

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, 2011 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, 2011.

Lisa Hill
Chair

Andrew Coward
Treasurer

June 21, 2011



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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, 2011, 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, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

June 21, 2011
Victoria, Canada

UNIVERSITY OF VICTORIA FOUNDATION
STATEMENT OF FINANCIAL POSITION
As at March 31, 2011

| | <u>2011</u> | <u>2010</u> |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Cash on deposit | \$ 3,195,567 | \$ 2,090,636 |
| Accrued interest and other receivables | 1,382,515 | 998,180 |
| Amount due from the University of Victoria | - | 286,406 |
| Investments (Schedule A) | <u>298,858,023</u> | <u>258,720,857</u> |
| | <u>\$ 303,436,105</u> | <u>\$ 262,096,079</u> |
| LIABILITIES AND FUND BALANCES | | |
| Accounts payable | \$ 657,558 | \$ 1,940,665 |
| Amount due to the University of Victoria (note 5) | 3,064,259 | - |
| Loan payable to the University of Victoria (note 6) | <u>1,602,502</u> | <u>459,088</u> |
| | <u>5,324,319</u> | <u>2,399,753</u> |
| Endowment Principal balances (Statement 2): | | |
| Restricted endowment | 246,315,852 | 222,157,424 |
| Restricted quasi-endowment | 7,582,237 | 7,433,850 |
| Designated endowment | 16,600,446 | 16,218,440 |
| Designated quasi-endowment | 1,318,343 | 1,295,029 |
| Unrestricted endowment | 2,006,928 | 1,966,257 |
| Unrestricted quasi-endowment | <u>2,619,033</u> | <u>1,755,873</u> |
| | <u>276,442,839</u> | <u>250,826,873</u> |
| Expendable Funds balances (Statement 2) (note 3) | <u>21,668,947</u> | <u>8,869,453</u> |
| | <u>\$ 303,436,105</u> | <u>\$ 262,096,079</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, 2011
(with comparative figures for 2010)

| | <u>Endowment Principal</u> | | <u>Expendable Funds</u> | |
|--|----------------------------|-----------------------|-------------------------|---------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| REVENUE | | | | |
| Donations | \$ 19,452,497 | \$ 8,203,657 | \$ 200,335 | \$ 406,323 |
| Top up donations from University of Victoria (note 5) | - | - | 67,107 | 547,117 |
| Transfer of endowment from University of Victoria | 1,137,547 | 64,315,836 | - | - |
| University of Victoria matching funds | 304,000 | 337,395 | - | - |
| Interest and dividend income | - | - | 9,592,318 | 7,837,175 |
| Realized gains, less losses | - | - | 5,359,709 | (1,047,780) |
| Unrealized gains, less losses | - | - | 12,098,434 | 34,278,321 |
| | <u>20,894,044</u> | <u>72,856,888</u> | <u>27,317,903</u> | <u>42,021,156</u> |
| EXPENSE | | | | |
| Scholarships, bursaries and other distributions (note 5) | - | - | 7,723,561 | 5,438,176 |
| Administration fees (Note 5) | - | - | 663,371 | 658,753 |
| Investment management fees | - | - | 1,409,555 | 1,248,096 |
| | <u>-</u> | <u>-</u> | <u>9,796,487</u> | <u>7,345,025</u> |
| Excess of revenue over expense | 20,894,044 | 72,856,888 | 17,521,416 | 34,676,131 |
| Fund balances at beginning of year | 250,826,873 | 177,811,222 | 8,869,453 | (25,647,915) |
| Interfund Transfers - Encroachment on Quasi-Endowments (note 7) | (43,874) | (50,502) | 43,874 | 50,502 |
| Capitalizations to Endowment Principal (note 4) | <u>4,765,796</u> | <u>209,265</u> | <u>(4,765,796)</u> | <u>(209,265)</u> |
| Fund balances at end of year | <u>\$ 276,442,839</u> | <u>\$ 250,826,873</u> | <u>\$ 21,668,947</u> | <u>\$ 8,869,453</u> |

See accompanying notes to the financial statements

UNIVERSITY OF VICTORIA FOUNDATION
STATEMENT OF CASH FLOWS
For the Year ended March 31, 2011

| | <u>2011</u> | <u>2010</u> |
|--|---------------------|---------------------|
| Cash provided by (used in) | | |
| Operating activities | | |
| Excess of revenue over expense | \$ 38,415,460 | \$ 107,533,019 |
| Items not involving cash | | |
| Share donations | - | 941,069 |
| Realized gains, less losses on investment | (5,359,709) | 1,047,780 |
| Unrealized gains, less losses on investment | (12,098,434) | (34,278,321) |
| Changes in non-cash working capital balances (net) | | |
| Net (increase) decrease in current assets | (384,335) | 2,173,581 |
| Net decrease in current liabilities | (1,283,107) | (4,651,548) |
| Increase (decrease) in due to the University of Victoria | 3,064,259 | (686,207) |
| Decrease (increase) in due from the University of Victoria | <u>286,406</u> | <u>(286,406)</u> |
| | <u>22,640,540</u> | <u>71,792,967</u> |
| Investing activities | | |
| Increase in investment | (22,679,023) | (82,372,393) |
| Financing activities | | |
| Loan payable | 1,143,414 | 459,088 |
| Increase (decrease) in cash during the year | 1,104,931 | (10,120,338) |
| Cash, beginning of year | <u>2,090,636</u> | <u>12,210,974</u> |
| Cash, end of year | <u>\$ 3,195,567</u> | <u>\$ 2,090,636</u> |

See accompanying notes to the financial statements

UNIVERSITY OF VICTORIA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2011

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 be transitioning to Public Sector Accounting Standards. The Foundation is evaluating the impact of adoption of these standards on the financial statements.

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 over time with the intention to maintain stability and predictability in the distribution of income. Accordingly, not all of the revenue earned in the year less fees is distributed as awards. A portion of the accumulated excess of revenue over expense in 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, 2011, \$4,765,796 (2010 - \$209,265) of expendable funds were capitalized.

Note 5. Related Party Transaction

The Foundation paid \$455,100 (2010 - \$443,900) in administration fees to the University of Victoria during the year ended March 31, 2011.

In 2011 the University of Victoria funded \$67,107 (2010 - \$547,117) in awards on behalf of the Foundation with no expectation of repayment. This funding permitted awards to be distributed during a period of adverse investment returns.

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 2011 the University of Victoria provided a \$1,602,502 (2010 - \$459,088) interest free loan to the Foundation for the purpose of supplementing Foundation distributions. The loan is not negotiable, transferable or assignable by the Foundation. The total loan amount is to be repaid to the University of Victoria in the following fiscal year, upon approval of the Foundation's Board of Directors.

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, 2011, \$43,874 (2010-\$50,502) 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.

Note 9. Comparative Figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

UNIVERSITY OF VICTORIA FOUNDATION
SCHEDULE OF INVESTMENTS
MARCH 31, 2011

| | COUPON INTEREST | DUE | FACE VALUE OR NUMBER OF SHARES | ORIGINAL COST | MARKET VALUE | UNREALIZED GAIN (LOSS) |
|---|--------------------|------------|-----------------------------------|------------------|-----------------|---------------------------|
| FIXED INCOME | | | | | | |
| BANK OF MONTREAL FXD/FLRT CALL | 5.200% | 21/06/2017 | 36,000 | 37,800 | 37,370 | (430) |
| BANK OF NOVA SCOTIA SUB NOTES FIX-FLT CALL | 4.940% | 15/04/2019 | 33,000 | 34,874 | 34,783 | (91) |
| BRITISH COLUMBIA PROV BONDS (CMPD) | 6.350% | 18/06/2031 | 500,000 | 591,760 | 626,437 | 34,677 |
| BRITISH COLUMBIA PROVINCE | 5.700% | 18/06/2029 | 3,100,000 | 3,410,497 | 3,600,123 | 189,626 |
| BRITISH COLUMBIA PROVINCE MTN | 5.600% | 01/06/2018 | 1,595,000 | 1,770,746 | 1,795,897 | 25,151 |
| CADILLAC FAIRVIEW FINANCE TRUST SER A | 3.240% | 25/01/2016 | 450,000 | 449,978 | 449,784 | (194) |
| CADILLAC FAIRVIEW FINANCE TRUST SER B | 4.310% | 25/01/2021 | 185,000 | 184,956 | 185,334 | 378 |
| CANADA GOVT BOND 5.00% 01JUN37 SER XW98 | 5.000% | 01/06/2037 | 139,000 | 201,153 | 196,419 | (4,734) |
| CANADA HOUSING TRUST | 3.750% | 15/03/2020 | 2,455,000 | 2,472,855 | 2,480,687 | 7,832 |
| CANADA HOUSING TRUST GLOBAL NO 1 SER 23 | 4.100% | 15/12/2018 | 825,000 | 853,762 | 861,152 | 7,390 |
| CBC MONETIZATION TRUST NOTE | 4.688% | 15/05/2027 | 110,850 | 110,850 | 111,937 | 1,087 |
| CIBC SUB DEBE MTN FIX-TO-FLOAT 30APR2015 | 4.110% | 30/04/2020 | 33,000 | 33,802 | 33,826 | 24 |
| HOSPITAL FOR SICK CHILDREN SER-A SR UNSECD NT | 5.217% | 16/12/2049 | 155,000 | 151,358 | 159,263 | 7,905 |
| NEW BRUNSWICK SFD | 4.400% | 03/06/2019 | 1,050,000 | 1,081,647 | 1,088,158 | 6,511 |
| NHA MBS P#96503636 BY EQUITABLE TRUST CO | 4.350% | 01/01/2018 | 300,000 | 292,274 | 293,490 | 1,216 |
| NHA MBS P#96505011 PEOPLES TRUST CO | 4.200% | 01/10/2019 | 90,000 | 87,593 | 88,623 | 1,030 |
| ONTARIO (PROVINCE OF) | 4.200% | 02/06/2020 | 60,000 | 60,954 | 60,892 | (62) |
| ONTARIO PROVINCE CANADA | 7.600% | 02/06/2027 | 3,948,000 | 5,426,922 | 5,394,093 | (32,829) |
| ONTARIO PROVINCE CANADA | 6.200% | 02/06/2031 | 400,000 | 497,340 | 488,290 | (9,050) |
| ONTARIO PROVINCE CANADA BOND | 5.850% | 08/03/2033 | 1,265,000 | 1,421,431 | 1,493,211 | 71,780 |
| ONTARIO PROVINCE CDA | 8.100% | 08/09/2023 | 692,000 | 957,746 | 945,574 | (12,172) |
| ONTARIO PROVINCE CDA NON-CALL DEB | 4.700% | 02/06/2037 | 2,403,000 | 2,468,657 | 2,455,508 | (13,149) |
| ONTARIO PROVINCE DEBENTURE | 4.600% | 02/06/2039 | 555,000 | 556,499 | 560,314 | 3,815 |
| QUEBEC PROVINCE CDA | 6.000% | 01/10/2029 | 1,515,000 | 1,697,309 | 1,790,380 | 93,071 |
| QUEBEC PROVINCE NTS | 4.500% | 01/12/2019 | 1,905,000 | 1,975,409 | 1,981,451 | 6,042 |
| QUEBEC PROVINCE SERIES B082 MTN | 5.000% | 01/12/2038 | 95,000 | 102,930 | 100,722 | (2,208) |
| RBC SUB NOTES SER A CAPITAL TR FLTG RT(CALL) | 4.580% | 30/04/2017 | 34,000 | 35,149 | 34,939 | (210) |
| SOUTH COAST BC TRANSPORTATION 3.8% BD 02NOV20 | 3.800% | 02/11/2020 | 315,000 | 314,767 | 302,905 | (11,862) |
| PHILLIPS H&N FOREIGN BOND FUND SERIES O | | | 407,088 | 818,299 | 819,347 | 1,048 |
| PHILLIPS H&N HIGH YIELD BOND FD SER-O PHN285 | | | 85,194 | 998,154 | 981,305 | (16,849) |
| PHILLIPS H&N INVESTMENT GRADE CO BND TR SER O | | | 4,283,079 | 43,505,540 | 43,412,856 | (92,684) |
| PHILLIPS HAGER & NORTH MTGE PE TR FD SE O 430 | | | 556,732 | 5,689,585 | 5,842,684 | 153,099 |
| | | | | 78,292,596 | 78,707,754 | 415,158 |
| CANADIAN EQUITIES | | | | | | |
| AGNICO-EAGLE MINES LTD COM | | | 14,800 | 940,681 | 953,860 | 13,179 |
| AGRIUM INC | | | 7,600 | 604,471 | 680,428 | 75,957 |
| ARC RESOURCES COMMON | | | 33,864 | 503,827 | 892,309 | 388,482 |
| BANK NOVA SCOTIA | | | 71,770 | 2,347,209 | 4,269,597 | 1,922,388 |
| BANK OF MONTREAL | | | 19,387 | 937,235 | 1,220,993 | 283,758 |
| BARRICK GOLD CORP | | | 44,700 | 1,860,903 | 2,252,433 | 391,530 |
| BAYTEX ENERGY CORP COMMON | | | 18,600 | 661,538 | 1,054,434 | 392,896 |
| BCE INC COMMON NEW | | | 40,800 | 1,083,092 | 1,436,976 | 353,884 |
| BROOKFIELD ASSET MANAGE CL A LTD VTG SHS | | | 59,600 | 1,235,450 | 1,877,996 | 642,546 |
| CAMECO CORP | | | 27,000 | 1,115,943 | 988,524 | (127,419) |
| CANADIAN IMPERIAL BANK OF COMMERCE COM | | | 32,336 | 1,909,525 | 2,703,325 | 793,800 |

UNIVERSITY OF VICTORIA FOUNDATION
SCHEDULE OF INVESTMENTS
MARCH 31, 2011

| COUPON INTEREST | DUE | FACE VALUE OR NUMBER OF SHARES | ORIGINAL COST | MARKET VALUE | UNREALIZED GAIN (LOSS) |
|---|-----|-----------------------------------|-------------------|--------------------|---------------------------|
| CANADIAN NATIONAL RAILWAY CO COM | | 42,700 | 1,713,580 | 3,123,505 | 1,409,925 |
| CANADIAN PACIFIC RAILWAY LIMITED COMMON | | 16,500 | 901,839 | 1,028,280 | 126,441 |
| CDN NATURAL RES LTD | | 74,500 | 2,428,723 | 3,571,530 | 1,142,807 |
| CENOVUS ENERGY INC COMMON | | 62,926 | 1,481,200 | 2,410,066 | 928,866 |
| CRESCENT POINT ENERGY CORP COMMON | | 19,384 | 531,835 | 912,014 | 380,179 |
| ENCANA CORPORATION COMMON | | 48,826 | 1,181,338 | 1,637,136 | 455,798 |
| FINNING INTERNATIONAL INC | | 38,900 | 660,913 | 1,114,096 | 453,183 |
| GILDAN ACTIVEWEAR INC COMMON | | 17,500 | 488,000 | 556,850 | 68,850 |
| GOLDCORP INC COMMON | | 64,000 | 2,469,751 | 3,093,760 | 624,009 |
| IMPERIAL OIL LTD COM | | 21,440 | 859,735 | 1,062,138 | 202,403 |
| LOBLAW COS LTD | | 29,400 | 1,155,041 | 1,142,190 | (12,851) |
| MAGNA INTL INC COM NPV | | 8,500 | 442,728 | 395,080 | (47,648) |
| MANULIFE FINANCIAL CORP COM | | 126,887 | 2,375,567 | 2,179,918 | (195,649) |
| NEXEN INC COMMON | | 34,203 | 784,120 | 826,681 | 42,561 |
| NEXEN INC COM NPV | | 21,205 | 576,064 | 606,796 | 30,732 |
| OIL VENTURES NO.1 WELL NET ROYALTY CERT | | 1 | 1 | 1 | - |
| POTASH CORP OF SASKATCHEWAN INC | | 51,900 | 1,686,750 | 2,968,161 | 1,281,411 |
| POWER FINL CORP | | 50,400 | 1,108,112 | 1,582,056 | 473,944 |
| RESEARCH IN MOTION LTD | | 31,900 | 2,157,588 | 1,749,077 | (408,511) |
| ROGERS COMMUNICATIONS INC CLB NV | | 49,700 | 1,299,426 | 1,751,428 | 452,002 |
| ROYAL BANK OF CANADA | | 90,244 | 3,733,053 | 5,413,738 | 1,680,685 |
| SAPUTO INC | | 20,100 | 622,969 | 879,576 | 256,607 |
| SHAW COMMUNICATIONS INC CL B NON VTF | | 59,100 | 1,125,352 | 1,208,004 | 82,652 |
| SILVER WHEATON CORP | | 29,500 | 524,694 | 1,242,540 | 717,846 |
| SUNCOR ENERGY INC NEW COMMON | | 105,808 | 3,422,824 | 4,600,532 | 1,177,708 |
| SUNCOR ENERGY INC. | | 31,000 | 1,155,167 | 1,347,880 | 192,713 |
| TALISMAN ENERGY INC | | 49,500 | 882,855 | 1,186,515 | 303,660 |
| TECK RESOURCES LIMITED | | 42,480 | 1,085,485 | 2,183,047 | 1,097,562 |
| TIM HORTONS INC COMMON | | 22,200 | 847,183 | 976,134 | 128,951 |
| TORONTO DOMINION BANK | | 52,174 | 3,056,468 | 4,476,529 | 1,420,061 |
| VERMILION ENERGY INC COMMON | | 17,000 | 581,296 | 859,010 | 277,714 |
| WESTPEN INVESTMENTS LTD PARTNERSHIP | | 4,335,145 | 29,087,555 | 29,852,329 | 764,774 |
| | | | 83,627,086 | 104,267,472 | 20,640,386 |
| GLOBAL EQUITIES | | | | | |
| ABBOTT LABS | | 23,100 | 1,170,255 | 1,102,166 | (68,089) |
| ADOBE SYSTEMS INC COM USD0.0001 | | 36,700 | 1,186,587 | 1,183,795 | (2,792) |
| ADVANCED SEMICONDT TWD10 | | 185,000 | 213,059 | 195,216 | (17,843) |
| ALLIANZ SE NPV | | 6,375 | 993,155 | 874,649 | (118,506) |
| AMPHENOL CORP CL'A'COM USD0.001 | | 14,600 | 592,094 | 772,445 | 180,351 |
| ASTRAZENECA | | 21,300 | 996,616 | 950,862 | (45,754) |
| AU OPTRONICS CORP | | 467,110 | 489,646 | 397,104 | (92,542) |
| AUTO DATA PROCESS | | 24,200 | 1,056,484 | 1,207,851 | 151,367 |
| BAE SYSTEMS ORD GBP0.025 | | 64,400 | 390,483 | 326,251 | (64,232) |
| BARCLAYS ORD GBP0.25 | | 8,115 | 28,406 | 35,119 | 6,713 |
| BARD (CR) INC | | 13,500 | 1,204,349 | 1,304,792 | 100,443 |
| BB&T CORP COM USD5 | | 15,689 | 466,079 | 418,922 | (47,157) |
| BCO DO BRASIL SA COM NPV | | 21,900 | 258,588 | 386,969 | 128,381 |

UNIVERSITY OF VICTORIA FOUNDATION
SCHEDULE OF INVESTMENTS
MARCH 31, 2011

| | COUPON INTEREST | DUE | FACE VALUE OR NUMBER OF SHARES | ORIGINAL COST | MARKET VALUE | UNREALIZED GAIN (LOSS) |
|-----------------------------------|--------------------|-----|-----------------------------------|------------------|-----------------|---------------------------|
| BG GROUP | | | 56,700 | 999,830 | 1,371,233 | 371,403 |
| BOUYGUES EUR1 | | | 22,000 | 1,044,113 | 1,029,061 | (15,052) |
| BRIDGESTONE CORP NPV | | | 21,900 | 425,428 | 448,010 | 22,582 |
| BUNGE LIMITED COM USD0.01 | | | 10,100 | 604,541 | 710,617 | 106,076 |
| CANON INC | | | 23,200 | 1,020,342 | 985,695 | (34,647) |
| CAP GEMINI EUR8 | | | 5,647 | 270,898 | 319,487 | 48,589 |
| CHINA MOBILE HKD0.10 | | | 110,000 | 1,090,216 | 985,658 | (104,558) |
| CHUGAI PHARM CO NPV | | | 58,300 | 1,082,063 | 979,845 | (102,218) |
| CISCO SYSTEMS COM | | | 54,000 | 1,347,754 | 900,853 | (446,901) |
| CLP HOLDINGS HKD5 | | | 144,500 | 1,041,059 | 1,136,673 | 95,614 |
| CNOOC LTD HKD0.02 | | | 479,000 | 519,136 | 1,174,110 | 654,974 |
| COMCAST CORP | | | 29,900 | 605,882 | 718,978 | 113,096 |
| CORNING INC COM | | | 30,000 | 552,499 | 602,028 | 49,529 |
| CSL NPV | | | 32,800 | 1,110,089 | 1,178,939 | 68,850 |
| DAIKIN INDUSTRIES | | | 33,800 | 1,277,024 | 988,181 | (288,843) |
| DANSKE BANK A/S DKK10 | | | 9,296 | 122,716 | 109,479 | (13,237) |
| DBS GROUP HOLDINGS | | | 103,123 | 1,189,001 | 1,165,074 | (23,927) |
| DELHAIZE GROUP NPV | | | 3,100 | 227,173 | 245,846 | 18,673 |
| DELL INC COM USD0.01 | | | 77,930 | 1,061,842 | 1,099,937 | 38,095 |
| DELTA AIRLINES INC COM USD0.0001 | | | 40,800 | 536,080 | 388,940 | (147,140) |
| DENSO CORP | | | 32,500 | 1,048,926 | 1,052,782 | 3,856 |
| DEVON ENERGY CORP COM USD0.10 | | | 8,100 | 595,760 | 723,072 | 127,312 |
| DOW CHEMICAL CO COM USD2.50 | | | 17,400 | 619,086 | 638,943 | 19,857 |
| E.ON AG | | | 25,100 | 954,484 | 750,487 | (203,997) |
| EDP-ENERGIAS PORTU EUR1(GEGD) | | | 53,600 | 190,164 | 203,326 | 13,162 |
| EOG RESOURCES INC | | | 12,000 | 1,019,521 | 1,383,350 | 363,829 |
| ESPRIT HOLDINGS HKD0.10 | | | 74,301 | 501,600 | 331,726 | (169,874) |
| ESSILOR INTL. EUR0.35 | | | 17,600 | 949,755 | 1,273,077 | 323,322 |
| FANUC LTD | | | 7,500 | 718,580 | 1,108,238 | 389,658 |
| FASTENAL COM USD0.01 | | | 20,100 | 777,643 | 1,267,558 | 489,915 |
| FLIR SYSTEMS INC COM USD0.01 | | | 22,300 | 598,350 | 750,762 | 152,412 |
| FORD MOTOR CO COM STK USD0.01 | | | 14,200 | 158,603 | 205,950 | 47,347 |
| GAP INC COM USD0.05 | | | 20,200 | 445,462 | 445,253 | (209) |
| GAZPROM ADR REP 4 ORD RUB5 | | | 32,600 | 833,639 | 1,025,542 | 191,903 |
| GILEAD SCIENCES COM USD0.001 | | | 15,300 | 581,899 | 632,076 | 50,177 |
| GILEAD SCIENCES SOM USD0.001 | | | 22,800 | 1,238,256 | 941,918 | (296,338) |
| GOOGLE INC COM USD0.001 CLASS 'A' | | | 1,900 | 1,041,248 | 1,084,451 | 43,203 |
| HANA FINANCIAL GROUP | | | 9,700 | 286,694 | 408,147 | 121,453 |
| HENNES & MAURITZ | | | 33,500 | 829,266 | 1,082,711 | 253,445 |
| HESS CORPORATION COM USD1 | | | 7,200 | 501,323 | 596,786 | 95,463 |
| HEWLETT PACKARD CO COM USD0.01 | | | 17,200 | 797,761 | 685,473 | (112,288) |
| HONDA MOTOR CO | | | 33,900 | 1,220,074 | 1,243,357 | 23,283 |
| HONG KONG & CHINA GAS HKD0.25 | | | 288,937 | 564,906 | 674,267 | 109,361 |
| HOYA CORP | | | 44,400 | 1,351,322 | 989,066 | (362,256) |
| HSBC HLDGS ORD USD0.50(UK REG) | | | 114,100 | 1,348,298 | 1,140,408 | (207,890) |
| IMPERIAL TOBACCO ORD GBP0.10 | | | 13,150 | 422,190 | 395,115 | (27,075) |
| INDITEX EUR0.15 | | | 15,600 | 809,710 | 1,219,285 | 409,575 |
| ING GROUP NV CVA EUR0.24 | | | 82,200 | 1,000,475 | 1,013,404 | 12,929 |

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| | COUPON INTEREST | DUE | FACE VALUE OR NUMBER OF SHARES | ORIGINAL COST | MARKET VALUE | UNREALIZED GAIN (LOSS) |
|--|--------------------|-----|-----------------------------------|------------------|-----------------|---------------------------|
| INGERSOLL-RAND CO. COM USD1.00 CLASS 'A' | | | 15,100 | 461,615 | 709,594 | 247,979 |
| INTEL CORP | | | 60,800 | 1,256,593 | 1,193,495 | (63,098) |
| JAPAN TOBACCO INC | | | 203 | 777,784 | 715,956 | (61,828) |
| JFE HOLDINGS INC NPV | | | 16,700 | 530,482 | 477,071 | (53,411) |
| JOHNSON & JOHNSON | | | 17,700 | 1,133,195 | 1,020,135 | (113,060) |
| JOHNSON & JOHNSON COM USD1 | | | 13,400 | 837,605 | 772,305 | (65,300) |
| JP MORGAN CHASE & COM USD1 | | | 17,600 | 681,066 | 789,241 | 108,175 |
| KB FINANCIAL GROUP ADR FORMERLY KOOKMIN BANK | | | 8,100 | 335,007 | 413,011 | 78,004 |
| KEYENCE CORP | | | 4,160 | 1,056,281 | 1,039,477 | (16,804) |
| KOHL'S CORPORATION COM USD0.01 | | | 7,700 | 411,075 | 397,274 | (13,801) |
| KONINKLIJKE DSM NV EUR1.50 | | | 3,100 | 160,739 | 185,529 | 24,790 |
| KROGER CO COM USD1 | | | 13,200 | 301,361 | 307,778 | 6,417 |
| LG DISPLAY CO LTD KRW5000 | | | 6,500 | 200,642 | 198,281 | (2,361) |
| LG ELECTRONICS INC KRW5000 | | | 3,767 | 377,931 | 350,747 | (27,184) |
| L'OREAL EUR0.20 | | | 10,100 | 916,769 | 1,146,051 | 229,282 |
| LOWE'S COS INC COM | | | 16,300 | 417,837 | 419,064 | 1,227 |
| LUKOIL OIL COMPANY SPON ADR REP 1 ORD RUB0.02 | | | 8,450 | 596,803 | 586,800 | (10,003) |
| MARATHON OIL CORP COM USD1 | | | 11,084 | 414,479 | 574,779 | 160,300 |
| MASTERCARD INC COM USD0.0001 CLASS A | | | 5,100 | 1,375,850 | 1,248,774 | (127,076) |
| MEDTRONIC INC | | | 28,800 | 1,273,106 | 1,102,385 | (170,721) |
| MERRILL LYNCH INTL CERT 23/12/2014(TATA STEEL) | | | 22,400 | 313,585 | 302,839 | (10,746) |
| MICROSOFT CORP COM USD0.0000125 | | | 42,300 | 1,124,008 | 1,044,718 | (79,290) |
| MITSUBISHI ESTATE | | | 61,000 | 1,193,684 | 1,007,326 | (186,358) |
| MORRISON (W) SUPERMARKET | | | 256,500 | 1,157,604 | 1,103,857 | (53,747) |
| MOTOROLA INC COM | | | 8,995 | 368,271 | 391,028 | 22,757 |
| NATL AUSTRALIA BK NPV | | | 16,591 | 357,141 | 431,437 | 74,296 |
| NESTLE | | | 23,500 | 873,354 | 1,315,528 | 442,174 |
| NEWS CORPORATION COM USD0.01 CL'B' | | | 28,000 | 314,830 | 478,821 | 163,991 |
| NIKE INC CLASS'B'COM NPV | | | 14,400 | 885,831 | 1,060,362 | 174,531 |
| NINTENDO CO LTD NPV | | | 4,100 | 1,293,508 | 1,081,267 | (212,241) |
| NISSAN MOTOR CO NPV | | | 71,400 | 646,987 | 618,444 | (28,543) |
| NORTHROP GRUMMAN COM USD1 | | | 11,700 | 754,863 | 713,705 | (41,158) |
| NOVO-NORDISK | | | 10,400 | 667,200 | 1,272,720 | 605,520 |
| ORACLE CORP COM USD0.01 | | | 41,500 | 933,878 | 1,349,624 | 415,746 |
| ORIX CORP | | | 4,320 | 306,349 | 394,973 | 88,624 |
| PETROL BRASILEIROS SPON ADR REP 2 PRF SHS | | | 32,900 | 1,228,869 | 1,137,390 | (91,479) |
| PFIZER INC | | | 60,600 | 1,156,837 | 1,197,232 | 40,395 |
| PRECISION CASTPART COM NPV | | | 6,700 | 761,722 | 959,223 | 197,501 |
| RECKITT BENCKISER | | | 22,000 | 1,041,439 | 1,098,400 | 56,961 |
| RENAULT SA EUR3.81 | | | 9,250 | 550,177 | 498,114 | (52,063) |
| RIO TINTO ORD GBP0.10 | | | 13,200 | 789,294 | 901,292 | 111,998 |
| ROCHE HLDGS AG GENUSSSCHEINE NPV | | | 2,700 | 412,042 | 376,644 | (35,398) |
| ROYAL CARIBBEAN COM USD0.01 | | | 5,100 | 179,615 | 204,689 | 25,074 |
| ROYAL DUTCH SHELL 'A' SHS EURO0.07(DUTCH) | | | 2,373 | 84,567 | 84,006 | (561) |
| SAMSUNG ELECTRONICS | | | 80 | 31,415 | 33,159 | 1,744 |
| SAMSUNG ELECTRONICS KRW5000 | | | 720 | 366,580 | 595,055 | 228,475 |
| SCHLUMBERGER | | | 14,000 | 908,757 | 1,270,046 | 361,289 |
| SGS SA CHF1(REGD) | | | 740 | 1,024,146 | 1,286,422 | 262,276 |

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| | COUPON INTEREST | DUE | FACE VALUE OR NUMBER OF SHARES | ORIGINAL COST | MARKET VALUE | UNREALIZED GAIN (LOSS) |
|--|--------------------|-----|-----------------------------------|--------------------|--------------------|---------------------------|
| SHARP CORP | | | 60,000 | 674,734 | 580,967 | (93,767) |
| SHIN-ETSU CHEMICAL | | | 24,000 | 1,403,095 | 1,164,750 | (238,345) |
| SOC GENERALE EUR1.25 | | | 9,800 | 540,829 | 620,263 | 79,434 |
| STANDARD CHARTERED ORD USD0.50 | | | 37,350 | 1,018,604 | 941,710 | (76,894) |
| SUMCO CORPORATION NPV | | | 1,100 | 20,031 | 21,651 | 1,620 |
| TATA STEEL LTD GDR EACH REPR 1 ORD (REG S) | | | 8,000 | 106,086 | 107,779 | 1,693 |
| TE CONNECTIVITY LT | | | 5,800 | 129,460 | 196,450 | 66,990 |
| TELECOM ITALIA SPA DI RISP EUR0.55 | | | 124,700 | 158,428 | 163,359 | 4,931 |
| TELECOM ITALIA SPA EUR0.55 | | | 321,500 | 518,482 | 481,528 | (36,954) |
| TESCO ORD GBP0.05 | | | 184,000 | 1,228,279 | 1,093,098 | (135,181) |
| TIME WARNER INC CABLE USD0.01 | | | 8,955 | 353,720 | 621,433 | 267,713 |
| TOKYO ELEC POWER NPV | | | 36,800 | 214,895 | 201,270 | (13,625) |
| TOSHIBA CORP NPV | | | 27,000 | 128,188 | 128,975 | 787 |
| TRAVELERS CO INC | | | 10,100 | 523,979 | 584,370 | 60,391 |
| UNICREDIT SPA EUR0.50 | | | 124,000 | 343,236 | 298,524 | (44,712) |
| UNREALIZED LOSS ON FORWARD CURRENCY CONTRACTS | | | | - | (32,322) | (32,322) |
| VALE S.A. SPON ADR REP 1 PRE'A'NPV | | | 20,100 | 588,224 | 577,176 | (11,048) |
| VIVENDI SA EUR5.50 | | | 13,790 | 369,781 | 383,575 | 13,794 |
| VODAFONE GROUP | | | 226,450 | 549,800 | 623,209 | 73,409 |
| WALGREEN CO | | | 28,700 | 1,078,248 | 1,120,612 | 42,364 |
| WAL-MART STORES COM | | | 22,700 | 1,189,158 | 1,149,323 | (39,835) |
| WELLS FARGO & CO COM USD | | | 19,500 | 571,343 | 601,487 | 30,144 |
| WOODSIDE PETROLEUM | | | 27,500 | 1,051,579 | 1,294,680 | 243,101 |
| XSTRATA | | | 25,006 | 480,301 | 568,093 | 87,792 |
| | | | | <u>93,061,735</u> | <u>98,309,343</u> | <u>5,247,608</u> |
| SHORT TERM INVESTMENTS | | | | | | |
| PHILLIPS HAGER & NORTH STIF POOLED FUND SR O (230) | | | 522,547 | 5,225,471 | 5,225,471 | - |
| CANADA TREASURY BILLS | | | 325,000 | 324,390 | 324,390 | - |
| | | | | <u>5,549,861</u> | <u>5,549,861</u> | <u>-</u> |
| POOLED EQUITY FUNDS | | | | | | |
| SCEPTRE INV SMALL CAP POOLED FUND | | | 77,250 | 5,789,278 | 12,023,593 | 6,234,315 |
| | | | | <u>5,789,278</u> | <u>12,023,593</u> | <u>6,234,315</u> |
| | | | | <u>266,320,556</u> | <u>298,858,023</u> | <u>32,537,467</u> |