

**McMASTER UNIVERSITY
CONTRIBUTORY PENSION PLAN
FOR HOURLY RATE EMPLOYEES
YEAR ENDING JUNE 30, 2009 RATE OF RETURN**

Income

Change in net unrealized gain in investments		(\$3,541,927)
Investment income		1,194,527
Net realized gain on sales of investments		<u>253,953</u>
		(2,093,447)

Expenses

Investment manager	102,537	
Actuarial and consulting	76,013	
Custodial	9,507	
Audit	7,875	
Pension filing	<u>3,070</u>	<u>199,002</u>
Net Income		<u><u>(\$2,292,449)</u></u>

Net Assets Market Value - June 30, 2008	\$33,628,643
Net Assets Market Value - June 30, 2009	\$31,763,867

Rate of Return	=	$\frac{(2,292,449)}{\frac{1}{2} (33,628,643 + 31,763,867 - (-2,292,449))}$
	=	(6.77) %

Calculation of Five Year Average

	<u>%</u>
2009 Rate of Return	(6.77)
2008 Rate of Return	(1.05)
2007 Rate of Return	12.02
2006 Rate of Return	2.99
2005 Rate of Return	<u>11.09</u>
Total Return for Last Five Years	<u><u>18.28</u></u>

Five Year Annual Average Return	(Total Return / 5)	=	3.66 %
Rate of Return in excess of 6.0%	(3.66% - 6.00%)	=	(2.34) %
Average CPI to June 30/09		=	1.67 %
Pensioners Increase		=	0.00 %

(1) Formula as Established

(2) Amounts as Reported on June 30, 2009 Audited Financial Statements