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Pensions: How a good plan went bad

Inspired by Harvard and Yale, University of Toronto remodelled its pension and endowment fund – and then lost $1.5-billion last year

ELIZABETH CHURCH AND JANET MCFARLAND

From Thursday's Globe and Mail

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From the brick-and-beam boardroom of University of Toronto Asset Management, some of Canada's sharpest financial minds have a bird's eye view of the country's largest campus, a combination of sturdy old stone buildings and gleaming new facilities.

It's a fitting backdrop, since UTAM's work is directly linked to the financial well-being of the campus. The 14-person operation runs $2.8-billion of staff pensions and $1.5-billion of endowments, which traditionally produces tens of millions of dollars annually for student aid and faculty posts.

But this year the money has stopped flowing after investment losses reached $1.5-billion for 2008 and the university was forced to cancel a planned $62-million endowment payout, representing about 5 per cent of its operating budget.

And now, the very existence of one of Canada's most innovative investment funds is in question by the university that is bearing the brunt of its losses.


Enlarge Image

'You can't build a portfolio strategy around a single year, and you can't build a portfolio that's there to protect you completely in a financial crisis,' says Bill Moriarty, CEO of University of Toronto Asset Management Corp. *(Deborah Baic/The Globe and Mail*

An examination of its performance shows the vaunted investment fund was clobbered by a sharp reversal in the dollar, an untimely shift away from bonds, and a focus on hedge funds, including $5-million it lost through an indirect investment with Bernard Madoff, the Wall Street financier since jailed for fraud. The currency hedging strategy – essentially counting on the loonie to stay above parity – was one of the hardest hits of all, costing the fund as much as $600-million.

"It's not like the board didn't have a clue what they were doing. It's not like that at all. We are all complicit," says UTAM chairman Ira Gluskin.

Currency hedging is extremely complex, he said, and what may seem clear now – the drop of the dollar – was not clear then.

"After the fact in investment, everything is obvious," says Mr. Gluskin, one of Bay Street's most respected money managers.

While universities across the country are still reeling from the market crash of 2008, perhaps none has struggled more with the financial crisis. UTAM was a pioneer among endowment funds, deliberately importing the investment styles of Yale and Harvard universities to Canada in 2000. And given its location, it was able to draw on Bay Street talent, including its chief executive officer, Bill Moriarty, who joined it last year from Royal Bank of Canada.

But the same complex investing strategies that won praise during the bull years have angered many faculty, and prompted the university administration to consider assigning its pension money to another manager as part of a province-wide proposal to pool the pension funds of many Ontario universities.

"We are considering everything," said university Provost Cheryl Misak.

Settling into a boardroom chair in the restored heritage building of Toronto's MaRS research centre, Mr. Moriarty remains unshaken by the crisis. He stands committed to

UTAM's sophisticated investing approach, reciting phrases like “portable alpha” and “risk budgets” to explain portfolio decisions.

“You can't build a portfolio strategy around a single year, and you can't build a portfolio that's there to protect you completely in a financial crisis,” Mr. Moriarty argues. “Because if you do that, over the longer term you're going to pay a very significant price.”

Indeed, since the beginning of this year, Canada's stock market has rebounded 13 per cent, boosting UTAM's equity holdings.

Mr. Gluskin says he is “well aware” of criticisms from the faculty association and from donors whose funds have eroded sharply in value. “Whenever an investment manager has a major down year, there are always a lot of questions about the strategy. UTAM has done well over the long term and we hope it will do so in the future.”

Mr. Gluskin is frank in his assessment of the managers' performance, saying UTAM “did lousy” last year – but not much worse than other U.S. university funds with a similar investment approach.

In retrospect, one of the fund's worst moves was a policy to fully hedge the portfolio's U.S.-dollar exposure against an increase in the Canadian dollar, essentially placing a bet that the Canadian dollar would rise further in 2008 after hitting an all-time high in late 2007. When the 100-per-cent hedging strategy was adopted in 2007, it paid off handsomely as the Canadian dollar soared. But it was kept in place in 2008 even as the currency retreated, and it proved a costly error after the dollar tumbled 25 per cent last fall in the midst of global market turmoil.

By December last year, UTAM was forced to quickly liquidate government bonds to raise money to settle a slew of hedging contracts that had gone dramatically wrong.

Mr. Moriarty could not put a dollar figure on the costs of covering the contracts, but UTAM's annual report notes that the fund's total transaction and rebalancing costs for all elements of its portfolio accounted for about 2.3 percentage points of the fund's 29.5-per-cent loss last year, or about $120-million.

Transaction costs were only part of the pain incurred from the hedging strategy. Mr. Moriarty says the 29.5-per-cent loss last year would have been about 12.5 percentage points better if UTAM had not hedged its U.S. dollar exposure. That means had there been no hedging last year, the university's pension and endowment funds would have saved more than $600-million in losses. The fund has since moved to a 50-per-cent hedging position, a more neutral stance on the movement of the dollar.

Mr. Gluskin, who like other directors is a volunteer, says a change in leadership at UTAM last year led to “some execution problems,” including transaction fees that were “higher than they might have been.”

UTAM's high exposure to hedge funds and its use of baskets of hedge funds – so called funds of funds – also has come under attack as a costly strategy. Hedge funds accounted for almost one-third of UTAM's investments by the end of 2008 and its reliance on funds of funds exposed the university to about 400 different hedge funds, including those of Mr. Madoff. The exposure to Madoff funds cost about $5-million to the pension fund alone.

Over all, UTAM's hedge fund portfolio lost almost 20 per cent last year, although UTAM notes that publicly traded stocks did even worse, losing more than 30 per cent in Canada last year and even more in the U.S. and overseas. At a time when there is growing unease among public pension funds about the cost and secrecy associated with many hedge funds, Mr. Moriarty says UTAM will not significantly lower its exposure to them, but is moving away from funds of funds in favour of direct hedge fund investments. “The majority of [funds of funds] have not done a particularly good job in terms of managing the risk,” he says.

Hedge funds now account for the largest portion of UTAM's investments in “alternative assets,” which also include holdings such as private equity, infrastructure, commodities and real estate. The university's pension fund had 46 per cent of its assets in this “alternative” category at the end of last year – up from just 18 per cent the year before – while equities accounted for 39 per cent of the holdings and bonds 15 per cent.

That mix is significantly more aggressive that the average fund of UTAM's size. Data show an average Canadian pension fund with more than $1-billion in assets held 46 per cent equities, 29 per cent bonds and 25 per cent alternative assets in 2008.

UTAM paid a price last year for its decision to hold just 15 per cent of its assets in bonds, which is far less than the 40-per-cent bond weighting seen at a smaller, more passive pension fund. In its annual report, UTAM discloses it would have improved its losses by 5.1 percentage points last year if it had had a 40-per-cent bond weighting – a savings of $260-million.

Whatever the concerns about investment choices or returns, former university president Robert Prichard believes dismantling the independent asset manager he helped to create is not the answer.

The University of Toronto began looking for better ways to manage its growing pension and endowment funds more than a decade ago, about the same time it became the first Canadian university to crack the $1-billion mark in a fundraising campaign. Its growing pension assets also set it apart among its peers in Canada.

Mr. Prichard recalls that staff visited schools such as Harvard, Yale and Princeton before recommending the creation of a separate entity responsible for investing the university's endowment and pension funds, run by full-time professional staff and supervised by an expert volunteer board and accountable to the university. “The stakes were simply becoming too large to leave the responsibility to part-time management,” he explains.

Retired Toronto-Dominion Bank chairman Robert Korthals, UTAM's first chairman, says that before UTAM, funds were managed by university finance staff and outside managers and performance trailed similar plans. “The feeling was that if we could increase the performance of the university's funds, people would give more as well – it would go hand-in-hand,” he says.

UTAM had a rough start, launched in 2000 just as tech stocks crashed and terrorist attacks further weakened markets in 2001 and 2002. Over the next five years, UTAM had big gains as markets rebounded, and it increasingly shifted its strategy into hedge funds and less-traditional investment areas. Then markets collapsed in 2008, and the risks involved in such a strategy became apparent. George Luste, head of the university's faculty association and UTAM's most constant critic, says it is time for the university to get out of what he calls “a losing game.”

“The evidence of the past nine years, not just the catastrophic losses in 2008, suggest that it is time to admit, for the good of the pension plan and our institution, that the UTAM experiment has been an expensive mistake,” he wrote in a recent report, one of many number-filled critiques he has issued in recent years.

Prof. Luste calculates that UTAM has a compound annual return of just 1.8 per cent since 2000, compared with 5.3 per cent for a more passive portfolio that he designed – a difference of about $665-million. Mr. Moriarty says he has not put his own dollar figure on the value UTAM's management has brought.

In the face of faculty concerns, the university is pledging to review its approach. In a letter sent to staff earlier this month, U of T president David Naylor said the university is obligated “to ask some hard questions about broader structures and strategies for managing our investments” in light of the poor returns last year.

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Comments posted online by the readers in the online edition

At
http://www.theglobeandmail.com/servlet/story/RTGAM.20090507.wrutam07/CommentStory/Business/

1. **Ivan Wilson from Canada writes:** If they're so smart how come they ain't so rich?

   Time and time again academics prove what smart numbskulls they are.

2. **David N from Toronto, Canada writes:** It is received wisdom that over 80% of managed money underperforms simple indexing. Why? Here's a few reasons: 1. money managers make mistakes; 2) managed money generates more transactions costs due to increased trading activity; money managers pay themselves a lot of money.

3. **John Stanton from winnipeg, Canada writes:** Here'e some advice U of T, dump everything and then buy 1/2 XRE reit with a payout of around 10% and UYG double U.S. bank with a dividend around 5%. Wait 30 years then reassess.

4. **Journey Man from Canada writes:** Don't worry for the UofT folks; they'll just hit on the good old taxpayer to bail them out of this mess.

   Not another red cent for these clowns I say. The Ontario government should spend any additional post-secondary funds at he colleges who train people who might actually find a job one day.

   Colleges train future taxpayers; increasingly the universities and their graduates are just drains on the public purse.

5. **Jeff Michaels from Toronto, Canada writes:** Why am I having a hard time caring....yawn.....

6. **Man of La Mancha from Canada writes:** Journey Man from Canada writes: Don't worry for the UofT folks; .....
   Colleges train future taxpayers; increasingly the universities and their graduates are just drains on the public purse....

   I'll pass this valuable information on to your future doctor in training at the U of T Med school.

7. **D Kanaschwiiz from Switzerland writes:** 'Canada's sharpest financial minds'... This is amusing and quaint, not because Canada can't have 'sharp' financial minds, but just the concept of a 'sharp financial mind.' Risk and reward are inseparable in

the (mostly) efficient markets these guys are working in - a child or monkey could choose investments with an equal chance at success or catastrophe, the 'sharp minds'' real talent is putting a sophisticated spin on their investment strategies and convincing people like this journalist that they are 'sharp financial minds.' Lots of highly paid 'sharp minds' tried to copy Yale's strategy across North America, very much like trying to win a war with the strategy that one the last one. Also amusing: 'one of Canada's most innovative investment funds...' Innovative, eh? With few exceptions (like ETFs), 'innovation' in financial services is code for 'a new way for our 'sharp minds' to get big bonuses and charge high fees and to the suckers we've bamboozled with our smart-looking slides.' 'Innovation' is the word we use when they're making money, but when the worm turns I think we call them 'intransparent, over-engineered, complexities.' The hedge funds these guys were investing in are simply leveraged fee-generators (2-and-20, indeed!) Still, somebody's got to buy Ferraris... .

8. **Barry Boyle from Lindsay, Canada writes:** My donation requests from U ot T are going straight
   into the garbage these days as the university penailizes
   part time students with the new flat fee system for tuition.
   How are they making up the 1.5 billion you ask?

   Having had to work days and study nights for 18 years
   to obtain my degree, I am truly disgusted. I guess they
   are just leaving the place to rich kids and don't seem to
   much care!

9. **Gardiner Westbound from Canada writes:** .
   A compound annual return of 1.8-percent since 2000! ING Direct GIC pays up to 3-percent and there are no fees or charges. Like the guy with the accent says, 'Save your money!'

10. **forever learning again from Brantford-Oakville, Canada writes:** It's easy to gamble with other peoples money. Betting on the currency exchange is nothing other than gambling. An increase in tuition fees is on the horizon.

11. **Roman Haluszka from Newmarket, writes:** Once again the evidence clearly demonstrates that the the way pension fund investing has been structured in recent years is flawed.

These funds require conservative management, not speculation on hedges and derrivatives. The management teams should be paid a reasonable salary, not 'performance pay' that encourages them to play games designed to boost their own pocketbooks at the expense of the contributors.

Unfortunately, when the economic cycle experiences boom times, everyone seems to develop unreal expectations of returns, and base their decisions on these faulty assumptions. People should know that over the past 100 years, the average return on a basket of good stocks and bonds was about 9.5%. The expectation of 30% and higher returns, which occur during boom times, seems to drive people to take on more risk during the remainder of the cycle. A bonus-based pay structure encourages that speculation which is at odds with the fundamental mission of any pension fund - which is to provide a secure source of income to contributors when they retire.

12. **John Doucette from Canada writes:** 'Lets do what the Americans do! That's world-class.'
    The University of Mediocreland does it again.

13. **d chn from Canada writes:** The sub-headline says it all: 'Inspired by Harvard and Yale...'

    When you adopt an investment strategy that has made money for others with more money than you, and as a result, close to the action knowledge'...

    And then you do it late in the business cycle...

14. **Journey Man from Canada writes:** Man of La Mancha from Canada writes: 'I'll pass this valuable information on to your future doctor in training at the U of T Med school.'

    Are you kidding? It seems like every doctor I encounter has been trained in South Africa, Ireland, or some island in the Caribbean. Of course I suppose I'm one of the lucky ones. So many people that I know can't find a doctor.

15. **Donald Wilson from Canada writes:** So ' the experts ' bought heavily into Hedge ' fund of funds ' - why in the world would they do that ? These funds are

nothing more than an average of the particular funds within - the poor drag down the best . And once again we see managers that don't react swiftly enough to convert to cash , then to gold . The Swiss fellow posting above has some valid points .

16. **Tristram Shandy from Strathroy Ontario, Canada writes:** Roman Haluszka from Newmarket, writes: Once again the evidence clearly demonstrates that the the way pension fund investing has been structured in recent years is flawed

    I certainly agree with you Roman, your post is a very good one.

    There is so much wrong with this investing strategy, and in particular the management of it that I hardly know where to begin.

    For example 'Moriarty cannot put his own dollar figure on the value UTAM's management has brought'. Well, hell, if he doesn't know this, then he should be fired, how else can he measure his own performance, and how can his board measure his performance? And if he does know, which I suspect, he has just lied. I am glad he 'remains unshaken'

    BTW, will he get a bonus this year? The article's writers seem not to have asked that important question.

    As for Gluskin's apologies, he may have previously been well-respected, (in fact I read him faithfully) but he has lost a ton of my respect today.

    Only 15% in bonds? 46% in 'alternative assets'? They lost 1.5 billion of a 4.3 billion portfolio?

    To quote the ING ad, 'am i reading this right'???

    Insanity.

17. **jann7 lake from Canada writes:** As someone who works at a much smaller academic institution I can tell you that our pension fund was hammered too, although not as dramatically as U of T's...as we were told at a one mtg, we gave 28 million to one firm and they gave us back 14 million! Yep, ING is looking better and better...and I totally agree with tristram shandy: the guy at U of T doesn't know his own rate of return?! I receive a statement every month telling me how our pension fund is doing; I'm sure U of T does the same for its staff. On another note, I like the idea of all ON universities pooling their pension funds...then investing it all with ING!

18. **Trevor Ouellette from Canada writes:** It's just meetings after meetings. Meanwhile, the stock market has moved 30%. Maybe they will have a meeting about that, too. You know, to try to determine if they should have shifted their assets around.

    Oh well, I guess it keeps people employed. Everybody needs to feel useful.

19. **Gardiner Westbound from Canada writes:** .
    Civil servants whining about their pension fund returns brings tears to the eyes of the 72-percent of taxpayers that don't have a pension.

20. **The Central Screwtinizer from Ottawawa, Canada writes:** Here's the thing geniuses...my wife who has grade 12 and no investment schooling...has over $200K in self-administered investments using segregated funds for the past 10 years. Last July/07 before the financial world imploded she redid her segregated fund contracts within her RRSP, payed the minor penalty in the grand scheme of things, and at the new plateau which included her tax free capital gain so far and locked in for another 10 years. no loss...while the rest of the world melted. Its still increasing. My point, insure your prinicipal such as you would find with a segregated fund, at least the principal is 100% safe and depending on the state of th world renew your contracts from time to time even if it means paying a penalty which is no worse than an MER or commission or whatever you want to call your fee. It doesn't take large intelligencia to take care of your money. The problem arises when 'other' people try to take care of your money. It is not their money to lose but onlt to play with and they even get bonuses to win or lose it...imagine! Same school as the GMC geniuses no doubt.

21. **cold air from Canada writes:** Was this money invested in the knowledge economy?

22. **The Middle Finger ..I.. from Canada writes:** Its a ' zero - sum ' game. For every winner there is at least one loser. So why do we only hear about the losers?

23. **The Economic Hitman jr. from Vancouver, Canada writes:** The problem with a lot of these funds is there are trying to keep pace with the Defined Benefit Pension (DBPP) calculations on the liability side. It's this liability that forces the hand of managers to make these more risky bets. Pension plans have to beat the market by a fair margin to keep up with their obligations and it's just not realiastic. DBPP have to go away; they're a fool's paradise.

24. **E F from West, Canada writes:** D Kanaschwiiz, I liked your post.

    That being said I don't really understand how any of this is news. When you invest the results go up and the results go down. I know that its sexy when you get the word 'billion' in there.. but are any of us surprised that the U of T lost money? Everyone did....

25. **Mark C from Canada writes:** Journey Man from Canada writes: Don't worry for the UofT folks; they'll just hit on the good old taxpayer to bail them out of this mess.

    There's a typical Canadian attitude towards higher education. This resource based economy of ours is not doing us any favours. We are way behind the rest of the world in developing intellectual capital. Why do you think we're falling behind in technology and innovation? Why do you think so many immigrants come here with grad degrees and take high paying jobs? Bay Street is full of foreigners in quant analyst positions getting paid six figures, because Canadians don't care to study math and science.

26. **The Natrix from Toronto, Canada writes:** Where was all this complaining and criticism when they were earning extra normal returns?

    All weasels.

27. **Armchair Politician from Kelowna, Canada writes:** And the Harvard Professor wants to govern our country?

28. **Spence Cole from Toronto, Canada writes:** Endowment funds and pension assets should not be co-mingled and managed together. They are totally different

types of assets, with different objectives.

The UTAM managers take undue risks because they share in the above market returns but have no liability for below market returns. They basically act as shareholders who bought their shares for 1 cent, managing money contributed by bondholders who have a fixed return. The bondholders (the University staff and the donors) have all the risk but a fixed return. The UTAM managers have no risk and infininte return. The result is undue risk. GLuskin must understand this issue as it is core to the concept of corporate governance.

29. **Ryan Coke from Alberta, Canada writes:** Well following the lead of a Yale or Harvard was their first mistake. Those types of institutions who went on the basis that hedge funds were an asset class on their own, were sorely mistaken. Leveraging pension assets is wrong. Hedging our currency when above parity... where did they expect it to go from there!! Ultimately, a mix of bonds and equities and the like are the places to invest. For those who like ING and their current rates of 1.5%... have fun with that.

30. **Lawrence Cragg from Burlington, Canada writes:** ...... and it took 18 of the best and brightest to get a return of 1.8%! Was that before or after the management costs? It's comforting to know that the managers are comfortable with those returns.

    It would seem that the term 'sophisticated' is synonymous with 'place your bets' in a casino of your choice.

31. **Jack Napier from Canada writes:** The Economic Hitman jr. from Vancouver: Exactly. Pension funds can't invest in ING GICs as some of these braniacs suggest when benefit obligations under DBPs continue to explode. On currency hedging: while a 100% unidirectional bet on the CAD is pseudo speculative, the objective was to hedge against FX risk related to UTAMs USD investments - this hedge was a good idea, just not executed properly. I also get a kick out of the UTAM critic who said that UTAMs returns are less than a passive portfolio which he designed. Obviously!! It's not hard to design a portfolio that earned positive returns when you already know what the returns are! This is why money management is best left to professionals.

32. **Glenn Chapman from Vancouver, Canada writes:** What is interesting is how many, like Ivan Wilson & Journey Man, are quick to blame this on academics and higher education being out of touch. But wait, the article clearly states this problem began when UofT brought in Real World experts from Bay Street and the Royal Bank. Mean while the most constant critic of their methods was the head faculty association, which represents those academics.

33. **Tristram Shandy from Strathroy Ontario, Canada writes:** Jack napier comments:This is why money management is best left to professionals.

    Have you been listening/reading? The so-called professionals produce no more than chance, and in this case less, with no transparency whatsoever.

    The Central Screwtinizer from Ottawawa, Canada writes: Here's the thing geniuses...my wife who has grade 12 and no investment schooling...has over $200K in self-administered investments using segregated funds for the past 10 years.

    I don't know 'Central', segregated funds charge an enormous percentage for their services, I admire her for not losing much if any, but how does she gain much if any?

    Still, if she and you are happy with the return I should just shaddup.

34. **Dan Theman from Ottawa, Canada writes:** Pension benefits should be based on no more than 6% rate of return, than pension managers wouldn't have to take much risk and could use mostly bonds. And yes, currency hedging isn't different from gambling, the swings are so big that it's just too risky. If your pension commitment is in CAD, why to hedge against USD, simply don't use much foreign content in your portfolio.

35. **Jack Napier from Canada writes:** Dan Theman from Ottawa: Don't use much foreign content? The Canadian markets are heavily weighted to financials and commodities, and by not diversifying into other countries (and accepting some manageable FX risk), you are assuming larger overall portfolio risk. On using bonds - all bonds accept Governments have taken a beating, and many have defaulted. If you are a bondholder and the company tanks, most of the time you end up with nothing. Huge risk, bad idea. Once again, this is why money management is best left to professionals.

36. **HadItUpTo Here from Toronto, Canada writes:** The point is this is a publicly funded institution - so they are using public money, whether from government or the [up to now] generous donors. Noted too that UTAM folks are the highest paid people at the university - and the investment failures have a direct impact on programs and research - the university's raison d'etre.

37. **J. K. GALBRAITH from Canada writes:** There is nothing wrong with U of T trying to increase their returns on investments and pension funds. However, the type of return required for both of those types of investments are steady and increasing. The asset mix described in the article does not fit that need. It sounds more like a strategy for a young investor looking at high growth returns. A more balanced asset strategy would not have eliminated a decline in investments but it would have reduced the strategy. Maybe the best strategy is to let Teachers, OMERS or CPPIB manage the funds who also have increasing pension needs to meet but would not have such a high level of funds put into hedging. These other funds invest in hedge funds but not to the same degree.

38. **campbell atkinson from victoria bc, Canada writes:** If yyou move to unconvenyial imvestments one must look for non-standard factors, and investigate advice. Such factors re ISA GDP were put , via NYTIMES to the administration leading to the announcement of the 2001 recession. Conserns re-appeared in spring os 2007 withodd shifts in jobless claims irregular annual data revisions and the sharp relaxation of lending standards. This led to the conclusion in DEc, 2007 that all this was designed to hide that the USA was hiding a move into recession for political reasons. and was then in recession. This was advised to key media and the Chancellor of U of T whom I had advised before he becamevPremier. If you have Knowledgeable people give warnings which are ignorec in favour of the latest investment fad you lose.

39. **Let the truth be known though the heavens may fall from Canada writes:** Seeing that universities are the supposed bastions of truth and free speech, let us begin and end with facts. 1. Mr. Moriarty is simply a victim of bad timing. The seeds were sown long before his arrival. 2. Despite what the official consultant reports/analyses may say when the idea for UTAM was being tossed around, I had the "pleasure" of hearing the unofficial version out of the mouths of the consultants as they indiscretely discussed the matter on the elevator at 215 Huron St (I was an "invisible" administrative drone they did not recognize & it sometimes "pays" to dress as a frumpy student). In a nut shell: No need for

UTAM; at best, a hobby for retired executives". 3. Someone should compare the pre-UTAM budget of the U of T Treasury Dept (where all pension & endowments work was run out of previously) to the UTAM budgets (I assume this is all a matter of public record anyway). 4. In the "sleepy" pre-UTAM days, I recall "HUGE" pension surpluses. I define "huge" as follows: a) A good portion of this surplus was returned to the employees in the form a pension contribution holiday for numerous (pre-UTAM) years; b) $100 million was returned to the employer/university and used to beef up its endowment fund. Large gifts of $1 million would be "matched" by the university to create a $2 million "Chair", the income from which funded talented professors salaries/benefits. 5.Compare point 4. to the achievements of UTAM's "professionals". Rest In Peace Stuart (you did OK). Your genuine love of, and dedication to, the universty and its students is remembered...

40. **Trev C from Orleans, Canada writes:**
    What was their holdings in Gold?
    I don't hve all of mine in Gold but it helped me sleep at night when everything else was down and it was up for a much smaller loss.

41. **Journey Man from Canada writes:** Glenn Chapman from Vancouver, Canada writes: "What is interesting is how many, like Ivan Wilson & Journey Man, are quick to blame this on academics and higher education being out of touch."

    Oh yes, and how interesting it is that the academics who ultimately run the institution completely abdicate their supervisory responsibilities when the $h|t hits the fan and who then blame financial whiz kids who they hired and whose BS they believed.

42. **Lou Bix from Canada writes:** 1.8 percent per year since 2000.
    Guess what ? You're Fired !

43. **Vic Vegas from Gangville, BC, Canada writes:** The brainiacs in charge of the most vital resource of the university that claims to produce some of the best business minds blew their brains out, mainly on a Canadian dollar hedge? And they are still walking around, gainfully employed? Oh that's right...when you're smarter than everyone else in the room, you are never wrong. Just check with any of the gurus who wrote that everything was a buy in the fall of 2007 and said that we should get out of everything in March of 2009. The Canadian dollar trade was

a crime, not a blown trade. Someone should be doing jail time. There is such a thing as fiduciary duty and these turkeys breached it.