

ST. FRANCIS XAVIER UNIVERSITY
ENDOWMENT FUND

INVESTMENT COMMITTEE REPORT
FOR THE QUARTER ENDED
DECEMBER 31, 2025



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Executive Summary – Capital Markets

Market Overview

- Over the most recent quarter, the Bank of Canada reduced the policy rate by 25 bps from 2.50% to 2.25%. The FOMC reduced fed fund rate twice, by 25 bps each time, from a range of 4.00%-4.25% at the beginning of the quarter to a range of 3.50%-3.75%.
- In Canada, bond yields rose over the quarter; the yield curve steepened as long-term rates rose more than short-term rates.
- Global equities produced positive results over the quarter. Although US equities posted gains, performance was dampened due to the government shutdown.
- Gold rose to yet another record high over the quarter, as did silver. In contrast, oil prices declined as the market faced oversupply.

Canadian Equities

- The S&P/TSX Composite Index returned 6.2% in the fourth quarter of 2025
- Eight of 11 GICS sectors contributed positively during the quarter. The top performing sectors were Materials and Consumer Discretionary, returning 11.9%, and 10.9%, respectively.
- The MSCI Canada Growth Index underperformed the MSCI Canada Value Index over the quarter and the 1-year trailing period.
- The top 10 S&P/TSX Composite Index holdings accounted for 37.1% of the index; Royal Bank of Canada was the top holding at 7.2%, followed by Shopify Inc at 6.0%, and The Toronto-Dominion Bank at 4.8%.

Executive Summary – Capital Markets

Canadian Bond Market

- The FTSE Canada Universe Bond Index returned -0.3% during the quarter. Over the year, the bond index returned 2.6%.
- Over the quarter, Canadian bond yields rose across all maturities, with longer-term yields increasing more than shorter-term yields, steepening the curve.

Foreign Equities

- The S&P 500 returned 1.1%, in CAD terms, and 2.7%, in USD terms, in the fourth quarter of 2025. Four of the 11 GICS sectors produced positive returns during the quarter and returns for one sector (Energy) were flat. Health Care was the top performer over the quarter, returning 10.0%. Growth stocks underperformed value stocks by 1.0% over the quarter, but outpaced value stocks over the 1-year trailing period. Outperformance over the latest year was driven by Technology growth stocks, particularly AI-related stocks. The top 10 S&P 500 Index holdings accounted for 39.2% of the index; NVIDIA Corp was the top holding representing 7.7%, followed by Apple Inc at 6.9%, and Microsoft Corp at 6.2%.
- The MSCI EAFE Index (\$CDN) returned 3.3% in the fourth quarter of 2025 and 25.1% over the 1-year trailing period. Eight of 11 GICS sectors were positive over the quarter; Utilities, Health Care, and Financials were the top performing sectors. Japan, the highest weighted country in the index, generated a return of 1.7% over the quarter.
- The MSCI EM Index (\$CDN) returned 3.2% in the fourth quarter of 2025 and 27.3% over the 1-year trailing period. Five of 11 GICS sectors were positive over the quarter. Information Technology and Materials were the top performing sectors, returning 14.6% and 9.9%, respectively. China, which has the highest weighting in the index, posted a return of -8.8% for the quarter.

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, 2025.

Performance Summary	Annualized Performance		
Total Portfolio	MRQ	1 Year	4 Year
St FX Endowment Fund	2.5	16.8	10.4
Benchmark Portfolio	3.1	19.2	10.3
Active Managers			
TDAM Canadian Equity	5.6	26.0	11.6
CI Canadian Equity	2.8	18.8	12.6
TDAM Greystone Mortgages	0.7	6.0	5.3
Crestpoint Real Estate ¹	0.0	4.2	4.8
IFM Investors	2.5	9.2	8.8
Xaverian Capital	3.1	10.7	9.0
Index			
S&P/TSX Composite	6.2	31.7	13.9
FTSE CA Universe Bond	-0.3	2.6	0.2
S&P 500 (C\$)	1.1	12.4	13.4
MSCI EAFE (C\$)	3.3	25.1	10.6
MSCI EM (C\$)	3.2	27.3	8.1

¹ Q4 statement not yet available

Executive Summary – St FX Endowment Fund Assets

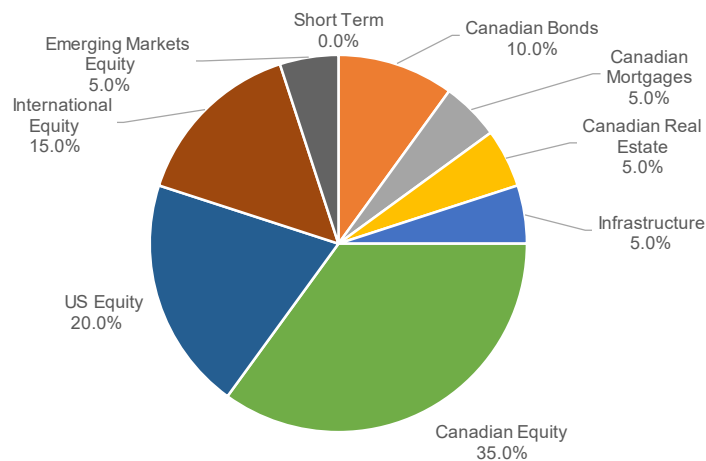
	As of June 30, 2025	As of Sept 30, 2025	As of Dec 31, 2025
Assets Under Admin - Beginning	\$ 227,681,299	\$ 239,553,528	\$262,903,005.38
Contributions			
Donations	\$ 1,806,136	\$ 10,531,592	\$ 2,475,358
Reinvested/Unedowed (Capital Funds)	\$ 1,493	\$ 626,417	\$ 15,983
	\$ 1,807,629	\$ 11,158,009	\$ 2,491,341
Earned Income			
Dividends	\$ 109,111	\$ 456,089	\$ 515,024
Interest	\$ 256,500	\$ 263,940	\$ 325,879
Realized Gains/Losses	\$ 3,499,308	\$ 3,250,310	\$ 6,043,599
Other	\$ 1,146,652	\$ 40,915	\$ (1,542,849)
	\$ 5,011,571	\$ 4,011,254	\$ 8,427,350
Unrealized Gains/Loss	\$ 7,067,433	\$ 10,680,798	\$ (1,841,060)
Withdrawals			
Annual Payout	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)
Advancment Allocation(0.75% Levy)			\$ (2,020,000)
Comp. Fundraising Campaign	\$ (263,983)	\$ (274,462)	\$ (275,017)
	\$ (2,263,983)	\$ (2,274,462)	\$ (4,295,017)
Expenses			
Custodia/Performance Mgmt	\$ (54,847.93)	\$ (55,294.54)	\$ (9,727.98)
Investment Management	\$ (100,454.04)	\$ (103,178.12)	\$ (128,016.02)
Ellement Fees & Other fees-pd by StFX	\$ (142,081.69)	\$ (67,648.83)	\$ (15,225.18)
	(297,383.66)	(226,121.49)	(152,969.18)
Assest Under Admin- Ending	\$ 239,006,565	\$ 262,903,005	\$ 266,680,683

Executive Summary - Administration

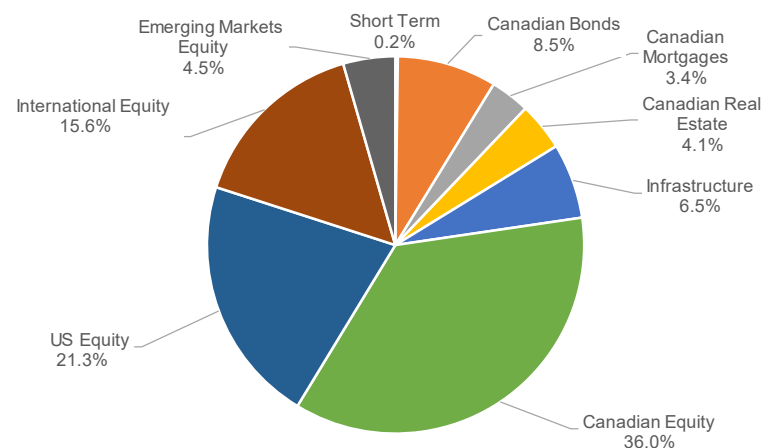
- Total Endowment balance as of December 31, 2025 was \$266.7 million. This is approximately \$2.6 millions less than the amount in the Ellement Report.
- The difference is due to transaction timing, the largest of which was a \$1.8 million transfer.
- Investment returns for the quarter were up 2.5% which is 0.6% less than the custom benchmark. 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 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
Short Term	0 - 15%	0.2%	0.0%	Yes
Canadian Bonds	5 - 20%	8.5%	10.0%	Yes
Canadian Mortgages	0 - 10%	3.4%	5.0%	Yes
Canadian Real Estate	0 - 10%	4.1%	5.0%	Yes
Infrastructure	0 - 10%	6.5%	5.0%	Yes
Canadian Equity	25 - 45%	36.0%	35.0%	Yes
Foreign Equity	30 - 50%	41.3%	40.0%	Yes
US Equity	10 - 30%	21.3%	20.0%	Yes
International Equity	10 - 30%	15.6%	15.0%	Yes
Emerging Markets Equity	0 - 15%	4.5%	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, after expenses, of at least 3.0% plus the rate of inflation (ex. if inflation is 2.0% target is 5.0% which is 3.0% plus 2.0%) 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	\$269,271,504	2.5	1	16.8	1	16.8	1	10.4	8
Custom Benchmark ²		3.1	1	19.2	1	19.2	1	10.3	8
Value Added³		(0.6)		(2.4)		(2.4)		0.1	
Custom Benchmark ⁴		3.1	1	19.2	1	19.2	1	10.3	8
Canadian CPI		0.4	80	2.2	100	2.2	100	3.5	80
Median		1.5		14.4		14.4		7.7	

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 2025 was 2.5%, underperforming its custom benchmark but ranking top percentile 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	\$ 22,998,314	(0.3)	78	2.7	90	2.7	90	0.2	95
TDAM Bonds	\$ 22,998,314	-0.3	78	2.7	90	2.7	90	0.2	95
FTSE CA Universe Bond		-0.3	78	2.6	93	2.6	93	0.2	100
Canadian Mortgages	\$ 9,049,113	0.7	50	6.0	13	6.0	13	5.3	25
TDAM Greystone Mortgages	\$ 9,049,113	0.7	50	6.0	13	6.0	13	5.3	25
FTSE CA Universe Bond		-0.3	100	2.6	100	2.6	100	0.2	100
Canadian Real Estate	\$ 11,079,482	0.0	17	4.2	1	4.2	1	4.8	1
Crestpoint Real Estate ¹	\$ 11,079,482	0.0	17	4.2	1	4.2	1	4.8	1
IPD Property Index		0.5	1	1.4	50	1.4	50	2.4	17
Infrastructure	\$ 17,393,560	2.5		9.2		9.2		8.8	
IFM Investors	\$ 17,393,560	2.5		9.2		9.2		8.8	
CPI + 5.0%		1.6		7.3		7.3		8.7	
Canadian Equity	\$ 96,978,131	4.2	59	22.2	65	22.2	65	12.1	65
CI Canadian Equity	\$ 48,095,724	2.8	87	18.8	83	18.8	83	12.6	59
TDAM Canadian Equity	\$ 48,030,921	5.6	36	26.0	46	26.0	46	11.6	73
Xaverian Capital	\$ 851,486	3.1	81	10.7	99	10.7	99	9.0	98
S&P/TSX Composite		6.2	27	31.7	21	31.7	21	13.9	39
US Equity	\$ 57,257,794	1.1	35	12.3	19	12.3	19	13.4	19
BlackRock	\$ 57,235,847	1.1	35	12.3	19	12.3	19	13.4	19
S&P 500 (C\$)		1.1	32	12.4	16	12.4	16	13.4	19
International Equity	\$ 41,927,772	3.1	30	25.4	44	25.4	44	10.7	32
BlackRock	\$ 41,927,772	3.1	30	25.4	44	25.4	44	10.7	32
MSCI EAFE (C\$)		3.3	30	25.1	44	25.1	44	10.6	32
Emerging Markets	\$ 12,014,309	3.1	54	27.8	49	27.8	49	8.0	64
BlackRock	\$ 12,014,309	3.1	54	27.8	49	27.8	49	8.0	64
MSCI EM (C\$)		3.2	51	27.3	54	27.3	54	8.1	60

All calculations on unrounded figures. Rounding issues may arise.

¹ Q4 statement not available

Performance Measurement – Fund Managers

- In the 4th quarter of 2025, Canadian bond yields rose across all maturities, with longer-term yields increasing more than shorter-term yields, steepening the curve. Rising yields led to slightly negative returns in FTSE CA Bond Universe. Canadian Mortgages returned 0.7% over the fourth quarter, outperforming the FTSE CA Bond Universe by 1.0%. The TD Greystone Mortgage Fund has outperformed its benchmark and ranked top quartile in its peer universe over the 1- and 4- year trailing periods.
- The Fund's Canadian Equity allocation returned 4.2% during the quarter, underperforming the S&P/TSX by 2.0% and ranking in the third quartile. In 2025, Canadian Equity produced a strong absolute return of 22.2% but lagged its benchmark by 9.5%. 2025 was a difficult year for active managers as the index was largely driven by the Materials sector (primarily Gold), Shopify and the Canadian banks. The portfolio's Canadian equity asset class is now behind its benchmark over the 4-year trailing period.
 - CI Investments returned 2.8% during the quarter and 18.8% in 2025, underperforming its benchmark by 3.4% and 12.8%, respectively. An underweighting to Materials and overweighting to Industrials were the biggest headwinds for the Fund in 2025.
 - TD's Low Volatility Canadian Equity Fund returned 5.6% during the quarter, underperforming the benchmark but outperforming the peer median and ranking in the second quartile. Sector allocation and stock selection in Industrials, Materials and Communication services were the main performance detractors in the quarter. While the Fund lagged its benchmark in 2025, it outperformed its peer universe and produce a strong absolute return of 26.0%.
- The Blackrock US Equity, International Equity and Emerging Market Equity returned 1.1%, 3.1% and 3.1%, respectively. All three funds are passively managed by Blackrock.
- During the fourth quarter, IFM returned 2.5%. 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 Q4 statement was not available. Crestpoint is the top performer in the Canadian real estate universe over the 1 and 4-year trailing periods.