



2020

Endowment Update

Thank You for Providing an Investment that Lasts

With thanks from everyone who has benefitted from the endowment you established at UBC, we are pleased to share your 2020 Endowment Summary Report.

Endowments have been instrumental in providing stable, dependable support for UBC programs and students, for this generation and generations to come. Thank you for your vision and for supporting UBC’s mission to inspire people, ideas and actions for a better world.

UBC INVESTMENTS DURING A CLIMATE EMERGENCY

Following UBC’s declaration of a climate emergency in December, the Board of Governors has undertaken thorough legal and financial reviews to align investment strategies with reducing CO2 emissions and meet the commitments of the declaration.

One of the recommendations of UBC’s Climate Emergency Advisory Committee is to further improve the sustainability criteria for investments (enhancing UBC’s Responsible Investment Policy created in 2013). This includes a concrete commitment to move towards full divestment from fossil fuels within UBC’s controlled environments — only 2% of UBC’s overall investment is in the extractive fossil fuel industry — as well as collaboration with like-minded investors and organizations, shareholder engagement and leveraging influence to drive positive change.

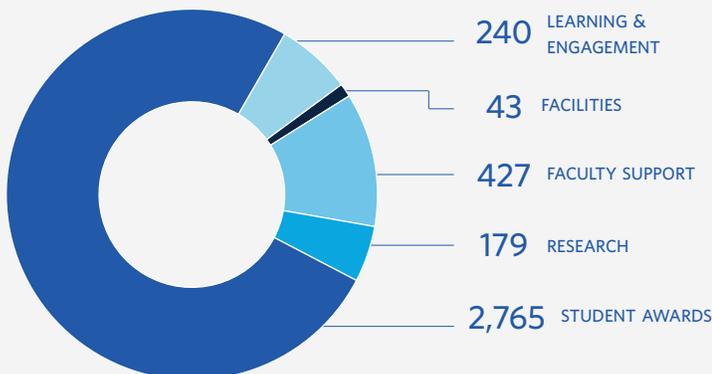
UBC INVESTMENTS DURING COVID-19

In the context of the current COVID-19 crisis, the Endowment portfolio continues to deliver more stable returns than the broader market. While markets have shown tentative signs of recovery from lows reached in March, UBC IMANT staff continue to monitor the portfolios across all asset classes and are working with our managers to proactively position our portfolio companies in anticipation of a continuation of difficult conditions into the coming months.

Although it is too soon to know the long-term impact of the current economic situation, we expect the main factors contributing to the more stable returns in the Endowment to stay the same:

- We have built a well-diversified portfolio that minimizes the impact of market fluctuations — plus losses in equities are offset by the gains in fixed income-like assets in public and private markets;
- We take a long-term view on investments and invest in public and private markets — most of the private assets provide a more stable return stream in a volatile public market environment; and
- We invest globally — during this period, foreign asset returns benefited from Canadian dollar depreciation.

NUMBER OF ENDOWED FUNDS BY DESIGNATION



SINCE THE FIRST ENDOWMENT WAS ESTABLISHED IN 1920s



ENDOWMENT INCOME HAS PROVIDED

150,076 awards

TOTALLING

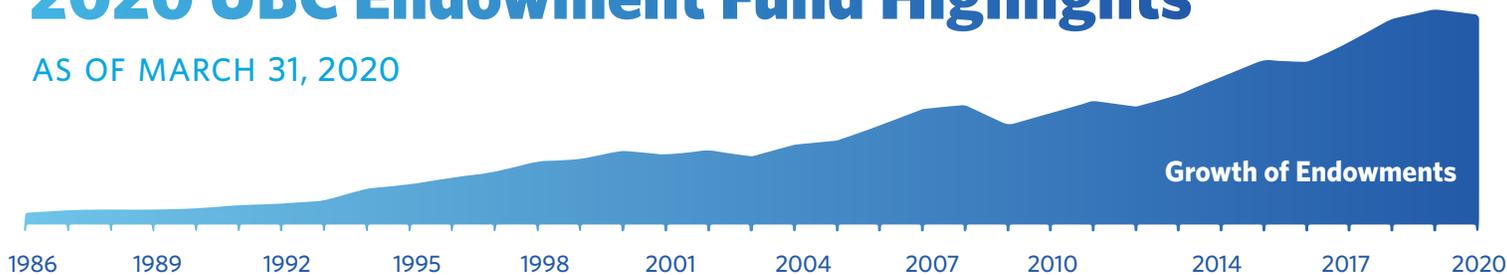
\$ 246,613,954

TO STUDENTS



2020 UBC Endowment Fund Highlights

AS OF MARCH 31, 2020



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. Donor funds are prudently invested by the UBC IMANT staff in a variety of asset classes, managed by top-tier external investment managers.

Over the fiscal year ended March 31, 2020, the UBC Endowment Main Pool declined 1.2% net of all external management fees.

The market value of the Endowment assets managed by UBC IMANT reached \$1.67 billion on March 31, 2020. Combined with an additional \$186 million invested at related foundations and funds held by the Student and Faculty Housing Assistance Endowments, the total value of UBC's Endowments now exceeds \$2.33 billion.

ASSET ALLOCATION

	CURRENT MIX	LONG-TERM TARGET
Private Debt & Mortgages	5.5%	5.0%
UBC Debenture	5.9%	5.8%
Bonds	8.3%	9.2%
Total Fixed Income	19.7%	20.0%
Canadian Equities	8.3%	10.0%
Global Equities	16.0%	15.0%
Global Small Cap	4.1%	5.0%
Emerging Equities	8.5%	10.0%
Total Equities	36.9%	40.0%
Private Equity	8.2%	10.0%
Real Estate	10.5%	10.0%
Infrastructure Equity	12.9%	12.5%
Hedge Funds	6.8%	7.5%
Total Alternatives	38.4%	40.0%
Multi-Asset	4.8%	-
	100%	100%

ENDOWMENT ANNUALIZED RETURN ON INVESTMENT

	ONE YEAR	TWO YEARS	THREE YEARS	FIVE YEARS	TEN YEARS
Actual Return*	-1.2%	2.3%	4.0%	4.7%	7.7%

ENDOWMENT YEAR BY YEAR RETURN



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

Assets managed by UBC IMANT
 * Net of Management Fees