

McMASTER UNIVERSITY
Contributory Pension Plan for Salaried Employees
RATE OF RETURN FOR YEAR ENDING JUNE 30, 2012
(in thousands of dollars)

Income	Plan 2000 (2)	Original Plan (3)	Total
	30,473	44	30,517
Investment Income	175	(2)	173
Net Realized Gain (Loss) on Sales of Units in the Master Trust Fund	16,111	25	16,136
Change in Net Unrealized Gain in Investments			
	46,759	67	46,826
Expenses			
Investment Managers	2,837	4	2,841
Professional	687	55	742
Administrative	270	-	270
Trustee and Custodial	176	2	178
Pension Filing	30	-	30
Audit	17	-	17
	4,017	61	4,078
Net Income (Loss)	42,742	6	42,748
Net Assets Market Value June 30, 2011	1,106,300	1,538	1,107,838
Net Assets Market Value June 30, 2012	1,156,557	1,690	1,158,247

$$\begin{aligned}
 \text{2012 Rate of Return (1)} &= \frac{42,748}{1/2 (1,107,838 + 1,158,247 - 42,748)} \\
 &= 3.85\%
 \end{aligned}$$

Calculation of Five Year Average	%
2012 Rate of Return	3.85
2011 Rate of Return	14.95
2010 Rate of Return	6.47
2009 Rate of Return	(11.69)
2008 Rate of Return	(3.98)
Total Return for Last Five Years	9.60
Five Year Annual Average Return (Total Return / 5)	= 1.92%
Rate of Return in Excess of 4.5% (1.92% - 4.5%)	= (2.58%)
Average CPI to June 30, 2012	= 2.39%
Increase to Pensions	= 0.00%

- (1) Formula as established
(2) Amounts as reported on June 30, 2012 Audited Statements
(3) Per June 30, 2012 internal financial statements