

ST. FRANCIS XAVIER UNIVERSITY
ENDOWMENT FUND

INVESTMENT COMMITTEE REPORT
FOR THE QUARTER ENDED
DECEMBER 31, 2024



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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 50 bps each time, to 3.25%.
- The FOMC reduced the target federal funds rate twice over Q4, by 25 bps each time, to a range of 4.25% - 4.5%. The European Central Bank and Bank of England also reduced interest rates, by a total of 50 bps and 25 bps respectively, over the quarter.
- North American equities produced positive returns led by the results of the US presidential election, but global trade tensions remain heightened.
- The Canadian dollar depreciated significantly versus the US dollar in Q4 due to more aggressive interest rate cuts by the Bank of Canada and the resilient US economy. The threat of tariffs also contributed to the weakening Canadian dollar.

Canadian Equities

- The S&P/TSX Composite returned 3.8% in the fourth quarter of 2024, bringing its 1-year return to 21.7%.
- 5 of the 11 GIC sectors performed positively during the quarter. The top performing sectors in Q4 were Information Technology, Financials, and Energy
- In a reversal of last quarter, growth stocks outperformed value stocks. Although, value has continued to outperform growth over the 1-year trailing period.
- Shopify was the main contributor to the S&P/TSX Index's positive return during Q4. The stock returned 41.2%, contributing 1.6% to the index.

Executive Summary – Capital Markets

Canadian Bond Market

- The FTSE Canada Universe Bond Index has a flat return during the fourth quarter, bringing its one-year return to 4.2%.
- In Canada, long term yields rose while the short end of the curve remained relatively flat over the fourth quarter.

Foreign Equities

- The S&P 500 returned 9.0%, in CAD terms, and 2.4%, in USD terms, in the fourth quarter of 2024. Depreciation of the Canadian dollar was the primary driver for the strong index return in CAD terms. 8 of the 11 (but only 4 in \$US) GIC sectors produced positive returns during the quarter. Consumer Discretionary and Communications Services, returning 21.6% and 15.9%, respectively, were the best performing sectors during the fourth quarter. Growth stocks materially outperformed value stocks over both the quarter and 1-year trailing period by 9.4% and 25.9%, respectively.
- The MSCI EAFE Index (\$CDN) returned -2.2% in the fourth quarter of 2024 and 13.2% over the 1-year trailing period. 3 of the 11 GIC sectors were positive over the quarter: Financials, Consumer Discretionary and Communications Services. Japan, the highest weighted country in the index, posted a return of 2.6% for the quarter and 18.5% for 2024 calendar year.
- The MSCI EM Index (\$CDN) returned -2.1% in Q4 2024 and 17.3% over the 1-year trailing period. 2 of the 11 GIC sectors were positive over the quarter. Information Technology was the top performing sector, returning 7.8% for the quarter. China, which has the highest weighting in the index, posted a return of -1.3% for the quarter and 31% 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 December 31, 2024.

Performance Summary		Annualized Performance	
Total Portfolio	MRQ	1 Year	4 Year
St FX Endowment Fund	2.3	18.3	10.9
Benchmark Portfolio	2.8	18.4	9.4
Active Managers			
TDAM Canadian Equity	(0.5)	17.7	11.3
CI Canadian Equity	2.7	18.4	15.5
TD Greystone Mortgages	1.0	7.4	4.6
Crestpoint Core Plus Real Estate ¹	0.0	2.5	8.2
IFM Infrastructure	3.9	7.9	10.5
Xaverian Capital	3.6	17.0	12.2
Index			
S&P/TSX Composite	3.8	21.7	12.5
FTSE Canada Universe Bond	(0.0)	4.2	(1.1)
S&P 500 (C\$)	9.0	36.4	17.1
MSCI EAFE (C\$)	(2.2)	13.2	7.2
MSCI EM (C\$)	(2.1)	17.3	0.9

¹ Q4 statement not yet available

Executive Summary – St FX Endowment Fund Assets

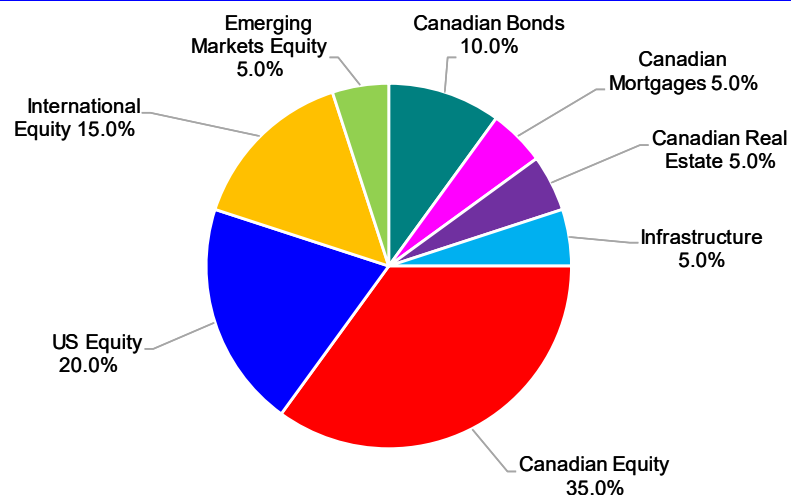
	For the Quarter Ended		
	June 30, 2024	September 30, 2024	December 31, 2024
Assets Under Admin - Beginning	204,300,308	210,679,617	223,048,919
Admin transfers in	5,091,114	1,709,004	-
Contributions			
Donations	336,165	313,547	985,357
Reinvested/Unendowed (Capital Funds)	98,361	-	45,485
	434,526	313,547	1,030,843
Earned Income			
Dividends	101,912	714,806	658,234
Interest	249,986	247,752	277,820
Realized Gains/Losses	478,871	2,030,252	4,622,651
Other	1,217,037.65	-	1,109,686.30
	2,047,807	2,992,811	6,668,391
Unrealized Gains/Loss	1,998,351	11,149,848	(1,448,707)
Admin Transfers out	(2,571,212)	(3,318,007)	-
Withdrawals			
Annual Payout	(1,850,000)	(1,850,000)	(1,850,000)
Advancement Alloc (0.75% Levy)			(1,715,000)
Comp. Fundraising Campaign	(164,957)	(164,957)	(231,516)
	(2,014,957)	(2,014,957)	(3,796,516)
Expenses			
Custodial/Performance Mgmt	(124,471)	(74,938)	(91,432)
Investment Management	(92,768)	(119,904)	(100,039)
	(217,239)	(194,841)	(191,471)
Assets Under Admin - Ending	209,068,697	221,317,021	225,311,460
BMO & Other Holdings	695,446.04	748,937.61	1,045,675.73
Funds in Transit	-	(1,916.35)	(1,733,814.50)
TOTAL Investment Holdings	209,764,143.02	222,064,042.10	224,623,320.83

Executive Summary - Administration

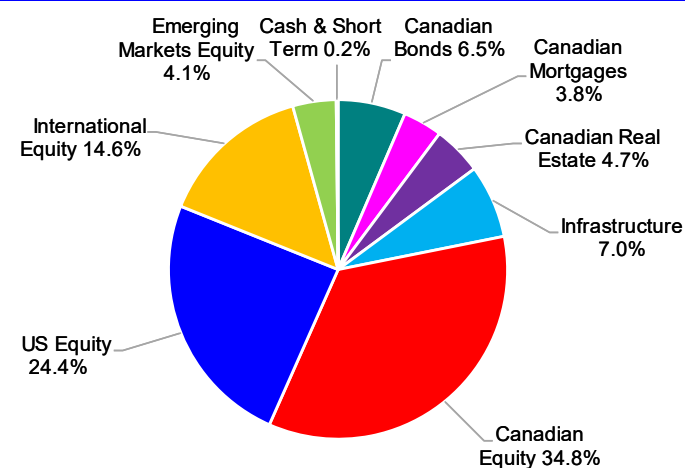
- Total Endowment balance at the end of December 2024 was \$224.6 million. This is approximately \$4.18 million less than the amount in the Element Report.
- The difference is due to draws for two quarters being booked but not yet withdrawn from the Endowment.
- Investment returns for the quarter were up 2.3% which is 0.5% less than the custom benchmark. The underperformance was largely driven by Canadian Equities.
- 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%	0.2%	0.0%	Yes
Canadian Bonds	5 - 20%	6.5%	10.0%	Yes
Canadian Mortgages	0 - 10%	3.8%	5.0%	Yes
Canadian Real Estate	0 - 10%	4.7%	5.0%	Yes
Infrastructure	0 - 10%	7.0%	5.0%	Yes
Canadian Equity	25 - 45%	34.8%	35.0%	Yes
Foreign Equity	30 - 50%	43.2%	40.0%	Yes
US Equity	10 - 30%	24.4%	20.0%	Yes
International Equity	10 - 30%	14.6%	15.0%	Yes
Emerging Markets Equity	0 - 15%	4.1%	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	\$228,798,054	2.3	54	18.3	39	18.3	39	10.9	8
Custom Benchmark ²		2.8	47	18.4	31	18.4	31	9.4	31
Value Added ³		(0.5)		(0.2)		(0.2)		1.5	
Canadian CPI ⁴		0.1		1.9		1.9		4.1	
Median		2.3		18.0		18.0		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 Q4 2024 was 2.3%, trailing its custom benchmark by 0.5% and ranking third 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	\$ 14,779,310	(0.1)	83	4.2	93	4.2	93	(1.1)	98
TDAM Bonds	\$ 14,779,310	(0.1)	83	4.2	93	4.2	93	(1.1)	98
FTSE Canada Universe Bond		(0.0)	74	4.2	93	4.2	93	(1.1)	98
Canadian Mortgages	\$ 8,597,328	1.0	67	7.4	23	7.4	23	4.6	23
TD Greystone Mortgages	\$ 8,597,328	1.0	67	7.4	23	7.4	23	4.6	23
FTSE Canada Universe Bond		(0.0)	100	4.2	100	4.2	100	(1.1)	100
Canadian Real Estate	\$ 10,693,001	0.0	34	2.5	17	2.5	17	8.2	1
Crestpoint Core Plus Real Estate ¹	\$ 10,693,001	0.0	34	2.5	17	2.5	17	8.2	1
IPD Property Index		1.0	1	0.8	34	0.8	34	2.8	100
Infrastructure	\$ 15,932,352	3.9		7.9		7.9		10.5	
IFM Investors	\$ 15,932,352	3.9		7.9		7.9		10.5	
CPI + 5.0%		1.2		7.0		7.0		9.3	
Canadian Equity	\$ 79,575,653	1.1	89	18.0	64	18.0	64	13.4	52
CI Canadian Equity	\$ 40,634,025	2.7	49	18.4	61	18.4	61	15.5	16
TDAM Canadian Equity	\$ 38,172,166	(0.5)	98	17.7	70	17.7	70	11.3	89
Xaverian Capital	\$ 769,434	3.6	36	17.0	78	17.0	78	12.2	80
S&P/TSX Composite		3.8	36	21.7	31	21.7	31	12.5	76
US Equity*	\$ 55,925,506	9.0	25	36.3	28	36.3	28	17.1	22
BlackRock US Equity	\$ 55,902,479	9.0	25	36.3	28	36.3	28	17.1	22
S&P 500 (C\$)		9.0	22	36.4	25	36.4	25	17.1	22
International Equity	\$ 33,462,748	(2.4)	57	13.1	55	13.1	55	7.3	35
BlackRock International Equity	\$ 33,462,748	(2.4)	57	13.1	55	13.1	55	7.3	35
MSCI EAFE (C\$)		(2.2)	48	13.2	55	13.2	55	7.2	39
Emerging Markets Equity	\$ 9,410,551	(1.7)	71	17.0	55	17.0	55	0.7	68
BlackRock Emerging Markets Equity	\$ 9,410,551	(1.7)	71	17.0	55	17.0	55	0.7	68
MSCI EM (C\$)		(2.1)	79	17.3	52	17.3	52	0.9	63

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

¹ Q4 statement not yet available

Performance Measurement – Fund Managers

- In Canada, long term yields rose while the short end of the curve remained relatively flat in Q4 resulting in flat returns from Canadian bonds. Canadian mortgages added 1.0% during the quarter versus its benchmark and produced returns of 7.4% in 2024. The Canadian mortgages continue to add significant value in the 4-year trailing period and ranked first quartile over both the 1 and 4-year trailing periods.
- The Fund's Canadian equity managers had a 1.1% return during the quarter underperforming the S&P/TSX Composite Index. Canadian Equity has detracted value during 2024 but continues to add value during the 4-year trailing period.
 - CI Institutional returned 2.7% in the fourth quarter, lagging its benchmark but outperforming its peers. Security selection in the Information Technology sector was the main detractor to relative performance. During 2024, the Fund underperformed its benchmark and peers but remains top quartile over the 4 and 7-year trailing periods while adding value.
 - TD's Low Volatility Canadian Equity Fund returned -0.5% in Q4, underperforming its benchmark by 4.3% and ranked bottom decile in its peer universe. Q4 saw defensive sectors Communications Services and Utilities produce negative returns while the benchmark was primarily driven by Shopify which led to poor performance from the low volatility strategy. The Fund continues to produce strong downside protection and low volatility and has done a good job keeping up to the strong market returns over the 4 and 7-year trailing periods.
- The Blackrock US Equity, International Equity and Emerging Market Equity returned 9.0%, -2.4% and -1.7% respectively. All three funds are passively managed by Blackrock.
- IFM had a strong Q4 returning 3.9% bringing 2024 returns in-line with expectations. Over the 4-year trailing period the Fund continues to produce double digit returns. At the time that this report was prepared, the Crestpoint Q4 statement was not available. Over the 1 year and 4-year periods, Crestpoint ranks in the top quartile while adding value versus its peers.