

2024 Endowment update

Thank you

The 2024 University of British Columbia (UBC) Endowment Summary Report provides a comprehensive overview of the impact of your philanthropic contributions. Managed by UBC Investment Management (UBCIM), your investment is strategically positioned to maximize long-term returns. By safeguarding the financial health of the endowment funds, your legacy will persistently support the areas of education and research that are most meaningful to you. Endowments, whether through student support, professorships or programs, provide stability by offering dependable funding year after year. Thank you for your foresight and commitment. We are deeply grateful for your support.

MARKET UPDATE

Driven by resilient U.S. economic growth and a gradual reduction in the rate of global inflation, FY2023/24 was an exceptionally strong period for investment market returns. Central banks raised short-term interest rates through the first half of the year but signaled a pause later in 2023 as inflation dropped closer to target levels. Investors responded positively to the reduction in inflation and resilient economic data, which drove strong returns in both equity and bond markets.

The Endowment returned 12.1% over the year, though it slightly lagged the portfolio's benchmark return. The Endowment portfolio is constructed to generate strong long-term returns

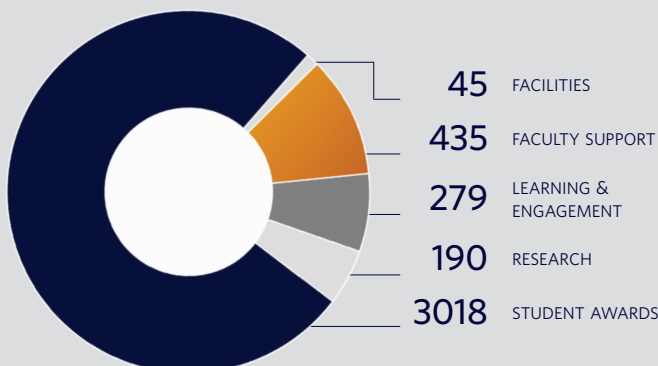
while limiting short-term volatility. This approach means the portfolio might generate slightly lower positive returns than the benchmark during high public investment market returns but will outperform when markets decline. This consistent investment return profile achieves stable results for UBC and the Endowment's beneficiaries. UBCIM emphasizes long-term performance, and over 5-year and 10-year horizons, the Endowment portfolio continues to outperform the Policy Benchmark.

SPEND RATE UPDATE

Based on analysis and advice from UBC Administration and UBCIM, the UBC Board of Governors annually reviews over 3,900 individual endowments to ensure sustainable spending levels. Spend rates are determined based on future market return and inflation projections, not on historical performance, ensuring your gift maintains its value over time.

In 2023, strong financial market returns offset the Endowment's spending rate and elevated inflation levels, enabling established endowments to maintain a 4.0% spending rate. For newer endowments, the spending rate was set at 3.5% until a stronger financial cushion is established and a higher spending rate is deemed sustainable.

NUMBER OF ENDOWED FUNDS BY DESIGNATION



SINCE THE FIRST ENDOWMENT WAS ESTABLISHED IN 1920s

ENDOWMENT INCOME HAS PROVIDED

179,920 awards



TOTALLING

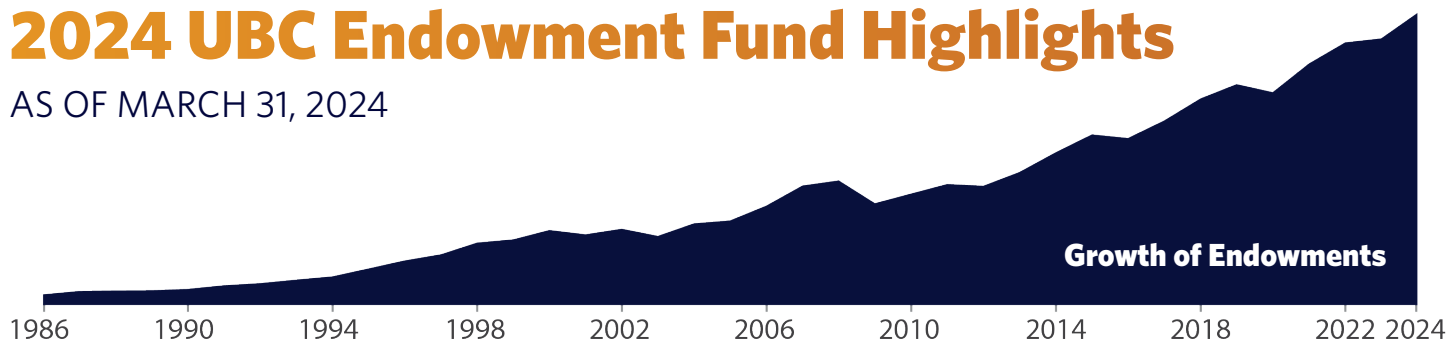
\$326,181,822

TO STUDENTS



2024 UBC Endowment Fund Highlights

AS OF MARCH 31, 2024



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

Over the fiscal year which ended March 31, 2024, the UBC Endowment Main Pool returned 12.1% net of all external management fees, underperforming the policy benchmark's return of 16.6%.

The market value of the Endowment assets managed by UBCIM reached \$2.40 billion on March 31, 2024. Combined with the \$651 million held by the Student and Faculty Housing Assistance Endowments, and \$27 million in other endowments, the total value of UBC endowments now exceeds \$3 billion.

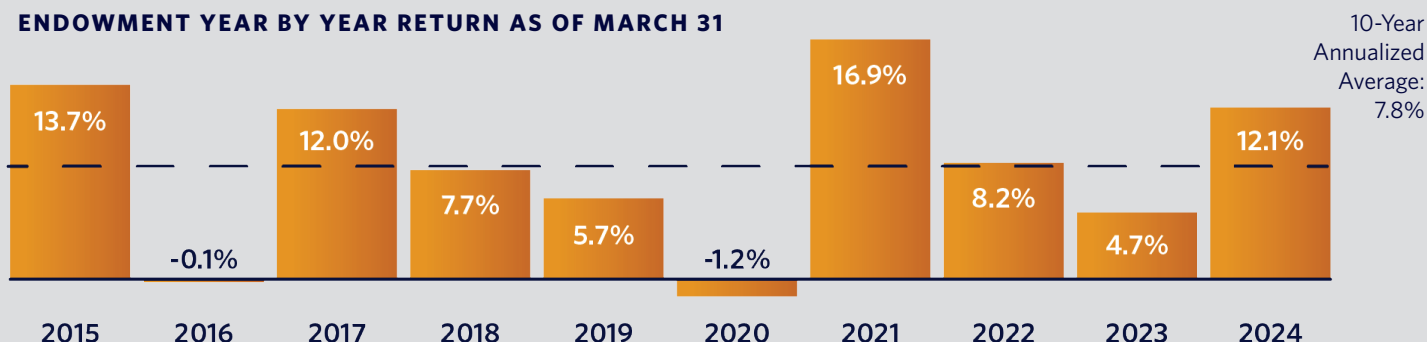
ASSET ALLOCATION

	CURRENT MIX	LONG-TERM TARGET
Cash	1.8%	2.0%
Government Bonds	2.1%	3.0%
Private Credit	11.0%	12.5%
UBC Debenture	3.9%	
Total Fixed Income	18.8%	17.5%
Global Equities	31.0%	30.0%
Emerging Equities	14.9%	15.0%
Private Equity	10.5%	10.0%
Total Equities	53.4%	55.0%
Real Estate	7.7%	10.0%
Infrastructure Equity	11.7%	10.0%
Total Real Assets	19.4%	20.0%
Absolute Return Program	5.4%	7.5%
	100%	100%

ENDOWMENT ANNUALIZED RETURNS ON INVESTMENT

	ONE YEAR	TWO YEARS	THREE YEARS	FIVE YEARS	TEN YEARS
Actual Return*	12.1%	8.3%	8.3%	8.0%	7.8%
Policy Benchmark	16.6%	7.8%	6.3%	7.8%	7.6%
Required Return**	7.7%	8.4%	9.5%	8.2%	7.0%

ENDOWMENT YEAR BY YEAR RETURN AS OF MARCH 31



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

Assets managed by UBCIM

*Net of Management Fees

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