

UNIVERSITY OF VICTORIA FOUNDATION

STATEMENT OF ADMINISTRATIVE RESPONSIBILITY FOR FINANCIAL STATEMENTS

The University of Victoria is responsible for the preparation of the financial statements of the University of Victoria Foundation. The statements have been prepared in accordance with Canadian generally accepted accounting principles and present fairly the financial position of the Foundation as at March 31, 2012 and the results of its operations for the year then ended.

In fulfilling its responsibility and recognizing the limits inherent in all systems, the University's Administration has developed and maintains a system of internal control designed to provide reasonable assurance that the Foundation's assets are safeguarded from loss and that the accounting records are a reliable basis for preparation of the financial statements.

The financial statements have been examined by KPMG LLP, Chartered Accountants, the independent auditors appointed by the Foundation's Board of Directors. The Independent Auditors' Report outlines the nature of their examination and expresses an opinion on the financial statements of the Foundation for the year ended March 31, 2012.

Lisa Hill
Chair

Andrew Coward
Treasurer

June 21, 2012



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INDEPENDENT AUDITORS' REPORT

To the Members of the University of Victoria Foundation

We have audited the accompanying financial statements of the University of Victoria Foundation, which comprise the statement of financial position as at March 31, 2012, the statements of revenue and expense and changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the University of Victoria Foundation as at March 31, 2012, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

June 21, 2012
Victoria, Canada

UNIVERSITY OF VICTORIA FOUNDATION
STATEMENT OF FINANCIAL POSITION
As at March 31, 2012

| | <u>2012</u> | <u>2011</u> |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Cash on deposit | \$ 1,903,388 | \$ 3,195,567 |
| Accrued interest and other receivables | 1,648,609 | 1,382,515 |
| Investments (Schedule A) | <u>300,852,475</u> | <u>298,858,023</u> |
| | <u>304,404,472</u> | <u>303,436,105</u> |
| LIABILITIES AND FUND BALANCES | | |
| Accounts payable | 1,088,938 | 657,558 |
| Amount due to the University of Victoria (note 5) | 1,728,064 | 3,064,259 |
| Loan payable to the University of Victoria (note 6) | <u>-</u> | <u>1,602,502</u> |
| | <u>2,817,002</u> | <u>5,324,319</u> |
| Endowment Principal balances (Statement 2): | | |
| Restricted endowment | 262,199,189 | 246,315,852 |
| Restricted quasi-endowment | 7,778,556 | 7,582,237 |
| Designated endowment | 17,094,481 | 16,600,446 |
| Designated quasi-endowment | 1,356,572 | 1,318,343 |
| Unrestricted endowment | 2,221,600 | 2,006,928 |
| Unrestricted quasi-endowment | <u>2,738,035</u> | <u>2,619,033</u> |
| | <u>293,388,433</u> | <u>276,442,839</u> |
| Expendable funds balances (Statement 2)(note 3) | <u>8,199,037</u> | <u>21,668,947</u> |
| | <u>\$ 304,404,472</u> | <u>\$ 303,436,105</u> |

On behalf of the Board of Directors:

Chair

Treasurer

UNIVERSITY OF VICTORIA FOUNDATION
STATEMENT OF REVENUE AND EXPENSE AND CHANGES IN FUND BALANCES
For the Year ended March 31, 2012
(with comparative figures for 2011)

| | <u>Endowment Principal</u> | | <u>Expendable Funds</u> | |
|--|----------------------------|-----------------------|-------------------------|----------------------|
| | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> |
| REVENUE | | | | |
| Donations | \$ 8,667,176 | \$ 19,452,497 | \$ 368,130 | \$ 200,335 |
| Top up donations from University of Victoria (note 5) | - | - | - | 67,107 |
| Transfer of endowment from University of Victoria | - | 1,137,547 | - | - |
| University of Victoria matching funds | - | 304,000 | - | - |
| Interest and dividend income | - | - | 10,446,776 | 9,592,318 |
| Realized gains, less losses | - | - | 3,137,569 | 5,359,709 |
| Unrealized gains, less losses | - | - | (4,857,274) | 12,098,434 |
| | <u>8,667,176</u> | <u>20,894,044</u> | <u>9,095,201</u> | <u>27,317,903</u> |
| EXPENSE | | | | |
| Scholarships, bursaries and other distributions (note 5) | - | - | 12,297,041 | 7,723,561 |
| Administration fees (Note 5) | - | - | 662,355 | 663,371 |
| Investment management fees | - | - | 1,327,297 | 1,409,555 |
| | <u>-</u> | <u>-</u> | <u>14,286,693</u> | <u>9,796,487</u> |
| Excess (deficiency) of revenue over expense | 8,667,176 | 20,894,044 | (5,191,492) | 17,521,416 |
| Fund balances at beginning of year | 276,442,839 | 250,826,873 | 21,668,947 | 8,869,453 |
| Interfund Transfers - Encroachment on Quasi-Endowments (note 7) | (55,973) | (43,874) | 55,973 | 43,874 |
| Capitalizations to Endowment Principal (note 4) | <u>8,334,391</u> | <u>4,765,796</u> | <u>(8,334,391)</u> | <u>(4,765,796)</u> |
| Fund balances at end of year | <u>\$ 293,388,433</u> | <u>\$ 276,442,839</u> | <u>\$ 8,199,037</u> | <u>\$ 21,668,947</u> |

See accompanying notes to the financial statements

UNIVERSITY OF VICTORIA FOUNDATION
STATEMENT OF CASH FLOWS
For the Year ended March 31, 2012

| | <u>2012</u> | <u>2011</u> |
|--|---------------------|---------------------|
| Cash provided by (used in) | | |
| Operating activities | | |
| Excess of revenue over expense | \$ 3,475,684 | \$ 38,415,460 |
| Items not involving cash | | |
| Realized gains, less losses on investment | (3,137,569) | (5,359,709) |
| Unrealized gains, less losses on investment | 4,857,274 | (12,098,434) |
| Changes in non-cash working capital balances (net) | | |
| Net increase in current assets | (266,094) | (384,335) |
| Net increase (decrease) in current liabilities | 431,380 | (1,283,107) |
| (Decrease) increase in due to the University of Victoria | (1,336,195) | 3,064,259 |
| Decrease in due from the University of Victoria | - | 286,406 |
| | <u>4,024,480</u> | <u>22,640,540</u> |
| Investing activities | | |
| Increase in investment | (3,714,157) | (22,679,023) |
| Financing activities | | |
| Loan payable | (1,602,502) | 1,143,414 |
| (Decrease) increase in cash during the year | (1,292,179) | 1,104,931 |
| Cash, beginning of year | <u>3,195,567</u> | <u>2,090,636</u> |
| Cash, end of year | <u>\$ 1,903,388</u> | <u>\$ 3,195,567</u> |

See accompanying notes to the financial statements

UNIVERSITY OF VICTORIA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

Note 1. Purpose and Status of University of Victoria Foundation

The purpose of the Foundation is to encourage and administrate financial support of the University through donations from individuals, corporations, and foundations to fund scholarships, bursaries and other university purposes; and to promote a continuing interest in the University and in higher education in general. The Foundation is incorporated in British Columbia under the *University of Victoria Foundation Act*. It is a charitable organization registered under the Income Tax Act and as such is exempt from income taxes.

The accounts of the Foundation are included in the consolidated financial statements of the University of Victoria.

Note 2. Significant Accounting Policies

a) Basis of Presentation

These financial statements are prepared in accordance with Canadian generally accepted accounting principles using the not-for profit organization reporting standards recommended by the Canadian Institute of Chartered Accountants (CICA) and include the following significant accounting policies:

b) Fund Accounting

The Foundation follows the restricted fund method of accounting for donations to recognize restrictions placed on the use of funds by donors, the University, or the Board of Directors of the Foundation.

The endowment principal of funds is classified into two groups:

- (i) Endowment funds - where the principal is to be held intact in perpetuity,
- (ii) Quasi-endowment funds - where the terms of the endowment permit the principal to be expended under certain circumstances.

The expendable income of funds is classified as follows:

- (i) Restricted - by the donor to certain specific uses, e.g. scholarships, bursaries, library books, etc.,
- (ii) Designated - internally restricted by the Board of Directors of the Foundation for certain specific uses, usually at the time the gift or bequest is received,
- (iii) Unrestricted - where no direction is given by the donor and the Board of Directors of the Foundation decides not to direct that the income be used for any specific purposes.

c) Investments

The assets underlying the endowment principal and expendable funds, with the exception of the Kenneth and Joy Williams Trust, (see Note 3) are held in an investment pool. This investment pool is recorded at market value. The principal and expendable portion of each fund in the pool is expressed as a number of units. The value of each unit is calculated monthly based on the market value of the investments, with additions assigned a number of units corresponding to their market value. The income of the investment pool is distributed to funds according to the number of units held in the prior month.

d) Pledge Revenue

Pledges from donors are recorded as revenue when payment is received since their ultimate collection cannot be assured until that time.

e) Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported revenues and expenses during the reporting period. Actual results could differ from these estimates.

f) Financial Instruments

The Foundation's financial instruments are classified into three categories. Cash and investments are classified as held-for-trading and carried at fair value. Changes in fair value are recorded in operations. Accrued interest and other receivables are classified as other loans and receivables; accounts payable, loans payable and amounts due to the University of Victoria are classified as other financial liabilities; both categories are carried at amortized cost using the effective yield method. It is management's opinion that the Foundation is not exposed to significant credit risk arising from these instruments however by virtue of holding significant portfolios of rate sensitive investments and currency sensitive investments (as outlined in Schedule A), the Foundation is exposed to both interest and currency risk.

The Foundation has elected to defer applying CICA Handbook Sections 3862, *Financial Instruments - Disclosure* and 3863, *Financial Instruments - Presentation*. Sections 3862 and 3863 place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how an entity manages those risks. The Foundation has elected to continue to apply the financial instruments disclosure and presentation standards in accordance with Section 3861.

g) Net Investment Income

Net investment income, reported on Schedule C, includes interest and dividend income, realized and unrealized gains and losses and is measured net of investment management and administration fees.

h) Future Accounting Changes

Effective April 1, 2012, the Foundation will transition to the Public Sector Accounting Standards, including the not-for-profit supplement set out in PS4200. The transition to the new accounting framework will be applied on a retrospective basis.

Note 3. Kenneth and Joy Williams Trust

The assets underlying the Kenneth and Joy Williams Trust are invested separately from the investment pool. The terms of the trust call for the income to be paid to the settlers.

Note 4. Endowment Management Policy

The Foundation has an Endowment Management Policy which balances the intention to protect the value of the fund against inflation with the intention to maintain stability and predictability in the distribution of income. Consistent with this policy, a portion of the expendable fund of each endowment may be capitalized to endowment principal to provide a larger investment base for future years. During the year ended March 31, 2012, \$8,334,391 (2011 - \$4,765,796) of expendable funds were capitalized.

Note 5. Related Party Transaction

The Foundation paid \$489,000 (2011 - \$455,100) in administration fees to the University of Victoria during the year ended March 31, 2012.

Amount due to the University of Victoria relates to cash flows resulting from activities between the University of Victoria and the Foundation.

Note 6. Loan from University of Victoria

In 2012 the Foundation paid in full, the \$1,602,502 loan provided by the University of Victoria during 2010 and 2011.

Note 7. Interfund Transfers

The Foundation's policy allows for encroachment on the principal balance of quasi-endowments. This interfund transfer covers any deficit expendable balances at year end. During the year ended March 31, 2012, \$55,973 (2011-\$43,874) was transferred from principal to expendable.

Note 8. Capital Disclosures

The Foundation considers its capital to be its endowment principal and expendable fund balances. The Foundation's objectives when managing its capital are to protect the value of the fund against inflation and to provide stability in the earnings distribution. With the assistance of an investment consultant, the Foundation's Board of Directors regularly monitors the Foundation's investments to ensure compliance with the Foundation's Statement of Investment Objectives and Guidelines so that immediate and long-term obligations can be met within an acceptable level of risk.

UNIVERSITY OF VICTORIA FOUNDATION
SCHEDULE OF INVESTMENTS
MARCH 31, 2012

| | COUPON INTEREST | DUE | FACE VALUE OR NUMBER OF SHARES | ORIGINAL COST | MARKET VALUE | UNREALIZED GAIN (LOSS) |
|--|--------------------|------------|-----------------------------------|-------------------|-------------------|---------------------------|
| <u>FIXED INCOME</u> | | | | | | |
| BANK OF MONTREAL FXD/FLRT CALL | 5.200% | 2017/06/21 | 36,000 | 37,800 | 36,291 | (1,509) |
| BANK OF NOVA SCOTIA SUB NOTES FIX-FLT CALL | 4.940% | 2019/04/15 | 33,000 | 34,874 | 34,838 | (36) |
| CIBC SUB DEBE MTN FIX-TO-FLOAT 30APR2015 | 4.110% | 2020/04/30 | 33,000 | 33,802 | 34,660 | 858 |
| RBC SUB NOTES SER A CAPITAL TR FLTG RT(CALL) | 4.580% | 2017/04/30 | 34,000 | 35,149 | 34,075 | (1,074) |
| BRITISH COLUMBIA PROV BONDS (CMPD) | 6.350% | 2031/06/18 | 3,160,000 | 4,330,939 | 4,427,514 | 96,575 |
| CADILLAC FAIRVIEW FINANCE TRUST SER A | 3.240% | 2016/01/25 | 450,000 | 449,978 | 466,545 | 16,567 |
| CANADA GOVERNMENT OF NOTE SERIES ZV97 | 1.500% | 2017/03/01 | 66,000 | 65,962 | 65,766 | (196) |
| CANADA GOVT BD SER ZJ69 | 3.250% | 2021/06/01 | 303,000 | 330,300 | 331,482 | 1,182 |
| CANADA HOUSING TRUST | 3.750% | 2020/03/15 | 2,403,000 | 2,664,067 | 2,637,783 | (26,284) |
| CANADA HOUSING TRUST GLOBAL NO 1 SER 23 | 4.100% | 2018/12/15 | 491,000 | 549,259 | 549,109 | (150) |
| CBC MONETIZATION TRUST NOTE | 4.688% | 2027/05/15 | 106,271 | 106,271 | 116,577 | 10,306 |
| HOSPITAL FOR SICK CHILDREN SER A | 5.217% | 2049/12/16 | 155,000 | 151,358 | 184,614 | 33,256 |
| NEW BRUNSWICK PROVINCE OF | 4.800% | 2041/06/03 | 1,260,000 | 1,458,445 | 1,501,766 | 43,321 |
| NEW BRUNSWICK SFD | 4.400% | 2019/06/03 | 2,025,000 | 2,136,207 | 2,247,400 | 111,193 |
| NHA MBS P#96503636 BY EQUITABLE TRUST CO | 4.350% | 2018/01/01 | 300,000 | 286,100 | 302,190 | 16,090 |
| NHA MBS P#96505011 PEOPLES TRUST CO | 4.200% | 2019/10/01 | 90,000 | 85,848 | 93,672 | 7,824 |
| ONTARIO (PROVINCE OF) | 4.650% | 2041/06/02 | 551,000 | 629,926 | 653,985 | 24,059 |
| ONTARIO PROV CDA DEB | 5.600% | 2035/06/02 | 310,000 | 409,781 | 405,949 | (3,832) |
| ONTARIO PROVINCE CANADA | 8.100% | 2023/09/08 | 440,000 | 608,972 | 645,263 | 36,291 |
| ONTARIO PROVINCE CANADA | 7.600% | 2027/06/02 | 2,898,000 | 3,983,591 | 4,341,233 | 357,642 |
| ONTARIO PROVINCE CANADA | 6.200% | 2031/06/02 | 400,000 | 497,340 | 546,475 | 49,135 |
| ONTARIO PROVINCE CANADA BOND | 5.850% | 2033/03/08 | 875,000 | 1,034,524 | 1,165,195 | 130,671 |
| ONTARIO PROVINCE CDA NON-CALL DEB | 4.700% | 2037/06/02 | 2,739,000 | 2,876,507 | 3,221,505 | 344,998 |
| ONTARIO PROVINCE DEBENTURE | 4.600% | 2039/06/02 | 619,000 | 623,764 | 723,321 | 99,557 |
| QUEBEC PROVINCE CANADA | 8.500% | 2026/04/01 | 322,000 | 507,179 | 502,728 | (4,451) |
| QUEBEC PROVINCE CANADA | 6.000% | 2029/10/01 | 1,227,000 | 1,408,285 | 1,614,461 | 206,176 |
| QUEBEC PROVINCE DEB | 9.375% | 2023/01/16 | 45,000 | 70,118 | 69,930 | (188) |
| QUEBEC PROVINCE DEB | 6.250% | 2032/06/01 | 235,000 | 302,610 | 321,495 | 18,885 |
| QUEBEC PROVINCE NTS | 5.000% | 2041/12/01 | 623,000 | 757,938 | 769,388 | 11,450 |
| QUEBEC PROVINCE SERIES B082 MTN | 5.000% | 2038/12/01 | 95,000 | 102,930 | 115,582 | 12,652 |
| SOUTH COAST BC TRANSPORTATION 3.8% BD 02NOV20 | 3.800% | 2020/11/02 | 315,000 | 314,767 | 330,672 | 15,905 |
| PHILLIPS HAGER & NORTH MORTGAGE PE TR FUND SER 0 430 | | | 539,066 | 5,520,852 | 5,731,943 | 211,091 |
| PHILLIPS H&N FOREIGN BOND FUND SER 0 | | | 345,429 | 658,988 | 558,800 | (100,188) |
| PHILLIPS H&N HIGH YIELD BOND FD SER-0 PHN285 | | | 243,669 | 2,801,527 | 2,797,371 | (4,156) |
| PHILLIPS H&N INVESTMENT GRADE CO BND TR SER 0 | | | 4,554,196 | 46,295,380 | 46,085,273 | (210,107) |
| | | | | <u>82,161,338</u> | <u>83,664,851</u> | <u>1,503,513</u> |
| <u>CANADIAN EQUITIES</u> | | | | | | |
| AGRIUM INC | | | 14,600 | 1,183,851 | 1,256,914 | 73,063 |
| ARC RESOURCES COMMON | | | 27,500 | 689,515 | 629,750 | (59,765) |
| BANK OF NOVA SCOTIA | | | 73,870 | 2,603,360 | 4,127,856 | 1,524,496 |
| BAYTEX ENERGY CORP COMMON | | | 17,700 | 651,684 | 916,683 | 264,999 |
| BCE INC COMMON NEW | | | 38,700 | 1,092,646 | 1,545,678 | 453,032 |
| BROOKFIELD ASSET MANAGE CLASS A LTD VTG SHS | | | 57,700 | 1,231,605 | 1,815,819 | 584,214 |
| CAMECO CORP | | | 29,100 | 916,375 | 623,031 | (293,344) |
| CANADIAN IMPERIAL BANK OF COMMERCE COMMON | | | 35,074 | 2,171,363 | 2,674,042 | 502,679 |

UNIVERSITY OF VICTORIA FOUNDATION
SCHEDULE OF INVESTMENTS
MARCH 31, 2012

| COUPON INTEREST | DUE | FACE VALUE OR NUMBER OF SHARES | ORIGINAL COST | MARKET VALUE | UNREALIZED GAIN (LOSS) |
|--|-----|-----------------------------------|------------------|-----------------|---------------------------|
| CANADIAN NATIONAL RAILWAY COMPANY COMMON | | 38,900 | 1,616,444 | 3,083,603 | 1,467,159 |
| CANADIAN PACIFIC RAILWAY LIMITED COMMON | | 10,700 | 596,014 | 810,097 | 214,083 |
| CDN NATURAL RES LTD | | 77,000 | 2,563,140 | 2,545,620 | (17,520) |
| CENOVUS ENERGY INC COMMON | | 57,726 | 1,407,778 | 2,072,363 | 664,585 |
| ELDORADO GOLD CORP LTD COM | | 39,800 | 709,113 | 545,260 | (163,853) |
| EMERA INC COMMON | | 22,200 | 757,615 | 752,802 | (4,813) |
| ENCANA CORPORATION COMMON | | 36,126 | 919,424 | 707,708 | (211,716) |
| FINNING INTERNATIONAL INC | | 37,500 | 660,026 | 1,030,125 | 370,099 |
| GOLDCORP INC COMMON | | 62,000 | 2,431,933 | 2,787,520 | 355,587 |
| IMPERIAL OIL LTD COM | | 20,840 | 845,348 | 944,469 | 99,121 |
| INTACT FINANCIAL CORP COMMON | | 13,000 | 745,573 | 780,390 | 34,817 |
| KINROSS GOLD CORP COM NO PAR | | 28,500 | 355,856 | 277,875 | (77,981) |
| LOBLAW COS LTD | | 17,000 | 665,324 | 578,340 | (86,984) |
| MAGNA INTERNATIONAL INC COMMON | | 22,200 | 839,760 | 1,055,832 | 216,072 |
| MANULIFE FINANCIAL CORPORATION COMMON | | 139,813 | 2,462,392 | 1,888,874 | (573,518) |
| MEG ENERGY CORP COMMON | | 24,200 | 1,134,193 | 930,732 | (203,461) |
| NEXEN INC COMMON | | 36,407 | 794,004 | 665,884 | (128,120) |
| OIL VENTURES NO.1 WELL NET ROYALTY CERTIFICATE | | 1 | 1 | 1 | - |
| OSISKO MINING CORPORATION COMMON | | 59,000 | 816,660 | 683,220 | (133,440) |
| POTASH CORPORATION OF SASKATCHEWAN INC | | 56,800 | 1,946,671 | 2,586,672 | 640,001 |
| ROGERS COMMUNICATIONS CLASS B NON VOTING | | 45,200 | 1,219,893 | 1,789,920 | 570,027 |
| ROYAL BANK OF CANADA | | 86,744 | 3,684,164 | 5,014,671 | 1,330,507 |
| SAPUTO INC | | 23,700 | 775,641 | 1,024,077 | 248,436 |
| SCEPTRE INV SMALL CAP POOLED FUND | | 72,632 | 5,797,770 | 10,471,483 | 4,673,713 |
| SHAW COMMUNICATIONS INC CLASS B NON VTF | | 53,500 | 1,022,174 | 1,129,385 | 107,211 |
| SHOPPERS DRUG MART CORPORATION COMMON | | 22,700 | 932,826 | 994,260 | 61,434 |
| SILVER WHEATON CORP | | 40,200 | 956,836 | 1,329,816 | 372,980 |
| SUNCOR ENERGY INC. | | 104,408 | 3,498,091 | 3,402,657 | (95,434) |
| TALISMAN ENERGY INC | | 80,300 | 1,499,656 | 1,006,962 | (492,694) |
| TECK RESOURCES LIMITED | | 45,780 | 1,296,736 | 1,630,226 | 333,490 |
| TIM HORTONS INC COMMON | | 14,100 | 544,620 | 752,376 | 207,756 |
| TORONTO DOMINION BANK | | 59,374 | 3,735,516 | 5,026,603 | 1,291,087 |
| VERMILION TRUST UNITS | | 16,400 | 574,752 | 754,564 | 179,812 |
| WESTPEN PROPERTIES LTD COMMON | | 4,335,145 | 29,087,555 | 31,770,847 | 2,683,292 |
| | | | 87,433,898 | 104,415,007 | 16,981,109 |
| GLOBAL EQUITIES | | | | | |
| ADOBE SYSTEMS INC COM USD0.0001 | | 31,000 | 1,002,294 | 1,063,012 | 60,718 |
| AMPHENOL CORP CL'A'COM USD0.001 | | 14,600 | 592,094 | 872,151 | 280,057 |
| AUTO DATA PROCESS | | 18,300 | 798,912 | 1,009,409 | 210,497 |
| BARD (CR) INC | | 8,700 | 776,136 | 858,381 | 82,245 |
| BG GROUP | | 44,800 | 789,989 | 1,035,884 | 245,895 |
| CANON INC | | 20,400 | 897,198 | 968,699 | 71,501 |
| CHINA MOBILE HKD0.10 | | 57,500 | 569,886 | 632,483 | 62,597 |
| CHINA SHENHUA ENER 'H'CN1 | | 151,500 | 685,138 | 638,694 | (46,444) |
| CHUGAI PHARM CO NPV | | 58,300 | 1,082,063 | 1,080,451 | (1,612) |
| CISCO SYSTEMS COM | | 61,700 | 1,470,037 | 1,304,221 | (165,816) |
| CLP HOLDINGS HKD5 | | 113,000 | 814,115 | 974,591 | 160,476 |

UNIVERSITY OF VICTORIA FOUNDATION
SCHEDULE OF INVESTMENTS
MARCH 31, 2012

| | COUPON INTEREST | DUE | FACE VALUE OR NUMBER OF SHARES | ORIGINAL COST | MARKET VALUE | UNREALIZED GAIN (LOSS) |
|---|--------------------|------------|-----------------------------------|-------------------|--------------------|---------------------------|
| CNOOC LTD HKD0.02 | | | 548,000 | 676,591 | 1,125,855 | 449,264 |
| COLGATE-PALMOLIVE COM USD1 | | | 12,210 | 1,023,704 | 1,193,222 | 169,518 |
| CSL NPV | | | 28,100 | 951,021 | 1,044,180 | 93,159 |
| DAIKIN INDUSTRIES | | | 27,200 | 1,027,665 | 744,238 | (283,427) |
| DBS GROUP HOLDINGS | | | 87,024 | 1,000,095 | 980,868 | (19,227) |
| DENSO CORP | | | 26,800 | 864,960 | 899,936 | 34,976 |
| EOG RESOURCES INC | | | 9,200 | 781,632 | 1,021,545 | 239,913 |
| ESSILOR INTL. EUR0.35 | | | 12,200 | 658,353 | 1,085,142 | 426,789 |
| FANUC LTD | | | 6,200 | 594,026 | 1,105,349 | 511,323 |
| FASTENAL COM USD0.01 | | | 28,800 | 557,117 | 1,557,203 | 1,000,086 |
| FLIR SYSTEMS INC COM USD0.01 | | | 22,300 | 598,350 | 564,095 | (34,255) |
| GOOGLE INC COM USD0.001 CLASS 'A' | | | 1,900 | 1,041,248 | 1,217,670 | 176,422 |
| HENNES & MAURITZ | | | 33,000 | 840,111 | 1,189,956 | 349,845 |
| HEXAVEST WORLD EQUITY FUNDS | | | 53,556 | 52,336,760 | 53,052,644 | 715,884 |
| HONDA MOTOR CO | | | 26,100 | 939,349 | 996,880 | 57,531 |
| HONG KONG & CHINA GAS HKD0.25 | | | 231,830 | 412,051 | 593,871 | 181,820 |
| HSBC HLDGS ORD USD0.50(UK REG) | | | 97,700 | 1,154,503 | 865,557 | (288,946) |
| INDITEX EUR0.15 | | | 11,000 | 570,950 | 1,051,462 | 480,512 |
| INTEL CORP | | | 44,600 | 921,777 | 1,253,223 | 331,446 |
| JOHNSON & JOHNSON | | | 14,300 | 915,520 | 942,697 | 27,177 |
| KEYENCE CORP | | | 3,916 | 903,933 | 925,481 | 21,548 |
| L'OREAL EUR0.20 | | | 7,700 | 698,923 | 947,853 | 248,930 |
| MASTERCARD INC COM USD0.0001 CLASS A | | | 3,600 | 971,188 | 1,513,092 | 541,904 |
| MICROSOFT CORP COM USD0.0000125 | | | 42,300 | 1,124,008 | 1,363,619 | 239,611 |
| MITSUBISHI ESTATE | | | 37,000 | 724,038 | 663,239 | (60,799) |
| MORRISON (W) SUPERMARKET | | | 199,000 | 898,102 | 946,965 | 48,863 |
| NESTLE | | | 15,400 | 572,325 | 967,210 | 394,885 |
| NIKE INC CLASS'B'COM NPV | | | 11,700 | 719,738 | 1,268,034 | 548,296 |
| NOVO-NORDISK | | | 8,000 | 513,231 | 1,105,607 | 592,376 |
| ORACLE CORP COM USD0.01 | | | 30,300 | 681,844 | 883,051 | 201,207 |
| PETROL BRASILEIROS SPON ADR REP 2 PRF SHS | | | 32,900 | 1,228,869 | 840,451 | (388,418) |
| PRAXAIR INC COM USD0.01 | | | 9,300 | 1,008,078 | 1,065,552 | 57,474 |
| PRECISION CASTPART COM NPV | | | 6,200 | 704,877 | 1,071,377 | 366,500 |
| QUALCOMM INC COM USD0.0001 | | | 17,900 | 1,025,085 | 1,217,589 | 192,504 |
| RECKITT BENCHKISER | | | 17,600 | 833,151 | 992,936 | 159,785 |
| SCHLUMBERGER | | | 11,600 | 752,970 | 810,732 | 57,762 |
| SGS SA CHF1(REGD) | | | 500 | 691,990 | 970,837 | 278,847 |
| SHIN-ETSU CHEMICAL | | | 18,700 | 1,093,245 | 1,085,554 | (7,691) |
| STANDARD CHARTERED ORD USD0.50 | | | 37,900 | 1,015,192 | 944,123 | (71,069) |
| SYNGENTA CHF0.10(REGD) | | | 552 | 187,198 | 190,495 | 3,297 |
| TESCO ORD GBP0.05 | | | 146,800 | 979,953 | 773,578 | (206,375) |
| TJX COS INC COM USD1 | | | 32,800 | 1,012,071 | 1,301,754 | 289,683 |
| WAL-MART STORES COM | | | 17,900 | 937,706 | 1,094,863 | 157,157 |
| WOODSIDE PETROLEUM | | | 22,500 | 861,547 | 810,927 | (50,620) |
| | | | | <u>97,482,907</u> | <u>106,678,488</u> | <u>9,195,581</u> |
| SHORT TERM INVESTMENTS | | | | | | |
| CANADA TREASURY BILLS | | 2012/06/07 | 200,000 | 199,610 | 199,610 | - |

**UNIVERSITY OF VICTORIA FOUNDATION
SCHEDULE OF INVESTMENTS
MARCH 31, 2012**

| | COUPON INTEREST | DUE | FACE VALUE OR NUMBER OF SHARES | ORIGINAL COST | MARKET VALUE | UNREALIZED GAIN (LOSS) |
|--|--------------------|------------|-----------------------------------|--------------------|--------------------|---------------------------|
| CANADA TREASURY BILLS | | 2012/05/24 | 400,000 | 399,242 | 399,242 | - |
| CANADA TREASURY BILLS | | 2012/06/21 | 400,000 | 399,180 | 399,170 | (10) |
| PHILLIPS HAGER & NORTH S.T.I.F. POOLED FUNDS | | | 509,611 | 5,096,107 | 5,096,107 | - |
| | | | | <u>6,094,139</u> | <u>6,094,129</u> | <u>(10)</u> |
| | | | | <u>273,172,282</u> | <u>300,852,475</u> | <u>27,680,193</u> |

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