

McMASTER UNIVERSITY
CONTRIBUTORY PENSION PLAN FOR SALARIED EMPLOYEES
RATE OF RETURN FOR YEAR ENDING JUNE 30, 2005

Income	Plan 2000	Original Plan	Total
Investment Income	11,715,298	180,972	11,896,270
Net Realized Gain on Sales of Investments	14,080,890	145,336	14,226,226
Net Realized Gain on Sales of Units in the Master Trust	4,585,880	14,869	4,600,749
Net Realized Gain on Transfer of Investments to the Salaried Plan	0	1,574,957	1,574,957
Change in Net Unrealized Gains	51,204,141	-631,124	50,573,017
	81,586,209	1,285,010	82,871,219
Expenses			
Administrative Expenses	216,672	3,488	220,160
Audit Fees	14,250	8,550	22,800
Pension Filing and Assessment Fees	429,450	-14,590	414,860
Professional Fees	1,900,823	42,611	1,943,434
	2,561,195	40,059	2,601,254
Net Income			
	79,025,014	1,244,951	80,269,965
Net Assets Market Value June 30, 2004	798,798,980	11,563,461	810,362,441
Net Assets Market Value June 30, 2005	873,523,737	1,378,022	874,901,759

$$\begin{aligned}
 \text{2005 Rate of Return} &= \frac{80,269,965}{\frac{1}{2} (810,362,441 + 874,901,759 - 80,269,965)} \\
 &= 10.00\%
 \end{aligned}$$

Calculation of Five Year Average	%
2005 Rate of Return	10.00
2004 Rate of Return	14.84
2003 Rate of Return	(2.57)
2002 Rate of Return for 6 months (January 1/02 to June 30/02)	(2.81)
2001 Rate of Return	1.14
2000 Rate of Return for 6 months (July 1/00 to December 31/00)	2.84
Total Return for Last Five Years	23.44
Five Year Annual Average Return (Total Return / 5)	
	= 4.69%
Rate of Return in Excess of 4.5% (4.69% - 4.5%)	= 0.19%
Average CPI to June 30, 2005	= 2.08%
Increase to Pensions	= 0.19%