

**McMASTER UNIVERSITY**  
**Contributory Pension Plan for Salaried Employees**  
**RATE OF RETURN FOR YEAR ENDING JUNE 30, 2010**  
(in thousands of dollars)

Income	Plan 2000 (2)	Original Plan (3)	Total
	28,310		28,346
Investment Income	50	36	50
Net Realized Gain on Sales of Investments	(4,730)		(4,736)
Net Realized Gain on Sales of Units in the Master Trust Fund	37,564		37,607
Change in Net Unrealized Gain/(Loss) in Investments		(6)	
	<b>(61,194)</b>	43	<b>61,267</b>
		<b>73</b>	
Expenses			
Investment Manager Fees	2,374	3	2,377
Professional Fees	509	45	554
Administrative Expenses	262	-	262
Trustee and Custodial Fees	147	2	149
Pension Filing	42	-	42
Audit Fee	16	-	16
	<b>3,350</b>	<b>50</b>	<b>3,400</b>
Net Income (Loss)			
	<b>57,844</b>	<b>23</b>	<b>57,867</b>
Net Assets Market Value June 30, 2009	889,757	1,077	890,834
Net Assets Market Value June 30, 2010	954,192	1,249	955,441

$$\begin{aligned}
 \text{2010 Rate of Return (1)} &= \frac{57,867}{1/2 (890,834 + 955,441 - 57,867)} \\
 &= 6.47\%
 \end{aligned}$$

Calculation of Five Year Average	%
2010 Rate of Return	6.47
2009 Rate of Return	(11.69)
2008 Rate of Return	(3.98)
2007 Rate of Return	14.45
2006 Rate of Return	5.93
<b>Total Return for Last Five Years</b>	<b>11.18</b>
Five Year Annual Average Return (Total Return / 5)	
	= 2.24%
Rate of Return in Excess of 4.5% (2.24% - 4.5%)	= (2.26%)
Average CPI to June 30, 2010	= 1.70%
<b>Increase to Pensions</b>	<b>= 0.00%</b>

- (1) Formula as established  
(2) Amounts as reported on June 30, 2010 Audited Statements  
(3) Per June 30, 2010 internal financial statements