

# 2025 Endowment update

## Thank you

The 2025 University of British Columbia (UBC) Endowment Summary Report provides a comprehensive overview of the impact of your philanthropic contributions. Whether you are supporting students, faculty or programs, this endowment is providing dependable funding every year. Investments are professionally managed by UBC Investment Management (UBCIM) and are strategically positioned to maximize long-term returns. Thank you for your generosity and commitment—your gift is helping us shape a better world.

### MARKET UPDATE

The 2024/2025 fiscal year delivered strong returns, driven by inflation becoming more stable, strength in the U.S. economy, and a shift in global interest rates and financial strategies. Central banks began modestly lowering interest rates in 2024, responding to inflation approaching targeted levels. Strong profits, particularly within the technology sector, drove strong returns in equity markets through early 2025. Declining bond yields also supported positive returns across fixed-income markets. The combination of easing inflation pressures, stable economic indicators and policy shifts provided favourable conditions for both equity and bond market investors.

The Endowment generated a 13.9% return over the year, outperforming the portfolio's benchmark return of 12.1%. The outperformance was driven by the portfolio's broad diversification, active management and exposure in private

markets. Over 5-year and 10-year horizons, the Endowment portfolio continues to outperform the Policy Benchmark.

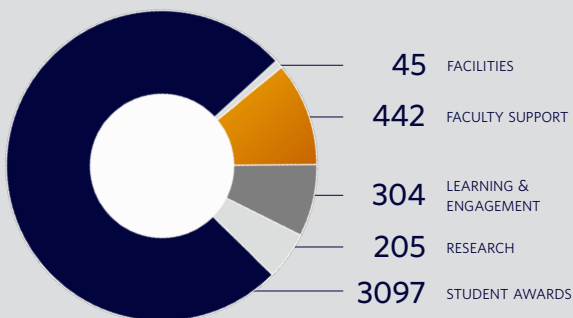
In response to uncertainty from ongoing tariff concerns, the fiscal year ended with a sharp decline in public equity markets. Despite this, the Endowment portfolio remains well-diversified and is designed to be resilient to short-term market fluctuations. UBCIM continues to prioritize long-term returns and is closely monitoring markets. UBCIM is prepared to adjust investment strategies as market conditions evolve.

### 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 projections of investment returns and inflation rather than historical performance.

In 2024, strong financial market returns offset the Endowment's spending rate and inflation, 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

**197,810 awards**



#### TOTALLING

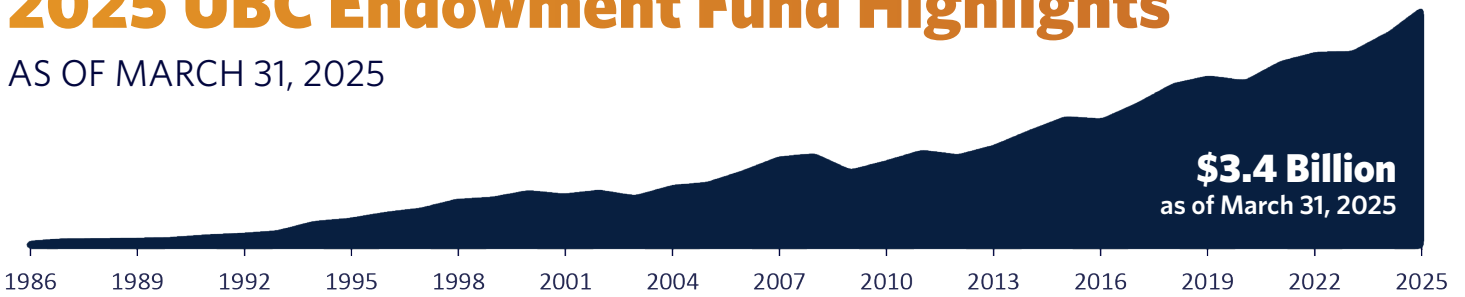
**\$386,981,252**

TO STUDENTS



# 2025 UBC Endowment Fund Highlights

AS OF MARCH 31, 2025



UBC Investment Management 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 2025, the UBC Endowment Main Pool returned 13.9% net of all external management fees, overperforming the policy benchmark's return of 12.1%.

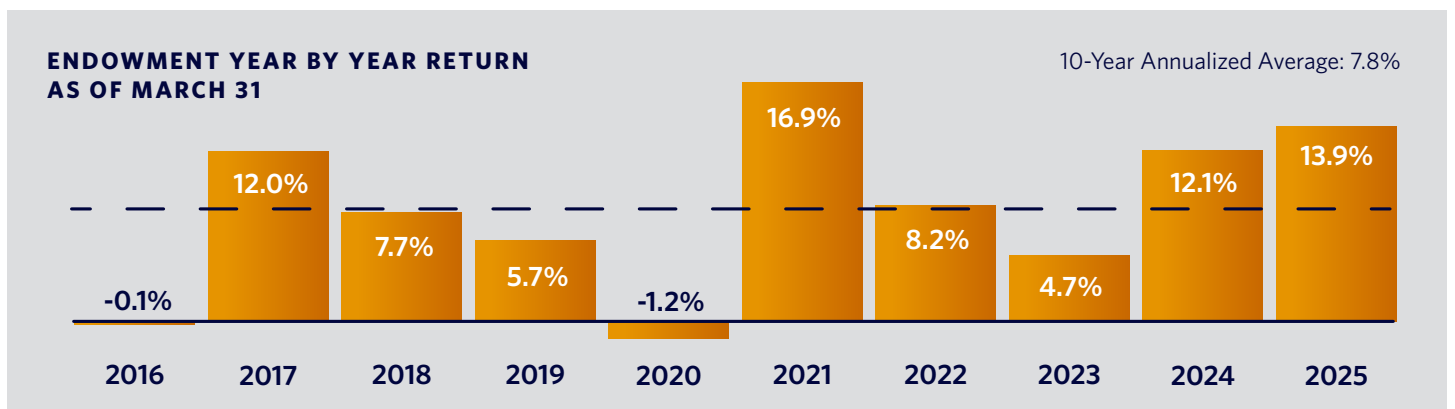
The market value of the Endowment assets managed by UBCIM reached \$2.7 billion on March 31, 2025. Combined with an additional \$29 million invested at other foundations and \$686 million held by the Student and Faculty Housing Assistance Endowments, the total value of UBC's Endowments is over \$3.4 billion.

## ASSET ALLOCATION

	CURRENT MIX	LONG-TERM TARGET
Cash	1.5%	2.0%
Government Bonds	3.0%	3.0%
Private Credit	12.3%	12.5%
UBC Debenture	3.3%	
<b>Total Fixed Income</b>	<b>20.1%</b>	<b>17.5%</b>
Global Equities	28.3%	30.0%
Emerging Equities	15.0%	15.0%
Private Equity	11.9%	10.0%
<b>Total Equities</b>	<b>55.1%</b>	<b>55.0%</b>
Real Estate	8.2%	10.0%
Infrastructure Equity	12.3%	10.0%
<b>Total Real Assets</b>	<b>20.5%</b>	<b>20.0%</b>
Absolute Return Program	4.3%	7.5%
	<b>100%</b>	<b>100%</b>

## ENDOWMENT ANNUALIZED RETURNS ON INVESTMENT

	ONE YEAR	TWO YEARS	THREE YEARS	FIVE YEARS	TEN YEARS
Actual Return	13.9%	13.0%	10.1%	11.1%	7.8%
Policy Benchmark*	12.1%	14.3%	9.2%	9.8%	7.4%
Required Return	7.1%	7.4%	8.0%	8.5%	7.1%



FOR FURTHER INFORMATION ON UBC ENDOWMENTS, VISIT [give.ubc.ca/endowments](https://give.ubc.ca/endowments)

Assets managed by UBCIM  
\*Endowment policy benchmark performance comprises Reference Portfolio returns as of April 1, 2021. Earlier periods utilize the endowment's historical policy benchmark.