

RE INVESTMENTS:

Extract from letter of G.C. 10/3/32:

(11) "I feel that the portfolio of an endowment fund such as that of the University SHOULD BE ALMOST ENTIRELY IN TRUSTEE INVESTMENTS, WHERE SAFETY OF INCOME AND ULTIMATE REPAYMENT OF PRINCIPAL ARE ALL IMPORTANT, WITH INTERMEDIATE MARKET FLUCTUATIONS OF VERY MINOR CONCERN. ALL MY REMARKS WHICH FOLLOW ARE SUBJECT TO THIS GENERAL STATEMENT OF POLICY." To which you wrote on the margin "Yes."

Extract from letter of Mr. G.W. Spinney, 14 Dec. 1932:

"It is the opinion of this Committee that while the University should have as its ultimate goal an investment portfolio CONSISTING OF SECURITIES ENTIRELY IN THE TRUSTEE CLASS, the Board of Governors will wish to make gradual progress towards the desired result by exchanging, if and as opportunities are presented, THE VARIOUS INFERIOR ISSUES NOW HELD FOR SECURITIES BELONGING TO A HIGHER CATEGORY."

Extract from letter of _____ October 3, 1932:

"E.G. gives as chief recommendation for an increased investment in preferred stocks the remarkable opportunities for capital appreciation. I do not consider that this should be an aim in itself, but rather that it should be the natural result of investing in securities of the highest class at a relatively favourable moment. Realization of capital appreciation presupposes the sale of the security in question and I do not feel that the investing committee of an endowment, when choosing an investment should contemplate the possibility of a later sale, unless, of course, capital expenditures are anticipated.