

ST. FRANCIS XAVIER UNIVERSITY
ENDOWMENT FUND

INVESTMENT COMMITTEE REPORT
FOR THE QUARTER ENDED
MARCH 31, 2025



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Executive Summary – Capital Markets

Market Overview

- Over the most recent quarter, the Bank of Canada reduced the policy interest rate twice, by 25 bps each time, bringing it from 3.25% to 2.75%.
- The FOMC maintained the target federal funds range of 4.25% – 4.50% over the first quarter. The European Central Bank and Bank of England both reduced interest rates over the quarter, by 50 bps and 25 bps, respectively.
- Canadian and International equities produced positive returns; however, US equities returns were negative due to uncertainty surrounding tariffs and economic growth along with a steep decline in the mega cap securities that had been propelling the index over the past two years.
- In Q1 2025, global trade experienced disruptions due to escalating tariff measures between the United States and its major trading partners, notably Canada and China.

Canadian Equities

- The S&P/TSX Composite Index returned 1.5% in the first quarter of 2025.
- 4 of the 11 GIC sectors performed positively during the quarter. The Materials sector, which returned 20.4%, was the main driver of positive return for the Index this quarter.
- The MSCI Canada Growth index outperformed the MSCI Canada Value index over the quarter, but over the 1-year trailing period the value index materially outperformed.
- The top 10 S&P/TSX Composite Index holdings accounted for 35.4% of the index; Royal Bank of Canada was the top holding at 6.5%, followed by Shopify at 4.7% and The Toronto Dominion Bank at 4.3%.

Executive Summary – Capital Markets

Canadian Bond Market

- The FTSE Canada Universe Bond Index had a 2.0% during the first quarter, bringing its one-year return to 7.7%.
- In Canada, yields fell over the quarter with shorter term yields falling more than long term yields.

Foreign Equities

- The S&P 500 returned -4.2%, in CAD terms, and -4.3%, in USD terms, in the first quarter of 2025. 7 of the 11 GIC sectors produced positive returns during the quarter. Energy and Health Care, returning 10.3% and 6.6% respectively, were the best performing sectors during the first quarter. The highest weighted sector, Information Technology (29.6% by weight), returned -12.6% over the quarter, one of the lowest sector returns. Mega cap securities that had dominated market performance over the past two years were the main detractors over the quarter. Growth stocks materially underperformed against value stocks over the quarter but outpaced value over the 1-year trailing period. The top 10 S&P 500 Index holdings accounted for 33.6% of the index; Apple was the top holding representing 7.0%, followed by Microsoft Corp at 5.9% and NVIDIA Corp at 5.6%.
- The MSCI EAFE Index (\$CDN) returned 6.9% in the first quarter of 2025 and 11.5% over the 1-year trailing period. 9 of the 11 GIC sectors were positive over the quarter: Energy, Financials, and Utilities were the top 3 performing sectors. Japan, the highest weighted country in the index, posted a return of 0.5% and was a drag on index performance versus the European markets.
- The MSCI EM Index (\$CDN) returned 3.0% in Q1 2025 and 15.0% over the 1-year trailing period. 10 of the 11 GIC sectors were positive over the quarter. Consumer Discretionary and Communication Services were the top performing sectors, returning 12.7% and 12.4%, respectively. China, which has the highest weighting in the index, posted a return of 14.8% for the quarter and 49.7% for the 1-year trailing period.

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 March 31, 2025.

Performance Summary	Annualized Performance		
	MRQ	1 Year	4 Year
Total Portfolio			
St FX Endowment Fund	1.9	13.5	10.0
Benchmark Portfolio	1.3	12.8	8.9
Active Managers			
TDAM Canadian Equity	6.5	20.6	10.8
CI Canadian Equity	0.7	12.7	12.3
TD Greystone Mortgages	2.4	8.6	5.2
Crestpoint Core Plus Real Estate ¹	0.0	2.8	7.4
IFM Infrastructure	2.9	11.8	10.9
Xaverian Capital	(3.0)	6.2	9.2
Index			
S&P/TSX Composite	1.5	15.8	10.7
FTSE Canada Universe Bond	2.0	7.7	0.7
S&P 500 (C\$)	(4.2)	15.1	14.5
MSCI EAFE (C\$)	6.9	11.5	8.4
MSCI EM (C\$)	3.0	15.0	1.5

¹ Q1 statement not yet available

Executive Summary – St FX Endowment Fund Assets

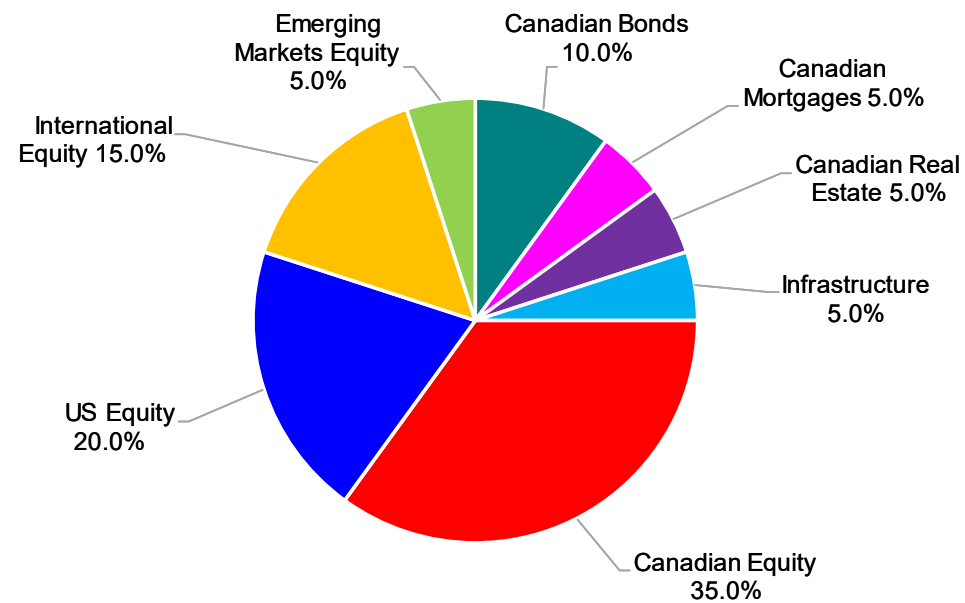
	2023-24	2024-25
Assets Under Admin - Beginning	182,853,694	207,529,006
Contributions		
Donations	9,381,665	3,730,002
Reinvested/Unendowed (Capital Funds)	1,026,145	258,737
	10,407,810	3,988,739
Earned Income		
Dividends	1,607,850	1,579,503
Interest	830,849	1,000,550
Realized Gains/Losses	8,412,121	10,314,128
Other	3,522,367	3,775,733
	14,373,187	16,669,914
Unrealized Gains/Loss	9,654,837	11,197,574
Withdrawals		
Annual Payout	(7,000,000)	(7,400,000)
Advancement Alloc (0.75% Levy)	(1,452,000)	(1,715,000)
Comp. Fundraising Campaign	(604,719)	(806,408)
	(9,056,719)	(9,921,408)
Expenses		
Custodial/Performance Mgmt	(324,836)	(436,869)
Investment Management	(378,968)	(396,797)
	(703,804)	(833,667)
Assets Under Admin - Ending	207,529,006	228,630,158

Executive Summary - Administration

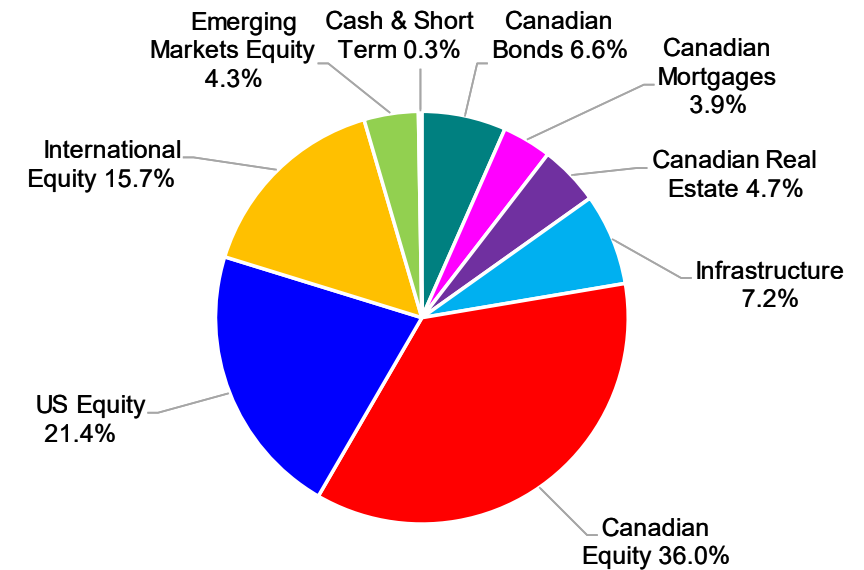
- Total Endowment balance as of March 31, 2025 was \$228.6 million. This is approximately \$ 0.29 million more than the amount in the Ellement Report.
- The minimal difference is mostly timing differences with entries.
- Investment returns for the quarter were up by 1.9% which is 0.6% better than the custom benchmark. For the full year, the return was up 13.5% which is 0.7% greater than the custom benchmark.
- The overperformance was largely driven by Canadian Equity.
- 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.

Asset Allocation and Compliance – St FX Endowment Funds

Benchmark Portfolio



Actual Asset Mix



Asset Class	Range	Actual	Target	Compliant
Cash & Short Term	0 - 15%	0.3%	0.0%	Yes
Canadian Bonds	5 - 20%	6.6%	10.0%	Yes
Canadian Mortgages	0 - 10%	3.9%	5.0%	Yes
Canadian Real Estate	0 - 10%	4.7%	5.0%	Yes
Infrastructure	0 - 10%	7.2%	5.0%	Yes
Canadian Equity	25 - 45%	36.0%	35.0%	Yes
Foreign Equity	30 - 50%	41.4%	40.0%	Yes
US Equity	10 - 30%	21.4%	20.0%	Yes
International Equity	10 - 30%	15.7%	15.0%	Yes
Emerging Markets Equity	0 - 15%	4.3%	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 Fund¹	\$228,338,709	1.9	31	1.9	31	13.5	16	10.0	8
Custom Benchmark ²		1.3	39	1.3	39	12.8	16	8.9	31
Value Added ³		0.6		0.6		0.6		1.2	
Canadian CPI ⁴		0.7		0.7		2.6		4.1	
Median		0.3		0.3		11.4		8.7	

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 Q1 2025 was 1.9%, outperforming its custom benchmark by 0.6% and ranking second 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	\$ 15,072,280	2.0	63	2.0	63	7.6	88	0.7	100
TDAM Bonds	\$ 15,072,280	2.0	63	2.0	63	7.6	88	0.7	100
FTSE Canada Universe Bond		2.0	68	2.0	68	7.7	85	0.7	100
Canadian Mortgages	\$ 8,791,123	2.4	23	2.4	23	8.6	23	5.2	12
TD Greystone Mortgages	\$ 8,791,123	2.4	23	2.4	23	8.6	23	5.2	12
FTSE Canada Universe Bond		2.0	67	2.0	67	7.7	78	0.7	100
Canadian Real Estate	\$ 10,757,889	0.0	84	0.0	84	2.8	34	7.4	1
Crestpoint Core Plus Real Estate ¹	\$ 10,757,889	0.0	84	0.0	84	2.8	34	7.4	1
IPD Property Index		0.2	67	0.2	67	2.6	34	3.2	84
Infrastructure	\$ 16,393,407	2.9		2.9		11.8		10.9	
IFM Investors	\$ 16,393,407	2.9		2.9		11.8		10.9	
CPI + 5.0%		2.0		2.0		7.8		9.3	
Canadian Equity	\$ 82,259,631	3.4	13	3.4	13	16.4	33	11.6	50
CI Canadian Equity	\$ 40,884,519	0.7	63	0.7	63	12.7	63	12.3	25
TDAM Canadian Equity	\$ 40,628,820	6.5	2	6.5	2	20.6	3	10.8	68
Xaverian Capital	\$ 746,264	(3.0)	94	(3.0)	94	6.2	97	9.2	94
S&P/TSX Composite		1.5	43	1.5	43	15.8	37	10.7	71
US Equity*	\$ 48,860,299	(4.2)	72	(4.2)	72	15.1	32	14.5	29
BlackRock US Equity	\$ 48,837,255	(4.2)	72	(4.2)	72	15.1	32	14.5	29
S&P 500 (C\$)		(4.2)	72	(4.2)	72	15.1	32	14.5	29
International Equity	\$ 35,880,753	7.2	52	7.2	52	11.7	54	8.6	45
BlackRock International Equity	\$ 35,880,753	7.2	52	7.2	52	11.7	54	8.6	45
MSCI EAFE (C\$)		6.9	52	6.9	52	11.5	59	8.4	45
Emerging Markets Equity	\$ 9,714,137	3.2	37	3.2	37	15.2	33	1.3	68
BlackRock Emerging Markets Equity	\$ 9,714,137	3.2	37	3.2	37	15.2	33	1.3	68
MSCI EM (C\$)		3.0	44	3.0	44	15.0	36	1.5	62

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

1 Q1 statement not yet available

Performance Measurement – Fund Managers

- In Canada, yields decreased across all maturities with short term yields decreasing by a larger percentage than long-term yields, leading to a 2.0% return in Canadian bonds in the quarter. Canadian mortgages added 2.4% during the quarter outperforming the FTSE Canada Universe benchmark by 0.4%. Canadian mortgages continue to add significant value over the 4-year trailing period while ranking top quartile in the 1 and 4-year trailing periods.
- The Fund's Canadian equity allocation produced a 3.4% return in the first quarter of 2025, outperforming the S&P/TSX Composite Index by 1.9%. Canadian Equity has added value over the 1 and 4-year trailing periods.
 - During the first quarter, CI Investments returned 0.7%, lagging its benchmark by 0.8%. While the Fund has lagged its benchmark over the past year, it continues to outperform its benchmark and rank top quartile over the 4 and 7-year trailing periods.
 - TD's Low Volatility Canadian Equity Fund returned 6.5% in Q1, outperforming its benchmark by 5.0% while ranking top decile in its peer universe. Q1 saw defensive sectors produce strong returns while more volatile sectors struggled. The Fund benefitted from stock selection across almost all sectors as investors moved to less volatile companies amidst heightened economic uncertainty. Despite lagging its benchmark in 2024, the Fund is now ahead of its benchmark over the 1 and 4-year trailing periods while continuing to produce strong downside protection and low volatility.
- The Blackrock US Equity, International Equity and Emerging Market Equity returned -4.2%, 7.2% and 3.2%, respectively. All three funds are passively managed by Blackrock.
- IFM produced a 2.9% return during the first quarter of 2025. Over the 4-year trailing period the Fund continues to produce double digit returns. At the time that this report was prepared, the Crestpoint Q1 statement was not available. Crestpoint ranks ahead of its peers over the 1-year trailing period and is the top performer in the Canadian real estate universe over the 4-year trailing period.