

McMASTER UNIVERSITY
Contributory Pension Plan for Salaried Employees
RATE OF RETURN FOR YEAR ENDING JUNE 30, 2009
(in thousands of dollars)

Income	Plan 2000 (2)	Original Plan (3)	Total
Investment Income	31,455	24	31,479
Net Realized Gain on Sales of Investments	551	15	566
Net Realized Gain on Sales of Units in the Master Trust Fund	(8,016)	(2)	(8,018)
Change in Net Unrealized Gains/(Loss) in Investments	(138,303)	(168)	(138,471)
	(114,313)	(131)	(114,444)
Expenses			
	259	-	256
Administrative Expenses	16	-	16
Audit Fee	2,174	3	2,177
Investment Manager Fees	30	-	30
Pension Filing and Assessment Fees	591	4	595
Professional Fees	137	2	139
Trustee and Custodial Fees			
	3,207	9	3,216
Net Income			
	(117,520)	(140)	(117,660)
Net Assets Market Value June 30, 2008	1,004,197	1,158	1,005,355
Net Assets Market Value June 30, 2009	889,757	1,077	890,834

$$\begin{aligned}
 \text{2009 Rate of Return (1)} &= \frac{(117,660)}{1/2 (1,005,355 + 890,834 + 117,660)} \\
 &= (11.69)\%
 \end{aligned}$$

Calculation of Five Year Average	%
2009 Rate of Return	(11.69)
2008 Rate of Return	(3.98)
2007 Rate of Return	14.45
2006 Rate of Return	5.93
2005 Rate of Return	10.00
Total Return for Last Five Years	14.71
Five Year Annual Average Return (Total Return / 5)	
Five Year Annual Average Return (Total Return / 5)	= 2.94%
Rate of Return in Excess of 4.5% (2.94% - 4.5%)	= (1.56%)
Average CPI to June 30, 2009	= 1.67%
Increase to Pensions	= 0.00%

- (1) Formula as established
(2) Amounts as reported on June 30, 2009 Audited Statements
(3) Per June 30, 2009 internal financial statements