YORK UNIVERSITÉ UNIVERSITY

York University Endowment Fund

Annual Investment Report to the Board of Governors

For Year Ended December 31, 2011

Board of Governors - June 25, 2012

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The Endowment Fund (the Fund) is an investment pool that commingles the endowments of York University for investment purposes. The Fund is composed of gifts and bequests from donors, capital from matching programs, and quasi-endowments, which are funds invested for the long term to support priorities designated by the University. The Fund includes endowed gifts and matches received by York University Foundation during the period of 2002-11, as were transferred to the University in late 2011 subsequent to a favourable ruling to this end by the Ontario Superior Court. The endowments generate annual support for funding scholarships and academic chairs.

The pool of investments is governed by the objectives and constraints specified in the Statement of Investment Policies and Procedures (Policy). The Investment Committee of the Board of Governors oversees the Policy, investment strategy and the external portfolio managers. The Board of Governors annually reviews and approves the Policy and investment strategy for York University's endowments.

The total fund market value for the endowment assets as at December 31, 2011 was $326.4 million, compared to $320.0 million as at December 31, 2010.

Endowment Fund Market Value

	At December 31, 2011		At December 31, 2010	
	$ Million	% of Total	$ Million	% of Total
York University	326.4	100.0%	243.9	76.2%
York University Foundation	-	-	76.1	23.8%
	326.4	100.0%	320.0	100.0%

Review - 2011

The Fund market value grew by $6.4 million during 2011. Net growth in assets was generated from $5.8 million of donor contributions plus $2.4 million of investment earnings less withdrawals of $1.8 million.

The Fund produced a one-year rate of return of 0.9% for the 12 months ended December 31, 2011. It exceeded its benchmark rate of return of -1.5% by 2.4% for the one-year period, against a backdrop of continued high volatility in capital markets, double-digit negative returns to equity and falling interest rates.

During 2011, global economic factors mixed with and were frequently dominated by political factors. The mix was often too much to bear for fluid investors of cheap money. Liquid assets rushed to and from equities into US treasuries in a sawtooth risk-on risk-off pattern. The prospect of protecting assets in the face of unabated uncertainty was a main driver of rallying treasuries and bonds mainly in deemed-safer markets, North America being primary. The uneasy mood was further tokenized by peaking gold prices and an escalating Swiss Franc. Indeed, there were not too many places to hide, as social unrest in Africa and the Middle East heralded the "Arab Spring" and in the West, the "Occupy" movement. Global growth fueled by China decelerated and fears of inflation generally vanished. Japan suffered a toll from the severe tsunami. Many investors in the West cautiously retreated to stand by whilst European politicians were forced to pit themselves between the best interests of the Eurozone and their respective local economies. Corporate earnings in the US meanwhile showed positive signs of having turned a corner and profits began to emerge. However, investors were most often shied by political uncertainty and the increasingly undervalued US equity markets yielded only low single digit returns.

Returns in 2011 from equity markets, represented by broad market indices, ranged from -3.2% for global equities to -16.1% for emerging markets equities. Conversely, bond markets in North America were very strong and the most interest rate sensitive segment of the Canadian market, long bonds, returned almost 20% while the broad market, represented by the Canadian bond universe, returned 9.7% in response to falling interest rates.

The Fund's managers as a group performed distinctly well in 2011, as evidenced by the 2.4% added value produced by the fund relative to its benchmark composite. Positive outperformance from several of the managers was sufficiently strong to compensate for the value detracted by underperformance of the currency overlay. Discussion on the managers and portfolios is found in the Performance section of this Report.

The remainder of this Report to the Board of Governors reviews in more detail the Policy, investment strategy, asset allocation, manager mix and performance of the Fund to December 31, 2011. Discussion on the activities of the Investment Committee during 2011 and planned for 2012 is presented in the concluding sections.

Asset Mix

The Policy asset mix is shown below, specified in terms of asset class target weights as set out in the Statement of Investment Policies and Procedures, and confirmed effective as of January 1, 2011 by approval of the Board of Governors on February 28, 2011.

Policy Asset Mix

Asset Class	Target Weight	
Equities	**70%**	
Canadian		15%
US - Small/Mid Cap		20%
Global		25%
Emerging Markets		10%
Fixed Income	**30%**	
Canadian Bonds		25%
Global High Yield Bonds		5%

The Policy asset mix has been formally determined by an asset/liability study designed to meet the Fund's investment objectives and the endowment spending needs of the University. The Policy objectives are to preserve capital over a long term horizon and provide inflation-adjusted annual funding to support the spending obligations of the endowments.

The target asset mix, adopted in 2008, caused the Fund to be transitioned in phases with current weights achieved in 2010. The investment strategy was further amended in 2010 to include active currency management in the form of an overlay for the significant foreign exposure in the Fund.

The Fund's actual asset mix including currency overlay as at calendar year end follows.

Actual Asset Mix - Market Value as at December 31, 2011

Asset Class	$ Million (Mkt Val)	Actual Weight	Target Weight	Over/Under
Equities	**$228.7**	**70%**	**70%**	**0%**
Canadian	51.5	16%	15%	1%
US - Small/Mid Cap	67.0	21%	20%	1%
Global	77.8	24%	25%	-1%
Emerging Markets	32.4	10%	10%	0%
Fixed Income	**$ 97.7**	**30%**	**30%**	**0%**
Canadian Bonds	75.9	23%	25%	-2%
Global High Yield Bonds	19.9	6%	5%	1%
Short Term Investments	1.9	1%	0%	1%
Currency Overlay	-	0%	0%	
Total Portfolio	**$ 326.4**	**100%**	**100%**	

The actual weights of the portfolios are permitted to vary within a range of +/- 5% of the target weights and are rebalanced periodically back to target with ambient cash flows.

The University has engaged seven investment managers to manage eight specialty investment mandates and a small allocation to a short-term investment pool, for yield-enhancement of the Fund's operating liquidity. Each manager has been selected to contribute specific investment expertise. Specialty mandates are established to describe the asset class, investment style, objectives and constraints for each portfolio. The firm, date of hire, asset class mandate, market value and fund weight are shown in the table below.

Investment Managers and Specialty Mandates - Allocations as at December 31, 2011

Investment Manager	Inception Date	Mandate	$ Million	Weight
Equities				
Foyston, Gordon & Payne	October 2004	Canadian Equities	27.4	8%
Mawer	April 2011	Canadian Equities	24.1	7%
Westwood	July 2008	Small/Mid Cap US	67.0	21%
Aberdeen	February 2011	Global Equities	77.8	24%
Aberdeen	July 2008	Emerging Markets	32.4	10%
Fixed Income				
TD Asset Management	August 1997	Canadian Bonds	75.9	23%
Stone Harbor	July 2008	Global High Yield Bonds	19.9	6%
TD Asset Management	May 2008	Short Term Investments	1.9	1%
Currency Overlay				
Mesirow Financial	January 2010	Currency Hedges	-	0%
Total Portfolio			$326.4	100%

Performance Objectives

The performance objective is quantified in the form of a composite benchmark return. The benchmark for the total fund is a weighted composite of total returns produced by specific capital markets indices. Each component index is broadly representative of an asset class as defined in the Policy asset mix and is a transparent and reproducible sample of publically-traded investable equities or bonds for a specific country or area.

Performance Objective and Composite Benchmark

Asset Class	Weight	Index
Canadian Equities	15%	S&P/TSX Composite
Small/Mid Cap US Equities	20%	Russell 2500
Global Equities	25%	MSCI World
Emerging Markets Equities	10%	MSCI Emerging Markets
Canadian Bonds	25%	DEX Universe Bond
Global High Yield Bonds	5%	Citigroup High Yield Market Capped

The Policy return objective of the Fund is to achieve a four-year annualized rate of return, net of investment fees, that meets or exceeds the four-year annualized rate of return of the composite benchmark for the same period, over most four-year annualized periods, as measured year to year.

Fund performance is expressed as a total fund rate of return, gross of fees, in Canadian dollars. The rates of return are calculated by an independent performance measurement provider, BNY Mellon Asset Services.

Performance Evaluation

Performance evaluation for the Fund has a number of facets. On a monthly basis, the total fund rate of return is measured and compared to the return of the composite benchmark over a series of intervals. Formal performance evaluations, conducted semi-annually by the Committee, focus on one-year and four-year returns to, respectively, gauge recent performance and assess longer-term success in meeting Policy objectives. The performance results for individual portfolios, as well as each manager’s success in meeting their performance targets, are also reviewed formally on a semi-annual basis. Manager risk and return objectives are main components specified in each of the specialty mandates.

The Fund’s long-term record shown below provides a view of the success of the investment program.

Total Fund Long Term Performance - Annualized ROR (%)

	Annualized Rates of Return (%) for Periods Ended December 31 2011									
	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs	7 Yrs	8 Yrs	9 Yrs	10 Yrs
Currency Hedged										
Endowment Fund	0.9	6.7	11.4	2.9	2.2	4.3	5.3	5.9	6.7	5.7
Benchmark	(1.5)	5.4	10.1	2.1	2.1	3.8	4.9	5.4	6.2	4.8
	2.4	1.3	1.3	0.8	0.1	0.5	0.4	0.5	0.5	0.9
Unhedged										
Endowment Fund	2.4	7.1	11.4	2.8	2.2	4.2	5.3	5.9	6.7	5.7
Benchmark (Unhedged)	(0.9)	5.2	9.9	2.0	2.0	3.7	4.8	5.3	6.1	4.7
	3.3	1.9	1.5	0.8	0.2	0.5	0.5	0.6	0.6	1.0

The ten-year nominal annualized return of 5.7% illustrates that on a smoothed basis the Fund capital net of investment expenses has been preserved on a nominal basis. This is despite the market travails of the last decade, including two deeply negative and multi-year episodes. For comparison, total returns generated by benchmark indexes for the ten years ended December 31, 2011 were, for the S&P/TSX index (Canadian equities) 7.1%, the MSCI World (global equities) -0.9% in CAD terms and the DEX Universe (Canadian bonds) 6.5%.

The effect of strategic currency hedging over the recent and longer term is also highlighted in the foregoing table. Currency hedging was introduced into the portfolios in 2009 with a passive currency hedge on USD denominated exposures. In 2010, strategic hedging was integrated in the Policy and benchmark and an active currency overlay mandate for hedging developed markets currency exposures was fully implemented.

Success over the longer term is attained through a variety of factors. These include program developments in response to shifts in the investment environment, changes in the characteristics of the endowment fund, and evolving risk contributed by components of the Fund. The Committee has concentrated on selecting strategies and managers that align with the investment objectives of preserving capital through a range of capital market outcomes while sustaining a regular stream of inflation-adjusted spending over the long run.

Annual and Four-Year Annualized Performance

The following table shows annual one-year returns for the past ten years and the four-year annualized return to December 31, 2011 relative to the benchmark for the same periods.

Total Fund Performance - Annual Rates of Return (%)

	Annual Rates of Return (%) for One-Year Periods Ended December 31										Annualized (%) Four Years
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2008-11
Currency Hedged											
Endowment Fund*	**0.9**	12.8	21.7	*(19.1)*							**2.9**
Benchmark	**(1.5)**	12.9	20.2	*(18.6)*							**2.1**
	2.4	(0.1)	1.5	*(0.5)*							**0.8**
Unhedged											
Fund	**2.4**	12.0	20.3	(19.1)	(0.3)	15.1	12.0	9.8	13.5	(2.7)	**2.8**
Benchmark (UnH)	**(0.9)**	11.8	20.2	(18.6)	1.9	12.7	11.6	9.1	13.0	(7.1)	**2.0**
	3.3	0.2	0.1	(0.5)	(2.2)	2.4	0.4	0.7	0.5	4.4	**0.8**

** Currency hedging commenced in 2009.*

For the one year ended December 31, 2011, the total fund return was 0.9%, including the effect of the currency hedging program. The Fund outperformed the benchmark rate of return of -1.5% by 2.4%. Excluding the impact of hedging, the Fund return was 2.4%, compared to -0.9% for the benchmark.

The Policy's 50% currency hedge ratio negatively affected overall performance by -0.6% (hedged benchmark of -1.5% less unhedged benchmark of -0.9%). The contribution due to active currency management was in total -1.5% (Fund return of 0.9% less unhedged Fund return of 2.4%), including the -0.6% effect due to the benchmark.

In aggregate, added value of 2.4% to the total fund performance was produced by the active equity managers relative to their weighted indices in calendar 2011. Attribution analysis of the added value contributed by individual asset classes and managers showed that global equity contributed 2.1% and emerging markets equity added 0.8%. Canadian equity and Small//Mid Cap US equity contributed 0.2% apiece. The currency overlay detracted by 1.0% and the high yield bonds by 0.2%. The underperformance of the currency overlay was a function of the mean-reverting foreign exchange markets which were intermittently quiet then choppy. This type of environment sends contradictory signals and is the most challenging for the overlay manager to produce added value.

For the four years ended December 31, 2011, the annualized return for the Fund was 2.9%. The result exceeded the policy benchmark annualized return of 2.1% for the same period by 0.8%. The Fund hedged return of 2.9% was slightly ahead of the Fund unhedged return of 2.8% indicating a net positive return from the hedging program as measured over the four-year period.

The index total rates of return in Canadian dollar terms for the past four calendar years and annualized for the four-year period were:

Equity and Fixed Income Index Returns (CAD)

	Annual Rates of Return (%)				Annualized (%) Four Years
	2011	2010	2009	2008	2008-11
Equities					
S&P/TSX Composite (Cdn Eq)	(8.7)	17.6	35.1	(33.0)	(0.7)
Russell 2500 (SmidCap US Eq) *	(0.1)	20.1	14.1	(20.9)	2.0
MSCI World (Global Eq)	(3.2)	5.9	10.4	(25.8)	(2.8)
MSCI Emerging Markets (EM Eq) *	(16.2)	13.0	52.0	(41.4)	(4.2)
Fixed Income					
DEX Universe Bond (Cdn Bonds)	9.7	6.7	5.4	6.4	6.4
Citigroup High Yield Markets Capped *	8.4	9.2	33.8	(7.9)	9.9

** Introduced in 2008.*

Comparative Performance

Aon Hewitt provides comparative performance results for a representative sample of balanced funds in its pooled funds survey compiled quarterly. The annual performance results for a group of funds with investment allocations largely similar to that of the Endowment Fund, excluding the effect of outliers (outside the range of 5th to 95th percentiles), is shown below for the recent four one-year periods and for the annualized multi-year periods to December 31, 2011.

Comparative Analysis - Balanced Funds Results (%)

	Annual Return (%)				Annualized Returns		
	2011	2010	2009	2008	2 Yrs	3 Yrs	4 Yrs
Percentile							
5th (highest)	4.3	13.1	23.7	(9.7)	7.5	12.0	4.5
25th	0.8	11.4	20.0	(13.1)	6.1	9.8	3.0
50th (median)	(1.1)	10.5	16.7	(16.5)	4.5	8.7	1.9
75th	(3.6)	9.2	15.1	(18.2)	2.8	7.5	1.2
95th (lowest)	(8.3)	7.3	13.0	(23.0)	0.5	5.7	(0.9)
Comparative							
York University	0.9	12.8	21.7	(19.1)	6.6	11.4	2.9
Quartile Rank	*Q1*	*Q1*	*Q1*	*Q4*	*Q1*	*Q1*	*Q2*

Source: Pooled funds returns from Aon survey and Morningstar database.
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York's endowment fund one-year return of 0.9% ranked above the 25th percentile break (first quartile) compared to the pooled fund survey results. For each of the two, three and four year periods, the fund ranked first or second quartile.

In general, the institutional funds participating in the Aon Hewitt survey tend to have an average 60-40 stock-bond mix. In years such as 2011, when equity market returns were poor relative to bonds, funds with higher equity content, such as the York endowments with 70% allocated to equity, would tend to underperform their peers. However, York's Fund ranked high among its peers despite the higher exposure to equities, as attributable to the impact of the 2.4% added value.

Endowments

The combined endowments valued at both market and book in millions of dollars as at the end of the last five calendar years are presented below.

Endowment Pool Growth ($ Millions)

As at December 31	Market Value	Book Value
2011	326.4	271.0
2010	320.0	265.7
2009	287.1	257.4
2008	243.8	268.2
2007	294.4	247.3

The total book value of endowments is the aggregate of all individual endowments based on the original contributed capital and matching contributions plus cumulative annual inflation protection, plus any capitalized investment earnings that may apply to older endowments. The total market value includes realized and unrealized appreciation and is net of withdrawals distributed to endowed accounts.

The one-year change in the market value of the Fund is attributed to various components laid out as follows.

Change in Total Fund Market Value ($ Millions)

Market Value, December 31, 2010		$ 320.0
Contributions:		
Gifts, Bequests and Matches	5.8	
Withdrawals:		
Distributions and Expenses	(1.8)	
Earnings:		
Investment Income and Market Appreciation	2.4	
Net Change		6.4
Market Value, December 31, 2011		$ 326.4

To track the market and book value of each individual endowed account, the University contracts the services of an external record keeper. By the end of 2011, after the effect of merging the Foundation's endowments with the University's, there were 1,800 individual endowed accounts composing the Fund.

Investment Oversight

The Investment Committee holds its meetings four times a year and conducts activities in accordance with the responsibilities described in the Statements of Investment Policies and Procedures.

The Committee's duties are principally in the domain of fund governance and investment strategy. These include regular monitoring of assets and performance, oversight and selection of portfolio managers, ongoing revision and development of the investment strategy and asset mix, review of fund expenses, and reporting to the Board. The Committee additionally undertakes and oversees further initiatives that are in the best interests of the Endowment Fund and its beneficiaries.

Investment Committees Activity Report – 2011

Following is a brief of the investment-specific activities that took place in 2011.

Manager selection was at the forefront of the Committee's deliberations from early 2010. Manager and portfolio transitions arising from manager searches for a global equity specialist and a Canadian equity specialist that commenced in 2010 were completed by mid-2011.

- Manager and Mandate Revisions:

  – The new global equity Manager Mandate for Aberdeen Asset Management was established and approved. The global equity portfolio was reallocated to Aberdeen at the end of February 2011, replacing long-time manager Alliance/Bernstein. During the transition, assets were managed by a contracted transition manager, State Street. In the process, assets were converted from a segregated account basis to units of the global equity pooled fund managed by Aberdeen enabling new efficiencies to the University with respect to ongoing oversight of multi-country holdings.

    The revision further allowed for specific proxy voting guidelines and a process to be applied by the manager to York assets with guidance from the University.

  – The new Canadian equity Manager Mandate for Mawer Investment Management Ltd. was established and approved. One of the Canadian equity portfolios was reallocated to Mawer in mid April 2011, replacing long-time manager Fiera Sceptre. During the transition, assets were managed by State Street, contracted for this purpose. The assets were converted from a segregated account basis to a pooled fund basis in the process.

    The revision further allowed for specific proxy voting guidelines and a process to be applied by the manager to York assets with guidance from the University.

  – The Small/Mid Cap US equity Manager Mandate for Westwood Management Corp. was revised and approved. The manager's Small/Mid Capitalization US equity strategy (SmidCap) had been closed to new accounts since September 2009 and the firm implemented a hard close in November 2010. As a consequence of the success and growth of Westwood's flagship SmidCap strategy, the manager was directing new contributions from current clients to a broader-capitalization version of the same strategy and York converted a portion of its assets into the new Small/Mid Cap Plus strategy. Approximately one quarter of the mandate was allocated to the complementary portfolio strategy, effective in September 2011.

    The revision further allowed for specific proxy voting guidelines and a process to be applied by the manager to York assets with guidance from the University.

  – The currency overlay Manager Mandate was revised and approved to adopt a fee schedule parameter that differentiates exposures that are passively hedged at 50% from exposures that are managed actively around the 50% hedge ratio. The latter are the major currencies: USD, Euro, British pound and Japanese yen. The impact based on the proportions of active and passive hedges resulting in an approximate 10% reduction in fees as from the third quarter of 2011.

- Policy Revision: The annual review of the Statement of Investment Policies and Procedures was conducted for effective date of January 1, 2012. The SIPP was brought forward with only minor changes, all as approved by the Board at its meeting of March 26, 2012.

Following is a brief of the endowment-specific activities that took place in 2011.

As in prior years since the deep decline and gradual recovery in markets that spanned 2007-10, management of the endowment distribution has been a critical activity. In 2011, the allocation of amounts for spending was carefully managed and only a small number of endowments was subject to reduced distributions. Reductions are implemented as needed to minimize capital impairment and preserve long-run endowment earning power. The process involves monitoring individual endowed account market and book values and applying specific rules to protect endowment capital.

On a quarterly basis, the Committee monitors the endowment funded position and surveys the expectations for the upcoming distribution. This process has been institutionalized as a routine health check to track the progress of the Fund's market to book value ratio and reasonably estimate the annual distribution to endowment beneficiaries.

The Committee also plays a role in the oversight of the endowment distribution process, providing guidance to the University. A full review was launched in 2011 on the premise that the spending formula and the administrative structure were outdated and inefficient for the size of the fund. The University engaged the services of Aon Hewitt to study the spending formula and processes applied to the University's 1,800 endowed accounts. The spending formula is a key link between the sustainability of annual distributions and the preservation of the Fund value over a perpetual time horizon.

The current formula applies a flat rate, normally 5%, to the beginning of year inflation-adjusted book value to assess each endowed account's dollar amount of distribution in the following year. The formula has done well in preserving capital during periods of down-trending markets. However, it has tended to ignore the impact of cumulative positive earnings generated by endowments that have been in the Fund for a long time. Conversely, during the severe downturns, manual intervention was a necessity that might be avoided if the formula is adaptive to multiple factors including the age of an individual endowment, investment returns and inflation.

The results of the Aon Hewitt study were presented to the Committee in December 2011. They included a recommendation for the University to adopt a Smoothed Banded Inflation (SBI) approach for endowment distributions. The SBI is a hybrid, similar to the Yale approach for determining endowment spending, that calculates the current year's spending by taking the prior year's spending and adjusting it first for inflation and second for alignment within a minimum and maximum band based on market value smoothed over four years. The Committee accepted the recommendation in principle and Administration will move forward by developing a plan to address the necessary changes to the endowment pool structure, accounting framework, distribution processes and transparency and reporting for the community.

A feature event during the year was the unification of the York University Foundation endowments with those of York University into a single fund. Consequently the two separate funds have converged onto single platforms as respectively housed in the university's financial information system, the custodian's accounting system, and the endowment reporting provided by the external recordkeeper. In addition to offering operating efficiencies, endowed accounts previously split into separate legs based on two owner entities have been merged. The result is the prior count of 2,300 endowed accounts in aggregate held for York and the Foundation has been reduced to 1,800. A significant benefit of the unified fund is it serves to enable the future work on the spending formula and implementation of an improved structure for the important processes of endowment accounting, distributions for spending, and administration.

Responsible investment initiatives are ongoing. The focus in 2011 was on developing levels of communication in the proxy voting process that will integrate efforts by Administration with the efforts of the investment managers, the latter which lead to direct communication with corporate managements of companies in which the University holds shares. The intent is to create incrementally positive input into the process of raising issues and advancing responsible corporate initiatives directly to corporate managements. Proxy-voting specific procedures were incorporated into the mandates for three of the managers. Additionally, members of the Administration representing the Endowment Fund investments met with members of the President's Sustainability Council on two occasions to first provide an overview of the investment process and governance for the Fund and second to discuss the level of engagement at present and the opportunities to further develop a structure incorporating viewpoints of the broader York community.

Investment Committees Activity – 2012

The finalization of the Policy target asset mix and strategic currency hedging in 2010 concluded the work launched with a full-scale asset/liability study in 2006. The effects of a major asset restructuring are warranted to be reviewed and assessed over an investment cycle of four years, being a reasonable and standard horizon for long-term investors to gauge relative success. This review and assessment will continue in 2012.

Specific mandates being scrutinized by the Committee are the currency overlay and the high yield bonds. The managers of these mandates have both contributed positively to the fund since their inception, however, the impact of observed benchmark risk in the context of mandate parameters is being considered carefully for potential fine tuning. The Administration is working closely with the managers of these portfolios to ensure that any appropriate provisions for change are examined and considered for adoption.

As in the past several years, the endowments are closely monitored through the first months of the year to determine the ability of each individual endowment to sustain all or part of a normal distribution based on valuations as at fiscal year end of April 30, 2012. At the April 2012 meeting of the Finance Committee of the Board, the distribution rate minimum based on estimated ratios was approved. Fund performance indications support a minimum of 4% being distributed in 2012-13 with substantially all endowments receiving their full 5%.

The Endowment Fund Spending Formula and Administration review will advance to the next steps which are to develop a plan for adoption of the proposed Smoothed Banded Inflation approach to the spending formula together with a restructuring of endowments administration, and to map out a time line and allocation of resources required to carry out that plan.

Responsible investment initiatives and program developments are ongoing. The focus in 2012 is on introducing guidelines for the proxy voting process, specific to each manager, their portfolio exposure, and the form of that exposure (segregated or pooled). The Administration's stance on proactive and responsible investing has gelled to encompass the engagement model for communication directly with managers and indirectly with corporate managements. Further, the Administration is engaging in working more broadly with the York community and in collaboration with the President's Sustainability Committee and the Office of the Vice-President Administration and Finance, is developing a structure and terms of reference for an Advisory Committee on Responsible Investing.

Board Investment Committees, June 1, 2012
Board of Governors, June 25, 2012