



2022

Endowment update

Thank you for your investment in our shared future

We are pleased to present your 2022 Endowment Summary Report. With your endowment, you are helping create a more stable future for research, students, faculty and the future of the university. Thank you for your vision and your support of UBC.

MARKET UPDATE

Since the COVID-19 pandemic started in 2020, public equity markets have rebounded strongly along with solid performance from the Fund's real estate and infrastructure investments. This is reflected in our 8.2% return in 2021-22 following a strong return of 16.8% in the previous year. While this recent performance is positive news for the Endowment, it is important to view investment returns over the long-term, expecting that high returns in some years may be offset by lower returns in subsequent periods. While the pandemic has taken a gradual back seat in terms of being a driver of market risk and return, investors have turned their focus to rising inflation and interest rates.

IMPACT OF INFLATION

While inflation rates over the past decade have remained near the target levels set by policymakers, the current surge in inflation has effected UBC Endowments. The UBC IMANT

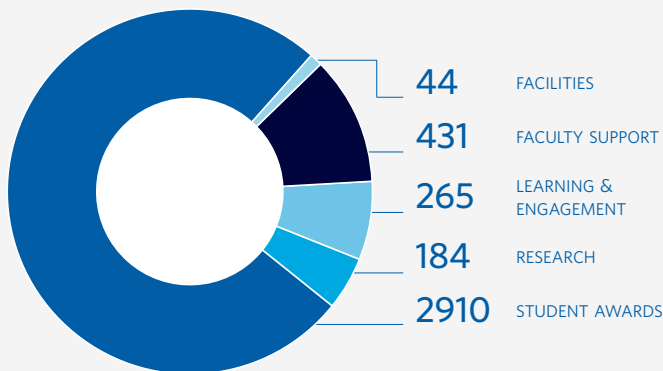
team closely monitors changes in inflation and constructs a resilient portfolio by allocating funds to infrastructure and real estate investments that can perform well with inflation while holding a small allocation to traditional public bond investments that are negatively impacted by high inflation. A portion of the Endowment's private fixed income assets is also indexed to inflation.

Given the spike in inflation experienced over the past year, the Endowment portfolio underperformed its inflation adjusted required return over the one-year period ended March 31, 2022. However, over longer time horizons, the portfolio has kept pace with or outperformed the Endowment's required return.

While near term inflation readings may remain somewhat elevated, it is expected that inflation will decelerate toward levels targeted by policy makers over the coming few years which will have a downward effect on the Endowment's required return over time.

UBC IMANT continues to work closely with our investment managers to position the Endowment portfolio for success. We take a long-term view on investments, constructing a diversified portfolio that generates the returns required to support UBC's spending needs and can respond to changing market environments over time.

NUMBER OF ENDOWED FUNDS BY DESIGNATION



SINCE THE FIRST ENDOWMENT WAS ESTABLISHED IN 1920s

ENDOWMENT INCOME HAS PROVIDED

165,295 awards



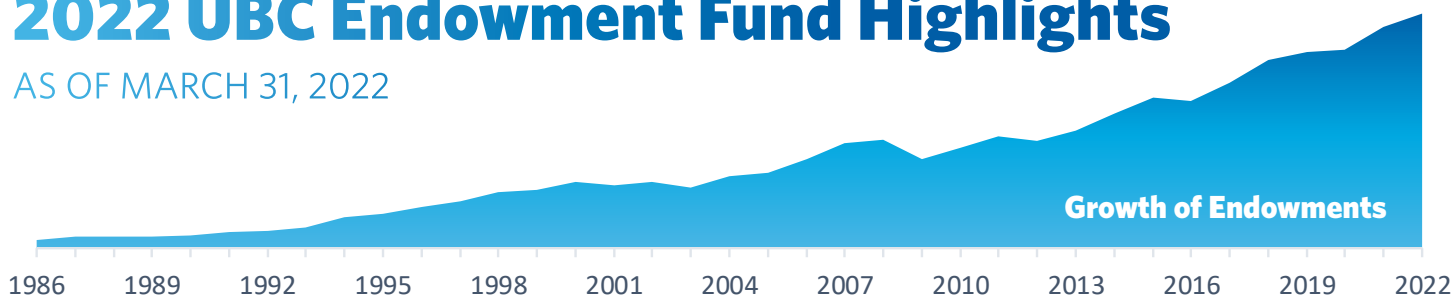
TOTALLING

\$285,637,060 TO STUDENTS



2022 UBC Endowment Fund Highlights

AS OF MARCH 31, 2022



UBC IMANT has been managing the UBC Endowments' assets since 2003 with the goal of maximizing net real returns in accordance with Fund's objectives, spending requirements and risk parameters.

Over the fiscal year ended March 31st 2022, the UBC Endowment Main Pool grew 8.2% net of all external management fees, beating its policy benchmark return of 5.8%.

The market value of the Endowment assets managed by UBC IMANT reached \$2.06 billion on March 31, 2022. Combined with an additional \$142 million invested at related foundations and \$597 million held by the Student and Faculty Housing Assistance Endowments, the total value of UBC's Endowments is now at \$2.8 billion.

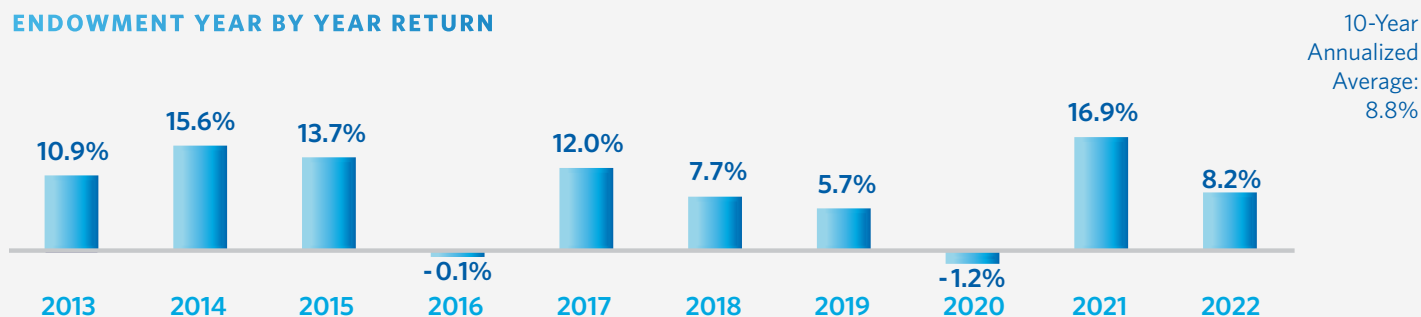
ASSET ALLOCATION

	CURRENT MIX*	LONG-TERM TARGET
Private Debt & Mortgages	6.7%	12.5%
UBC Debenture	4.6%	
Bonds & Cash	7.7%	5.0%
Total Fixed Income	19.0%	17.5%
Canadian Equities	0.0%	0.0%
Global Equities	28.9%	30.0%
Global Small Cap	1.5%	0.0%
Emerging Equities	13.4%	15.0%
Total Equities	43.8%	45.0%
Private Equity	8.4%	10.0%
Real Estate	8.7%	10.0%
Infrastructure Equity	12.6%	10.0%
Hedge Funds	7.2%	7.5%
Total Alternatives	36.9%	37.5%
Multi-Asset	0.3%	0.0%
	100%	100%

ENDOWMENT ANNUALIZED RETURNS ON INVESTMENT

	ONE YEAR	TWO YEARS	THREE YEARS	FIVE YEARS	TEN YEARS
Actual Return*	8.2%	12.5%	7.7%	7.3%	8.8%
Policy Benchmark	5.8%	12.0%	8.7%	7.8%	8.9%
Required Return**	11.6%	9.2%	8.0%	7.6%	6.4%

ENDOWMENT YEAR BY YEAR RETURN



FOR FURTHER INFORMATION ON UBC ENDOWMENTS, VISIT give.ubc.ca/endowments

Assets managed by UBC IMANT

*Net of Management Fees

**Required Return = Spend Rate + Adm. Expenses Fee + CPI