

McMASTER UNIVERSITY
Contributory Pension Plan for Salaried Employees
RATE OF RETURN FOR YEAR ENDING JUNE 30, 2011
(in thousands of dollars)

Income	Plan 2000 (2)	Original Plan (3)	Total
	28,030		28,068
Investment Income	139		139
Net Realized Gain on Sales of Investments	(1,311)	38	(1,313)
Net Realized Gain on Sales of Units in the Master Trust Fund	120,318		120,479
Change in Net Unrealized Gain/(Loss) in Investments		(2)	
	147,176	161	147,373
		197	
Expenses			
Investment Manager Fees	2,872	4	2,876
Professional Fees	441	69	510
Administrative Expenses	228	-	228
Trustee and Custodial Fees	174	2	176
Pension Filing	60	-	60
Audit Fee	19	-	19
	3,794	75	3,869
Net Income (Loss)			
	143,382	122	143,504
Net Assets Market Value June 30, 2010	954,192	1,249	955,441
Net Assets Market Value June 30, 2011	1,106,300	1,538	1,107,838

$$\begin{aligned}
 \text{2011 Rate of Return (1)} &= \frac{143,504}{1/2 (955,441 + 1,107,838 - 143,504)} \\
 &= 14.95\%
 \end{aligned}$$

Calculation of Five Year Average	%
2011 Rate of Return	14.95
2010 Rate of Return	6.47
2009 Rate of Return	(11.69)
2008 Rate of Return	(3.98)
2007 Rate of Return	14.45
Total Return for Last Five Years	20.20
Five Year Annual Average Return (Total Return / 5)	
	= 4.04%
Rate of Return in Excess of 4.5% (4.04% - 4.5%)	= (0.41%)
Average CPI to June 30, 2011	= 2.53%
Increase to Pensions	= 0.00%

- (1) Formula as established
(2) Amounts as reported on June 30, 2011 Audited Statements
(3) Per June 30, 2011 internal financial statements