

THE UNIVERSITY'S INVESTMENT ACCOUNT

On December 31st, 1931, the University's stocks and bonds had an approximate market value of \$10,600,000. These securities cost us \$14,900,000., and it is estimated that for the year closing May 31st, 1932 the income from them will be about \$715,000. On the market value this represents a yield of 6.74% and on the cost a yield of 4.79% .

The following figures show the present diversification of these securities and that which it is recommended we should adopt. It is expected that it will take some time to effect with advantage the sales and purchases involved in this proposal, but when it, or an alternative, has been agreed upon then the Finance (or Investment) Committee will be asked to meet once a week for consideration of transactions based on the plan approved.

| Classification                                     | At Present |               | As Proposed |               |
|--|------------|---------------|-------------|---------------|
|  | Percentage | Amount        | Percentage  | Amount        |
| <u>A. Certificates of Indebtedness maturing in</u> |            |               |             |               |
| "        "        "        6 mo's                  | Nil        | Nil           | 5%          | \$ 525,000.   |
| "        "        "        9 mo's                  | Nil        | Nil           | 5%          | 525,000.      |
| "        "        "        12 mo's                 | Nil        | Nil           | 5%          | 525,000.      |
| <u>TOTAL SHORT TERM BONDS</u>                      | Nil        | Nil           | 15%         | \$1,575,000.  |
| <u>B. Federal Government Bonds - Long term</u>     | 6.7%       | \$707,900.    | 17%         | \$1,785,000.  |
| Provincial Government Bonds - Long term            | 5.6%       | 587,600.      | 10%         | 1,050,000.    |
| Municipal Government Bonds & School Bonds          | 21.3%      | 2,241,400.    | 10%         | 1,050,000.    |
| <u>TOTAL GOVERNMENT LONG TERM BONDS</u>            | 33.6%      | \$3,536,400.  | 37%         | \$3,885,000.  |
| <u>C. Canadian Railroad Bonds</u>                  | 2.7%       | \$285,200.    | 3%          | \$ 315,000.   |
| Canadian Public Utility Bonds                      | 13.0%      | 1,378,600.    | 5%          | 525,000.      |
| Canadian Industrial Bonds                          | 23.4%      | 2,472,900.    | 5%          | 525,000.      |
| Canadian Real Estate and Investment Bonds          | 2.8%       | 293,100.      | Nil         | Nil           |
| <u>TOTAL CANADIAN CORPORATION BONDS</u>            | 41.9%      | \$4,429,800.  | 13%         | \$1,365,000.  |
| <u>D. American Railroad Bonds</u>                  | 0.4%       | \$ 46,800.    | Nil         | Nil           |
| American Public Utility Bonds                      | 1.4%       | 150,000.      | 5%          | \$ 525,000.   |
| American Industrial Bonds                          | 1.4%       | 153,700.      | 5%          | 525,000.      |
| <u>TOTAL AMERICAN CORPORATION BONDS</u>            | 3.2%       | \$ 350,500.   | 10%         | \$1,050,000.  |
| <u>E. Foreign Government Bonds</u>                 | 0.9%       | \$ 92,200.    | Nil         | Nil           |
| Foreign Public Utility Bonds                       | 0.8%       | 84,200.       | Nil         | Nil           |
| <u>TOTAL FOREIGN BONDS</u>                         | 1.7%       | \$ 176,400.   | Nil         | Nil           |
| <u>TOTAL BONDS</u>                                 | 80.4%      | \$8,493,100.  | 75%         | \$7,875,000.  |
| <u>F. Canadian Public Utility Preferred Stocks</u> | 0.4%       | \$ 45,000.    | 3%          | \$ 315,000.   |
| Canadian Industrial Preferred Stocks               | 0.5%       | 57,400.       | Nil         | Nil           |
| American Railroad Preferred Stocks                 | 0.4%       | 46,600.       | Nil         | Nil           |
| American Public Utility Preferred Stocks           | 1.2%       | 128,400.      | 4%          | 420,000.      |
| American Industrial Preferred Stocks               | 0.9%       | 98,400.       | 3%          | 315,000.      |
| <u>TOTAL PREFERRED STOCKS</u>                      | 3.4%       | \$ 343,800.   | 10%         | \$1,050,000.  |
| <u>G. Canadian Railroad Common Stocks</u>          | 1.1%       | \$ 121,200.   | 1%          | \$ 105,000.   |
| Canadian Public Utility Common stocks              | 2.2%       | 229,400.      | 2-1/2%      | 262,500.      |
| Canadian Industrial Common stocks                  | 0.4%       | 46,500.       | 1-1/2%      | 157,500.      |
| Canadian Bank & Trust Company stocks               | 7.2%       | 758,000.      | 5%          | 525,000.      |
| American Railroad common stocks                    | 0.5%       | 58,300.       | Nil         | Nil           |
| American Public Utility Common stocks              | 3.9%       | 412,500.      | 5%          | 525,000.      |
| American Industrial Common stocks                  | 0.6%       | 64,300.       | Nil         | Nil           |
| Foreign Public Utility Common stocks               | 0.3%       | 35,700.       | Nil         | Nil           |
| <u>TOTAL COMMON STOCKS</u>                         | 16.2%      | \$1,725,900.  | 15%         | \$1,575,000.  |
| <u>TOTAL SECURITIES</u>                            | 100%       | \$10,562,800. | 100%        | \$10,500,000. |