

ST. FRANCIS XAVIER UNIVERSITY
ENDOWMENT FUND

INVESTMENT COMMITTEE REPORT
FOR THE QUARTER ENDED
SEPTEMBER 30, 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 by 25 bps, from 2.75% to 2.50%. Similarly, the FOMC reduced the target federal funds rate by 25 bps, to a range of 4.00% to 4.25% from 4.25% to 4.50%.
- In Canada, most bond yields slightly decreased over the quarter, with short term rates decreasing more than long-term rates.
- Equity markets, both developed and emerging, produced strong returns this quarter, with Canadian equities among the top performers. Economic growth, central bank rate cuts and inflation all contributed to the strong performance.
- In Q3, gold prices continued to rise amid market volatility, reaching an all-time high during the quarter.

Canadian Equities

- The S&P/TSX Composite Index returned 12.5% in the third quarter of 2025, bringing 1-year return to 28.6%.
- 10 out of the 11 GICS sectors contributed positively during the quarter. The top performing sector was Materials, which returned 37.8% and contributed over 5% to the overall index return.
- The MSCI Canada Growth index underperformed the MSCI Canada Value index over the quarter and over the 1-year trailing period.
- The top 10 S&P/TSX Composite Index holdings accounted for 36.7% of the index; Royal Bank of Canada was the top holding at 6.7%, followed by Shopify at 5.9% and The Toronto-Dominion Bank at 4.4%.

Executive Summary – Capital Markets

Canadian Bond Market

- The FTSE Canada Universe Bond Index returned 1.5% during the third quarter, bringing its one-year return to 2.9%.
- Canadian bond yields decreased modestly across most maturities between June 30, 2025 and September 30, 2025, with short-term yields falling more than long-term yields, leading to a further steepening of the yield curve.

Foreign Equities

- The S&P 500 returned 10.3%, in CAD terms, and 8.1%, in USD terms, in the third quarter of 2025. 10 of the 11 GICS sectors produced positive returns during the quarter. Information Technology, the index's largest sector, was the top performer, returning 15.3%. Growth stocks outperformed value stocks over both the quarter and 1-year trailing period, by 3.7% and 20.7% respectively, as large cap technology and AI stocks led US equity returns. The top 10 S&P 500 Index holdings accounted for 38.9% of the index; NVIDIA Corp was the top holding representing 8.0%, followed by Microsoft Corp at 6.8% and Apple at 6.6%.
- The MSCI EAFE Index (\$CDN) returned 6.8% in the third quarter of 2025 and 18.4% over the 1-year trailing period. All GICS sectors were positive over the quarter with Financials and Consumer Discretionary the top performing sectors, returning 10.8% and 9.2%, respectively. Japan, the highest weighted country in the index, generated a return of 10.3% for the quarter and 20% for the year.
- The MSCI EM Index (\$CDN) returned 12.8% in the third quarter of 2025 and 20.8% over the 1-year trailing period. All GICS sectors were positive over the quarter. Materials, Communication Services and Consumer Discretionary were the top performing sectors, returning 26.6%, 21.9% and 21.3%, respectively. China, which has the highest weighting in the index, posted a return of 23% for the quarter and was a notable contributing source to the index performance.

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 September 30, 2025.

Performance Summary		Annualized Performance	
Total Portfolio	MRQ	1 Year	4 Year
St FX Endowment Fund	6.0	16.5	11.2
Benchmark Portfolio	8.3	18.8	10.8
Active Managers			
TDAM Canadian Equity	4.4	18.7	11.9
CI Canadian Equity	5.9	18.6	13.7
TD Greystone Mortgages	1.7	6.3	5.3
Crestpoint Core Plus Real Estate ¹	0.0	3.6	5.5
IFM Infrastructure	2.1	10.6	9.1
Xaverian Capital	3.9	11.1	9.8
Index			
S&P/TSX Composite	12.5	28.6	14.0
FTSE Canada Universe Bond	1.5	2.9	0.6
S&P 500 (C\$)	10.3	21.1	16.0
MSCI EAFE (C\$)	6.8	18.4	10.3
MSCI EM (C\$)	12.8	20.8	6.9

¹ Q3 statement not yet available

Executive Summary – St FX Endowment Fund Assets

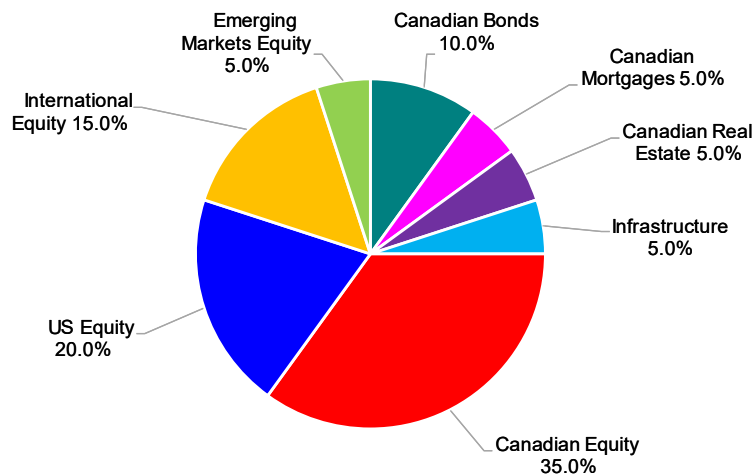
	As of June 30, 2025	As of Sept 30, 2025
Assets Under Admin - Beginning	\$ 227,681,299	\$ 239,553,528
Contributions		
Donations	\$ 1,806,136	\$ 10,531,592
Reinvested/Unedowed (Capital Funds)	\$ 1,493	\$ 626,417
	\$ 1,807,629	\$ 11,158,009
Earned Income		
Dividends	\$ 109,111	\$ 456,089
Interest	\$ 256,500	\$ 263,940
Realized Gains/Losses	\$ 3,499,308	\$ 3,250,310
Other	\$ 1,146,652	\$ 40,915
	\$ 5,011,571	\$ 4,011,254
Unrealized Gains/Loss	\$ 7,067,433	\$ 10,680,798
Withdrawals		
Annual Payout	\$ (2,000,000)	\$ (2,000,000)
Advancment Allocation(0.75% Levy)		
Comp. Fundraising Campaign	\$ (263,983)	\$ (274,462)
	\$ (2,263,983)	\$ (2,274,462)
Expenses		
Custodia/Performance Mgmt	\$ (54,847.93)	\$ (55,294.54)
Investment Management	\$ (100,454.04)	\$ (103,178.12)
Ellement Fees & Other fees-pd by StFX	\$ (142,081.69)	\$ (67,648.83)
	(297,383.66)	(226,121.49)
Assest Under Admin- Ending	\$ 239,006,565	\$ 262,903,005

Executive Summary - Administration

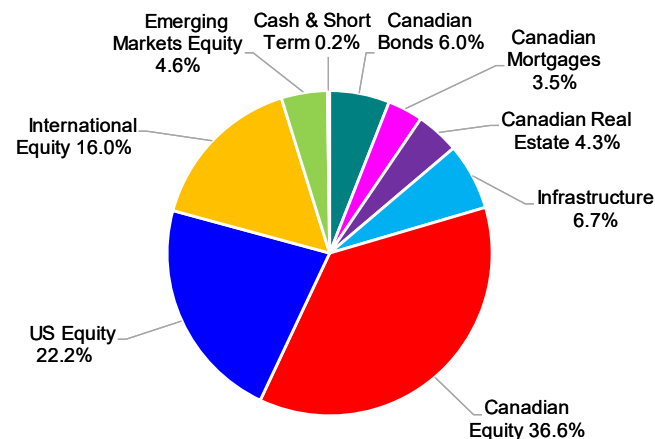
- Total Endowment balance as of September 30, 2025 was \$262.9 million. This is approximately \$8.0 million more than the amount in the Element Report
- The difference is the net between a large donation received from the Federal Government for the Mulronev Institute and the payout.
- Investment returns for the quarter were up 6% which lagged the custom benchmark by 2.3%. For the full year, the fund return is up 13.8% but lags the custom benchmark return of 15.5% by 1.7%.
- The underperformance was largely driven by Canadian Equities.
- There are no compliance issues with the Endowment Fund investments.
- The current asset mix is in-line with the targets set in the Board

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%	6.0%	10.0%	Yes
Canadian Mortgages	0 - 10%	3.5%	5.0%	Yes
Canadian Real Estate	0 - 10%	4.3%	5.0%	Yes
Infrastructure	0 - 10%	6.7%	5.0%	Yes
Canadian Equity	25 - 45%	36.6%	35.0%	Yes
Foreign Equity	30 - 50%	42.8%	40.0%	Yes
US Equity	10 - 30%	22.2%	20.0%	Yes
International Equity	10 - 30%	16.0%	15.0%	Yes
Emerging Markets Equity	0 - 15%	4.6%	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 3% 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	\$254,826,160	6.0	54	13.8	24	16.5	47	11.2	16
Custom Benchmark ²		8.3	1	15.5	1	18.8	8	10.8	16
Value Added ³		(2.3)		(1.7)		(2.3)		0.4	
Canadian CPI ⁴		0.7		0.7		1.9		3.7	
Median		6.5		12.5		14.9		8.9	

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 Q3 2025 was 6.0%, underperforming its custom benchmark and ranking third quartile within the peer universe.

Performance Measurement – Fund Managers

Performance Summary						Annualized Performance			
Total Portfolio	Market Value*	MRQ	Rk	YTD	Rk	1 Year	Rk	4 Year	Rk
Canadian Bonds	\$ 15,203,816	1.5	93	3.0	93	2.9	88	0.7	98
TDAM Bonds	\$ 15,203,816	1.5	93	3.0	93	2.9	88	0.7	98
FTSE Canada Universe Bond		1.5	98	3.0	93	2.9	85	0.6	100
Canadian Mortgages	\$ 9,005,281	1.7	38	5.3	13	6.3	25	5.3	25
TD Greystone Mortgages	\$ 9,005,281	1.7	38	5.3	13	6.3	25	5.3	25
FTSE Canada Universe Bond		1.5	75	3.0	100	2.9	100	0.6	100
Canadian Real Estate	\$ 10,948,285	0.0	67	2.5	34	3.6	1	5.5	1
Crestpoint Core Plus Real Estate ¹	\$ 10,948,285	0.0	67	0.0	34	3.6	1	5.5	1
IPD Property Index		(0.0)	67	1.0	67	2.0	50	2.7	67
Infrastructure	\$ 16,974,181	2.1		6.5		10.6		9.1	
IFM Investors	\$ 16,974,181	2.1		6.5		10.6		9.1	
CPI + 5.0%		1.5		5.6		6.9		8.9	
Canadian Equity	\$ 93,155,828	5.1	88	17.3	67	18.6	75	12.8	69
CI Canadian Equity	\$ 46,815,354	5.9	84	15.6	75	18.6	74	13.7	50
TDAM Canadian Equity	\$ 45,514,846	4.4	95	19.4	52	18.7	74	11.9	78
Xaverian Capital	\$ 825,628	3.9	98	7.3	99	11.1	98	9.8	98
S&P/TSX Composite		12.5	10	23.9	21	28.6	27	14.0	45
US Equity*	\$ 56,636,219	10.2	25	11.1	25	21.1	16	16.0	13
BlackRock US Equity	\$ 56,613,941	10.3	25	11.1	25	21.1	16	16.0	13
S&P 500 (C\$)		10.3	25	11.1	22	21.1	13	16.0	13
International Equity	\$ 40,665,088	6.8	36	21.6	41	18.6	46	10.5	37
BlackRock International Equity	\$ 40,665,088	6.8	36	21.6	41	18.6	46	10.5	37
MSCI EAFE (C\$)		6.8	36	21.1	41	18.4	46	10.3	40
Emerging Markets Equity	\$ 11,657,712	13.2	40	23.9	47	21.8	57	6.8	66
BlackRock Emerging Markets Equity	\$ 11,657,712	13.2	40	23.9	47	21.8	57	6.8	66
MSCI EM (C\$)		12.8	46	23.4	53	20.8	63	6.9	63

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

¹ Q3 statement not yet available

Performance Measurement – Fund Managers

- During the 3rd quarter of 2025, most bond yields slightly decreased, with short term rates decreasing more than long-term rates. Falling yields led to positive returns in Canadian Universe Bonds of 1.5%. Canadian Mortgages returned 1.7% during the quarter, outperforming the FTSE CA Bond Universe by 0.2%. TDAM Canadian Mortgages continues to add value during the 1- and 4-year trailing periods and TDAM has been a top quartile performer.
- The Fund's Canadian Equity allocation returned 5.1% during the quarter, underperforming the S&P/TSX by 7.4% and ranking in the bottom quartile. The third quarter was a difficult quarter for active managers with the benchmark ranking top decile in the peer universe. Market returns were largely driven by the gold sector, Shopify, Energy and the Canadian banks. The Fund is now behind its benchmark over the 4-year trailing period.
 - CI Investments returned 5.9%, underperforming its benchmark by 6.6%. An underweighting to Materials and stock selection in the Information Technology and Financials sectors were the main detractors. While the Fund now lags over the 4-year trailing period, it ranks at the peer universe median.
 - TD's Low Volatility Canadian Equity Fund returned 4.4% during the quarter, underperforming the benchmark by 8.1% to rank bottom quartile. Low volatility was out of favor in Q3 with returns being driven by the more volatile sectors. While the Fund has lagged its benchmark over the 1 and 4-year trailing periods, it has managed to produce strong absolute returns with much lower volatility than the benchmark.
- The Blackrock US Equity, International Equity and Emerging Market Equity returned 10.3%, 6.8% and 13.2%, respectively. All three funds are passively managed by Blackrock.
- IFM produced a 2.1% return during the third quarter of 2025. Over the 4-year trailing period the Fund continues to produce high single digit returns. At the time that this report was prepared, the Crestpoint Q3 statement was not available. Crestpoint is the top performer in the Canadian real estate universe over the 1 and 4-year trailing periods.