to the contact person(s) listed on fund.

The consent statement used by the Office of the University Registrar, Student Awards does not permit the recipient's personal information to be published online or in print. **If a Class wishes to publish this information online or in print then further consent outlining the specific use of the recipient's personal information is required from the recipient.**

Formal requests for further consent from the recipient must be directed through the Senior Awards Officer, Donor Relations, in the Office of the University Registrar, Student Awards. Any request of this nature must include how the information will be utilized and a description of who will be the intended audience for this information. Further, only students who are actively registered at Queen's will be contacted to provide further consent to release personal information.

Judy Wilson
Senior Awards Officer, Donor Relations
Office of the University Registrar, Student Awards
Queen's University
Kingston, ON K7L 3N6
Phone: 613 533-6000 ext. 78204
Email: judy.wilson@queensu.ca

Who could I contact to discuss class fund-raising initiatives?

Shelley Hamill
Relationship Manager
Development & Alumni Relations
Queen's School of Business
Goodes Hall, Kingston, ON K7L 3N6
Phone: 613-533-3217
Email: shamill@business.queensu.ca



Understanding Your Fund's Performance

We place a high value on the trust and generosity you have shown to Queen's through the establishment of your endowed fund, which is invested as part of the University's Pooled Endowment Fund ("the Fund"). Your confidence in our partnership is important, and we want to ensure that you have a full understanding of the impact that your fund has on the University and how it is being managed.

Queen's is committed to the goals of ensuring annual income support to your chosen area along with long-term capital preservation and appreciation of the Fund.

You may have noticed that the Market Value of your fund is less than its Book Value, which is a result of maintaining an income distribution to support your chosen area while the Fund sustained losses during the global financial crisis.

In 2008, the Fund experienced a 21.6% loss. We did not suspend distributions from the Fund. In 2008-2009, the income distribution was 4.4%, and in 2009-10 and 2010-11 distributions were 5.96% and 4.84% of the reduced Fund's Market Value. These payouts enabled continued support to your chosen project. The income distribution formula has been adjusted to the target rate of 4%, which is the reason for the declining income distribution. This has been necessary to preserve capital and maintain the real value of the Fund over time. A smoothing methodology is used to establish annual income distributions.

The attached document, "Pooled Endowment Fund Fact Sheet" summarizes the annualized returns and income distributions for the past 15 years and provides information on the Investment Policy asset mix as approved by the Queen's University Board of Trustees.

The management of the Fund is under the governance of the Investment Committee of the Board of Trustees, composed of both Board and non-Board members chosen for their investment expertise. The Committee is acutely aware of the need to continue to support the important initiatives funded by the Fund, while at the same time preserving its capital and maintaining the real value of the Fund through capital appreciation. Further capital appreciation of the Fund would result in income distribution increases commencing in the 2014-15 fiscal year. Rest assured that your fund continues to have a positive impact here at Queen's, and it is a vital part of our programming.

We hope this information is helpful to you in understanding your fund's performance. It is important that we continue to justify your trust as we steward your gifts over the long term.

Sincerely,

Tom Harris
Vice-Principal (Advancement)

Don Raymond
Chair of the Investment Committee
of the Board of Trustees

Queen's University Pooled Endowment Fund FACT SHEET



Investment Highlights

The continuation of the U.S. Federal Reserve's quantitative easing program has significantly benefited most global equity markets. The S&P 500 Index posted a 19.0% return over the Pooled Endowment Fund's fiscal year ending April 30, 2013 (in Canadian dollars). Weakness in resource-oriented stocks weighed on the relative performance of the Canadian markets over the same period, although the S&P/TSX Composite Index still managed to gain 4.5%. Meanwhile, bonds continued to deliver, with the DEX Universe Bond Index returning 5.6%.

In this environment, the well-diversified Queen's University Pooled Endowment Fund managed a return of 15.4% for the year ending April 30, 2013. It should be noted, however, that despite the impressive results over the past year, returns of this magnitude are not sustainable over the long term. As such, expectations for future performance should be more modest. Indeed, a measure of caution is warranted, as there have recently been mixed economic reports and a number of concerns including the continuing European debt crisis, China's slowing growth, Japan's massive quantitative easing, and weakening U.S. economic data.

Annualized Returns to April 30, 2013

1 year	15.4%
3 years	9.3%
5 years	4.3%
10 years	7.3%
15 years	6.5%

Fifteen Year Summary

Fiscal Year	Annual Return	Market Value ¹ (\$)	Unit Value ¹ (\$)	Distribution ² (\$)
2012-2013	15.4%	694 mm	2.6588	0.0999
2011-2012	1.9%	611 mm	2.4123	0.1098
2010-2011	11.0%	613 mm	2.4945	0.1151
2009-2010	20.9%	566 mm	2.3778	0.1249
2008-2009	-21.6%	473 mm	2.0962	0.1265
2007-2008	-2.1%	625 mm	2.8702	0.1196
2006-2007	13.6%	648 mm	3.0710	0.1141
2005-2006	12.1%	572 mm	2.8200	0.1119
2004-2005	10.1%	515 mm	2.6263	0.1144
2003-2004	18.8%	462 mm	2.5091	0.1169
2002-2003	-7.2%	413 mm	2.2233	0.1169
2001-2002	7.5%	446 mm	2.4948	0.1134
2000-2001	14.7%	412 mm	2.4502	0.1090
1999-2000	4.7%	307 mm	2.2540	0.1011
1998-1999	5.3%	293 mm	2.2816	0.1000

1. At the end of the fiscal year (i.e. April 30th).
2. Distribution per unit paid at the beginning of the fiscal year (i.e. May 1st).

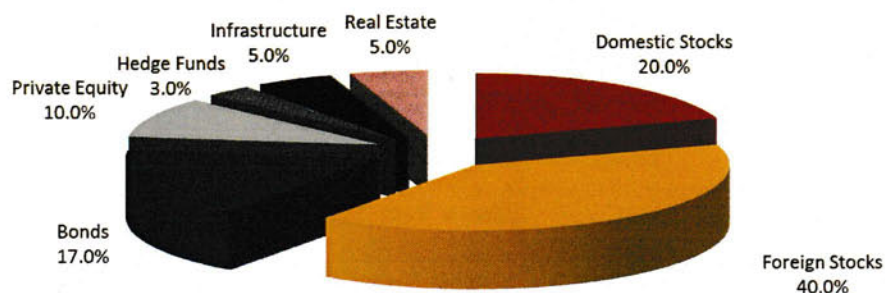
Investment Return Objectives

- Maximize investment returns at an acceptable level of risk
- Maintain the real value of the fund through capital appreciation
- Preserve capital to ensure spending for future generations

Governance Structure

- Investment Committee of the Board of Trustees:
 - Has the overall fiduciary duty for the investment management of the fund
 - Composed of both Board and non-Board members chosen for their investment expertise
 - Sets investment policy and determines the asset allocations to each manager
 - Responsible for selecting investment managers and reviewing investment performance
 - Approves spending policy targets
- Department of Investment Services:
 - Responsible for day-to-day operations of the Pooled Endowment Fund
 - Works closely with the Investment Committee on investment matters and implements committee directives
 - Conducts ongoing due diligence on external managers and monitors compliance with investment policy
 - Conducts research on new investment opportunities and recommends changes when appropriate
 - Measures and reports investment performance against objectives
- Statement of Investment Policies and Procedures
 - A formal document – governs the daily activities of the fund
 - Drafted by the Department of Investment Services and reviewed by the Investment Committee
 - All changes or revisions require approval by the Board of Trustees

Current Policy Asset Mix



The fund is well diversified geographically and across asset classes.

Current Investment Managers (as of April 30, 2013)

Assets of the Pooled Endowment Fund are managed through professional investment managers:

Canadian Equities

Burgundy Asset Management
TD Asset Management

Fixed Income

PIMCO
Beutel Goodman
Brandes Investment Partners

U.S. Small Cap Equities

Fisher Investments

Hedge Funds

Private Advisors

Global Equities

Pier 21 (sub-advised by ValueInvest)
TD Asset Management

Private Equity

Commonfund Capital
Northleaf Capital Partners
Park Street Capital
Kensington Capital Partners
Hamilton Lane

Infrastructure / Real Estate

To be determined

Investment Benefits

- Professional investment management
- Access to top tier investment managers across the globe
- Low investment fees due to the large size of the fund