ST. FRANCIS XAVIER UNIVERSITY
ENDOWMENT FUND

INVESTMENT COMMITTEE REPORT
FOR THE QUARTER ENDED
JUNE 30, 2024

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Executive Summary – Capital Markets

Market Overview

- Bank of Canada reduced the policy interest rate to 4.75% from 5.0% at its June meeting.
- Government of Canada yields rose slightly this quarter across most maturities, except for short term yield. In the US, the yield curve remains inverted while yields rose across all maturities.
- Emerging equity markets outperformed developed equity markets in the second quarter of 2024. Artificial Intelligence (AI) related stocks and the largest stocks in the US market continued to dominate in Q2.
- Canadian Consumer Price Index (CPI) year-over-year (y/y) was 2.7% in June 2024; excluding gasoline, CPI y/y rose to 2.8%. The long-term target remains at 2%.

Canadian Equities

- The S&P/TSX Composite returned -0.5% in the second quarter of 2024, bringing its 1-year return to 12.1%.
- 4 out of 11 GICS sectors were positive this quarter. Materials and Consumer Staples were the best performing sectors of the index during the quarter.
- Both Value and Growth stocks posted negative returns during the quarter. Over the 1-year trailing period, Growth stocks slightly underperformed Value stocks.

Executive Summary – Capital Markets

Canadian Bond Market

- The FTSE Canada Universe Bond Index returned 0.9% in Q2 2024, bringing its one-year return to 3.7%.
- Government of Canada yields rose slightly this quarter across most maturities, except for short term yield. In the US, the yield curve remains inverted while yields rose across all maturities.

Foreign Equities

- The S&P 500 (C$) returned 5.4% in the second quarter of 2024, bringing its one-year return to 28.8%. In USD, the S&P 500 returned 4.3% during Q2. 6 out of 11 GICS sectors posted positive returns this quarter. Information Technology and Communication Services were the best performing sectors in Q2. The S&P 500 Growth Index materially outperformed the Value Index in Q2, returning 10.8% and -1.0%, respectively. Growth also outperformed Value over the 1-year trailing period. The largest stocks in the Index again led the strong performance this quarter.
- The MSCI EAFE (C$) returned 0.7% in the second quarter of 2024, bringing its one-year return to 15.3%. Seven out of eleven sectors were positive this quarter. Health Care was the top performing sector returning 6.0%. The MSCI EAFE Growth Index outperformed the MSCI EAFE Value Index this quarter. Japan, which has the highest weighting of the EAFE Index, posted a return of -3.3% in Q2 2024 as the Japanese Yen continued to depreciate against the US dollar.
- The MSCI EM (C$) returned 6.2% in the second quarter of 2024, bringing its one-year return to 16.4%. Eight out of eleven sectors have positive returns in Q2. China, the highest weighted country making up over a quarter of the index, posted a return of 8.4% in the second quarter of 2024.

Executive Summary – Return Information

Outlined below is the summary of return information for the St. Francis Xavier University Endowment Fund measured against its policy index. Returns for the managers of the funds and key market indices are also provided. All information is for the period ended June 30, 2024.

Performance Summary		Annualized Performance	
Total Portfolio	**MRQ**	**1 Year**	**4 Year**
St FX Endowment Fund	1.9	13.3	11.9
Benchmark Portfolio	1.6	14.0	9.8
Active Managers			
TDAM Canadian Equity	1.7	8.3	11.6
CI Canadian Equity	(1.5)	9.5	17.8
TD Greystone Mortgages	1.8	7.9	4.5
Crestpoint Core Plus Real Estate[1]	0.0	(1.0)	8.8
IFM Infrastructure	1.5	4.0	10.2
Xaverian Capital	(1.9)	11.4	
Index			
S&P/TSX Composite	(0.5)	12.1	12.3
FTSE Canada Universe Bond	0.9	3.7	(1.9)
S&P 500 (C$)	5.4	28.8	17.1
MSCI EAFE (C$)	0.7	15.3	9.7
MSCI EM (C$)	6.2	16.4	4.9

1 Q2 statement not yet available

Executive Summary – Administration

- Total investments at the end of June 2024 were $209.7 million. This is approximately $1.6 million lower than the amount in the Element Report as it includes a draw of $1.6 million.

- Investment returns for the quarter were 1.9 % which is 0.3% better than the custom benchmark The outperformance was driven by Canadian equities and mortgages.

- There are no compliance issues within the Endowment Fund Investments.

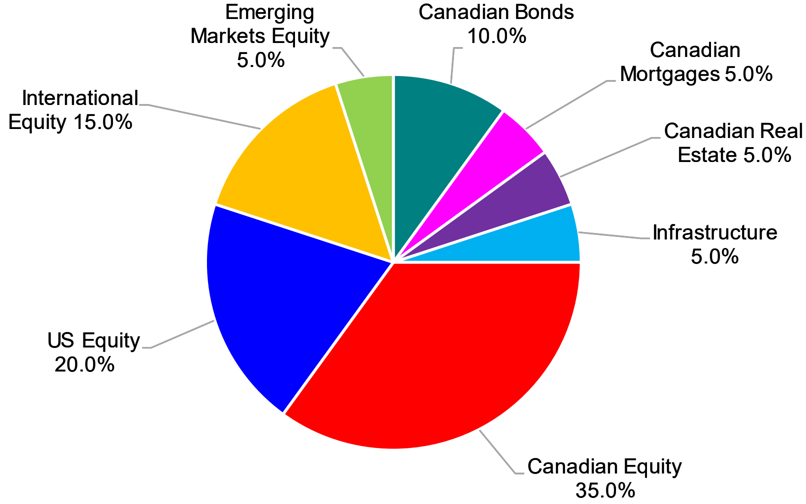
- The current asset mix is in-line with the targets set in the Board approved Statement of Investment Policies and Procedures.

Executive Summary – Endowment Fund Assets

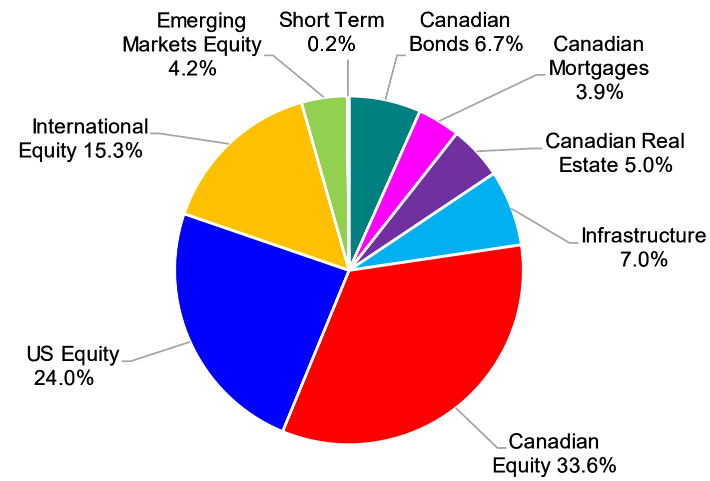
	Q1 June 30 **2023-24**	Q1 June 30 **2024-25**
Assets Under Admin - Beginning	185,437,988	207,529,006
Contributions		
Donations	2,365,830	332,145
Reinvested/Unendowed (Capital Funds)	324,638	98,361
	2,690,468	430,506
Earned Income		
Dividends	1,513,867	123,190
Interest	729,482	249,986
Realized Gains/Losses	16,347,727	481,881
Other	1,846,049	1,217,038
	20,437,126	2,072,094
Unrealized Gains/Loss	(16,300,536)	2,069,563
Withdrawls		
Annual Payout	(6,700,000)	(1,850,000)
Advancement Alloc (0.75% Levy)	(1,336,000)	-
Comp. Fundraising Campaign	(763,074)	(164,957)
	(8,474,436)	(2,014,957)
Expenses		
Custodial/Performance Mgmt	(312,123)	(124,471)
Investment Management	(300,156)	(92,768)
	(612,278)	(217,239)
Assets Under Admin - Ending	182,853,694	209,868,972

Asset Allocation and Compliance – St FX Endowment Funds

Benchmark Portfolio



Actual Asset Mix



Asset Class	Range	Actual	Target	Compliant
Short Term	0 - 15%	0.2%	0.0%	**Yes**
Canadian Bonds	5 - 20%	6.7%	10.0%	**Yes**
Canadian Mortgages	0 - 10%	3.9%	5.0%	**Yes**
Canadian Real Estate	0 - 10%	5.0%	5.0%	**Yes**
Infrastructure	0 - 10%	7.0%	5.0%	**Yes**
Canadian Equity	25 - 45%	33.6%	35.0%	**Yes**
Foreign Equity	30 - 50%	43.6%	40.0%	**Yes**
US Equity	10 - 30%	24.0%	20.0%	**Yes**
International Equity	10 - 30%	15.3%	15.0%	**Yes**
Emerging Markets Equity	0 - 15%	4.2%	5.0%	**Yes**

Performance Measurement – St FX Endowment Fund

The following performance objectives have been established for the benchmark portfolio:

- to achieve, with a high degree of consistency, a rate of return at least equal to the rate of inflation over both short-term and long-time periods;
- to achieve, with reasonable consistency, a real rate of return at least 2.75% after expenses and a nominal return of 5.0% after expenses, as calculated on an annualized basis and over moving four-year time periods.

Performance Summary

						Annualized Performance			
	Market Value	**MRQ**	**Rk**	**YTD**	**Rk**	**1 Year**	**Rk**	**4 Year**	**Rk**
Total Fund[1]	**$211,281,505**	1.9	14	8.2	7	13.2	14	11.9	14
Custom Benchmark[2]		1.6	14	8.0	7	14.0	14	9.8	80
Value Added[3]		**0.3**		**0.2**		**(0.8)**		**2.1**	
Canadian CPI[4]		0.0		0.0		2.9		4.4	
Median		0.2		6.0		11.9		10.9	

1 Total Fund Market Value includes Cash & Short Term

2 Custom Benchmark: 35% S&P/TSX Composite Index, 15% FTSE Canada Universe Bonds, 5% Realpac/IPD Property Fund Index (lag), 5% CPI + 5%, 20% S&P 500 (C$) Index, 15% MSCI EAFE (C$) Index and 5% MSCI EM (C$) Index

Custom Benchmark up to April 1, 2020: 40% S&P/TSX Composite Index, 15% FTSE Canada Universe Bond, 5% Realpac/IPD Property Fund Index (lag) and 40% MSCI World (C$) Index.

Custom Benchmark up to December 31, 2019: 40% S&P/TSX Composite Index, 20% FTSE Canada Universe Bond and 40% MSCI World (C$)

Custom Benchmark up to August 31, 2019: 40% S&P/TSX Composite Index, 15% FTSE Canada Universe Bond and 45% MSCI World (C$)

Custom Benchmark up to November 30, 2018: 70% S&P/TSX Composite Index, 15% FTSE Canada Universe Bond and 15% MSCI World (C$)

Custom Benchmark up to June 30, 2015: 100% S&P/TSX Composite Index

3 All calculations are performed on unrounded figures. Rounding issues may arise

4 Canadian CPI is lagged one month

- The Total Fund return for Q2 2024 was 1.9%, 0.3% ahead of its custom benchmark, ranking first quartile within the peer universe median.

Performance Measurement – Fund Managers

Performance Summary							Annualized Performance			
Total Portfolio	**Market Value***	**MRQ**	**Rk**	**YTD**	**Rk**	**1 Year**	**Rk**	**4 Year**	**Rk**
Canadian Bonds	**$ 14,141,425**	**0.9**	**89**	**(0.3)**	**89**	**3.7**	**93**	**(1.9)**	**98**
TDAM Bonds	$ 14,141,425	0.9	89	(0.3)	89	3.7	93	(1.9)	98
FTSE Canada Universe Bond		0.9	89	(0.4)	91	3.7	93	(1.9)	98
Canadian Mortgages	**$ 8,285,701**	**1.8**	**1**	**3.1**	**45**	**7.9**	**12**	**4.5**	**23**
TD Greystone Mortgages	$ 8,285,701	1.8	1	3.1	45	7.9	12	4.5	23
FTSE Canada Universe Bond		0.9	100	(0.4)	100	3.7	100	(1.9)	100
Canadian Real Estate	**$ 10,586,299**	**0.0**	**34**	**0.8**	**17**	**(1.0)**	**17**	**8.8**	**1**
stpoint Core Plus Real Estate[1]	$ 10,586,299	0.0	34	0.0	17	(1.0)	17	8.8	1
IPD Property Index		0.6	17	(1.0)	100	0.3	1	2.1	100
Infrastructure	**$ 14,873,893**	**1.5**		**0.7**		**4.0**		**10.2**	
IFM Investors	$ 14,873,893	1.5		0.7		4.0		10.2	
CPI + 5.0%		2.9		4.2		8.0		9.6	
Canadian Equity	**$ 70,901,576**	**0.1**	**34**	**5.0**	**75**	**8.9**	**83**	**14.7**	**30**
CI Canadian Equity	$ 35,890,772	(1.5)	79	4.3	88	9.5	79	17.8	12
TDAM Canadian Equity	$ 34,321,431	1.7	10	5.8	59	8.3	93	11.6	93
Xaverian Capital	$ 689,345	(1.9)	93	4.9	78	11.4	63		
S&P/TSX Composite		(0.5)	53	6.1	50	12.1	55	12.3	82
US Equity*	**$ 50,783,603**	**5.5**	**31**	**19.7**	**31**	**28.8**	**37**	17.2	31
BlackRock US Equity	$ 50,761,694	5.5	31	19.7	31	28.8	37	17.2	31
S&P 500 (C$)		5.4	31	19.6	31	28.8	37	17.1	31
International Equity	**$ 32,406,984**	**0.8**	**62**	**9.4**	**48**	**15.5**	**35**	9.9	48
BlackRock International Equity	$ 32,406,984	0.8	62	9.4	48	15.5	35	9.9	48
MSCI EAFE (C$)		0.7	66	9.3	48	15.3	39	9.7	50
Emerging Markets Equity	**$ 8,956,765**	**6.2**	**46**	**11.3**	**56**	**15.7**	**64**	**4.6**	**72**
BlackRock Emerging Markets Equity	$ 8,956,765	6.2	46	11.3	56	15.7	64	4.6	72
MSCI EM (C$)		6.2	47	11.5	51	16.4	56	4.9	67

*May not sum due to securities being held in custodial cash account

1 Q2 statement not yet available

Performance Measurement – Fund Managers

- Government of Canada yields rose slightly this quarter across most maturities, except for short term yield. In the US, the yield curve remains inverted while yields rose across all maturities. The TD Greystone Mortgage Fund had a strong quarter returning 1.8% to rank top percentile in its peer universe. The Mortgage Fund has been a strong performer over the 1 and 4-year trailing periods, outperforming its benchmark and ranking top quartile in its peer universe.

- The Fund's Canadian Equity managers returned 0.1% in Q2, outperforming the S&P/TSX Composite Index by 0.6%. Canadian equity has been a detractor over the past year as all managers have underperformed their respective benchmarks. Canadian Equity has added value over the 4-year trailing period.
  - CI Institutional returned -1.5% in Q2, underperforming its benchmark by -0.9%. Despite the recent underperformance, the Fund has produced double digit returns over 4-year trailing period while outperforming its benchmark by 5.5%. The Fund ranks top quartile over the 4-year trailing period.
  - TD's Low Volatility Canadian Equity Fund returned 1.7% in Q2, outperforming its benchmark by 2.3% and ranking top decile during the quarter in its peer universe. The Fund continues to lag over the 1-year period, primarily due to over weightings in the Utilities and Communication Services sectors and under weightings to Energy and Information Technology. Low volatility has been out of favor during the bull rally and led to the Fund being slightly behind its benchmark over the 4 and 7-year trailing periods. However, risk adjusted returns remain strong due to the reduced volatility the Fund provides.

- The Fund's U.S. Equity, International Equity, and Emerging Markets Equity portfolios returned 5.5%, 0.8%, and 6.2% respectively in the second quarter. All three funds are passively managed by BlackRock.

- The Crestpoint Q2 statement was not available at the time this report was prepared. Crestpoint has held up quite well over the period of rising interest rates and ranked first quartile in its peer universe over the 1-year trailing period despite producing a slightly negative return. Despite the difficult market environment, Crestpoint has still produced a 8.8% return over the 4-year trailing period and was the top performing Canadian Real Estate manager. Infrastructure manager IFM produced a return of 1.5% in Q2. IFM returns have been below expectations YTD and over the 1-year trailing period as increases to discount rates have affected valuations. The 4-year return remains in double digits and the manager continues to guide clients to expect an 8% to 12% return annually.