



York University
Board of Governors

Notice of Meeting

Monday, April 23, 2012
3:00 pm to 6:00 pm

Marshall A. Cohen Governance Room
5th Floor, York Research Tower
Keele Campus

AGENDA

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Harriet Lewis
Secretary

**York University
 Board of Governors**

Minutes of the Open Session of the Meeting of
 Monday, 27 February 2012
 Marshall A. Cohen Governance Room, York Research Tower

<i>Present:</i>	<i>Regrets:</i>	<i>Others:</i>
Paul Cantor, Chair Susan Black Guy Burry Terrie-Lynne Devonish Julia Foster William Hatanaka Ozench Ibrahim Zahir Janmohamed Armand La Barge Patrick LeSage Sandra Levy Robert Lewis Ken Ng Jonathan O’Kane Samuel Schwartz Mamdouh Shoukri George Tourlakis Paul Tsaparis David Tsubouchi Paul Wilkinson Bryan Zarnett <i>Harriet Lewis, Secretary</i>	Deborah Hutton Debbie Jamieson Mark Lievonen Janet Morrison Tim Price Henry Wu	James Allan Cynthia Archer Noël Badiou Bruno Bellissimo Gary Brewer Glen Craney Richard Francki Allan Hutchinson Ran Lewin ijade Maxwell Rodrigues Ken McRoberts Patrick Monahan Jeff O’Hagan Trudy Pound-Curtis Bud Purves Rob Tiffin Jacqueline Volkhammer Susan Webb William van Wijngaarden Berton Woodward Cheryl Underhill, <i>Assistant Secretary</i> Elaine MacRae, <i>Board Coordinator</i>

II. OPEN SESSION

1. Chair’s Items

1.1 Report on Items Decided in the Closed Session

The Chair reported the decisions of the Board decided in the closed session, including:

The appointment to the Board of Governors of John Hunkin for a four year term effective 27 February 2012.

1.2 *Executive Committee*

The documentation circulated with the agenda was noted by Mr Cantor.

1.2.1 *Action Taken on Behalf of the Board*

Mr Cantor reported that on behalf of the Board, the Executive Committee approved the appointment of Professor Allan Hutchinson as Dean of the Faculty of Graduate Studies for a five-year term, effective 1 March 2012.

2. **President's Items**

2.1 *Updates and Outstanding Issues*

The President briefly reported on the following matters:

- the public policy context for postsecondary education in Ontario and the likelihood that demand for change will intensify;
- the need for the University to embrace change by enhancing processes of all kinds, including collegial governance, and looking closely at the program mix;
- noteworthy accomplishments by members of the University community
- the “President for a Day” initiative and the winning candidate

3. **Academic Resources Committee**

Mr Schwartz referred to the written report included in the agenda. The Vice-President Research & Innovation is actively continuing efforts to advance research relationships with the York Region community. Governors were encouraged to attend upcoming VPRI research events to help raise external interest in York and enhance its research reputation.

3.1 *Appointments, Tenure and Promotion*

The documentation with the agenda was *noted*. It was duly *agreed that the Board approve the President's February 2012 report on Appointments, Tenure and Promotion*. Congratulations were extended from the Board to all successful candidates.

4. **Community Affairs Committee**

The Provost having addressed in the Closed session many of the items discussed by the Community Affairs Committee, Mr Lewis noted the written report included in the agenda.

5. **Finance and Audit Committee**

Mr Cantor welcomed Ms Ibrahim as the new Chair of the Finance & Audit Committee.

The Committee has been focused on the key issues and pressures that will shape the next iteration of the three-year budget. It remains a very challenging fiscal climate for the University. Ms Ibrahim also noted the report from the recent enterprise risk workshop and the revised risk register. Governors were encouraged to review the report once it distributed to the Board.

6. **Capital Projects**

6.1 *Engineering Building*

Documentation circulated with the agenda was noted by Ms Ibrahim. The project will be a transformational one for the University. It was unanimously *agreed that the Board of Governors approve a capital project of \$85 million to construct a new building for the Lassonde School of Engineering*.

6.2 *New Student Centre Building*

Referring to the documentation circulated with the agenda concerning a project for a second Student Centre building, Ms. Ibrahim confirmed that the project would come back to the Board for approval following a successful outcome of the fall 2012 student referendum on the fee levy. A new facility would help address the crucial need for additional student space on the Keele campus. The students' preferred site for the new building is the location of the Stedman Lecture Hall; the preliminary plans for the new student centre include replacing the academic space in the Stedman Building with new/renovated academic space on the campus.

It was *duly* agreed that **the Board of Governors approve in principle a capital project of up to \$80 million for the design and construction of a new Student Centre building, subject to the approval of a student referendum (for a fee levy) and University arranged financing.**

7. **Governance and Human Resources Committee**

Documentation circulated with the agenda was noted by Mr Janmohamed. The Board Chair Selection Advisory Committee has confirmed the criteria for the next Chair and it is reviewing proposed candidates. A recommendation will come forward to the Board for approval at its next meeting in April. The issue of the length of the term of the Board Chair going forward will be taken up as part of a succession planning exercise after the new Chair is confirmed.

8. **Land and Property Committee**

Mrs. Foster spoke to the report circulated with the agenda, noting in particular the Committee's recent discussions of the site locations of the new Engineering Building and proposed Student Centre, the updated Master Plan and the proposed Pond-Sentinel development. A presentation will be made to the Board at an upcoming meeting on the emerging framework for the Master Plan.

9. **Other Business**

Mr Burry, Chair of the Investment Committee, provided a brief update on the status of the endowment fund. Amidst continuing volatility in the financial markets, in 2011 the endowment fund increased in total value by 3% over 2010. The Committee next meets in March and will provide a written report to the Board in April.

There was no other business.

12. ***In Camera* Session**

An *in camera* session was held.

Consent Agenda Items

All consent items were deemed to be approved.

PAUL CANTOR
Chair

HARRIET LEWIS
Secretary



Board of Governors

EXECUTIVE COMMITTEE
Report to the Board of Governors
at its meeting of April 23, 2012

The Executive Committee met on April 16 and in addition to the items otherwise on the agenda, makes this report for information.

Presidential Contract

The Executive Committee reviewed and approved *in camera* the terms of the President's renewal contract commencing July 1, 2012.

President's Items

Labour Relations: The committee received a detailed report from Vice President Brewer on the negotiations and tentative agreement with CUPE 3903, Units 1, 2 and 3. In accordance with its delegated authority, the Committee concurred with the negotiated agreements as outlined, subject to a ratification vote by the union membership.

Branding Exercise: President Shoukri provided the committee with an update on the process and progress of the current exercise to define a brand identity to be focused on student recruitment. The Community Affairs Committee members and other individual governors will be among the members of the community providing input to the consultants in the development process, which will be integrated with the information received from student and alumni surveys and finalized in time for the next recruitment cycle.

Osgoode/CIGI Proposal: The committee was interested in understanding the process which led to the withdrawal by the university from the agreement with the Centre for International Governance Innovation. Dr. Shoukri provided a chronology of events and the rationale for the university's decision not to proceed in this case.

Paul Cantor, Chair

ACADEMIC RESOURCES COMMITTEE

**Report to the Board
at its meeting of April 23, 2012**

The Academic Resources Committee met on April 3, 2012 and submits the following information report to the Board of Governors.

1. President's Items

Dr Shoukri briefed the Committee on postsecondary elements of the provincial budget. Although universities appeared to fare relatively well, there are still many contingencies associated with long term funding and autonomy. Some of the provocative ideas about system transformation that have surfaced in recent months were not acted upon, but may well surface in future policy.

2. Report of the Vice-President Innovation

Vice-President Haché shared a recent report to Senate on the launch of an intensive consultation exercise leading to the development of a strategic research plan for the University. Under the theme of "Building Vibrancy through Research," the initiative is set against a rapidly changing landscape for research and aims to articulate a clear, collegial vision of research that is integrated into the fabric of the University. Vice-President Haché has made a clear commitment to partnership as the process unfolds.

Other topics covered in the report included the following:

- external outreach plans, which include the reestablishment of a VPRI advisory committee and continued engagement with regional partners through the York Leadership Roundtable
- Senate approval of a modernized Policy on Organized Research Units
- events celebrating York research
- major grants received and the promising early indications of performance in Tri-Council competitions
- reputation-building strategies

3. Report of the Vice-President Academic and Provost

Provost Monahan provided a brief overview of the (now moot) collaborative initiative with the Centre for International Governance Innovation, and commented on a number of current initiatives and issues:

- efforts to convert applications to enrolments over the summer months
- expansion of summer term course offerings and the campaign geared toward attracting enrolments by York's own students and Toronto residents who are pursuing studies elsewhere
- progress being made by PRASE working groups

Sam Schwartz, Chair



4700 KEELE ST
TORONTO ON
CANADA M3J 1P3
T 416 736 5310
F 416 736 5094

Memo

To: Board of Governors

From: Sam Schwartz, Chair, Academic Resources Committee

Date: April 9, 2012

Re: **President's Report on Appointments, Tenure and Promotion**

Motion and Rationale:

The Academic Resources Committee recommends approval of the President's April 2012 report by the Board of Governors.

Dr Shoukri notes that York continues to attract outstanding candidates for strategic and replacement appointments. A number of searches are still underway and their results will be reported in June.

Documentation is attached as Appendix A.

Appendix A / President's Report

1. Recommendations for Tenure-Stream Appointment

Name	Department, Field	Rank	Highest Degree (University)	Research Agenda/Specialization	Funding
Liberal Arts and Professional Studies					
Alexandrakis, Othon (M)	Anthropology, Social/ Cultural	Assistant Professor, Pre-candidacy 1	PhD, Anthropology (Rice 2010)	Dr. Alexandrakis is currently teaching at Trent University for a one-year limited term. He previously completed a one-year postdoctoral research fellowship at Princeton. His research background is in unconventional citizenship, migration, emergent and contested identities, governance, urban topography, Greece and Europe.	VPA&P Strategic
Beck, Jacob (M)	Philosophy, Cognitive Science	Assistant Professor, Pre-candidacy 2	PhD, Philosophy (Harvard, 2008)	Dr. Beck comes to us from Texas Tech University where he is an Assistant Professor. He previously held a prestigious two-year postdoctoral fellowship at Washington University. His research straddles the border of traditional philosophy of mind and cognitive science specializing in issues concerning mental representation.	VPA&P Strategic
Bell, Stephanie (F)	Writing, Composition and Rhetoric	Assistant Professor, Pre-candidacy 1	PhD, Rhetoric (Waterloo, 2012)	Dr. Bell recently completed all requirements for her PhD. She has served as graduate writing advisor at Wilfrid Laurier University Writing Centre. She is a specialist in citation practices and plagiarism.	VPA&P Strategic
Cothran, Boyd (M)	History, US History Pre-1900	Assistant Professor, Pre-candidacy 1	PhD, History (Minnesota, 2012)	Dr. Cothran recently completed all requirements for his PhD. He is currently a visiting assistant professor at Macalester College in Saint Paul for the spring 2012 semester. He previously held a postdoctoral fellowship at Yale University. He specializes in indigenous history of the American West and politics of memory.	VPA&P Strategic
Elliott, Denielle (F)	Social Science, Health & Society	Assistant Professor, Pre-candidacy 1	PhD, Sociology and Anthropology (Simon Fraser, 2007)	Dr. Elliott comes to us from the University of Alaska where she is an Assistant Professor. She previously held two postdoctoral fellowships at the University of Chicago and the University of British Columbia. Her research explores the political economy of pharmaceuticals, state regulatory policies and practices and the biopolitics of medical research with postcolonial communities.	VPA&P Strategic
Ma, Jai (M)	Languages, Literatures and Linguistics, Chinese	Assistant Professor, Pre-candidacy 1	PhD, Chinese Literature (Nanjing, 1993)	Dr. Ma is currently a contract faculty member with DLLL and has taught at the University of Waterloo. Dr. Ma studies modern Chinese literature and literatures of the North American Chinese diaspora, and has particular interest in religious influences on Chinese literature.	VPA&P Strategic

McKenzie, Andrea (F)	Writing, Professional Writing	Assistant Professor, Pre-candidacy 2	PhD, English (Waterloo, 2000)	Dr. McKenzie comes to us from New York University where she has held the position of Director of Writing in the Disciplines since 2002. Dr. McKenzie's historical research is on women's war narratives and in children's literature.	VPA&P Strategic
Shantz, Amanda (F)	HRM, Labour Employment Law	Assistant Professor, Pre-candidacy 2	PhD, Employment Relations & HRM (Toronto, 2008)	Dr. Shantz comes to us from a one-year contractually limited appointment at Woodsworth College, University of Toronto. She previously held a position of Senior Lecturer at Kingston Business School in the UK. Her interests are in three domains of HRM research, namely, motivation, gender and stereotyping, and the role of the HR function in leveraging employee engagement.	VPA&P Strategic
Valeo, Antonella (F)	Languages, Literatures and Linguistics, ESL	Assistant Professor, Pre-candidacy 1	PhD, Second Language Education (Toronto, 2010)	Dr. Valeo has held a contractually limited appointment in DLLL since July, 2011. She was previously employed as a Program Consultant in the Adult Education Program of the Toronto Catholic District School Board for 10 years. Her research focus includes instructed second language acquisition and language teacher development, with a focus on content-based courses.	VPA&P Strategic
Wang, Haiping (F)	ADMS, Financial Accounting	Lecturer*/Assistant Professor, Pre-candidacy 1	PhD, Accounting (Concordia, 2012)	Ms Wang expected to complete all requirements for her PhD by July 2012. Her research focuses on empirical financial accounting with interests in financial reporting, capital markets and corporate governance.	Faculty Funded (replacement)
Environmental Studies					
Montoya-Greenheck, Filipe (on offer) (M)	Chair in Neo-Tropical Conservation	Full Professor with tenure	PhD, Cultural Anthropology (New Mexico, 1999)	Dr. Montoya-Greenheck comes to us from the School of Anthropology at the University of Costa Rica where he was promoted to Full Professor in 2010. He has also taught part-time at Global College at the Costa Rica Center of Long Island University. His research expertise is in community development and environmental conservation. His current research projects include creating a digital atlas on indigenous peoples of Costa Rica for the Development Observatory of the University of Costa Rica and the Volcan river watershed.	Specially Funded
Fine Arts					
Gelb, David (M)	Design, Interactive Design	Assistant Professor, Pre-candidacy 1	M.Ed., Curriculum Studies (Toronto, 2008)	Mr. Gelb has held a contractually limited appointment in the Department of Design since 2010. He has had professional relationships with Design firms such as Ed Video Media Centre and TranzTech. His research investigates technology-enhanced learning with a focus on design education.	Faculty Funded (replacement)

Rogers, Kenneth (M)	Film, Cross Platform Digital Media	Assistant Professor, Candidacy 1	PhD, Cinema Studies (New York University, 2005)	Dr. Rogers comes to us from the University of California where he has been an Assistant Professor in the Media and Cultural Studies Department since 2008. He is a knowledgeable practitioner of digital platforms used in digital imaging and digital humanities. His research participates in emerging new currents within screen studies and digital media/new media studies.	VPA&P Strategic
Health					
Pek, Jolynn (F)	Psychology, Quantitative Methods	Lecturer*/Assistant Professor, Pre-candidacy 1	PhD, Quantitative Psychology (North Carolina, 2012)	Ms Pek is expected to complete all requirements for her PhD by Spring 2012. Her interests involve the study of latent variable models - structural equation models, factor analysis models, multilevel models, and latent growth models - that are applied to social science research.	VPA&P Strategic
Perry, Christopher (on offer) (M)	SHPM, Disability Policy, Culture and Research	Assistant Professor, Pre-candidacy 1	PhD, Human Health and Nutritional Sciences (Guelph, 2008)	Dr. Perry has held two postdoctoral fellowships since graduating - East Carolina University (2008-2011) and currently at the University of Guelph. Dr. Perry's research focuses on the efficacy of exercise and dietary interventions for improving skeletal muscle health and fitness.	VPA&P Strategic
Sasaki, Joni (F)	Psychology, Culture and Health	Assistant Professor, Pre-candidacy 1	PhD, Philosophy in Social Psychology (University of California, 2012)	Ms Joni Sasaki is expected to complete all requirements for her PhD before taking up the appointment July 1, 2012. Her area of specialization is cultural psychology and her research examines different forms of religious influence and their implications for thought and behaviour.	VPA&P Strategic
Stevens, Dale (M) 1-Jul-12 LOAWOP to 30-Jun-13	Psychology, Cognitive Aging	Assistant Professor, Pre-candidacy 1	PhD, Psychology (Toronto, 2006)	Dr. Stevens comes to us from the National Institute of Mental Health in Bethesda, Maryland where he holds a research fellowship. His research broadly investigates the neurocognitive specialization, organization, and interaction of brain systems that underlie human conceptual processing, and the related processes of memory and perceptual abstraction.	VPA&P Strategic
Wong, Hannah (F)	Kinesiology, Biostatistics and Quantitative Methods	Assistant Professor, Pre-candidacy 1	PhD, Industrial Engineering (Toronto, 2010)	Dr. Wong is currently finishing a postdoctoral fellowship at Massachusetts General Hospital and Harvard Medical School. Her research involves using a systems perspective to probe beyond the surface and reveal common causal themes that contribute to the relative levels of 'success' or 'failure' in hospital policy, management and operations.	VPA&P Strategic

Science and Engineering					
Chen, Jennifer (F) 1-Jul-12 LOAWOP to 31-Jul-12	Chemistry, Materials	Assistant Professor, Pre-candidacy 1	PhD, Inorganic Chemistry (Toronto, 2009)	Dr. Chen comes to us from the University of Washington where she has held a NSERC postdoctoral fellowship since 2009. Her research interests are interdisciplinary, crossing areas of physical, analytical, solid state and materials chemistries, nanoscience, and optical physics.	VPA&P Strategic
Lamzouri, Youness (M)	Math & Stats, Analysis	Assistant Professor, Pre-candidacy 1	PhD, Mathematics (Montreal, 2009)	Dr. Lamzouri comes to us from the University of Illinois at Urbana-Champaign where he currently holds the position of J.L. Doob Research Assistant Professor. Previously he held a postdoctoral fellowship at the Institute for Advanced Study, Princeton. His research interests are in analytic number theory; especially the theory of L-functions and its applications.	VPA&P Strategic

2. Recommendations for Contractually Limited Appointments

Name	Department, Field	Rank	Highest Degree	Research Agenda/Specialization
Environmental Studies				
Tesfaye, Frehiwot (on offer) (F) 1 August 2012	Food Systems, Social Movements	Sessional Assistant Professor	PhD, Social/Cultural Anthropology (Toronto, 1998)	Dr. Tesfaye has been a contract faculty member with the Department of Sociology at York for the past four years. She previously held an Assistant Professorship position at St. Thomas University in Fredericton. Her research areas include famine and other food systems issues in Africa, social/human rights movements, and health and environment issues, particularly focused on HIV/AIDS.
York University Libraries				
Stymest, Kim (F) 1 May 2012	Bronfman Business Library	Adjunct Librarian	MIS, Library and Information Science (Toronto, 2010)	Ms Stymest is currently on contract as Information Specialist with the Ontario Ministry of Economic Development & Trade. She previously held a Business Librarian contract position at the University of Ontario Institute of Technology in Oshawa. Her background is in communications, public service, web and social media and e-learning.

Notes

All offers effect July 1, 2012 except where indicated

“Specially Funded” includes Endowed Chairs, Canada Research Chairs and Industrial Research Chairs, etc.

*PhD not completed at the time of hiring. Rank of Sessional Lecturer until doctorate is completed, at which point the rank is converted automatically to Sessional Assistant Professor

COMMUNITY AFFAIRS COMMITTEE

Report to the Board of Governors

at its meeting of April 23, 2012

The Community Affairs Committee met on March 30 and in addition to items appearing on the Agenda, makes this report for information:

President's Items

The Israeli Apartheid Week events on campus took place without incident, due in large measure to the preparation work of the team led by Vice President Tiffin, the York Federation of Students and many others.

The Provincial Budget was generally more positive for post-secondary education than for other sectors. The grant for student tuition was maintained, and money has been set aside for growth and previously committed capital projects. Of concern to the committee was the cancellation of the work- study funds which enable the university to employ its students, as well as the withdrawal of funding support for international programs and a claw back of tuition for international undergraduates.

The Federal Budget contained funds for research and innovation to stimulate venture capital investment, and a commitment was made to the federal granting agencies to encourage private/public partnerships.

Upon receiving an update on negotiations with CUPE 3903, the committee expressed its concern that steps be put in place to minimize the disruption to students through communications and other measures.

Marketing and Communications Update

A "Choose York for the Summer" advertising campaign is underway with advertising placements in both traditional and on line media, as well as on campus. The target audience is current York students as well as those in Toronto for the summer who can take advantage of the provincial tuition grant. In addition to supplementing summer enrolment numbers, a busier summer schedule will bring students to campus at the time of year when the campus is at its best and facilities are less crowded.

The brand development exercise is underway, the purpose of which is to create a compelling message about York and its strengths. Wide consultation is taking place before settling on a brand position. The committee encouraged management to consider broadening the consultation with its students on the brand, and to consider the advantages of social media in doing so.

The Division of Advancement

The integration of the Community Relations area into the new Division of Advancement is underway, and allows for a good alignment with alumni relations. The priorities and focus of that area are continuing to be developed and will be brought back to the committee.

A report by the Strategic Counsel on its Alumni Perception Survey was reviewed and discussed in some detail. It provides valuable information on the views of York alumni, their continuing engagement in the university in various ways, and their interest in financially supporting the institution.

Student Affairs

The “conversion” exercise, in which faculty and staff reach out to potential students, is well underway. The Spring Gala for applicants is expected to bring four thousand visitors to campus. Deans and their Faculties are taking ownership of retention challenges, with a particular emphasis on students at risk. The Town and Gown committee remains active in seeking city support for bylaw amendment and enforcement in the adjoining Village.

Robert Lewis, Chair

FINANCE AND AUDIT COMMITTEE
Report to the Board of Governors
at its meeting of 23 April 2012

The Finance and Audit Committee met on 2 April 2012 and in addition to the items on the agenda for action, submits the following report to the Board of Governors for information:

1. Budget Planning Issues

The Committee received a report from the Vice-President Finance & Audit on budget planning issues, including implications of the Provincial budget for universities, key budget assumptions and preliminary changes for the 2012-2015 operating budget.

Relative to other sectors the Provincial budget provided good news for post-secondary education. Consistent with the overall theme of the Province's budget, however, there are reductions for the PSE sector as well. The reductions in annual funding to universities increase incrementally from 2012 through to 2015. Some of the reductions include:

- scholarships and bursaries
- the Municipal Taxation Grant
- elimination of international travel scholarships beginning the 2012-13 academic year

Other elements of the Provincial budget that will affect the University are the extension of the executive compensation freeze, new labour relations measures and planned pension legislation.

The pressures on the University's budget continue to be:

- under-target domestic enrolments and the trend of a declining market share of undergraduate applications
- the pension deficit and corollary special pension deficiency payments
- the reduced endowment fund
- increasing compensation and benefits costs

Meeting enrolment targets is a key assumption for the budget. In response to the recent challenge achieving undergraduate targets, an adjusted enrolment plan is being developed that will see targets remain at the 2011-12 levels for the next two academic years. In addition, preliminary revenue changes, expenditure changes, targeted savings and updated budget plan projections have been identified for the 2012-2015 operating budget. It will come forward to the Board for approval at its next meeting in June.

2. Update on PRASE

Vice-President Brewer reported to the Committee on the Process Re-engineering and Service Enhancement (PRASE) project. Phase two is well underway, the focus of which is to review in-depth the University's

expenditures relative to its priorities; discovering areas of duplication; and defining roles and responsibilities around the University. On the whole the program is moving forward at the expected pace. A quantified projection of monetary savings to be realized from restructuring services is expected to be finalized this fall.

3. Student Housing Strategy

Student housing at the University has become an increasing concern in recent years. The state of the facilities, coupled with increased competition from off-campus housing options has led to a significant vacancy problem in the undergraduate residences. Maintenance costs have been steadily increasing.

The possibility of a new student housing complex within the proposed Pond-Sentinel project, coupled with the existing housing concerns, prompted the University to conduct a review to consider:

- the future direction of student housing at the University;
- how Pond-Sentinel might fit within that future direction;
- what were the strategic institutional goals for housing; and
- how housing could relate better to the academic mission of the University

That review exercise was conducted from spring through fall 2011 and ultimately led to the development of a new housing strategy. The key elements of the new strategy are:

- renewal of the existing housing stock
- construction of a third-part student housing facility
- revisions to the administration of the student meal plan
- a strategic linkage between housing and the academic mission

Management is in the process of consulting on the proposed strategy with the university community. Once finalized, the proposed strategy will be brought to the Board for approval.

4. Pond-Sentinel Development

Through the Land & Property Committee, the Board has been kept apprised of the proposed mixed-use retail, commercial and student housing development on the lands along Pond Road and Sentinel Boulevard. At its meeting in April the Finance & Audit Committee received a presentation on the financial terms, the procurement process and the possible design features for the student housing facilities for the proposed project. The University remains committed to confirming plans for the proposed Pond-Sentinel development by June of this year.

5. Toronto Track & Field Centre

Planning for the Pan Am Games track and field stadium on the Keele campus has involved the use of the Toronto Track and Field Centre, which is owned and operated by the City of Toronto on York leased land. The Centre is situated on the south side of Steeles Avenue immediately to the east of the future Steeles West subway station, and includes an outdoor track north of the indoor facility. The University and the City are discussing the possibility of transferring the ownership and operation of the Track and Field Centre to the University to greater integrate the facility with the Pan Am stadium. The Committee encouraged management and YUDC to continue discussions with the City.

6. Internal Audit Plan

The Committee reviewed and approved the Internal Audit Plan for 2012-2013. The Plan is a risk based plan, which aligns with the University's strategic objectives and the key organizational risks as identified in the Enterprise Risk Management Initiative. The key elements of the Plan are to cover high-risk areas across academic and administrative units at the University, and to optimize resources, enhance services and align

academic priorities and resources. The staff complement of the department will be held at five auditors reflecting the risk and overall complexity of University operations. The planned level of resources remains within a reasonable range for large universities.

7. Internal Audit Report

The Committee received an Internal Audit Status report from the Director of Internal Audit covering the period 1 February 2012 – 31 March 2012. The department undertook 12 audit engagements, of which five were completed over the two month period. Internal audit also reported on an investigation that is currently being conducted. The corrective actions status report confirmed that overall good progress is being made by divisions in responding to recommendations from their last audit.

8. Student Association Financial Statements

The Committee received a report from the Vice-President Students on the Audited Financial Statements of the student associations at the University. Twenty-five of the University's thirty-one centrally funded student governments and organizations have submitted audited Financial Statements and Letters to Management for fiscal 2011. Twelve of the twenty-five completed audits received unqualified opinions from the auditors, representing 70% of the student levy money collected in 2010-2011.

The Office of Student Community Development continues to support the student groups with assistance and advice to ensure they are meeting their fiduciary responsibilities and mitigating risk.

9. Annual Report of the Insurance and Risk Management Office

The Committee received the fiscal 2011 Annual Report from the *Insurance and Risk Management Office* in the *Finance Department*. During the past year the *Insurance and Risk Management* unit has overseen the coordination and development of insurance and related risk management programs to safeguard the University's property and personnel and enhance the mission of the University.

Some of the key areas staff focused on to promote effective risk management practices included:

- developing standardized templates for insurance clauses in experiential education agreements;
- enhancing risk management practices for overseas field placements
- conducting an audit of the University's automobile fleet and driver training practices
- conducting loss control inspections of the Keele and Glendon campuses
- participating with external insurance groups to ensure York's practices are consistent with industry best practices

Ozench Ibrahim, Chair

Memo

To: Board of Governors
From: Ozench Ibrahim, Chair, Finance and Audit Committee
Date: April 9, 2012
Subject: **Tuition Fee Approval**

Background and Rationale

The Minister of Training, Colleges and Universities announced a one-year extension of the existing framework for tuition fees for Ontario Universities on March 8, 2012. Under that Framework, university governing boards may increase tuition fees subject to the following constraints:

- The tuition fees for entering students in Arts and Science, and selected other undergraduate programs, may increase by 4.5%. Tuition fees for entering students in graduate programs and high cost professional programs may be increased by a maximum of 8%. Increases in tuition fees for continuing students in any program must not exceed 4%.
- Average increases in total tuition revenue in any institution must not exceed 5% each year.
- Tuition fee increases are tied to quality improvements and the student access guarantee. Quality improvements and access for students will be ensured through multi-year accountability agreements that every institution will be required to sign with the Ministry.

Fee increases are being requested at this time under this framework for the period May 1, 2012 to April 30, 2013 unless otherwise stated.

Ontario universities are still at or near the lowest funded universities in Canada on a per student basis. With no allowance built into government grants for inflation, and years of restricted fee increases prior to the implementation of this framework, significant budget pressures are being encountered due to salary and benefit costs, and weak capital markets impacting returns on both pension and endowment returns. The proposed fee increases are required in order for the University to meet cost pressures and not exacerbate the already significant budget cuts required over the next year.

The proposed increase in tuition fees is consistent with planned increases at universities across the Province.

Approval is being requested to increase tuition fees as outlined below. The increases in fees are to be effective May 1st. The fee increases recommended would be waived and would not be implemented until 1 September 2012.

It should be noted that in the Fall of 2005, the Board approved a tuition freeze for students in “non-professional” graduate programs. These fees are not proposed to change at this time. The fee increases being proposed in this document reflect the budget plan that was approved by the Board in June 2011.

This projected annual percentage increase in domestic tuition revenue from the tuition fee increases remains below the level of 5% permitted under the Government framework.

On the recommendation of the Finance & Audit Committee, management is reviewing options to enhance the University communications to potential students about forms of financial assistance available to them for tuition fees.

Tuition Fee Proposals

The Board Finance and Audit Committee recommends that the Board of Governors approve the following tuition fees:

DOMESTIC TUITION FEES

1. That the tuition fee rate for Domestic Undergraduate Non-Professional Arts, Science and Other Students as defined in the Tuition Fee Guidelines from the Ministry of Training, Colleges and Universities be increased by 4.5% for students newly entering their program and 4% for those students continuing in their program. These increases will apply in 2012-2013. The resultant fees are shown below:

- a) **Arts, Science and Other – Tuition Fee based on 30 Credits** (*excludes centrally collected ancillary and student referenda fees*)

Arts, Sciences and Other	Current Board Approved Fee	2012-13	Annual Fee Change
Entering year	5,448.00	5,693.16	245.16
2nd year	5,421.90	5,665.92	244.02
3rd year	5,396.10	5,638.77	242.67
4th year	5,370.00	5,611.94	241.94
Beyond	5,343.90	5,584.80	240.90

- b) **Design – Total Fee Per Year** (*excludes centrally collected ancillary and student referenda fees*)

Bachelor of Design	Current Board Approved Fee	2012-13	Annual Fee Change
Entering year	8,013.79	8,374.41	360.62
2nd year	7,975.44	8,334.34	358.90
3rd year	7,932.80	8,294.45	361.65
4th year	7,891.20	8,250.11	358.91
Beyond	7,849.60	8,206.84	357.24
Supplementary year	3,226.00	3,355.04	129.04

Note: *Students who do not complete the program within four years and who do not qualify for a supplementary year rate will have an increase applied to their prior year tuition of 4%.*

2. That the tuition fee rate for Domestic Undergraduate Professional Students as defined in the Tuition Fee Guidelines from the Ministry of Training, Colleges and Universities be increased by 8% for students newly entering their program and 4% for those students continuing in their program. The resultant fees are shown below:

- a) **Business (BBA, iBBA), Administrative Studies (BAS), Engineering, Computer Science, ITEC (BA or BSc), BPA, BDEM – Tuition Fee Based on 30 Credits** (*excludes centrally collected ancillary and student referenda fees*)

Undergraduate Professional	Current Board Approved Fee	2012-13	Annual Fee Change
Entering year	6,638.70	7,169.79	531.09
2nd year	6,392.70	6,904.24	511.54
3rd year	6,156.30	6,648.40	492.10
4th year	5,928.00	6,402.55	474.55
Beyond	5,707.20	6,165.12	457.92

- b) **Law (JD) — Full- Time Tuition Fee Per Year** (*excludes centrally collected ancillary and student referenda fees*)

Law (JD)	Current Board Approved Fee	2012-13	Annual Fee Change
Entering year	19,041.00	20,564.28	1,523.28
2nd year	18,336.00	19,802.64	1,466.64
3rd year	17,657.00	19,069.44	1,412.44
4th year	17,004.00	18,363.28	1,359.28
Beyond	17,004.00	17,684.16	680.16

3. That the tuition fee rate for the Domestic Professional Graduate Programs, as outlined below, be increased by 8% for students newly entering their program and 4% for those students continuing in their program. The resultant fees are shown below:

- a) **MBA/IMBA/MPA/MF/Master of Science in Business Analysis [MSc (Bus. An.)] - Full-Time Tuition Fee Per Term** (*excludes centrally collected ancillary and student referenda fees*). Please note that the MSc (Bus. An.) is still pending funding approval by the Ontario government.

MBA/IMBA/MPA/MF	Current Board Approved Fee	2012-13	Annual Fee Change
Entering year	13,449.19	14,525.12	1,075.93
2nd year	12,951.07	13,987.15	1,036.08
3rd year	12,456.03	13,469.11	1,013.08
4th year	11,979.71	12,954.27	974.56
Beyond	11,521.07	12,458.89	937.82

Note: Part-Time students pay 40% of Full-Time fee per term.

4. That the tuition fee rate for the Master of Design be changed as outlined below:

a) **Master of Design (MDes)— Full-Time Tuition Fee Per Term** (*excludes centrally collected ancillary and student referenda fees*)

Master of Design	Current Board Approved Fee	2012-13	Annual Fee Change
Entering year	4,660.00	4,660.00	-
2nd year	4,660.00	4,660.00	-
3rd year	4,660.00	4,660.00	-
4th year	4,660.00	4,660.00	-
Beyond	4,487.00	4,660.00	173.00

Note: Part-Time Students pay 50% of full time fee per term. Students who do not complete the program within 3 terms for fulltime and 6 terms for part-time will be charged the part-time graduate student tuition rate for each subsequent term until completion.

5. That the fees for MHRM, MPPAL, MFAcc students be unchanged as outlined below:

a) **MHRM – Full-Time Tuition Fee For 4 Terms** (*excludes centrally collected ancillary and student referenda fees.*) *No changes in fees for the period to end 2012-2013.*

MHRM	Current Board Approved Fee	2012-13	Annual Fee Change
Entering/Continuing year	29,000.00	29,000.00	-

Note: Part-time students pay 50% of full time fee per term. Students who do not complete the programs, within 4 terms for full-time and 8 terms for part-time, will be charged the part-time graduate students tuition rate for each subsequent term until completion.

b) **MPPAL Tuition Fee For 6 Terms** (*excludes centrally collected ancillary and student referenda fees.*) *No changes in fees for the period to end 2012-2013*

MPPAL	Current Board Approved Fee	2012-13	Annual Fee Change
Entering/Continuing year	18,202.00	18,202.00	-

Note: Students who do not complete the programs within 6 terms will be charged the part-time graduate student tuition rate for each subsequent term until completion.

- c) **MFAcc – Full-Time Tuition Fee For 4 Terms** (*excludes centrally collected ancillary and student referenda fees*). *No changes in fees for the period to end 2012-2013*

MFAcc	Current Board Approved Fee	2012-13	Annual Fee Change
Entering/Continuing year	29,160.00	29,160.00	-

Notes: Students who do not complete the programs, within 4 terms for full-time and 8 terms for part-time, will be charged the part-time graduate students tuition rate for each subsequent term until completion.

Part-time students pay 50% of the full-time fee.

6. That the program fee for **EMBA** students be unchanged.

Program Fee (*includes centrally collected ancillary and student referenda fees*)

EMBA Program	Current Board Approved Fee	2012-13	Annual Fee Change
Entering/Continuing year	110,000.00	110,000.00	-

7. That the tuition fee rate for **LLM/PDP** students be increased by 8% for students newly entering their program in 2012.

Program Fee (*excludes centrally collected ancillary and student referenda fees*)

LLM/PDP	Current Board Approved Fee	2012-13	Annual Fee Change
Entering/Continuing year	19,302.00	20,846.16	1,544.16

8. That the tuition fee rate for Domestic Students in the **Diploma in Financial Engineering** be set to 40% of the full-time domestic MBA rate.

Fee per term (*excludes centrally collected ancillary and student referenda fees*)

Financial Engineering Diploma	Current Board Approved Fee	2012-13	Annual Fee Change
Entering year	5,484.24	5,810.05	325.81

Note: Students who do not complete the program within the three terms will be charged the part-time graduate studies tuition rate for each subsequent term until completion.

INTERNATIONAL TUITION FEES

1. That the tuition fee rate for International Students in the **Design Program** be increased by 4.5% for students newly entering their program and 4% for those students continuing in their program. The resultant fees are shown below:

Bachelor of Design (BDes) – Total Fee Per Year (*excludes centrally collected ancillary and student referenda fees*)

Bachelor of Design	Current Board Approved Fee	2012-13	Annual Fee Change
Entering year	17,925.70	18,732.35	806.65
2nd year	17,836.70	18,642.72	806.02
3rd year	17,746.70	18,550.16	803.46
4th year	17,658.70	18,456.56	797.86
Beyond	17,570.70	18,365.04	794.34
Supplementary year	6,642.00	6,907.68	265.68

Note: Students who do not complete the program within four years and who do not qualify for a supplementary year rate will have an increase applied to their prior year tuition of 4%.

2. That the tuition fee rate for International Students in the **Master of Design (MDes)** be changed as outlined below:
- a) **Master of Design (MDes) – Tuition Fee Per Term** (*excludes centrally collected ancillary and student referenda fees*)

Master of Design (MDes)	Current Board Approved Fee	2012-13	Annual Fee Change
Entering year	9,321.00	9,321.00	-
2 nd year	9,321.00	9,321.00	-
3 rd year	9,321.00	9,321.00	-
4 th year	9,321.00	9,321.00	-
Beyond	8,976.00	9,321.00	345.00

Note: Part-Time Students pay 50% of full time fee per term.

3. That the tuition fee rates for International students in the undergraduate categories of Non-Professional Arts, Science and Other, and Professional as defined in the Tuition Fee Guidelines from the Ministry of Training, Colleges and Universities, be increased by Domestic rates previously outlined in this memo plus the differential, adjusted by 5.5% (with the exception of the BBA/iBBA). The resultant differential fees are outlined below:

International Differential	Current Board Approved Fee	2012-13	Annual Fee Change
Entering/Continuing year	10,816.00	11,410.88	594.88

4. That the tuition fee rate for International Students in the **MHRM, MPPAL and MFAcc** programs be changed as outlined below.

a) **MHRM – Tuition Fee For 4 Terms** (*excludes centrally collected ancillary and student referenda fees*). That the total fee for international students be adjusted by the increased international differential portion of the fee.

MHRM	Current Board Approved Fee	2012-13	Annual Fee Change
Entering/Continuing year	39,816.00	40,410.88	594.88

Note: Part time students will pay 50% of the full-time fee.

b) **MPPAL - Tuition Fee for 6 Terms part time** (*excludes centrally collected ancillary and student referenda fees*). That the total fee for international students be adjusted by the increased international differential portion of the fee.

MPPAL	Current Board Approved Fee	2012-13	Annual Fee Change
Entering/Continuing year	29,018.00	29,612.88	594.88

c) **MFAcc – Full-Time Tuition Fee for 4 Terms** (*excludes centrally collected ancillary and student referenda fees*). That the total fee for international students be adjusted by the increased international differential portion of the fee.

MFAcc	Current Board Approved Fee	2012-13	Annual Fee Change
Entering/Continuing year	39,976.00	40,570.88	594.88

Note: Part-time students pay 50% of the full-time fee.

5. That the tuition fee rate for International Students in the **LLM/PDP, JD programs** and **EMBA** be set equal to the domestic rates in these programs as is the current practice.

6. That the tuition fee rate for International Students in the **Diploma in Financial Engineering** be set at 40% of the full-time International MBA rate.

Fee per term (*excludes centrally collected ancillary and student referenda fees*)

Financial Engineering Diploma	Current Board Approved Fee	2012-13	Annual Fee Change
Entering/Continuing year	5,914.39	6,835.49	921.10

7. That the tuition fee rate for the **Master of Business Law** for International Students not be increased for newly entering students in July 2012 (*excluding centrally collected ancillary and student referenda fees*).

Master of Business Law	Current Board Approved Fee	2012-13	Annual Fee Change
Entering/Continuing year	28,620.00	28,620.00	-

8. That the tuition fee rates for International Students in the **BBA and IBBA program** be increased as follows:

Annual Fee (*excludes centrally collected ancillary and student referenda fees*)

International BBA/IBBA	Current Board Approved Fee	2012-13	Annual Fee Change
Entering year	17,454.60	25,000.00	7,545.40
2 nd year	17,454.60	19,000.00	1,545.40
3rd year	17,454.60	19,000.00	1,545.40
4th year	17,454.60	19,000.00	1,545.40
Beyond	17,454.60	19,000.00	1,545.40

9. That the tuition fee rates for full-time International Students in the **MBA/IMBA/MPA/MF/ Master of Science in Business Analysis [MSc (Bus. An.)] programs** be increased by \$2,500 for students newly entering their program and 4% for those students continuing in their program

Fee per term (*excludes centrally collected ancillary and student referenda fees*)

MBA/IMBA/MPA/MF	Current Board Approved Fee	2012-13	Annual Fee Change
Entering year	14,588.72	17,088.72	2,500.00
2nd year	14,588.72	15,172.26	583.54
3rd year	14,588.72	15,172.26	583.54
4th year	14,588.72	15,172.26	583.54
Beyond	14,588.72	15,172.26	583.54

Note: *Part-Time Students pay 40% of full time fee per term.*

Memo

To: Board of Governors
From: Ozench Ibrahim, Chair, Finance and Audit Committee
Date: April 9, 2012
Subject: **Student Ancillary Fees for 2012-2013**

Recommendation:

It is recommended that, for 2012-2013, the centrally-collected ancillary fees for undergraduate students and students enrolled in the graduate professional programs (see Appendix 1), be increased by 2.16% (\$0.41 per credit) from \$18.91 to \$19.32, with the full-time fee rising from \$567.30 to \$579.60 and \$289.80 for graduate programs which are charged on a per-term fee basis. Part-time graduate students pay 50% of the full-time fee.

While the adjusted fees are effective May 1, 2012, students will not be assessed actual increases in their ancillary fees until September 1, 2012.

Background and Rationale:

These ancillary fees provide direct support for the activities and services in Counselling, Cultural and Special Services as well as in Sport and Recreation.

This 2.16% increase in ancillary fees is proposed in accordance with the provisions of the Ancillary Fee Agreement, and is required to address inflationary increases in operating costs for areas supported through ancillary fees. An increase in salaries and benefits costs is expected at 2% and while CPI for 2011 was at a level of 3%, a 2.16% increase overall will enable existing services to be maintained.

Recent increases in ancillary fees were:

- 2.0% in 2011-2012
- 2.17% in 2010-2011 and
- 3.0% in 2009-2010

A table of adjusted ancillary fees for students enrolled in graduate professional programs is appended.



Appendix 1

Adjusted Ancillary Fees for Graduate Professional Programs

	2011-2012	2012-2013
MBA/IMBA/MPA Full-Time	\$ 283.66	\$ 289.80
MBA/IMBA/MPA-Part Time	\$ 141.83	\$ 144.90
EMBA	\$ 567.30	\$ 579.60
MHRM Full-Time	\$ 141.83	\$ 144.90
MHRM Part-Time	\$ 70.92	\$ 72.45
Master of Design Full-Time	\$ 189.11	\$ 193.20
Master of Design Part-Time	\$ 94.55	\$ 96.60
FGS Full-Time	\$ 146.37	\$ 149.53
FGS Part-Time	\$ 73.19	\$ 74.77
FGS Theatre Voice	\$ 73.19	\$ 74.77
LLM PDP	\$ 141.83	\$ 144.90
Financial Engineering Part-Time	\$ 141.83	\$ 144.90
MES Full-Time	\$ 146.37	\$ 149.53
MES Part-Time	\$ 73.19	\$ 74.77
MPPAL Part-Time	\$ 94.55	\$ 96.60
Masters of Laws in Business of International Students	\$ 1,110.78	\$ 1,159.20
Master of Financial Accountability (MFAc) Full-Time	\$ 141.83	\$ 144.90
Master of Financial Accountability (MFAc) Part-Time	\$ 70.92	\$ 72.45
Master of Finance Full-Time	\$ 283.66	\$ 289.80
Master of Finance Part-Time	\$ 141.83	\$ 144.90

Board of Governors

INVESTMENT COMMITTEE
Report to the Board of Governors
at its meeting of 23 April 2012

The Investment Committee met on 26 March 2012 and submits the following report to the Board of Governors for information:

1. Treasurer's Report

The Committee received the Treasurer's Report on cash flow and short-term investments to 31 January 2012. The University continues to hold nearly all of the University's aggregate funds either as cash deposits in the banks (40%) or in the laddered fixed income portfolio (59%) due to the continuing low short term investment rates. Of the two, the laddered fixed income portfolio yields a higher return (3.8% vs. 1.25%) and the yield differential translates to \$5.2 million of revenue per annum for the University.

2. Semi-Annual Investments and Performance Snapshot and Performance Summary

The Committees received the semi-annual investments and performance summary as at 31 December 2011, and the total fund performance summary to 29 February 2012. The report shows the impact of the considerable volatility in the markets throughout 2011. At 31 December 2011 the fund had grown by just \$6.3 million (0.85%) to \$326.4 million from \$320.1 million as at 31 December 2010. Returns in the first two months of 2012 are more encouraging at 5.14% calendar year to date return, although the results are below the benchmark of 6.23%.

Consistent with the requirements of the *Statement of Investment Policies and Procedures*, the Committees also received and reviewed the fee structure and fund expenses for the endowment fund for the calendar year 2011 versus 2010. There was an increase in fees in 2011 over 2010 of 13%, which is attributable to the higher fees for active currency management, the introduction of HST on fund expenditures, additional consultant fees for the Canadian Equity Manager search and the increased allocation of assets to the global equity portfolio. The higher fees were not unexpected. The solid fund performance and the mitigation of risk by greater asset diversification offset the increase in fees.

3. Performance Monitoring Report

The committees received and discussed the detailed performance monitoring report on the endowment fund managers prepared by the University's investment consultant, Aon Hewitt. The analysis provided valuable information to inform decisions about manager selection. Manager performance and the effectiveness of the asset mix continue to be monitored on an ongoing basis.

4. Update on Endowment Funded Position and Distribution for 2012

A recommendation from the Finance & Audit Committee pertaining to the 2012 endowment distribution is on the agenda for the Board's approval. The proposed changes were brought to the Investment Committee for information, and it supports the recommendation.

5. Revised Manager Mandate

The Committee approved changes to Mesirow Financial Investment Management manager’s mandate for active currency overlay to revise the fee schedule. The result will produce savings in the total fees paid by the University to the manager.

6. Endowment Fund Spending Formula and Administrative Review

The Board was advised in the fall that to mitigate risk to the University’s operating budget, management is undertaking a study of the endowment distribution formula to identify a more sustainable and predictable formula that achieves its goals in both stable and extreme market conditions. A preferred distribution model was identified and discussed by the Investment committee in December. The project is now at the stage of analyzing the preferred model from an operational and administrative viewpoint. Once finalized, the proposed new distribution model will come forward to the Board for approval.

7. Short-Term Investment Guidelines Revisions

The Committee approved a series of minor changes to the Short-Term Investment Guidelines which update the legislation to reflect current practices, enhance transparency and clarity, and standardize nomenclature.

Guy Burry, Chair

Memo

To: Board of Governors
From: Ozench Ibrahim, Chair, Finance and Audit Committee
Date: April 9, 2012
Subject: **2012 Endowment Distribution Rate**



Recommendation:

The Board Finance and Audit Committee recommends that the Board of Governors approve changes to the 2012 distribution rate for endowments as follows:

- 1) **Suspend Capital Protection for 2011-12.**
- 2) **Distribution for endowments with funded positions (Market Value to Book Value) as at April 30, 2012 as follows:**
 - a) **Normal 5% for endowments with a funded position of greater than 1.10**
 - b) **4% for endowments with a funded position of 1.08 to 1.10**
 - c) **3% for endowments with a funded position of 1.05 to 1.07**
 - d) **Suspend distribution for endowments with funded positions of 1.05 or less**

Background and Rationale:

The Endowment Funds of York University and those previously received by the York University Foundation include donations that are restricted for the purposes designated by the donors. The restricted purposes are generally for scholarships and bursaries, research chairs and other special projects. The endowment assets are invested in long term investments in accordance with an approved Statement of Investment Policies and Procedures.

The responsibility for the investment of the funds resides with the Board of the University through the Investment Committee. Responsibility for the setting of the distribution policy resides with the Board through the Finance and Audit Committee.

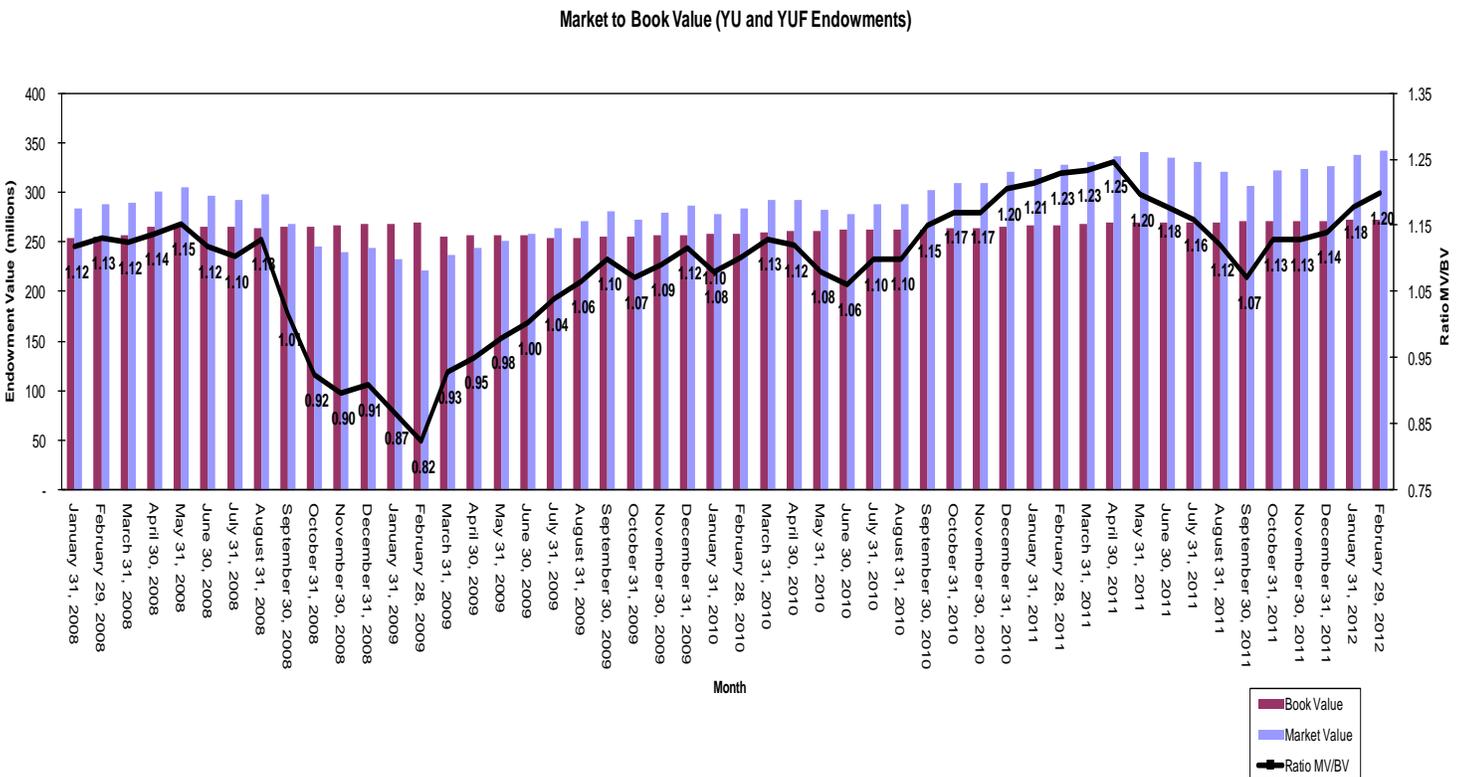
Due to the significant volatility in capital markets in recent years, the administration of the University has been closely monitoring and regularly reporting to both the Investment Committee and the Board Finance and Audit Committee on the performance of the fund and the probability that the endowment capital, at market, will be sufficient to maintain the annual distributions. This updated status report is being provided to the Committee for information purposes at this time.

This report is being provided to the Board Finance and Audit Committee to recommend changes to the distribution rate for 2012.

Funded Ratio –York University

Figure 1 below has been updated to the end of February. The chart tracks the funded ratio (MV/BV) of the consolidated endowments since January 2008 when markets became troubled and descended into full credit crisis and a recovery period spanning 2007-10. This figure further depicts the impact of positive returns and the recovery of value experienced by the consolidated endowments since the low in March 2009 and up to the end of February 2012.

Figure 1



Significant reserves that had existed in the fund prior to the crisis were seriously eroded to the level of 82 percent (ratio of Market Value to Book Value) in February 2009. Due to the subsequent strong investment performance and the actions taken to reduce and manage the 2009 and 2010 distributions, the reserve has recovered and, as at February 2011, reached the level of 1.23. Further volatility during calendar year 2011 along with the annual distribution, has reduced the funded ratio at the end of February 2012 to 1.18. This graph shows clearly the need to maintain reasonable levels of reserves in order to sustain consistent distribution over the long term.

The normal annual distribution rate for endowments, with the exception of a special arrangement for one donor, has been 5% of the adjusted book value. For the last three years, the Board Finance and Audit Committee has revised the distribution rate and taken a number of measures to help preserve the capital of these endowments. These measures included a combination of suspension of CPI, reversal of previous capitalizations, and reduced distributions in 2009 and 2010 for endowments with weaker funded positions. In 2011 the funded position had recovered sufficiently at the end of April to enable the University to distribute a full 5% on all eligible endowments.

The University administration has engaged AON Hewitt to assist in conducting a review of the University's endowment spending formula and associated administrative support processes. The preliminary report is recommending a move to a more market based formula in the future. The implications of this recommendation are currently being investigated.

Each individual endowment account is required to stand on its own and therefore each endowment must be analyzed based on its characteristics derived from timing of cash inflows and investment history to determine the relative strength of its funded position. Consequently, the 1,700 endowment accounts are ranked by strength based on each one's specific ratio of market value to book value. The strength of the ratio generally is an effect of the length of time the particular endowment has been invested.

A detailed ranking of the endowments by their individual ratio of market to book value has been analyzed and Figure 2 below outlines the position of these funds by ranges depicting relative strength. The analysis was prepared based on the endowment market value at end of February 2012.

Figure 2

MV to BV Ratio						
York University Consolidated Endowments						
As at February 29, 2012						
MV/BV Ratio	Count	30-Apr-11 Book Value	% of Eligible BV	29-Feb-12 Market Value	Average MV/BV	% of Eligible MV
Greater than 1.10	1,598	186,388,197.40	85.3%	230,727,177.71	1.24	87.0%
Between 1.09 and 1.10	46	4,047,232.76	1.9%	4,505,725.91	1.11	1.7%
Between 1.08 and 1.09	39	11,625,093.80	5.3%	12,642,974.93	1.09	4.8%
Between 1.07 and 1.08	26	837,371.54	0.4%	900,520.86	1.08	0.3%
Between 1.06 and 1.07	19	5,372,959.60	2.5%	5,722,178.88	1.06	2.2%
Between 1.05 and 1.06	13	6,885,013.11	3.2%	7,302,194.23	1.06	2.8%
1.05 or less	31	3,406,502.00	1.6%	3,522,306.25	1.03	1.3%
TOTAL	1,772	218,562,370.21		265,323,078.77		

Excludes:

- 1) Schulich Special Arrangement endowments (8 Cost Centres)
- 2) Fresh contributions to endowments received after April 30, 2011 (numerous)
- 3) Endowments that do NOT normally receive distribution

In accordance with Policy and a long-term horizon, a principal investment objective of the Endowment Fund is to preserve the Fund capital in real terms in order to provide a flow of income to endowment beneficiaries in perpetuity. An equally important investment objective of the Endowment Fund is to provide a rate of return sufficient to support the stability of expenditures by its beneficiaries through time.

In surveying Canadian universities, most are continuing to be conservative with their endowment distribution rates in 2012 in an attempt to maintain some reserves to assist should capital markets continue to be volatile in the near term.

This proposal represents a cautious approach to balance the desire to make as much available as possible from the endowments with the need to maintain reasonable reserves within each endowment so as to not expose the University's central budget to additional cost pressures in future years.

Based on the above formula, it is estimated that the endowment distribution will amount to \$10.3M as compared to \$10.9M, which is the value had the distribution policy remained at the normal level of 5%.

The University will mitigate the shortfall in funding that is created as a result of this reduced distribution by:

- 1) Providing supplementary support for student awards from the University operating budget to a minimum level of 4%; and
- 2) Providing full support from the University operating budget for any shortfall in distribution for salary and benefit costs for endowed chairs.

Additionally,

- 3) The Advancement Division will communicate to the donor community and will work with individual donors with special arrangements as appropriate.
- 4) The Advancement Division has and will continue to encourage donors who have established endowed funds to provide additional funding equivalent to the required distribution to fund the intended purpose.

Memo

To: Board of Governors

From: Guy Burry, Chair, Investment Committee

Date: 16 April 2012

Subject: Annual Review of Statement of Investment Policies & Procedures

Recommendation:

That the Board of Governors approve the revised Statement of Investment Policies and Procedures (SIPP), with minor changes as set out in Appendix A.

Background

In accordance with 7.6 of the Investment Policy, a review of the Investment Policy is required annually. Management has completed the review and there are no recommended changes to the Investment Strategy or Performance Benchmark only minor changes to the document are proposed.

Rationale

The detailed changes are set out by section in Appendix A. The revisions are all of a minor nature to enhance clarity and consistency in the legislation, as follows:

Investment Strategy

- S. 5.1 Redundant reference to implementation removed.
- S. 5.2-5 Section numbering adjusted.

General Investment Constraints

- S. 6.4 Addition of “only” to sharpen limits for use of derivatives.

Performance Evaluation

- S. 7.3-4 Additions of headings and section numbering adjusted.
- S. 7.2-5 Standardizing of date references for measurement purposes.

Proposed Revisions to the *Statement of Investment Policies and Procedures*

Section	Existing Policy	Proposed Revision (Changes in bold or struck out)
5. Target Asset Mix 5.1	The target asset mix is to be fully implemented commencing January 1, 2010.	The target asset mix is to be fully implemented commencing January 1, 2010.
6. General Investment Constraints 6.3	Derivative instruments may be used to: <ul style="list-style-type: none"> a) replicate the performance of a capital market index; and b) manage currency risk. 	Derivative instruments may be used only to: <ul style="list-style-type: none"> a) replicate the performance of a capital market index; and b) manage currency risk.
7. Performance Evaluation 7.2	The performance benchmark for the Fund is a weighted composite of total return market indices expressed in Canadian dollars. The following benchmarks shall be fully in effect as of January 1, 2010.	The performance benchmark for the Fund is a weighted composite of total return market indices expressed in Canadian dollars. The following benchmarks shall be fully in effect as from January 1, 2010.
7.3	Beginning July 1, 2008, the total fund performance objective 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.	<i>Four-Year Annualized Return Objective</i> As from July 1, 2008, the total fund performance objective 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.
7.4	For periods ended to June 30, 2008 and earlier, the performance benchmark for measurement purposes shall be the one as in effect from 2004 as follows... For periods spanning the phase in leading up to the full implementation target of January 1, 2010, the performance benchmark for measurement purposes shall correspond to the phase in asset mix weight approved by the Investment Committee from the date that the structuring took place to achieve that asset mix.	<i>Previous Performance Benchmarks</i> As from 2004 to June 30, 2008, the performance benchmark for measurement purposes was as follows... As from June 30, 2008 to January 1, 2010, the phase in period, the performance benchmark for measurement purposes corresponded to the phase in asset mix weight approved by the Investment Committee from the date that the structuring took place to achieve that asset mix.

<p>7.5</p>	<p>Currency exchange rate fluctuation as a specific risk factor is subject to management at the total fund level. Beginning January 1, 2009, the fund investment strategy has incorporated a currency hedging strategy as constituted in the form of a currency hedge ratio and as implemented through investment managers. The impact of currency hedging is to be measured and evaluated in the context of its contribution to mitigating total fund volatility over single and multiple periods....</p> <p>From January 1 to December 31, 2009, a USD passive currency overlay mandate managed by a dedicated manager for the purpose of total fund risk management was measured and evaluated as a separate contributing element to fund performance, and an active currency hedging strategy provided by the global equity manager as an integral element of the portfolio management was measured and evaluated as a component of the total fund benchmark. The effects are embedded in the permanent performance record of the fund and its benchmark.</p>	<p>Currency exchange rate fluctuation as a specific risk factor is subject to management at the total fund level. As from January 1, 2009, the fund investment strategy has incorporated a currency hedging strategy as constituted in the form of a currency hedge ratio and as implemented through investment managers. The impact of currency hedging is to be measured and evaluated in the context of its contribution to mitigating total fund volatility over single and multiple periods...</p> <p>As from January 1 to December 31, 2009, a USD passive currency overlay mandate managed by a dedicated manager for the purpose of total fund risk management was measured and evaluated as a separate contributing element to fund performance, and an active currency hedging strategy provided by the global equity manager as an integral element of the portfolio management was measured and evaluated as a component of the total fund benchmark. The effects are embedded in the permanent performance record of the fund and its benchmark.</p>
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York University Endowment Fund

Statement of Investment Policies and Procedures

January 1, 2012



1. Background

- 1.1 The York University endowment fund (the “Fund”) is comprised of many individual endowments that have been received in the form of donations, gifts and bequests. Donations in the form of endowments are subject to capital preservation and inflation protection principles, and therefore are invested to provide a steady stream of earnings that may be expended for the purposes specified.
- 1.2 Most endowment projects, such as Chairs, scholarships and bursaries, are established by individual donations, gifts, and bequests, and are designated for special purposes as agreed to between the donor and the University.
- 1.3 All distributions for endowed spending from the Fund are subject to the formal policies and practices governing University distributions and, in addition, any special restrictions that may be part of an endowed fund.
- 1.4 The purpose of this investment policy (the “Policy”) is to provide a framework for the proper management of the invested assets of the Fund, to specify the Fund’s investment objectives, and an investment strategy suitable for achieving the Fund’s investment objectives, and to outline how this investment policy will be implemented.

2. Fund Governance

Responsibilities of the Board

- 2.1 The Board of Governors of York University (the “Board”) has ultimate responsibility for the performance of the Fund.
- 2.2 The Board has appointed an investment committee (the “Investment Committee” or “Committee”) to oversee all aspects of the investment of the Fund.
- 2.3 The Board approves the adoption of the Policy.
- 2.4 The Board has delegated to the Investment Committee responsibility for appointing and managing the investment managers, the custodian, recordkeeper and any other external agents as may be required for the administration of the Fund.
- 2.5 The Board receives periodic reports from the Investment Committee concerning the status of the Fund.
- 2.6 The Board has appointed a Finance and Audit Committee which has, as one of its duties, the responsibility for setting the distribution policy for the trusts and endowments.

Responsibilities of the Committee

- 2.7 The Investment Committee shall oversee the Fund investments, and report to the Board on an annual basis concerning the status and performance of the Fund and any issues regarding the Fund and activities of the Investment Committee.

- 2.8 The Investment Committee shall review the management of the fund assets and the performance monthly.
- 2.9 On the advice of York University staff engaged in the management of the Fund (“Management”), the Investment Committee shall select and retain one or more competent external professional investment managers (the “Investment Managers”), and may, on the advice of Management, make any Investment Manager changes from time to time which it deems to be in the best interest of the Fund. The Committee shall inform the Board of any Investment Manager changes. The Committee shall ensure at all times that there are no conflict of interest issues in connection with such appointments.
- 2.10 The Investment Committee shall retain the services of the custodian, the recordkeeper, and any other external agents including asset consultants as may be required for the administration and care of the Fund. The Committee shall inform the Board of any changes.
- 2.11 The Investment Committee shall develop this Policy and recommend to the Board its adoption and any amendments as required.
- 2.12 The Investment Committee shall meet as required, with each Investment Manager to review the Investment Manager’s performance, portfolio, and investment strategy as well as any other significant issues relevant to the portfolio and the firm.

Responsibilities of Management

- 2.13 Management is responsible for the allocation of Fund assets, including the direction of contributions into and distributions out of the Fund, and periodic rebalancing between Fund accounts, as required.
- 2.14 Management shall conduct Investment Manager searches as required and provide recommendations to the Investment Committee
- 2.15 Management shall conduct periodic oversight and due diligence reviews of existing Investment Managers and report any concerns to the Committee.
- 2.16 Management shall oversee compliance by each Investment Manager to the investment guidelines contained in their specialty mandate (“Mandate”), reporting any concerns to the Committee.
- 2.17 Management shall develop and improve each Mandate as appropriate to overall investment strategy and/or changes in the external environment or best practices.
- 2.18 Management shall communicate general guidelines for shareholder voting in Mandates for actively managed equity held in segregated portfolios.
- 2.19 Management shall provide the Committee with monthly reports concerning the status of the Fund, the investment performance, and the Investment Managers.
- 2.20 Management shall ensure that the Fund is managed in accordance with this Policy and complies with all applicable legislation and regulatory requirements.
- 2.21 Management shall ensure that all investments in the Fund are recorded in the financial

records of the Fund in accordance with generally accepted accounting principles and that the auditors review the investments annually.

Responsibilities of the Investment Manager

- 2.22 Each Investment Manager shall invest assets of the Fund in accordance with the Policy and the Investment Manager's Mandate.
- 2.23 Each Investment Manager shall deliver reports on portfolio holdings and performance on a monthly basis.

Responsibilities of the Custodian

- 2.24 The custodian serves as trustee and custodian of the Fund, and is responsible for providing safekeeping and net asset valuation for the assets of the Fund.
- 2.25 The custodian shall deliver custodial reports on a monthly basis.

Responsibilities of the Recordkeeper

- 2.26 The recordkeeper shall maintain detailed records of each endowment invested in the Fund.
- 2.27 The recordkeeper shall deliver account detail reports on a monthly basis.

3. Investment Objectives

- 3.1 The primary investment objective of the Fund is to preserve the Fund capital in real terms in order to provide a flow of income to endowment beneficiaries in perpetuity.
- 3.2 An additional investment objective of the Fund is to provide a rate of return sufficient to support stable expenditures over time. Over the long run, the Fund rate of return, net of all expenses and transaction costs, must at least be equal to the Distribution Rate plus inflation.

4. Investment Philosophy

The following investment factors have influenced the decisions concerning the appropriate long term asset mix and investment structure for the Fund:

- 4.1 Equities are expected to outperform bonds in the long term.
- 4.2 Higher expected investment return is positively correlated with higher expected investment volatility.
- 4.3 Diversification increases the long term risk-adjusted return potential of the total fund.
- 4.4 Skilled active management can provide superior risk-adjusted return above the benchmark.

- 4.5 Integration of environmental, social, and governance (ESG) factors in the investment selection and evaluation process is consistent with the expectation that endowments shall provide sustainable payout over the long term.

5. Investment Strategy

Target Asset Mix

- 5.1 The following Target Asset Mix has been adopted to meet the Fund's investment objectives, effective and fully implemented as from January 1, 2010:

	<u>Asset Class</u>	<u>Target Asset Mix</u>	
<u>Equities</u>	Canadian Equity	15%	
	US Small/Mid Cap Equity	20%	
	Global Equity	25%	
	Emerging Markets Equity	<u>10%</u>	70%
<u>Fixed Income</u>	Canadian Bonds	25%	
	Global High Yield Bonds	<u>5%</u>	30%

- 5.2 Asset class ranges define the normal minimum and maximum allocations for each Asset Class. The range for an individual asset class is the Target Asset Mix weight plus-or-minus 5% of total fund weight.
- 5.3 Any cash or cash equivalents contained within a managed equity or fixed income portfolio will be considered a part of that portfolio for purposes of monitoring the Fund asset allocation.

Currency Hedging Strategy

- 5.4 The obligations of the Fund are denominated in Canadian dollars and payable annually, signifying a short horizon and low tolerance for extreme directional volatility. Conversely, the endowment assets of the Fund are invested with a long horizon implying a higher degree of risk tolerance appropriate to the perpetual nature of endowments. Before hedging, the assets are denominated 40% in Canadian dollars, 40% in US dollars, and 20% in other currencies including emerging markets (weights according to Target Asset Mix).

A currency hedging strategy is included in the overall investment strategy specifically to address earnings volatility associated with foreign currency exposure in the Fund. As from January 1, 2010, a 50% strategic hedge ratio (defined as the proportion of foreign currency exposure to be hedged back to the Canadian dollar) is applied to developed markets currencies. Emerging markets currencies as a class are excluded from the hedging strategy due to cost and liquidity constraints, however, hedging of individual emerging market currencies may be permitted with written permission from Management.

The Committee shall determine the strategic hedge ratio and shall periodically review the ratio and the overall currency hedging strategy.

Management shall implement currency hedging through one or more external managers selected for their ability to manage passive or active currency overlay.

Rebalancing Strategy

- 5.5 The following portfolio rebalancing procedures will be employed:
- a) Contributions to the Fund will be allocated to underweight asset class(es) and withdrawals from the Fund will be taken from overweight asset class(es) with the intent of using these cash flows to rebalance back toward the asset mix target weights in section 5.1.
 - b) On a quarterly basis, any asset class with an actual weight that is outside of its normal asset class range of Target Asset Mix weight plus-or-minus 5% of total fund weight, shall normally be rebalanced back to the middle of the allowable range taking into consideration anticipated future cash flows.

6. General Investment Constraints

The Fund assets shall be invested at all times in a prudently diversified manner in accordance with the Policy. In addition, it is intended that:

- 6.1 In no case shall the Fund own more than 10% of any class of the securities of a corporation.
- 6.2 In no case shall the Fund have more than 10% of its total investments invested in the securities of any one corporation, government, or trust, other than in the governments of G7 nations.
- 6.3 Any gifts of marketable equities will be sold as soon as practicable upon receipt.
- 6.4 Derivative instruments may be used only to:
 - a) replicate the performance of a capital market index; and
 - b) manage currency risk.
- 6.5 The Fund may lend its securities through the Custodian, subject to applicable legislation and providing that a minimum collateral of 105% of the market value of the loaned securities, marked to market daily, is maintained at all times in cash or high quality, liquid securities.

7. Performance Evaluation

Performance Objectives

- 7.1 The Committee shall, at least annually, review an analysis of total fund, asset class and Manager performance, which shall include:

- a) performance relative to the Fund objectives outlined in this Policy;
- b) performance relative to the Fund performance benchmark; and
- c) appropriate investment risk measures.

Performance Benchmarks

7.2 The performance benchmark for the Fund is a weighted composite of total return market indices expressed in Canadian dollars¹. The following benchmarks shall be fully in effect as from January 1, 2010.

Unhedged Benchmark

The total fund performance excluding active currency overlay shall be measured against the unhedged composite benchmark.

<u>Asset Class</u>	<u>Benchmark Index</u>	<u>Weight</u>
Canadian Equity	S&P/TSX Composite	15%
US Small /Mid Cap Equity	Russell 2500	20%
Global Equity	MSCI World ²	25%
Emerging Markets Equity	MSCI Emerging Markets	10%
Canadian Bonds	DEX Universe Bond	25%
Global High Yield Bonds	Citigroup High Yield Market Capped	5%

50% Hedged Benchmark

Effective January 1, 2010, total fund performance including active currency overlay gain/loss shall be measured against the 50% hedged benchmark incorporating the strategic 50% hedge ratio applied to foreign currencies of developed market countries:

<u>Asset Class</u>	<u>Benchmark Index</u>	<u>Weight</u>
Canadian Equity	S&P/TSX Composite	15%
US Small /Mid Cap Equity	Russell 2500 – 50% Hedged	20%
Global Equity	MSCI World – 50% Hedged ³	25%
Emerging Markets Equity	MSCI Emerging Markets	10%
Canadian Bonds	DEX Universe Bond	25%
Global High Yield Bonds	Citigroup High Yield Market Capped – 50% Hedged	5%

1. For reporting in CAD, foreign-currency-denominated indexes are translated using global exchange rates provided by WM Reuters as at 4:00 PM London Close.
2. MSCI World Index is specified Net Dividends.
3. The 50% currency-hedged return of MSCI World Net is determined using the country-weighted methodology.

Four-Year Annualized Return Objective

- 7.3 As from July 1, 2008, the total fund performance objective 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.

Previous Performance Benchmarks

- 7.4 As from 2004 to June 30, 2008, the performance benchmark for measurement purposes was as follows:

<u>2004 Benchmark</u>	<u>Weight</u>
S&P/TSX Composite	30%
MSCI World ex-Canada Net	30%
DEX Universe Bond	40%

As from June 30, 2008 to January 1, 2010, the phase in period, the performance benchmark for measurement purposes corresponded to the phase in asset mix weight approved by the Investment Committee from the date that the structuring took place to achieve that asset mix.

The Fund's historical record shall be compared to a progressively linked series of performance benchmarks as specified above and verifiable to the documents and minutes of the Investment Committee meetings.

Currency Hedging Evaluation

- 7.5 Currency exchange rate fluctuation as a specific risk factor is subject to management at the total fund level. As from January 1, 2009, the fund investment strategy has incorporated a currency hedging strategy as constituted in the form of a currency hedge ratio and as implemented through investment managers. The impact of currency hedging is to be measured and evaluated in the context of its contribution to mitigating total fund volatility over single and multiple periods.

As from January 1, 2010, the contribution from the currency management program will be reviewed and evaluated from three vantages:

- a) **Currency Manager Decision:** The manager's ability to meet performance objectives for added value and volatility will be evaluated relative to performance targets stated in multi-year terms in the specialty manager mandate. Monitoring and reporting by Management to the Committee is conducted monthly.
- b) **Active Management Decision:** The contribution of active currency overlay will be evaluated relative to the implied-passive strategic 50% hedged position (50% *Hedged Benchmark*) at least annually.
- c) **Strategic Currency Hedging Decision:** The impact on fund performance and volatility of the strategic currency hedge (50% *Hedged Benchmark*) will be assessed and compared to the *Unhedged Benchmark* at least annually in the context of a

multi-year horizon.

As from January 1 to December 31, 2009, a USD passive currency overlay mandate managed by a dedicated manager for the purpose of total fund risk management was measured and evaluated as a separate contributing element to fund performance, and an active currency hedging strategy provided by the global equity manager as an integral element of the portfolio management was measured and evaluated as a component of the total fund benchmark. The effects are embedded in the permanent performance record of the fund and its benchmark.

Annual Policy Review

- 7.6 The Committee shall, at least annually, review this Policy, including:
- a) the appropriateness of the asset mix policy and currency hedging strategy;
 - b) the suitability of the Fund structure and Investment Manager mandates;
 - c) the cost-effectiveness of the implementation of the Fund investment policy; and
 - d) the effectiveness of the Fund governance structure.

Investment Manager Retention

- 7.7 In making decisions regarding the retention or replacement of the Investment Manager, the Committee's deliberations shall include consideration of:
- a) the Investment Manager's performance pattern, both in terms of level of performance and in terms of volatility of performance;
 - b) changes in the Investment Manager's organizational structure;
 - c) significant personnel changes in the relevant investment team at the Investment Manager;
 - d) the consistency of the Investment Manager's investment strategy and style;
 - e) any regulatory issues with regard to the Investment Manager;
 - f) the Investment Manager's compliance with its Mandate and the Policy;
 - g) the quality of service provided by the Investment Manager; and
 - h) the Investment Manager's success toward meeting the value added and risk objectives established in their Specialty Investment Mandate.

For approval by the Board Investment Committee – March 26, 2012
For approval by the Board of Governors – April 23, 2012