

# Making [ FUTURES ] Possible

During the past year, we set out to restate the [*purpose*] of UBC Investment Management (UBCIM) as the organization responsible for investing the assets of the University of British Columbia. In our discussions, we focused on our role in building the financial resilience required to advance UBC's mission, using our technical expertise and professional experience to turn aspirations into concrete [ACHIEVEMENTS].

The work of UBCIM enables students to learn and researchers to gain new insights. And it allows a great university to achieve its ambitions and plan for what comes next. By fostering investment growth – in the Endowment, in the UBC Staff Pension Plan, in working capital – we help ensure that everyone across the UBC community can confidently pursue their [*long-term*] goals.

This is UBCIM's redefined purpose: *making futures possible*.

### A few words from our team

Making futures possible is the shared purpose that guides the work of everyone at UBCIM. So in developing this year's annual report, we invited team members to create the handwritten words exploring variations on that theme. It's another way of reinforcing a key message about UBCIM: our rigorous processes and astute portfolio management set us apart, but it's our talented, innovative people who drive long-term performance.

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# LASTING IMPACT



**On behalf of the Board of Directors, I am pleased to present** UBC Investment Management's FY25-26 Annual Report.

During the past year, UBCIM's disciplined stewardship of the university's investment assets generated investment gains of \$582 million across the combined portfolios we manage. Total assets under management increased 8.4% to nearly \$7.5 billion, reflecting market performance and net asset flows during the year. Over the longer term, UBCIM's diversified approach across public and private markets has supported resilient outcomes through changing market conditions. The Main Endowment Pool generated annualized returns of 9.8% and 8.9% over five and 10 years, respectively, while the UBC Staff Pension Plan (SPP) generated 6.7% and 6.9% over the same periods.

Despite economic uncertainty and market volatility, UBCIM's investment stewardship supported Endowment distributions that advance UBC's academic mission, including learning, research and student aid. It also contributed to the long-term financial resilience of the SPP, which provides retirement benefits to its members. Over the past decade, Endowment distributions have totalled more than \$874 million, while the SPP has paid more than \$592 million in pension benefits to plan members and other beneficiaries.

UBCIM's investment approach is grounded in a long-term horizon and the principle of intergenerational fairness. Our portfolios are structured to provide the liquidity and resilience needed to support ongoing distributions, benefit payments and other funding requirements, while preserving and growing capital for future generations. We seek to support the needs of current beneficiaries, including UBC's academic mission and members of the SPP, while preserving the purchasing power and financial capacity of the funds for those who will rely on them in the future.

## Integrating Social Risk

In support of UBC's commitment to sustainability, UBCIM continued to advance its responsible investing framework during the year. Building on our integration of environmental, social and governance considerations into investment decision-making, our principal focus in FY25-26 was the social dimension of ESG.

We developed a human rights and social risk framework to help identify, assess and manage relevant risks across our investment process. The framework is now being applied in manager selection and ongoing manager oversight, and is being integrated into other investment processes. In collaboration with SHARE, a leading Canadian responsible investing consultancy, we are also sharing our experience with other university asset managers and institutional investors to help advance industry understanding and practice in this area.

## Responsible Governance

Strong board governance and effectiveness remained a key priority during FY25-26. The Board completed a formal assessment of its collective skills and experience, identifying existing strengths and areas that will inform director development, succession planning and future recruitment. We also expanded director education to support the Board's continued adoption of leading governance practices.

These initiatives build on a strong foundation of independent directors with deep investment, governance and public-sector experience, together with representatives from the UBC administration and its Board of Governors. During the year, Naveen Kapahi, Chair of the UBC Staff Pension Plan, joined the UBCIM Board. His appointment strengthens strategic alignment and dialogue between UBCIM and the SPP, helping ensure that the UBCIM Board remains well informed about the long-term needs and priorities of the Plan and its members.

In FY25-26, two directors completed their prescribed terms. On behalf of the Board, I thank Hyewon Kong for her six years of thoughtful service and her deep expertise in sustainable and impact investing. Her perspective has made a meaningful contribution to the Board's oversight of UBCIM's investment strategy and responsible-investing agenda. I also thank Rakesh Saraf for his extensive contribution to the Board. Rakesh brought more than three decades of institutional investment experience, including deep knowledge of private equity, infrastructure and direct investing. His experience in

pension, endowment and university governance provided valuable perspective as UBCIM continued to strengthen its long-term investment platform.

We're also pleased to welcome Brenda Eaton and Chris Kautzky to the Board. Brenda brings substantial public-sector and governance experience, while Chris contributes broad institutional investment leadership, including as chief investment officer with a large public-service pension plan. Their appointments further strengthen the range of perspectives and expertise available to the Board.

Finally, I thank CEO Dawn Jia and the entire UBCIM team for their disciplined work and commitment throughout the year. Their efforts continue to strengthen UBCIM's investment platform and support the long-term needs of UBC, the Staff Pension Plan and the other funds we manage.

**Azim Lalani**

Chair, UBC Investment Management Board of Directors

# MAKING FUTURES POSSIBLE



**During the past year, as UBCIM focused on the strategic** decision-making and investment activities reviewed by this annual report, we also took time to reflect on something more fundamental: the shared sense of purpose that drives our firm.

As UBCIM has matured into a leading university investment management firm, we've steadily sharpened our thinking around where we're heading, and why. In FY20-21, we launched a transformation initiative to craft a new investment framework, revamp our investment programs and rebuild our foundational systems and processes. Once that work was largely complete, in FY23-24 we introduced a five-year strategic plan aimed at advancing excellence in core functions and strengthening the overall resilience of our firm. Then in the past year, with our plan well underway and already yielding concrete results, we felt it was time to step back and revisit the basic convictions driving all of our efforts to grow and sustain the financial assets of UBC.

As we consulted within the UBCIM team and with our UBC partners, we searched for the simplest way to sum up why we come to work each day while also reflecting the broader ambitions of the university. A theme soon emerged: we measure UBCIM's impact not just by the returns generated

in our portfolios, but by what those returns allow UBC and its stakeholders to achieve. Through careful management of the university's assets, we enable students to learn, we support researchers in making important discoveries, we help the people who've shaped and run UBC enjoy stable retirements, and we allow a great university to plan and build for the future. Distilled down to a single idea, our role is to provide people across the UBC community with crucial financial support so they can pursue their goals, today and over the long term.

From that insight we arrived at a clear statement of purpose (as well as the theme for this annual report): *making futures possible*.

Those three words say a great deal. They speak to UBCIM's strengths in planning, building, executing and delivering positive results. They reflect our focus on long-term impact and sustainable outcomes. And they capture the inspiration we feel in helping talented people at a leading global university fulfill their potential.

In developing this new purpose statement, we also refreshed the values that guide UBCIM. The result is a set of brief, active phrases (see page 9) that reinforce our commitment to constantly improving and innovating, working as one team and always being accountable for our work. These core values anchor our purpose and define how we earn and sustain the trust of our internal partners and the entire UBC community.

## People, Process, Portfolio

The funds we manage on behalf of the university and its pension plan once again produced strong results in FY25-26. The UBC Main Endowment Pool generated a return of 10.5% for the year and an annualized return of 9.8% over the past five years. These outcomes exceeded the university's spending requirements from the Endowment and added significant value beyond the five-year benchmark of the

Reference Portfolio. The Staff Pension Plan showed similarly strong performance within its risk tolerance, delivering a return of 8.8% for the year and an annualized return of 6.7% over the past five years – likewise adding value beyond its benchmark return for that period.

These results, which are detailed at length in this annual report, reflect the constant evolution and deepening of UBCIM's capabilities in strategic investment and managing risk. In pursuing continuous improvement efforts across our firm, we focus on the three pillars of sound investment management: *people, process and portfolio management*.

During FY25–26, we began implementing a new people and culture strategy. By providing a framework and detailed guidelines for setting goals and tracking performance, we can ensure that each team member's contributions align with and advance UBCIM's overall objectives. We've also introduced more robust human resources policies, along with an HR information system, to help us better manage our growing team while offering enhanced benefits and development opportunities to attract and retain talent. The larger aim of all these efforts is to foster a collaborative culture in which team members learn from one another and are encouraged to pursue the kind of creative thinking that leads to better solutions and superior investment returns.

As we develop the capabilities and expertise of UBCIM's people, we also continuously improve our investment process, adopting more agile and efficient approaches to managing the assets entrusted to us. A prime example from the past year was our refresh of the investment framework for the Long-Term Liquidity Pool. Formerly called the Working Capital Fund, this is a highly liquid portfolio of money market assets and short-duration public and private fixed income investments. It invests the proceeds from UBC's provincial

grants and other operating income, along with funds reserved for planned capital projects.

In the past, our management of working capital focused solely on prioritizing liquidity without setting an explicit target return. In applying UBCIM's new investment framework to the Long-Term Liquidity Pool, we established a unique Reference Portfolio and set clear return and liquidity requirements for the Pool, consistent with its mandate. At the same time, we developed a Strategic Portfolio with greater allocation to private fixed income investments as part of a diversification strategy to enhance returns over time. In the first fiscal year since this Strategic Portfolio was adopted, the Long-Term Liquidity Pool returned 2.8%, outperforming its Reference Portfolio benchmark by 0.4%.

As for portfolio management – the third pillar of our approach, alongside people and process – in FY25–26 our efforts were focused on reviewing and, where necessary, enhancing how we select and oversee UBCIM's external investment managers. With most of our manager relationships dating back four years or longer, there was sufficient history to evaluate which managers were generating consistently solid performance and where there were opportunities to make our lineup even stronger. To that end, during the past year we intensified our monitoring of individual managers, meeting more frequently and conducting even deeper portfolio assessments.

Our ability to manage our managers more closely reflects an important structural change at UBCIM. Previously, responsibility for day-to-day investment operations was shared across the investment team; now it's a formalized function with an expanded team led by our Director of Investment Operations. This dedicated operations team provides crucial support to our investment process, especially in the integration of complex data analytics. At the same

time, having operations support allows our investment team members to devote their efforts to monitoring managers' progress and fine-tuning selection criteria. Taking advantage of this added capacity, during the past year we began developing a roster of pre-qualified firms that will enable us to adjust our manager lineup more nimbly as strategic priorities change.

### **Navigating the Future**

Geopolitical instability, both from unresolved military conflicts and the emergence of new ones, continued to disrupt global markets over the past year. At the same time, trade disputes, and especially the proliferation of tariffs and economic countermeasures, presented added challenges for investors trying to navigate volatility. Then there has been the extraordinary impact of the artificial intelligence (AI) revolution, both on the valuations of individual companies and on the overall outlook for a technology that will require unprecedented amounts of energy and computing power to realize its full potential. Even those who believe in the long-term promise of AI acknowledge that the path ahead for investors will likely have some dramatic twists and turns.

In a world grappling with so many unknowns, UBCIM is more committed than ever to ensuring that our investment strategies, and the processes by which we put them into action, are built to withstand volatility and deliver sustainable long-term value. We're also acutely aware that underlying all this uncertainty – and amplifying it – are growing impacts from both climate change and social unrest. Extreme weather and natural disasters, along with threats to human rights and other forms of social disruption, are having a direct, measurable effect on the global economy. UBCIM therefore

remains firmly committed, on behalf of UBC, to the principles of responsible investing, and to integrating environmental, social and governance (ESG) considerations into our investment process.

Over the past year, we continued to evolve our responsible investing strategy, notably in developing a new social risk framework that focuses in particular on potential human rights impacts from our investments. To advance our strategy and practices in this area, we've augmented our team by recruiting a Director of Responsible Investing, whose expertise will guide us in enhancing our processes and supporting our internal partners.

In closing, I'd like to express my continuing gratitude to UBCIM's Board of Directors under the astute leadership of Chair Azim Lalani. As we work together to meet the goals and expectations of UBC and its stakeholders, our Board members provide invaluable insights and wise counsel. I'd also like to thank our internal partners at UBC for their continued trust in UBCIM and for the open, collaborative spirit in which they work with us to achieve the goals we've defined together.

Lastly, I want to thank everyone on the UBCIM team for their expertise, creative thinking and hard-working commitment to achieving excellence. Together, we're advancing the purpose that defines our firm and connects our work to the dynamic, forward-looking university we're here to support: *making futures possible*.

**Dawn Jia, CFA**

President and Chief Executive Officer

# INVESTMENT HIGHLIGHTS

AS OF MARCH 31, 2026

## UBC MAIN ENDOWMENT POOL

5-year return

**9.8%**

10-year return

**8.9%**

10-year total distributions

**\$874** million

## UBC STAFF PENSION PLAN

5-year return

**6.7%**

10-year return

**6.9%**

10-year total distributions

**\$592** million

## UBCIM ASSETS UNDER MANAGEMENT

**\$7.47** billion

1-year increase in assets  
under management

**\$583** million

1-year investment  
returns

**\$582** million

# Making [ Goals ] Possible



## UBCIM OVERVIEW

Who we are, what we believe and how our firm is structured and governed.

# ABOUT OUR FIRM

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## UBC Investment Management provides comprehensive

portfolio management and advisory services to the University of British Columbia. A wholly owned subsidiary of the university, UBCIM is responsible for investing the Main Endowment Pool, the Staff Pension Plan, the Long-Term Liquidity Pool (formerly the Working Capital Fund) and other portfolios.

We invest to build a stronger UBC and secure its place as a leading global centre of learning and research. At the same time, we help provide safe, stable retirements for the people whose efforts have guided and shaped the university. Over the past 10 years, distributions generated from the Endowment totalled more than \$874 million, and UBC retirees received over \$592 million in pension payments.

As we invest on behalf of the university and its pension plan, UBCIM takes a manager-of-managers approach. We construct portfolios by engaging top-tier professional investment managers from around the world with the specialized expertise and proven track records required to select securities on our behalf. Our investment team chooses managers that we expect will generate superior net returns over time while integrating robust responsible investing practices into their processes.

Our ultimate goal at UBCIM is to maximize net returns that reflect the financial objectives, liability requirements and risk parameters of each fund we manage. In working to realize that aim, we take a total portfolio approach to constructing investment programs. We assess risks and returns at a granular level, using advanced analytics to gain nuanced insights. We bring the same discipline to planning and evaluating investments, measuring performance against objective targets. Equally important, we communicate clearly and transparently with stakeholders to ensure they understand our processes. And we work to earn and maintain their trust by navigating inevitable shifts in market conditions while staying firmly focused on the long term.

# OUR GUIDING PRINCIPLES

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## Our Purpose

Making futures possible.

## Vision

To be a leading investment office.

## Our Values

### Find a better way.

We're curious, innovative thinkers, asking smarter questions to create more agile and effective investment solutions.

### Move forward together.

We bring together diverse insights and experience to achieve our best – as a team, with our clients and for the wider community.

### Stand behind our work.

We're open, transparent and accountable for our investment decisions, producing returns that drive responsible long-term growth.

# OUR PORTFOLIOS

## UBC Main Endowment Pool

The university's Endowment funds are the product of philanthropic giving by generous donors over more than a century. They also include proceeds from the leases of endowed lands that are intended to support UBC's activities in perpetuity. We invest the Endowment to generate stable revenue for the university, which maintains its high standards through regular distributions in support of teaching, research and student aid.

The Main Endowment Pool is invested in accordance with the Statement of Investment Policy, which is approved by the university's Board of Governors on the recommendation of UBCIM's Board of Directors. A global multi-asset class portfolio, the fund is actively managed to promote capital appreciation and maintain intergenerational equity for beneficiaries far into the future.

## UBC Staff Pension Plan

Established in 1972, the UBC Staff Pension Plan (SPP) is a target-benefit plan that provides retirement, termination and death benefits for eligible staff of the university and related employers. Funded by fixed contributions from plan members and UBC, the SPP serves over 19,000 employees, retirees and deferred members. The university has delegated day-to-day administration of the plan to the SPP Board.

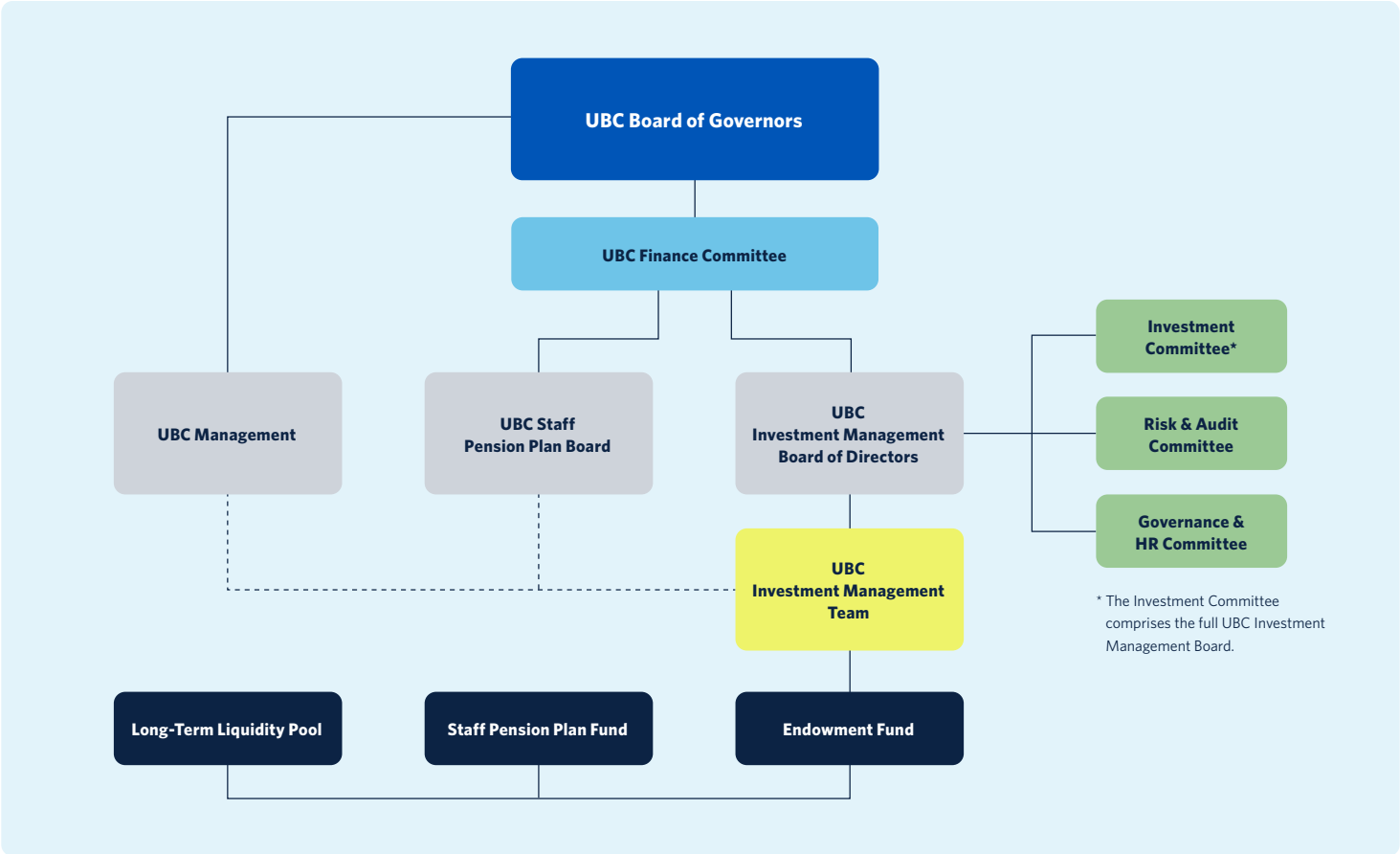
The SPP fund is invested in accordance with the Statement of Policies and Procedures approved by UBC's Board of Governors on the recommendation of the SPP Board. The focus of this global multi-asset class portfolio is to grow capital while bearing in mind the pension plan's liabilities and controlling for potential downside risks to returns.

## UBC Long-Term Liquidity Pool

The UBC Long-Term Liquidity Pool (formerly the Working Capital Fund) consists of reserves from the university's capital pool. These include the proceeds from provincial operating grants; student tuition fees; private, corporate and government research grants; operating income; and funds held for capital projects. Focused on capital preservation and liquidity objectives, the fund has investments in liquidity assets, as well as public and private assets that have higher liquidity profiles when evaluated from a total portfolio perspective.

# OUR GOVERNANCE STRUCTURE

In pursuing investment activities on behalf of the University of British Columbia, UBC Investment Management is granted specific responsibilities and powers within a clearly defined organizational and governance structure. The university has overall responsibility for managing its investment portfolios and the Staff Pension Plan. UBC’s Board of Governors appoints the UBCIM Board of Directors, which in turn delegates our President and Chief Executive Officer to oversee the day-to-day investment and operations of the funds under our management.



# BOARD AND STAFF RESPONSIBILITIES

**The Board of Directors of UBCIM consists of 10 members** who are directly appointed by UBC's Board of Governors. Four are university-related directors – senior UBC executives and representatives of the Board of Governors and the Staff Pension Plan (SPP) Board. The other six are independent directors recruited from the business and investment community on the recommendation of the UBCIM Board, subject to approval by the UBC Board of Governors.

Meeting at least quarterly, our directors provide oversight and governance to UBCIM. The Board has three standing committees: Investment, Risk & Audit, and Governance & Human Resources. In addition, members form working groups on an ad hoc basis to oversee and guide significant investment-related projects.

The UBCIM Board discharges its main responsibilities through the Investment Committee, whose role includes formulating investment beliefs, approving investment programs and risk limits, recommending investment policies for all funds (except the SPP) to UBC, and advising on the Reference Portfolio benchmarks and policy-level constraints.

The work of UBCIM is directed by our President and CEO and overseen by the Board of Directors. Our senior leaders report regularly to the Board, as well as to the SPP Board and the UBC Board of Governors.

UBCIM team members take a highly collaborative approach to managing the assets of the university. We leverage our collective knowledge and experience to execute the firm's approved strategy, while continuously improving our corporate systems and processes – all in pursuit of sustainable long-term growth for the funds we manage.

We work with our internal partners across the university to establish the risk preferences and return requirements that shape our investment policy recommendations for the non-pension portfolios. UBCIM team members present these recommendations for review by our Board, which in turn recommends investment policies to UBC for its approval.

The investment policy of the UBC Staff Pension Plan is prepared by the SPP Board in collaboration with UBCIM and the plan's own investment and pension consultants. That recommended policy is then presented to UBC for approval.

The UBCIM team is responsible for implementing the Strategic Portfolio asset mix of each fund, as well as for designing the investment strategy that guides each asset class program. Rather than making direct investments, we work with top-tier external investment managers to implement the asset mix according to our portfolio construction criteria. (For more details on our manager selection process, please see page 28.)

# Making [SUSTAINABILITY] Possible



## RESPONSIBLE INVESTING

We integrate environmental, social and governance (ESG) considerations into our investment process.

**In FY25–26, we witnessed many extreme weather events**

and other evidence of the growing impacts of climate change around the globe. This reinforced the importance of UBCIM's ongoing efforts to better understand and manage climate-related investment risks. At the same time, the past year saw continuing geopolitical turbulence – whether in open conflict or economic rivalries and trade disputes – as well as systemic tensions arising from issues such as global migration and socioeconomic inequality. And then there were the continuing, disruptive effects of technological change, notably the rapid development and adoption of artificial intelligence.

In this context, we've continued to advance UBCIM's responsible investing strategy, deepening and strengthening our analysis of environmental, social and governance (ESG) considerations in our investment decision-making. Believing that ESG factors can materially affect financial value, we evaluate their impact as part of our overall risk assessment process.

During the past year, we continued to manage climate risk for the Endowment and SPP; carbon emissions remain well below 2019 baseline levels for both portfolios. At the same time, we advanced our understanding of the investment impacts of social risks and developed a framework for managing them in a manner consistent with the university's legal and fiduciary duties.

For institutional investors, the integration of social risk factors within investment decision-making is a nascent process that presents unique challenges. We're engaging with industry partners and investment peers, including those at other post-secondary education institutions, to expand our understanding of those challenges and develop tools to better address them.

In all of these efforts, UBCIM continues to be guided by the University of British Columbia's strong commitment to sustainability and long history of investing responsibly. For more details on our social risk framework, as well as our overall responsible investing strategy and climate-related results, please see our 2025 Responsible Investing Report, available at [ubcim.ca](https://ubcim.ca).

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## **Our Responsible Investing Priorities**

UBCIM's approach to responsible investing is aligned with the United Nations-supported Principles for Responsible Investment (PRI), a set of shared commitments adopted by institutional investors and asset owners around the world. We recognize that responsible investing is not always easy. It requires new areas of transparency and complex monitoring, which translate into added costs. Because UBCIM has a manager-of-managers investment model, we focus our responsible investing efforts in three key areas:

### **Manager Selection and Evaluation**

We expect all of our investment managers to have rigorous ESG assessment processes and to apply that lens when underwriting investments that contribute to UBCIM's portfolios. In addition to meeting quarterly with managers, we evaluate them formally every year as part of our ongoing collaboration on ESG integration, risk assessment and the identification of best practices.

### **Stewardship**

We believe that sound stewardship practices are a natural extension of a robust investment process. We therefore encourage our managers to be active owners by exercising voting rights and engaging with the companies they invest in. Through this dialogue, we exercise and strengthen our own stewardship of the assets entrusted to UBCIM.

### **Engagement**

Investor engagement is a powerful tool in effecting change and enhancing the potential for long-term value creation. We encourage our managers to engage with companies on material ESG issues, either directly or through collaborative initiatives. On broader ESG-related issues, we coordinate efforts with regulators and oversight bodies, and with other institutional investors and industry groups, to ensure all parties are aligned on guiding values and business practices.

# THE PILLARS OF OUR RESPONSIBLE INVESTING STRATEGY



# RESPONSIBLE INVESTING HIGHLIGHTS

## FY25-26



### Manager ESG Assessments

The UBCIM investment team conducts annual reviews of our external managers' responsible investing practices using an assessment framework that we've developed in-house. In FY25-26, we reviewed 40 managers, tracking their progress in responsible investing since our initial investment. We evaluated potential portfolio risks and pointed out where managers could strengthen their ESG integration and improve their approaches to active ownership. Our assessment team noted steady improvement across UBCIM's manager base, despite increasing legal and political pressures to withdraw from collaborative networks and limit public disclosures on ESG issues. We continue to see strong ESG integration in our managers' investment decision-making, which suggests that responsible investing is genuinely embedded in their processes. In addition, our review again assessed managers' performance against a baseline for human rights considerations, applying technical guidance from the PRI; several of our managers are pursuing increasingly sophisticated due diligence in this area.



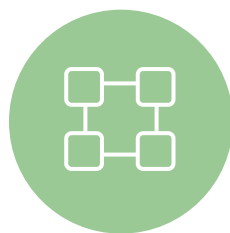
### Working Group Established

Recognizing the complexities of managing a responsible investing practice, especially in a constantly evolving environment, UBCIM established during the past year a Responsible Investing Working Group to oversee and guide our progress. Its aim is to continue refining our approach to responsible investing, particularly the consideration of social risks. The group includes representatives from the UBC Board of Governors, senior university administration officials and members of the UBCIM Board, ensuring comprehensive oversight as well as alignment with UBC's objectives and values. During the year, working group participants met with various stakeholders to ensure their views were reflected in the development of key deliverables, including a new social risk framework that considers human rights impacts (see page 18).



## Social Risk Educational Primer

In FY25–26, UBCIM spearheaded important new research aimed at helping post-secondary institutions in Canada advance their understanding of how social and human rights risks should be considered in university investment portfolios. We engaged SHARE: Shareholder Association for Research and Education, a leading Canadian consultant in ESG integration, to develop a primer for identifying and managing social risks in institutional investment portfolios. The primer is specifically designed for institutions that manage relatively small capital pools and implement their portfolios using the manager-of-managers investment model – the approach that most Canadian universities take with their endowments and pension plans. You can read and download the primer via SHARE's [website](#).



## Social Risk Framework

With oversight from the Responsible Investing Working Group, and guided by the social risk primer, we've developed a comprehensive social risk framework for UBCIM (see below). It provides a broad structure for managing the social risks, particularly those related to human rights, that may arise in an evolving investment environment, particularly for a complex institutional portfolio like ours. Each of the framework's four pillars specifies actions that will be integrated into our responsible investing strategy in FY26–27.

Implementing this framework will require sustained effort over time. Unlike climate-related disclosures, social risk data from company reporting and other sources is currently limited. Despite this challenge, we continue to advocate for enhanced transparency and responsible business practices as we help UBC lead the Canadian education sector in this area of responsible investing.

## UBCIM's Social Risk Framework (Including Human Rights)

### Governance

Strengthen governance and oversight of social risk factors, including human rights, by further integrating these considerations into investment governance frameworks, enhancing board oversight and communicating progress on framework implementation.

### Risk Management

Develop approaches to identify, assess and address social risk factors across the portfolios, with deeper analysis of high-risk holdings, and use these insights to inform manager engagement and oversight.

### Investment Manager Accountability

Further embed social risk expectations into manager selection, contracting and ongoing evaluation, while setting clear expectations for advancing due diligence and stewardship practices and encouraging continuous learning and leadership among managers.

### Collaboration and Leadership

Work with peers, networks and experts to strengthen the implementation of global norms and international standards, promote responsible business conduct and participate in investor-led efforts to improve corporate reporting of social-related risks.

# CLIMATE-RELATED RESULTS

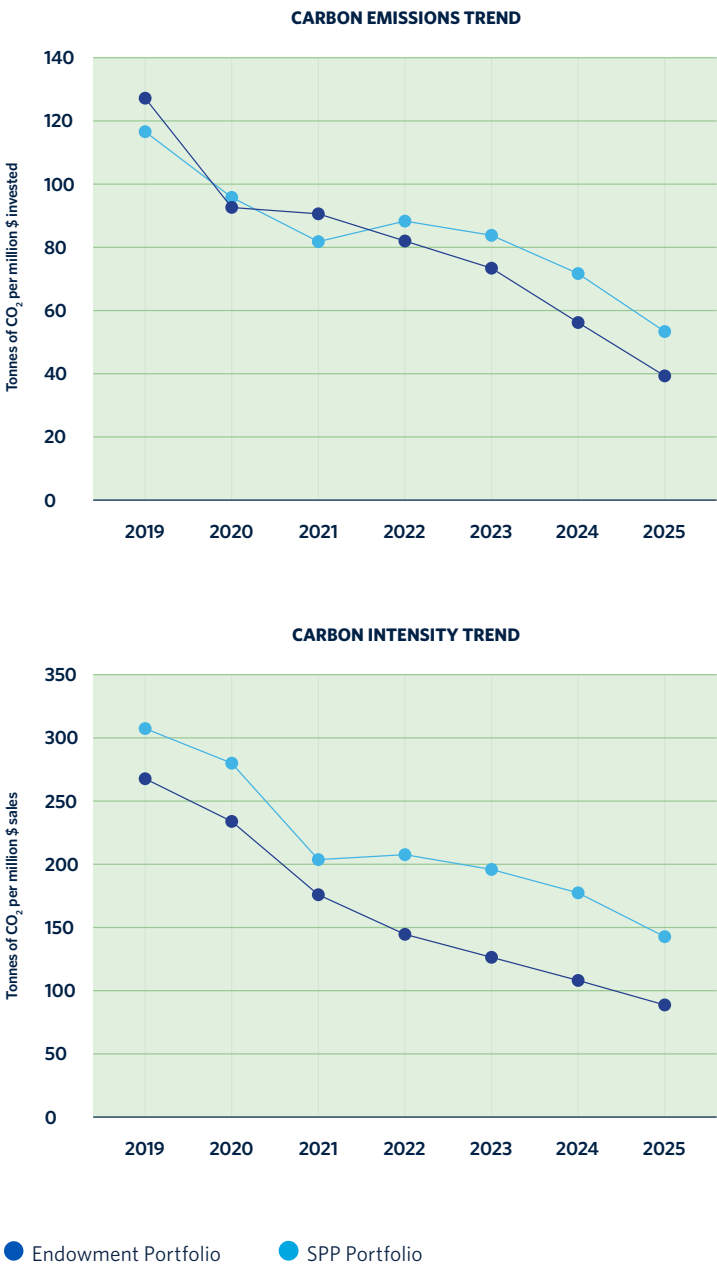
In establishing the climate metrics used to monitor the funds we manage, UBCIM considers two primary measures: financed emissions, defined as greenhouse gas emissions per \$1 million invested; and carbon intensity, calculated as emissions per \$1 million of sales (which enables comparisons between companies of different sizes).\*

Our financed emissions measurement aligns with the methodology endorsed by the Partnership for Carbon Accounting Financials. As of December 31, 2025, we calculated financed emissions from both public equity and corporate bond exposures, representing 45% of the market value of the UBC Endowment Fund and 37.5% of the SPP portfolio.

Climate-related targets and principles for the Endowment are approved by our internal partners at UBC, and those for the SPP are approved by the UBC Staff Pension Plan Board. The UBC Board of Governors has approved two specific targets for the Endowment in its statements on responsible investing: to achieve a 45% reduction in the portfolio’s carbon emissions footprint by 2030, compared to a 2019 baseline; and to divest from companies extracting fossil fuels by 2030.

As of December 31, 2025, the carbon emissions footprint of the UBC Endowment Fund was 70% below the baseline level set in 2019, accounting for Scope 1 and Scope 2 emissions. The Endowment’s carbon intensity level was 64% below the baseline and 38% lower than its established benchmark. Over the same period, the carbon footprint and intensity measures for the UBC Staff Pension Plan decreased by 52% and 51%, respectively. The SPP portfolio’s carbon intensity was 38% below its benchmark.

\* The carbon emissions measure represents total Scope 1 and 2 emissions (tonnes of carbon dioxide equivalent).



# Making [ Plans ] Possible



## INVESTMENT STRATEGY

Building on the achievements of our multi-year transformation, we're focused on strengthening resilience over the long term.

# PUTTING OUR NEW PLAN INTO ACTION

**Having completed the transformation initiative begun in FY20-21,** we leveraged that foundation to launch a five-year strategic plan in FY23-24 focused on strengthening resilience and advancing excellence in UBCIM's core functions: investment operations, total portfolio management and manager selection. These capabilities are essential to advancing our disciplined investment process and fulfilling our commitment to deliver strong returns for stakeholders.

Key achievements of UBCIM's three-year transformation included establishing a formal investment framework, implementing robust performance attribution and risk systems, and enhancing our investment management and business practices. Our current strategic plan is focused on expanding organizational capacity and enhancing capabilities across our processes for investment decision-making and execution. These are supported by two essential functions, stakeholder engagement and corporate services, as we focus on deepening client relationships and enhancing the strengths of UBCIM's people and culture.

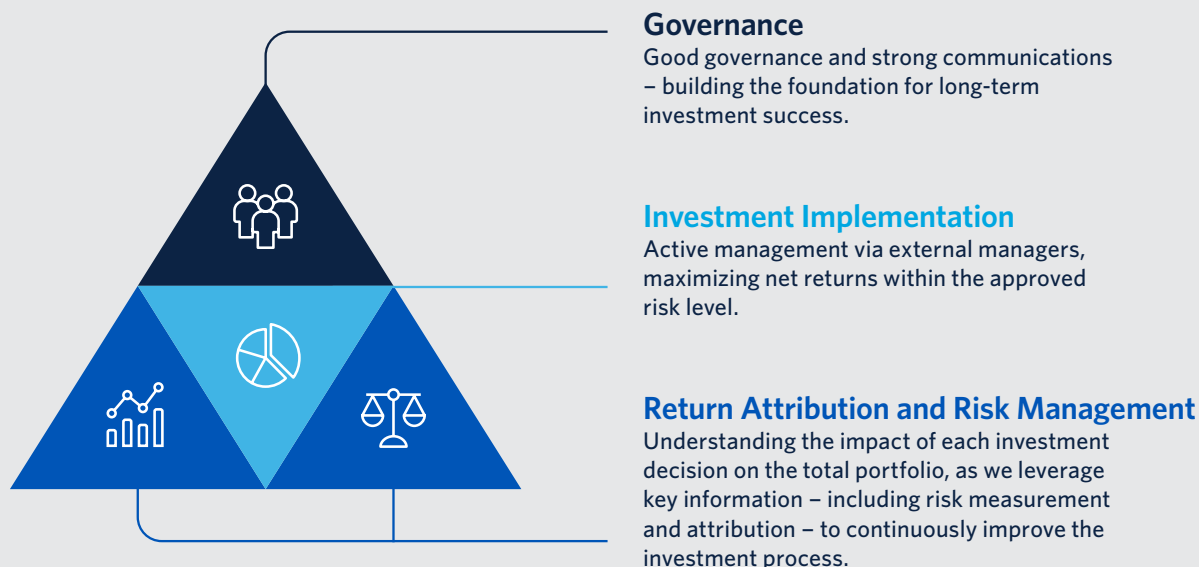
In the first year of our new plan, we prioritized talent acquisition and the development of a comprehensive people and culture strategy to cultivate exceptional workplace practices and an inclusive, supportive and collaborative team culture that promotes cohesion and retention over the long

term. This strategy reflects the high standards we expect of ourselves and reinforces our conviction that organizational excellence translates into superior investment outcomes. We also strengthened UBCIM's investment operations function, recruiting a senior leader and expanding the team. At UBCIM, investment operations goes beyond traditional back-office functions; it's an integral part of our investment process, turning complex data into strategic insights.

Building on that success, during the last year we expanded capacity in two other core functions: total portfolio management and investment manager selection. These enhancements are better positioning UBCIM to execute multi-year advancement plans employing practices aligned with those of leading institutional allocators. At the same time, we began a comprehensive review and refresh of our responsible investing strategy (see page 16), bolstering our ability to identify and manage not only climate-related risks, but potential social risks as well.

Together, these various elements in our strategic evolution reflect a commitment to continuous improvement that will enable UBCIM to achieve new levels of excellence in investment management – all to the benefit of our stakeholders.

# OUR TOTAL PORTFOLIO INVESTMENT FRAMEWORK



**The investment framework UBCIM has developed and refined** over the past several years employs a total portfolio approach. It clarifies decision-making at each step of the investment process, integrating measurement practices that are fully transparent and designed to facilitate continuous improvement. The framework provides the governance bodies that oversee our activities – the UBC Board of Governors, Staff Pension Plan (SPP) Board and our own Board of Directors – with the information they need to assess the effectiveness of all investment decisions.

At UBCIM, we believe that good governance is foundational to long-term investing success. Our total portfolio approach focuses on three key points in the investment decision-making process:

- calculating the return required to meet a fund's risk tolerance criteria and long-term financial objectives
- selecting a mix of assets that maximizes the probability of achieving those objectives within agreed risk parameters
- determining the best implementation of this target asset mix to achieve the optimum return (net of fees).

To implement our investment framework, we've established three portfolio tiers that correspond to these decision points. This allows us to establish clear accountability and then measure results to ensure that every choice contributes to the fund's overall goals.

### Reference Portfolio

A simple set of public assets expected to meet a fund's long-term financial objectives, the Reference Portfolio:

- establishes overall risk tolerance for investment decision-making
- enables governing bodies to monitor a fund's success in delivering the required return at a defined risk level.

A critical component of our investment framework, the Reference Portfolio is a set of public market assets that establishes a benchmark for the returns and risk tolerance levels of UBC's investment portfolios. Designed to support long-term financial objectives, the Reference Portfolio is simple and cost-efficient, requiring minimal effort to develop and implement. It provides an objective, market-based yardstick for evaluating risk and for measuring gains or declines that result from active investment management decisions regarding our portfolios. Although we review it periodically, the Reference Portfolio is not expected to change meaningfully unless return objectives or risk tolerance criteria change.

### Strategic Portfolio

Constructed with a higher degree of diversification than the Reference Portfolio, the Strategic Portfolio:

- establishes the target asset mix
- sets the strategic direction for long-term implementation
- is expected to generate incremental return above the Reference Portfolio, or reduce risk through diversification, or both.

As the middle tier in UBCIM's investment framework, the Strategic Portfolio reflects high-level allocation decisions that create a diversified asset mix for our portfolios. Assets in the Strategic Portfolio must be readily investable (i.e., not privately held) and are predominantly managed passively, with returns driven by overall asset class performance and exposure to broader economic risks.

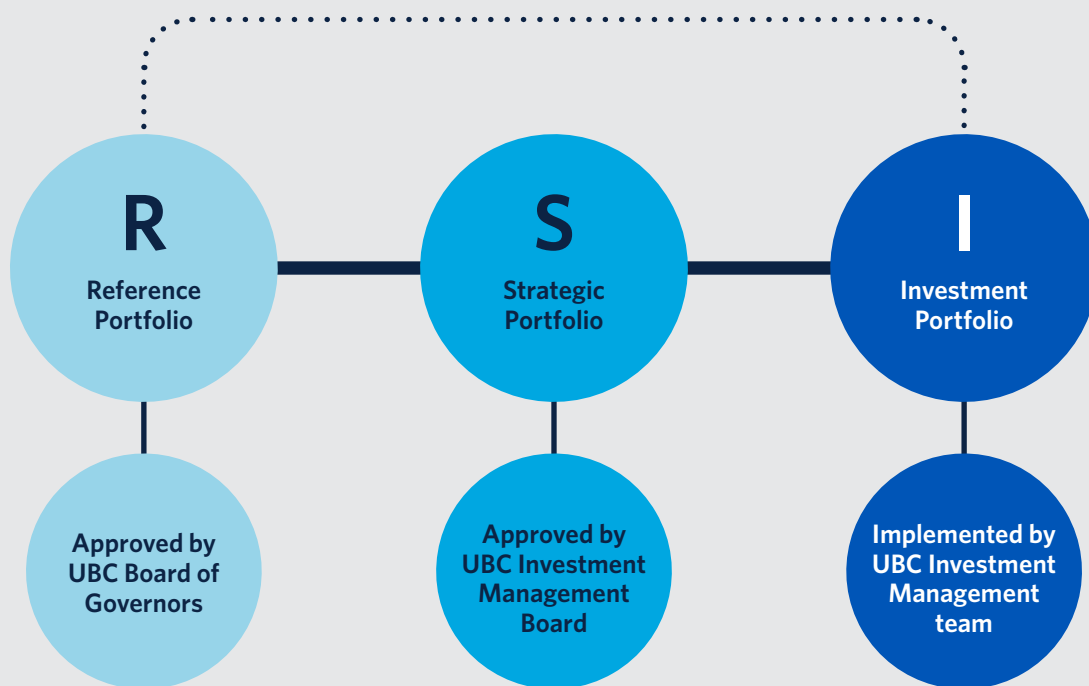
### Investment Portfolio

As the implementation of the Strategic Portfolio by the UBCIM team, the Investment Portfolio:

- includes portfolio construction decisions, and selection and monitoring of external managers
- allows flexible active management to seek additional sources of returns based on risk limits and other parameters agreed to by our internal partners.

The final tier in our framework is the actual Investment Portfolio, which is actively managed to maximize net returns. Ongoing decision-making by the UBCIM investment team includes diversifying strategies within asset classes, selecting external investment managers and moving between asset classes within specified ranges.

# APPLYING THE FRAMEWORK TO THE ENDOWMENT FUNDS



## ● Reference Portfolio

- designed to meet return objectives at a risk tolerance appropriate for the fund

## ● Strategic Portfolio

- diversification into additional asset classes and target weights
- investment programs – including Strategic Portfolio asset class ranges, implementation scope, constraints and benchmarks
- risk framework, measures and limits

## ● Investment Portfolio

- portfolio construction
- manager selection or termination
- active versus passive management
- private allocations
- ESG integration

| Asset Class                             | Reference Portfolio Weight | Strategic Portfolio Weight |
|-----------------------------------------|----------------------------|----------------------------|
| <b>Fixed Income</b>                     | <b>30.0%</b>               | <b>17.5%</b>               |
| Liquidity Assets                        |                            | 5.0%                       |
| Public Fixed Income                     | 30.0%                      |                            |
| Private Fixed Income                    |                            | 12.5%                      |
| <b>Equity</b>                           | <b>70.0%</b>               | <b>55.0%</b>               |
| Global Equity (All-Country World Index) | 70.0%                      |                            |
| Global Developed Market Equity          |                            | 30.0%                      |
| Emerging Market Equity                  |                            | 15.0%                      |
| Private Equity                          |                            | 10.0%                      |
| <b>Real Assets</b>                      |                            | <b>20.0%</b>               |
| Real Estate                             |                            | 10.0%                      |
| Infrastructure                          |                            | 10.0%                      |
| <b>Absolute Return Strategies</b>       |                            | <b>7.5%</b>                |
| <b>Total</b>                            | <b>100.0%</b>              | <b>100.0%</b>              |

Making decisions within our investment framework, UBCIM's investment team weighs a range of active management considerations, including portfolio construction, manager selection, active versus passive implementation, appropriate investment styles, foreign currency hedging and allocations to private market assets.

Because the Reference Portfolio is foundational to all decision-making, our investment process is more transparent for all stakeholders. Across the framework's three tiers of oversight there is a shared language for defining roles, ensuring accountability and establishing direct links between specific decisions and measurable investment outcomes. At the same time, the Reference Portfolio and the Strategic Portfolio share basic assumptions about long-term investment returns, and both can be monitored using precise scenario analyses.

UBC's Board of Governors has approved a Reference Portfolio allocation of 70% global equity and 30% Canadian fixed income for the Main Endowment Pool, designed to sustain the Endowment's ongoing expenditure requirements while maintaining intergenerational equity over the long term.

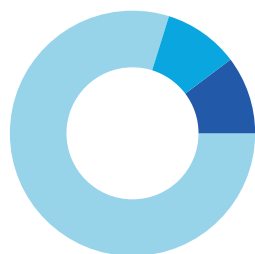
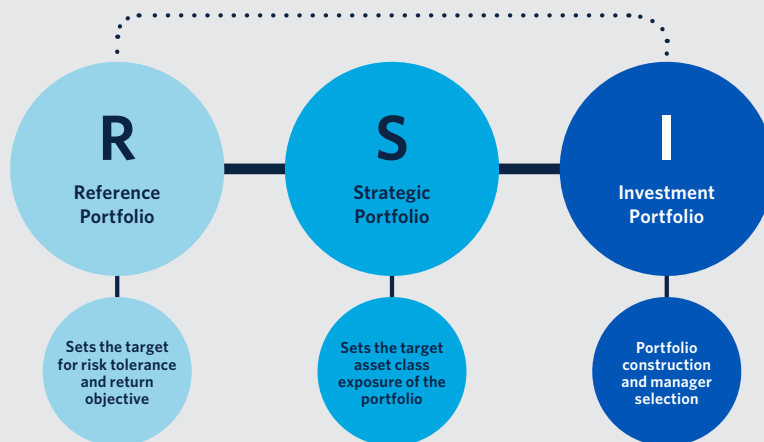
In recent years, public equity markets have become increasingly concentrated, driven by the rapid growth of companies involved in artificial intelligence, as well as by continued resilience in the U.S. economy. This trend has reduced the overall diversification of the Reference Portfolio within UBCIM's investment framework. While it continues to be a benchmark for risk tolerance and performance, the Reference Portfolio is not generally a guide to portfolio construction. The Strategic Portfolio and the Investment Portfolio are intentionally far more diversified.

# Making [ *innovation* ] Possible



## INVESTMENT PROCESS

Three tiers of oversight to clarify accountability and ensure returns meet long-term objectives – this is how our framework delivers value.



- Market returns of the Reference Portfolio
- Incremental returns from diversification (Strategic Portfolio)
- Incremental returns from active management and manager selection (Investment Portfolio)

### Expected Contribution to Portfolio Returns

The Reference Portfolio, a yardstick for measuring risk and return in the funds UBCIM manages, gauges roughly 80% of a portfolio's total investment return. We work to generate incremental return beyond the Reference Portfolio through strategic diversification, and through judicious portfolio construction and implementation of our investment strategy.

Periodically, we review the Strategic Portfolio for each fund under our management to determine the target mix of asset classes and exposures that we expect will provide the strongest long-term return. This review takes into account

the approved risk tolerance level for each fund based on its financial objectives and liability profile.

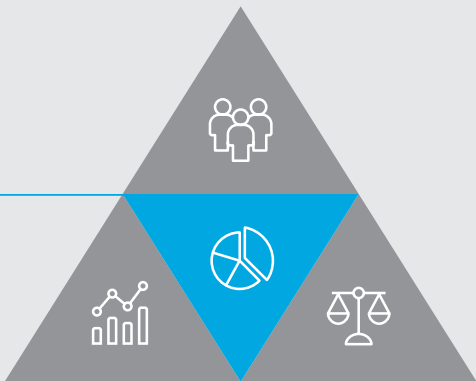
The UBCIM Board of Directors approves the Strategic Portfolio for the UBC Main Endowment Pool and the Long-Term Liquidity Pool. For the UBC Staff Pension Plan, the SPP Board works with actuarial and investment consultants, as well as the UBCIM team, to recommend a Strategic Portfolio for approval by the UBC Board of Governors.

Three core competencies distinguish UBCIM's implementation of the Strategic Portfolios: our rigorous selection of investment partners, our focus on top-down portfolio construction, and our continuous enhancement of our investment process through detailed return and risk attribution analysis. Leveraging these combined strengths and supported by our systems, we foster a deep understanding of our managed portfolios, along with data-driven insights that inform and sharpen our investment decisions.

# CHOOSING THE RIGHT INVESTMENT PARTNERS

## Investment Implementation

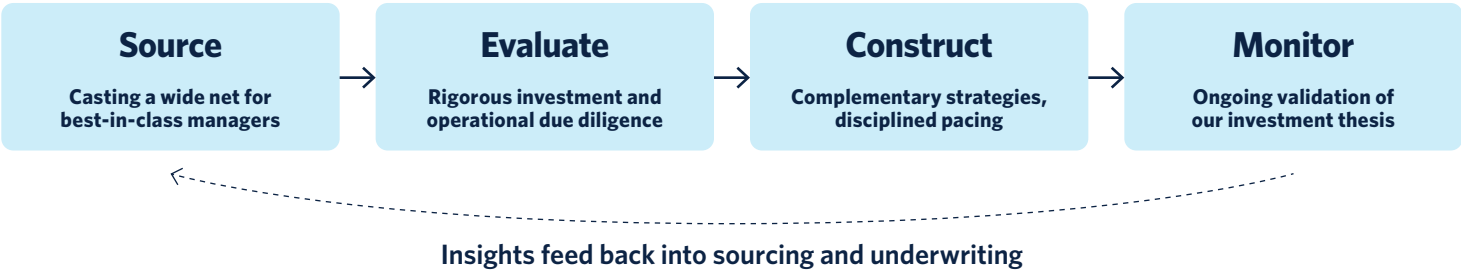
Active management via external managers, maximizing net returns within the approved risk level.



**UBC Investment Management uses a manager-of-managers model.** Rather than choosing individual securities ourselves, we select specialized external managers – top-tier investment management firms with specific expertise and proven track records. These firms implement the asset class programs within the Strategic Portfolio for each of our funds.

Investment management is among the most competitive industries in the world, and truly exceptional managers generate above-average returns over time. We believe that by securing this level of talent, even with the cost of investment management fees, UBCIM has the ability to deliver far superior net returns than if we attempted to build the same capabilities in-house. This active investing approach is a time-tested best practice and the most cost-effective model for the scale of our assets under management. It enables the UBCIM team to concentrate our time, energy and expertise where we add the most value: program design, portfolio construction and the diligent selection and monitoring of our investment partners.

In this respect, UBCIM's size gives us an important advantage relative to our peers. We have sufficient scale to gain significant fee savings; at the same time, we're able to stay nimble and access capacity-constrained strategies that set strict limits on the amount of capital that can be invested. We therefore avoid the potential challenges faced by asset owners that deploy much larger amounts of capital. Our model also allows us to forge flexible and creative partnerships. We want our external managers to view UBCIM not as just another passive investor, but as a true partner that can grow with them over the long term.



## How We Identify the Right Managers

Determining the ideal investment partner begins well before formal due diligence. UBCIM casts a wide net to maximize the opportunities available to us. In addition to industry-leading manager databases covering both public and private markets, we draw insights from established relationships with capital introduction teams and other intermediaries, as well as from industry conferences and consultations with our existing managers. Our team also maintains trusted connections with some of the world's leading institutional investors, fostering relationships built on a shared level of sophistication and an openness to exchanging ideas.

Many top-rated managers are highly selective in building their investor base. UBCIM's reputation as a sophisticated investor, along with the agility enabled by our size, are key to our success in forging promising relationships. Our skilled investment team, whose members average over 15 years of experience, brings a deep understanding of specific asset classes to every manager search, often opening up the kind of opportunities that aren't offered to every investor.

## Our Approach to Due Diligence

UBCIM takes a comprehensive, analytical approach to evaluating potential managers. Although each search is tailored for a particular asset class and mandate, our investment and operational due diligence applies consistent assessment criteria, including:

- ownership and organizational structure
- investment team experience and expertise
- investment philosophy and investment process
- responsible investing and ESG integration
- portfolio fit and performance, distinguishing skill from market factors (or luck)
- management fees and alignment of interests
- tax structure and impact on expected performance.

A typical investment proposal requires more than 100 hours of due diligence by each of two or three UBCIM team members. Their detailed written recommendation examines all aspects of a manager's investment process, including how they identify, analyze and manage ESG considerations. This assessment is then vetted within UBCIM through our investment decision-making process.

Equally important, we also assess the quality of a prospective partner's business and operations. We evaluate the long-term health and stability of the firm, along with its reputation for integrity and its operational risk management practices. By balancing rigorous quantitative analysis with qualitative insights, we select managers that we believe will most benefit the funds UBCIM manages over the long term.

UBCIM's President and CEO approves manager selection decisions, operating under delegated authority from the Board and guided by input from our teams devoted to manager selection, total portfolio management and investment operations.

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## **Constructing Resilient Portfolios**

Manager selection does not happen in isolation at UBCIM. We seek to diversify each asset class program by selecting complementary managers whose distinct strategies and exposures work together to achieve the portfolio's risk, return and deployment objectives. In constructing our portfolios, we carefully balance trade-offs between risk contribution, value-add and performance consistency while also considering market efficiency.

For private market programs, we use pacing models to project commitments forward, diversifying across vintage years (i.e., when initial investments are made). We then keep allocations on track toward our Strategic Portfolio targets as capital is called and returned over time.

## **Monitoring Our Managers**

Once UBCIM has committed to an external manager and allocated funds, we consistently monitor their activities to validate our original investment thesis and identify any changes in approach or deviations from expectations. Our team typically meets with each incumbent manager four times a year. Findings are reviewed weekly, tracked quarterly and reported to the UBCIM Board. Our report covers the core tenets of manager assessment: performance, investment process, people, portfolio fit and – for private market investments – pacing.

Our team regularly serves on limited partnership advisory committees to ensure robust oversight over private market investments. We keep the UBCIM Board apprised of changes in the status of our external managers, including manager appointments or terminations, as well as any decisions we make to add or remove firms from our watch list.

Monitoring our managers is a constant, hands-on effort. In FY25-26, members of our team attended more than 500 meetings with investment managers to fulfill our sourcing, due diligence and ongoing monitoring responsibilities.

## **Continuously Enhancing Our Process**

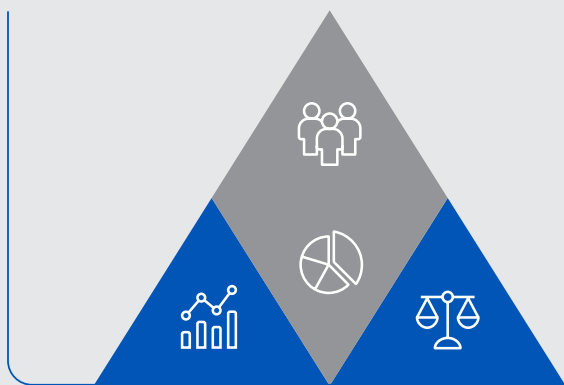
Consistent with UBCIM's guiding values, we regularly invest in the people, tools and disciplines that underpin our manager selection and monitoring capabilities. Recent enhancements include expanded data analytics and software to gain deeper insights into managers' portfolios and exposures, and to support more sophisticated portfolio construction and pacing analysis. These digital tools are extremely valuable – but we never lose sight of the fact that even the most advanced technology depends on the experience and professional judgment of the people using it.

In another important enhancement of UBCIM's manager selection process over the past year, we are establishing a roster of pre-qualified managers that will enable us to act more quickly and decisively when an opportunity or need arises. We've also strengthened monitoring and reporting requirements, including added transparency regarding ESG-related risks. By working with our managers to continuously refine decision-making, we'll help ensure that these enhancements translate into better net returns.

# OUR APPROACH TO PERFORMANCE ATTRIBUTION AND RISK MANAGEMENT

## Return Attribution and Risk Management

Understanding the impact of each investment decision on the total portfolio, as we leverage key information – including risk measurement and attribution – to continuously improve the investment process.



## Asking the Right Questions

Selecting the Reference Portfolio and the Strategic Portfolio are critical decision points in UBCIM's investment framework. But effective governance of our decision-making also requires ongoing evaluation of investment risks and returns. The framework includes information feedback loops in which each portfolio's performance is assessed against that of the Reference Portfolio to ensure returns are sufficient to achieve our stated goals. The UBCIM investment team, using sophisticated performance and risk attribution analytics, monitors this data closely to gauge the contribution of specific investment decisions to the total portfolio objectives of our managed funds.

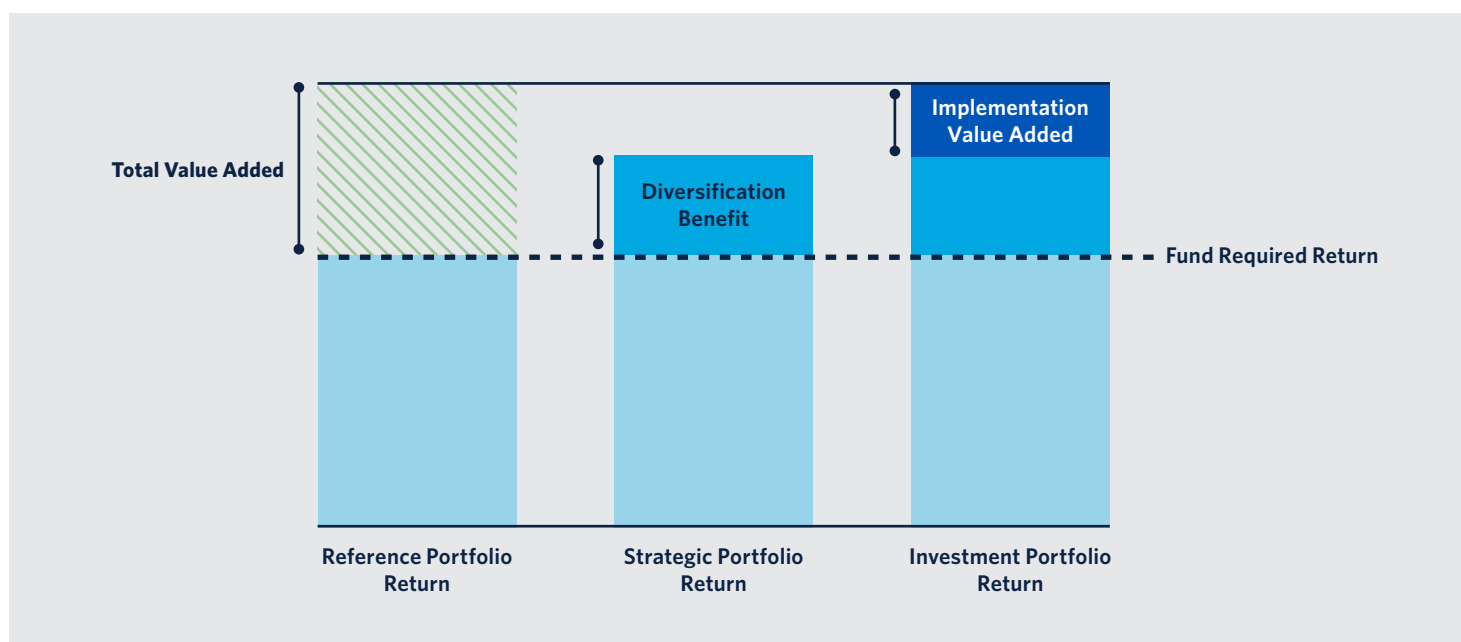
## Assessing Returns

Attribution of returns involves far more than reviewing an array of numbers on a spreadsheet. It must be highly informative and actionable, measuring the outcomes of investment decisions and providing governance bodies with the insights they need to determine if a portfolio is meeting expectations. Effective attribution helps indicate when a change is required and pinpoints where to make it – whether in the Reference Portfolio, the Strategic Portfolio or the Investment Portfolio. Decision-making is precisely targeted and, equally important, transparent for all stakeholders.

At UBCIM, our return attribution approach is shaped by three fundamental questions:

- Are capital markets meeting both our expected and required return objectives for the funds we manage?
- Is diversification delivering the level of benefits we anticipated?
- Has active implementation of the Strategic Portfolio added value?

We ask all three questions as we tackle the crucial dimensions of our decision-making process: establishing the Reference Portfolio, developing the Strategic Portfolio and implementing the Investment Portfolio. By breaking down the total fund return according to these contributing aspects, we can better assess the impact of specific decisions. And when necessary, we can concentrate on a specific component that needs attention to ensure the fund's overall success in meeting our goals.



### Reference Portfolio Return

The Reference Portfolio, which indicates the return generated by public capital markets within a defined risk tolerance level, is expected to match a fund's return objective over the long term. We monitor those two metrics to assess whether the Reference Portfolio is set at the appropriate risk level.

### Strategic Portfolio Return and Diversification Benefit

Over time, the Strategic Portfolio should outperform the Reference Portfolio, generating increased value through allocation to a more diversified set of asset class exposures. The UBCIM team closely compares both portfolios to assess whether the additional complexity of the Strategic Portfolio's asset mix is benefitting the overall fund.

### Investment Portfolio Return and Implementation Value-add

Excess return generated by the Investment Portfolio relative to the Strategic Portfolio is a measure of the value that the UBCIM team adds through effective portfolio construction and manager selection. This value-add measure enables our Board to assess whether implementation of the portfolio is producing beneficial outcomes for the overall fund.

This active management approach entails added costs. It requires additional team members and resources, more intensive risk monitoring and higher fees. At UBCIM, we constantly evaluate portfolio performance net of all costs to ensure that active management is delivering value-add to the portfolios.

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## **Our Integrated Approach to Managing Risk**

UBCIM takes a holistic approach to risk management, considering both the investment risk associated with managing our portfolios and the enterprise risk we must navigate in implementing our corporate strategy. As an active investor and allocator employing a manager-of-managers model, we've long focused on risk management as a core competency of our team. We have steadily advanced our process as we've gained more in-depth information from our external managers on the characteristics of our private investments, along with environmental, social and governance (ESG) metrics for their investment strategies.

## **Investment Risk Stakeholders**

In UBCIM's risk management approach, we start by considering how risk is defined by each of the stakeholders that play a role in our investment decision-making – similar to how we consider the perspectives of each governing body in return attribution.

UBC's Board of Governors, which approves the risk tolerance and required return of the funds we manage, seeks to ensure that risk in the Investment Portfolio is appropriately managed to deliver beneficiaries' desired return over the long term.

UBCIM's Board of Directors and the SPP Board are responsible for developing the Strategic Portfolios for the Endowment and the Staff Pension Plan, respectively; both are then recommended to the UBC Board of Governors. These stakeholders focus primarily on whether risk in the Investment Portfolio is consistent with that of the Strategic Portfolios, and whether our investment decisions are subject to adequate controls.

The UBCIM team, in actively managing the Investment Portfolio, monitors and reports on risk to our Board, the SPP Board and the UBC Board of Governors. In addition, we closely monitor the liquidity profile of the Investment Portfolio and ensure that the funds of external investment managers remain in line with our underwriting criteria and return expectations.

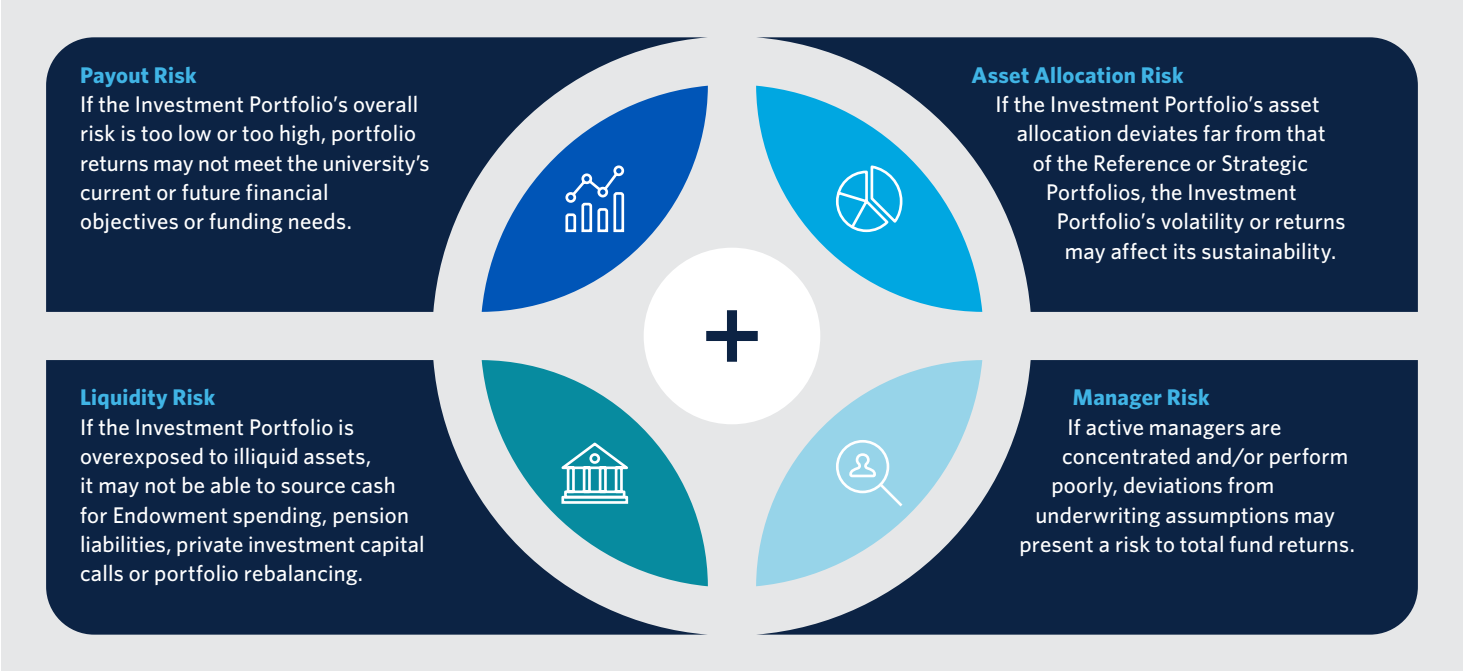
Identifying Investment Risks

Designed to reflect the information needs of the various decision-makers in UBCIM's investment framework, our risk management policy has four main assessment criteria: payout risk, asset allocation risk, liquidity risk and manager risk. In FY25-26, we integrated the mandate of the Long-Term Liquidity Pool into our risk management practices, with a sharpened focus on the Pool's ability to provide liquidity to the university over a one- to five-year horizon.

An essential component of our risk management approach - and of our overall investment process - is the consideration

of ESG-related risk. We assess the potential impacts of climate change on long-term asset class returns and payout risk. In implementing the Investment Portfolio, we also examine broad ESG risks across both sectoral and geographic exposures, assessing how external managers evaluate, manage and report on these risks.

Through our performance and risk management systems, we've developed meaningful metrics for the four risk elements codified in our investment risk management policy. These are calculated for each portfolio, with results reported to the UBCIM Board on a quarterly basis.



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### Managing Enterprise Risks

In addition to investment portfolio risks, we identify and manage enterprise risks that could significantly impact UBCIM as we execute our corporate strategy. Our approach, overseen by the Risk & Audit Committee of the UBCIM Board, incorporates proven best practices for an organization of our size. We work closely with UBC's Office of Enterprise Risk and Assurance to ensure our efforts in this area align with those of the university.

UBCIM's enterprise risk assessment framework encompasses six organizational risk categories:

- governance and oversight
- relationship management
- legal, regulatory and compliance
- business continuity, information security and systems
- human resources management
- operations and control environment.

Within these categories, we regularly monitor a range of specific risks. The framework evaluates both the likelihood of risk occurrence and the potential severity of impact, considering existing controls. It is also designed to pinpoint areas where the current level of enterprise risk is misaligned with the risk tolerance of our Board, helping to prioritize corporate initiatives to enhance resiliency. The UBCIM team provides quarterly reporting to the Risk & Audit Committee on corporate developments affecting enterprise risk factors. The team also undertakes annual risk reassessments and leverages the assessment results to inform our corporate strategic objectives and budget planning.

# Making [ *growth* ] Possible



## INVESTMENT REVIEW FY25-26

A detailed breakdown and analysis of our portfolios' performance over the past fiscal year.

# 2025-2026 INVESTMENT PERFORMANCE

VALUES AS OF MARCH 31, 2026

|                          |                |                |
|--------------------------|----------------|----------------|
| MAIN ENDOWMENT POOL      | 2026           | 2025           |
|                          | \$2.89 billion | \$2.58 billion |
| STAFF PENSION PLAN       | 2026           | 2025           |
|                          | \$3.33 billion | \$3.00 billion |
| LONG-TERM LIQUIDITY POOL | 2026           | 2025           |
|                          | \$1.02 billion | \$1.04 billion |

Changes shown in market values reflect investment earnings, as well as cash flows into and out of the portfolios. Not included above are an additional \$290 million of endowed assets, managed passively against public benchmarks or under specific investment restrictions, at other foundations that support UBC-based programs (see page 50).

# INVESTMENT PROGRAM RESULTS

**We categorize our investment assets into five broad programs**, all with similar attributes, that guide our Strategic Portfolio allocations:

- Fixed Income Program
- Equity Program
- Real Assets Program
- Absolute Return Program
- Total Portfolio Management Program

Each investment program is governed by a policy detailing investment objectives, performance benchmarks for sub-asset class strategies and any constraints related to portfolio construction. We review each policy annually, and we conduct a technical review of each program's composition and performance.

## FY25-26 Performance

Overall, UBCIM's investment programs generated strong returns for the year ended March 31, 2026, modestly trailing our Strategic Portfolio benchmarks amid strong gains in public equity indexes.

In public markets, strong equity performance supported returns across our managed funds. Our equity implementation in developed markets was slightly lower than benchmark performance, while emerging markets generated meaningful value-add. Combined, the Endowment's public equity portfolio finished the year 1.2% below its benchmark, while the SPP portfolio lagged by 1.9%.

After a strong previous year, fixed income returns were more subdued during FY25-26 as longer-maturity market interest rates rose over the period. Relative performance in the SPP's long-term Canadian bond portfolio was strong and contributed positively to overall fixed income program

results, which outperformed benchmark performance on an aggregate basis.

In private markets, UBCIM's private credit program generated solid absolute returns and outperformed its benchmark, supported by a favourable credit environment. Our private equity and infrastructure portfolios delivered strong absolute returns, though both were challenged to keep pace with the elevated performance of their public market benchmarks. Our real estate portfolio produced muted returns consistent with benchmark performance across the Endowment and SPP portfolios.

Returns in the SPP's private credit and real assets portfolios were higher than those achieved in the Main Endowment Pool. This difference was primarily driven by the fund's currency hedging strategy for those asset classes, which realized enhanced returns over the one-year period resulting from the appreciation of the Canadian dollar.

## Five-Year Performance Results

Given UBCIM's implementation of private market investments, which represent more than 40% of the Endowment and SPP portfolios, we expect Investment Portfolio returns to trail those of the Strategic Portfolio over periods when public market indexes generate strong gains. Conversely, during periods of weaker or negative public market performance, we expect the Investment Portfolio to outperform. Within our investment framework, we place a greater emphasis on evaluating results within a longer time horizon, focusing on value-add generated relative to passive public market benchmarks over the medium to long term.

The five-year period beginning in April 2021 takes in the gradual recovery from the global pandemic and the inflation and interest rate shocks that followed. This timespan also

encompasses the more recent heightening of trade tensions amid broader geopolitical uncertainty. Driven by these dynamic factors, asset class performance over the five years has varied considerably. Public equities produced strong absolute returns and outperformed the benchmark. In fixed income investments, returns from longer-duration bonds were constrained by rising interest rates as bond prices moved inversely to changes in market yields. Despite this environment, UBCIM's implementation added value relative to the benchmark. Within the SPP Strategic Portfolio, fixed income returns lagged those of the Main Endowment Pool, primarily because of the SPP's larger allocation to longer-duration fixed income through bonds and infrastructure debt.

In contrast, private credit investments over the five years benefited from higher short-term interest rates, because returns in this asset class are positively linked to prevailing rates. As central banks raised rates to address elevated inflation, private credit results were strong. In the Main Endowment Pool, private credit investments delivered annualized returns of 10.2%, exceeding the benchmark return

of 9.5%. The private equity portfolio also performed well, producing annualized returns of 14.8% compared with 12.6% for the public market benchmark.

Over the same five-year period, our real assets program generated an annualized return of 8.8% within the Main Endowment Pool. Infrastructure investments contributed particularly strong results, returning 12.0% annually. The real estate portfolio returned 4.5% in what remained a difficult environment shaped by higher interest rates and the lingering effects of the pandemic on demand for office and retail properties.

In the SPP portfolio, active return outcomes across our various investment programs were generally consistent with those of the Main Endowment Pool. However, currency hedging practices applied to our private credit and real assets portfolios reduced total returns over the five-year period, as the Canadian dollar depreciated over the period. Following the SPP's 2024 asset-liability study, the fund is pursuing a strategy of gradually reducing the size of its currency hedging program.

**TABLE 1**

Investment Program Performance (at March 31, 2026)

| Investment Program             | 1-Year Return  |                    | 5-Year Return  |                    |
|--------------------------------|----------------|--------------------|----------------|--------------------|
|                                | Endowment Fund | Staff Pension Plan | Endowment Fund | Staff Pension Plan |
| <b>Fixed Income Program</b>    | <b>4.1%</b>    | <b>1.3%</b>        | <b>6.9%</b>    | <b>1.4%</b>        |
| Cash                           | 2.7%           | 2.6%               | 3.2%           | 3.5%               |
| Government Bonds               | 0.2%           | –                  | –              | –                  |
| Universe Bonds                 | –1.0%          | –                  | –              | –                  |
| Long-Term Bonds                | –              | –2.1%              | –              | –1.0%              |
| Infrastructure Debt            | –              | 3.3%               | –              | 1.5%               |
| Private Credit*                | 6.1%           | 6.7%               | 10.2%          | 7.7%               |
| UBC Debenture                  | 6.0%           | –                  | 7.4%           | –                  |
| <b>Equity Program</b>          | <b>15.5%</b>   | <b>18.1%</b>       | <b>11.5%</b>   | <b>12.0%</b>       |
| Public Equity                  | 17.6%          | 20.2%              | 11.2%          | 11.9%              |
| Private Equity                 | 7.9%           | 9.3%               | 14.8%          | 16.1%              |
| <b>Real Assets Program</b>     | <b>4.7%</b>    | <b>6.2%</b>        | <b>8.8%</b>    | <b>7.7%</b>        |
| Real Estate*                   | –1.1%          | 1.3%               | 4.5%           | 3.7%               |
| Infrastructure*                | 8.7%           | 9.2%               | 12.0%          | 10.2%              |
| <b>Absolute Return Program</b> | <b>7.7%</b>    | <b>–</b>           | <b>7.1%</b>    | <b>–</b>           |

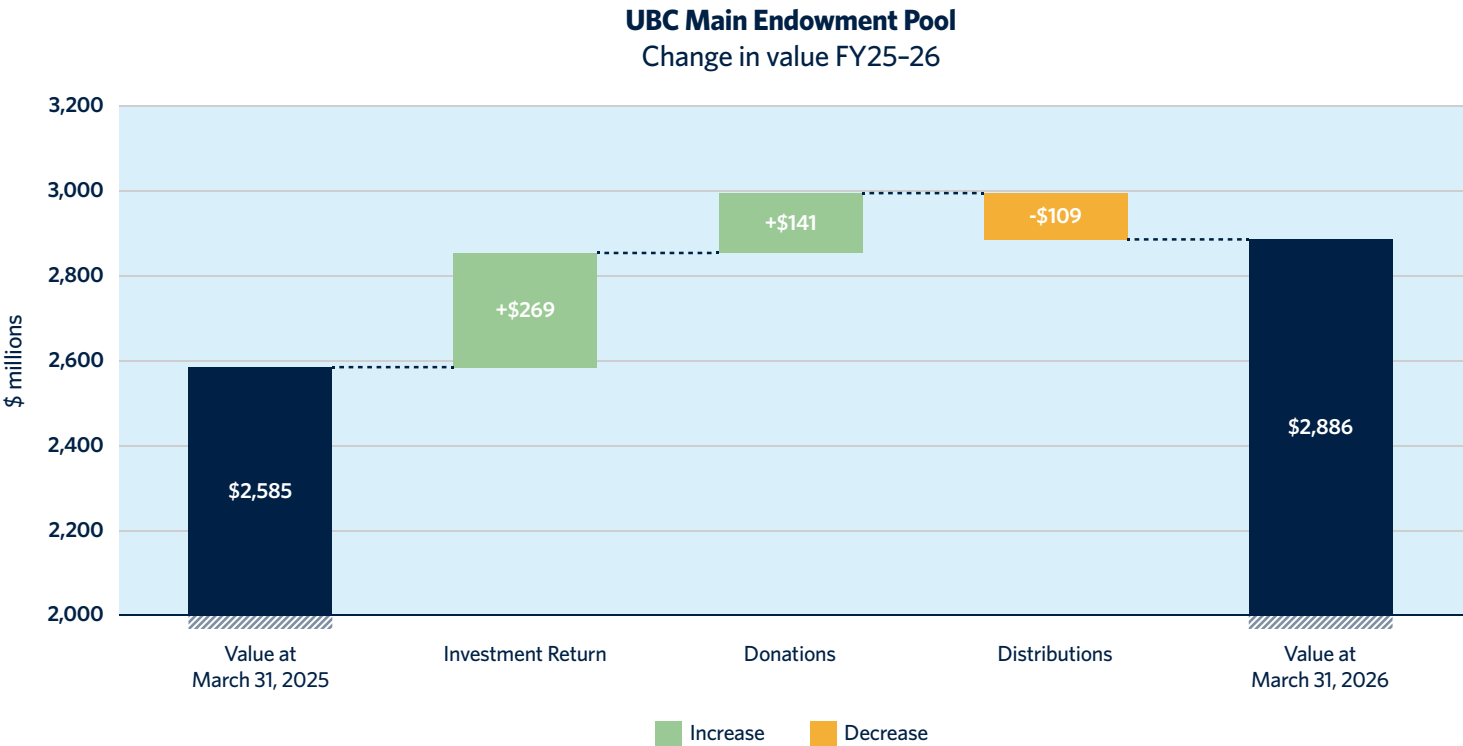
\* The Staff Pension Plan hedges foreign currency exposure within its private credit, real estate, and infrastructure portfolios. The Endowment Fund stopped hedging foreign currency exposures in these asset classes in April 2022.

# TOTAL FUND RESULTS

## MAIN ENDOWMENT POOL

### \$2.9 billion assets under management

The UBC Main Endowment Pool increased in value by \$301 million over the one-year period ended March 31, 2026, driven by strong investment returns of \$269 million. During FY25-26, the Endowment distributed \$109 million to support research, teaching and student aid programs across the university.



The Main Endowment Pool asset mix is guided by the target weights of the Strategic Portfolio approved by the UBCIM Board and by the risk profile of the Reference Portfolio. The Endowment’s Strategic Portfolio diversifies the Reference Portfolio across seven asset classes within our broader investment programs. Compared to the Reference Portfolio, the Strategic Portfolio has a lower weighting to public fixed income and public equities, and includes greater allocations to real estate, infrastructure and absolute return strategies.

Rather than passively replicating the Strategic Portfolio, the UBCIM investment team pursues an active implementation using external managers – deploying into private investments, for example – with the aim of outperforming the Strategic Portfolio.

The following table shows the Endowment’s asset mix as of March 31, 2026, as well as the target asset mixes of the Reference Portfolio and the Strategic Portfolio:

**TABLE 2**  
**Asset Mix — Main Endowment Pool (at March 31, 2026)**

| Investment Program | Reference Portfolio<br>Target Weight | Strategic Portfolio<br>Target Weight | Investment Portfolio |
|--------------------|--------------------------------------|--------------------------------------|----------------------|
| Fixed Income       | 30.0%                                | 17.5%                                | 22.2%                |
| Equity             | 70.0%                                | 55.0%                                | 55.8%                |
| Real Assets        |                                      | 20.0%                                | 20.0%                |
| Absolute Return    |                                      | 7.5%                                 | 2.0%                 |

**TABLE 3****Performance Analysis — Main Endowment Pool (at March 31, 2026)**

|                                | 1 Year | 3 Years | 5 Years | 10 Years |
|--------------------------------|--------|---------|---------|----------|
| Endowment Required Return      | 7.1%   | 7.3%    | 8.5%    | 7.4%     |
| Investment Portfolio Return*   | 10.5%  | 12.1%   | 9.8%    | 8.9%     |
| Reference Portfolio Benchmark† | 11.6%  | 13.4%   | 8.5%    | 8.6%     |
| Value Added                    | −1.0%  | −1.2%   | 1.4%    | 0.3%     |

\* Returns are reported net of external investment management fees and are annualized for periods greater than one year.

† The Reference Portfolio was adopted by the Main Endowment Pool in FY21-22. The historical policy benchmark return has been used for earlier periods.

The Main Endowment Pool generated a total return of 10.5% in the one-year period ended March 31, 2026, reflecting solid returns across all asset class programs, led by equity and infrastructure investments. This result outperformed the required return of 7.1%. Over the same period, however, the Endowment underperformed the 11.6% return of the Reference Portfolio, which was driven by its much higher allocation to public equity. Taking a longer view, the Investment Portfolio generated annualized returns of 9.8% over five years and 8.9% over 10 years, outperforming the Reference Portfolio by 1.4% and 0.3% over these periods.

In stepping back to review this longer investment horizon, we can also assess how effectively the Main Endowment Pool meets its principal objective: to maintain inflation-adjusted value and generate sufficient growth to support the Endowment's spend rate and administrative charges. Even as inflationary pressures in recent years have lifted the five-year required return to 8.5%, the fund has outpaced this target with a corresponding return of 9.8%.

### Attributing Endowment Performance

UBCIM's investment framework emphasizes the long-term performance of our managed funds, measuring and attributing the impact of key decisions in the investment process to ensure each is contributing within expectations to the long-term financial objective. These decisions include:

- establishing risk tolerance, represented by the Reference Portfolio
- diversifying the Reference Portfolio to create a passive, multi-asset class Strategic Portfolio
- actively implementing decisions by the UBCIM team to pursue incremental returns through portfolio construction, manager selection and private market investments.

**TABLE 4**  
**Attributing Performance in the Main Endowment Pool (5 years ended March 31, 2026)**

|                   | Reference Portfolio (A) | Diversification Benefit | Implementation Value Added | Total Value Added (B) | Investment Portfolio (A+B) |
|-------------------|-------------------------|-------------------------|----------------------------|-----------------------|----------------------------|
| Investment Return | 8.5%                    | 0.5%                    | 0.8%                       | 1.4%                  | 9.8%                       |

The table above outlines key sources of return and value-add over the five-year period ended March 31, 2026, following the implementation of the investment framework in 2021.

The two-asset, passive Reference Portfolio serves as the return and risk benchmark of the Endowment. Over the five-year period, it generated an 8.5% return, driven by strong returns from public equity markets and modestly positive returns from Canadian public bonds.

The Strategic Portfolio expands the Reference Portfolio exposures to a diversified mix of investable public market indexes that represent a broader array of asset classes, including credit and real assets. We expect this diversification to generate incremental returns greater than those of the Reference Portfolio over the long term, and to reduce the overall risk level in the Investment Portfolio. The UBCIM team also uses the Strategic Portfolio to guide exposures in the Investment Portfolio as we add value through active investment selection and investing in private markets. Over

the five-year period, the Strategic Portfolio generated an incremental return of 0.5%.

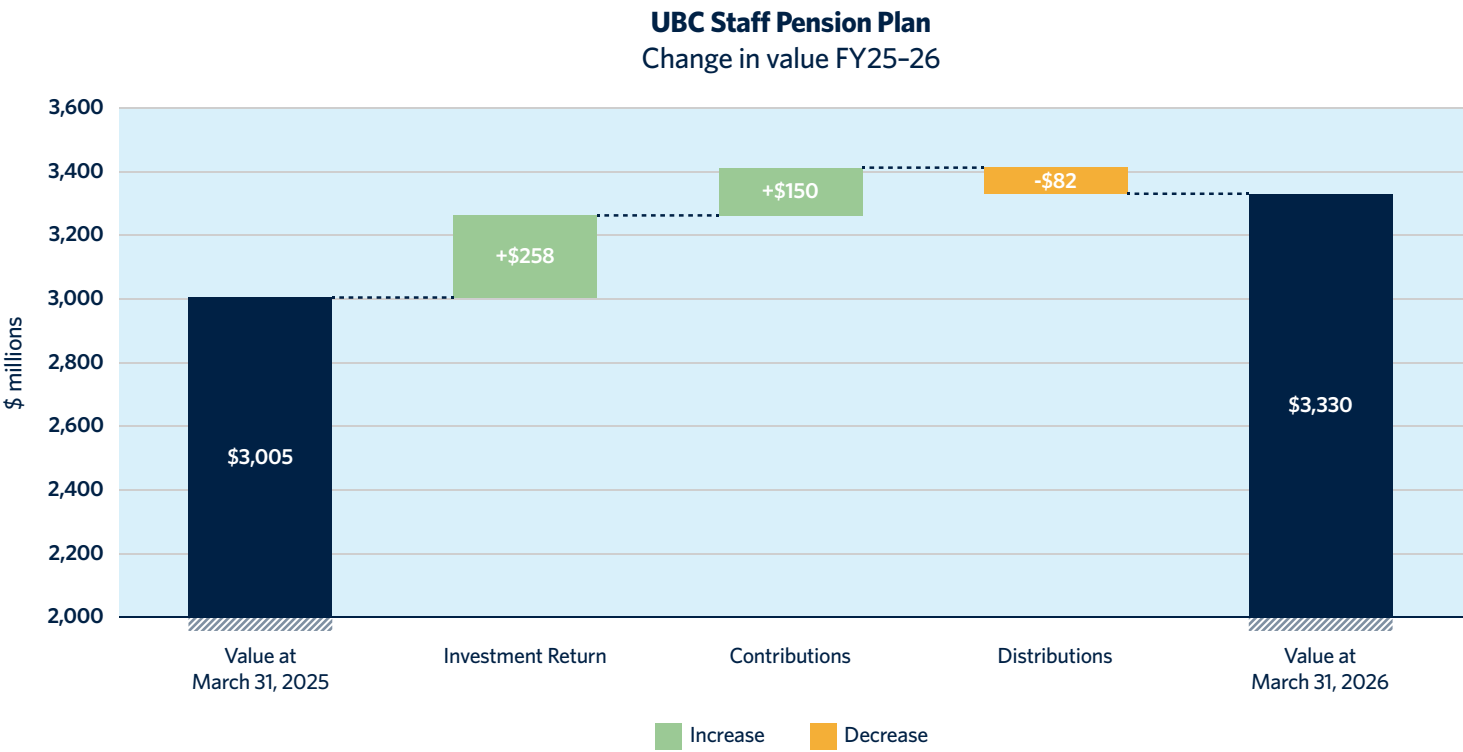
This diversification benefit does not consider the impact of our decision to implement the Strategic Portfolio using active management and private market investments. The aggregate impact of those decisions represents the implementation value added by UBCIM. Over the five-year period, this incremental return added 0.8% on an annualized basis.

The value added over five years was largely attributable to the Main Endowment Pool’s real assets, absolute return and equity portfolios, which outperformed their benchmarks. While the value added through positive implementation has been strong, we expect results to vary within short time horizons. Our focus remains on UBCIM’s longer-term track record. Overall, the effect of diversification and active implementation contributed 1.4% of value-add relative to the Reference Portfolio return.

UBC STAFF PENSION PLAN

\$3.3 billion assets under management

The assets of the UBC Staff Pension Plan (SPP) grew by \$325 million in FY25-26, reflecting strong total portfolio returns of \$258 million, as well as positive cash flows into the plan. The SPP, which maintains a healthy ratio of active members to pensioners, generated net contributions into the SPP Investment Portfolio after providing \$82 million of pension payments in the year.



The SPP Strategic Portfolio’s asset mix is informed by periodic asset-liability modelling. As with the Main Endowment Pool, the UBCIM team actively implements the Strategic Portfolio using external managers and private markets investment strategies to add value through incremental returns.

The SPP Board, after concluding an asset-liability review in 2024, has approved a new Strategic Portfolio. With a 32.5% target weighting to fixed income, the portfolio is diversified across several sub-asset class strategies, including long-maturity public and private bonds, and shorter-maturity private credit and mortgages. To round out the strategy, the

SPP Strategic Portfolio also has a 42.5% target weighting to public and private equity, and a 25% allocation to real assets.

The UBCIM team began transitioning the SPP portfolio to the new policy target weights in FY25-26. Additional private market allocations to private equity and infrastructure will be implemented over a longer timeline to ensure the portfolio is prudently diversified across strategies and vintage years.

The following table shows asset mix weightings for the SPP Investment Portfolio, as well as the Strategic Portfolio’s target asset mix, as of March 31, 2026:

TABLE 5  
Asset Mix — SPP (at March 31, 2026)

| Investment Program | Strategic Portfolio<br>Target Weight | Investment Portfolio |
|--------------------|--------------------------------------|----------------------|
| Fixed Income       | 32.5%                                | 37.2%                |
| Equity             | 42.5%                                | 40.6%                |
| Real Assets        | 25.0%                                | 22.2%                |

TABLE 6  
Performance Analysis — SPP (at March 31, 2026)

| Investment Program              | 1 Year | 3 Years | 5 Years | 10 Years |
|---------------------------------|--------|---------|---------|----------|
| Long-Term Performance Objective |        |         |         | 6.8%     |
| Investment Portfolio Return*    | 8.8%   | 9.0%    | 6.7%    | 6.9%     |
| Strategic Portfolio Benchmark   | 9.9%   | 9.8%    | 5.5%    |          |
| Value Added                     | -1.1%  | -0.8%   | 1.2%    | 0.1%     |

\* Returns are reported net of external investment management fees and are annualized for periods greater than one year.

The SPP Investment Portfolio generated a total return of 8.8% in FY25-26. All asset classes except long-term bonds generated positive returns over the year, with public equity investments posting particularly strong results. This performance lagged the SPP Strategic Portfolio, which had a return of 9.9% over the same period. Over five years, the SPP Investment Portfolio has returned 6.7% on an annualized basis, outpacing the Strategic Portfolio benchmark return of 5.5%.

In reviewing longer periods, we also compare returns from the SPP Investment Portfolio to the long-term return objective stated in the SPP’s Statement of Investment Policy: to achieve a return of 4.0% in excess of inflation. Over the 10-year period ended March 31, 2026, the performance of the SPP Investment Portfolio outpaced this objective, despite elevated inflation levels in 2022-2023.

**TABLE 7**  
**Attributing Performance in the SPP Portfolio (5 years ended March 31, 2026)**

|                   | Strategic Portfolio (A) | Implementation Value Added | Total Value Added (B) | Investment Portfolio (A+B) |
|-------------------|-------------------------|----------------------------|-----------------------|----------------------------|
| Investment Return | 5.5%                    | 1.2%                       | 1.2%                  | 6.7%                       |

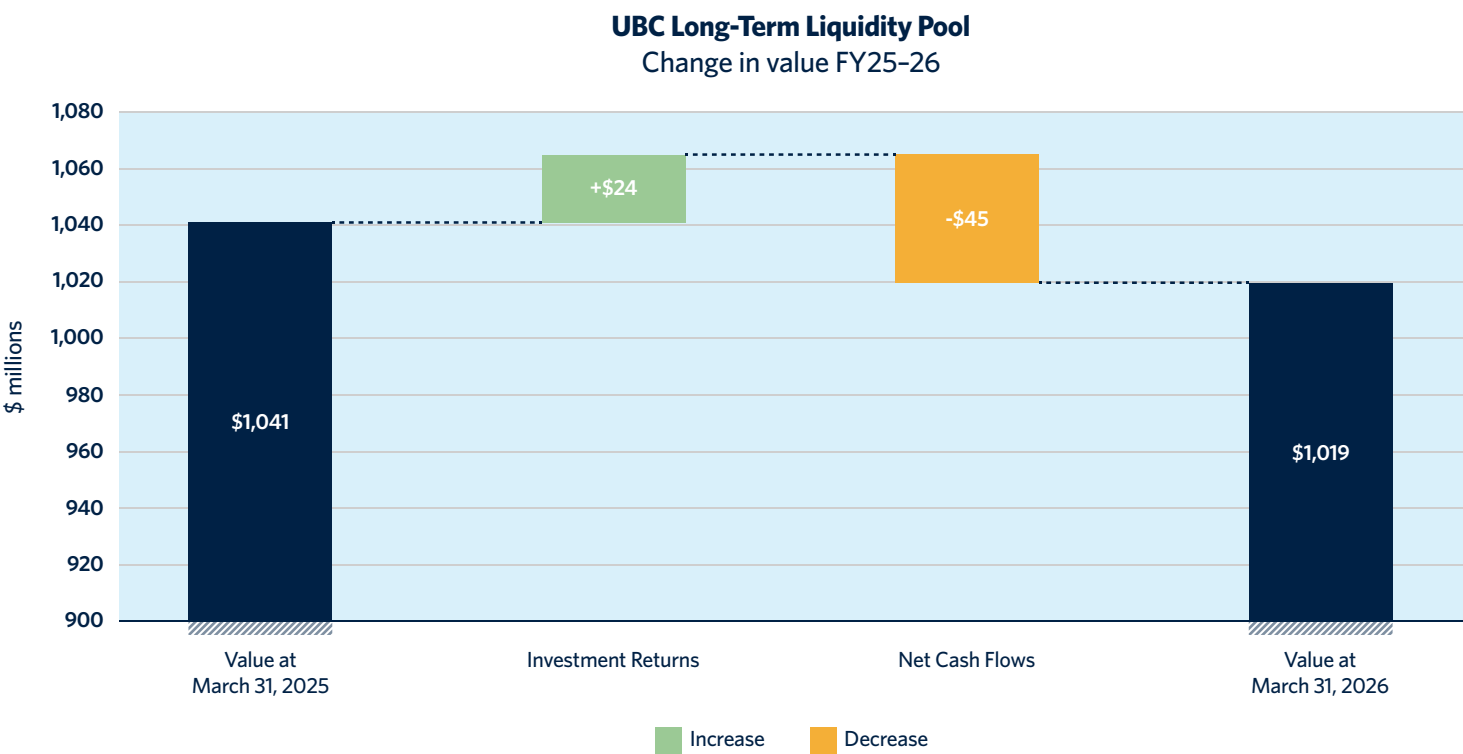
The SPP Strategic Portfolio is constructed as a diversified mix of investable public market indexes, with asset classes that span fixed income, equity and real assets programs. We apply our performance attribution framework to the SPP portfolio in a similar manner to the Endowment: we evaluate the returns available in capital markets through the Strategic Portfolio return, along with the value added through UBCIM’s active implementation of the Strategic Portfolio.

For the five-year period ended March 31, 2026, the SPP Strategic Portfolio generated a return of 5.5%. Strong performance by the equity program and infrastructure investments drove overall growth, while longer-maturity fixed income assets and real estate investments tempered results. In light of the 6.7% return from the SPP Investment Portfolio over the five-year period, we can calculate the value added by active implementation as 1.2%. This strong result reflects positive contributions across all SPP asset classes, although UBCIM’s real assets and fixed income programs accounted for most of the total value added.

LONG-TERM LIQUIDITY POOL

\$1.0 billion assets under management

UBC assets in the Long-Term Liquidity Pool (formerly the Working Capital Fund) decreased by \$22 million over the one-year period ending March 31, 2026. While investment returns contributed positively to fund growth over the year, they were offset by greater capital withdrawals from the fund by the university.



The Long-Term Liquidity Pool is a highly liquid portfolio of money market assets and short-duration public and private fixed income investments – in keeping with the short-term nature of the fund’s investment horizon and liquidity risk constraints. In FY25–26, an asset mix study was conducted for the Pool under UBCIM’s investment framework. The Pool subsequently adopted a Reference Portfolio of 25% T-Bills and 75% short-term bonds, consistent with its mandate. At the same time, a Strategic Portfolio was approved with an expanded allocation to private fixed income investments to enhance diversification and returns over time.

In FY25–26, the Long-Term Liquidity Pool returned 2.8%, outperforming its benchmark return by 0.4%. Over the five-year period ended March 31, 2026, the Pool generated value added of 0.6% on an annualized basis.

Returns for FY25–26 reflect the stable interest rate environment maintained by the Bank of Canada, along with narrow credit spreads in the fixed income market. The Investment Portfolio has generated annualized returns of 2.8% over a five-year period and 2.4% over 10 years, resulting in respective gains of 0.6% and 0.5% in value added above the Reference Portfolio benchmark.

**TABLE 8****Asset Mix — Long-Term Liquidity Pool (as of March 31, 2026)**

| Investment Program   | Reference Portfolio Target Weight | Strategic Portfolio Target Weight | Investment Portfolio |
|----------------------|-----------------------------------|-----------------------------------|----------------------|
| <b>Fixed Income</b>  | <b>100.0%</b>                     | <b>100.0%</b>                     | <b>100.0%</b>        |
| Liquidity Assets     | 25.0%                             | 25.0%                             | 24.9%                |
| Public Fixed Income  | 75.0%                             | 50.0%                             | 54.6%                |
| Private Fixed Income | –                                 | 25.0%                             | 20.5%                |

**TABLE 9****Performance Analysis — Long-Term Liquidity Pool (as of March 31, 2026)**

|                                | 1 Year | 3 Years | 5 Years | 10 Years |
|--------------------------------|--------|---------|---------|----------|
| Investment Portfolio Return*   | 2.8%   | 4.7%    | 2.8%    | 2.4%     |
| Reference Portfolio Benchmark† | 2.4%   | 4.3%    | 2.2%    | 1.9%     |
| Value Added                    | 0.4%   | 0.4%    | 0.6%    | 0.5%     |

\* Returns are reported net of external investment management fees and are annualized for periods greater than one year.

† Returns stated are annualized for periods greater than one year. The current policy benchmark consists of 25% FTSE 91-day Canada T-Bills Index and 75% FTSE Canada Short Term Overall Bond Index.

## OTHER FUNDS UNDER MANAGEMENT

**\$290 million in aggregate assets**

UBCIM also oversees the investment of several additional capital pools for the university. Some of these pools are managed passively against public benchmarks; others are managed under specific investment restrictions. As of March 31, 2026, the aggregate assets of these capital pools totalled \$290 million.

**TABLE 10**

Performance Analysis (at March 31, 2026)

|                                                            | 1 Year | 5 Years | 10 Years |
|------------------------------------------------------------|--------|---------|----------|
| <b>Pools Managed Passively</b>                             |        |         |          |
| <b>Supplementary Arrangement (\$162 million)</b>           |        |         |          |
| Investment Portfolio Return*                               | 12.7%  | 7.7%    | 7.8%     |
| Policy Benchmark                                           | 12.4%  | 7.6%    | 7.7%     |
| Value Added                                                | 0.3%   | 0.1%    | 0.1%     |
| <b>Endowments with Investment Restrictions</b>             |        |         |          |
| <b>Peter Wall Legacy Fund (\$75 million)<sup>†</sup></b>   |        |         |          |
| Investment Portfolio Return*                               | 36.2%  |         |          |
| Policy Benchmark                                           | 11.6%  |         |          |
| Value Added                                                | 24.7%  |         |          |
| <b>Vancouver Foundation (\$52.5 million)</b>               |        |         |          |
| Investment Portfolio Return*                               | 8.6%   | 7.1%    | 7.6%     |
| Policy Benchmark                                           | 13.9%  | 9.1%    | 8.7%     |
| Value Added                                                | -5.3%  | -2.0%   | -1.1%    |
| <b>Merilees Chair — Jarislowsky Fraser (\$4.2 million)</b> |        |         |          |
| Investment Portfolio Return*                               | 3.3%   | 6.3%    | 7.1%     |
| Policy Benchmark                                           | 12.7%  | 7.8%    | 7.6%     |
| Value Added                                                | -9.4%  | -1.5%   | -0.6%    |

\* Returns are reported net of external investment management fees and are annualized for periods greater than one year.

<sup>†</sup> UBC Investment Management assumed management of the Peter Wall Legacy Fund (formerly held at the UBC Foundation) in November 2022.

# UBC INVESTMENT MANAGEMENT BOARD OF DIRECTORS FY25-26

|                                                                                                                                   |                                                                                                       |                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Azim Lalani</b><br>Board Chair and Corporate Director<br>Chief Financial Officer,<br>Tantalus Systems                          | <b>Naveen Kapahi</b><br>Corporate Director<br>Independent Chair,<br>UBC Staff Pension Plan            | <b>Yale Loh, CPA, CMA, CFA</b><br>Corporate Director<br>Treasurer, UBC; Member,<br>UBC Staff Pension Plan Board                                                      |
| <b>Alexa Blain</b><br>Corporate Director<br>Co-founder and Managing Partner,<br>Deetken Impact                                    | <b>Hyewon Kong, CFA</b><br>Corporate Director<br>Director of Sustainable Investment,<br>Gresham House | <b>Rakesh Saraf, CFA</b><br>Corporate Director                                                                                                                       |
| <b>Tom Bradley</b><br>Corporate Director<br>Portfolio Manager,<br>Purpose Investments; Co-founder,<br>Steadyhand Investment Funds | <b>Frank Laezza</b><br>Corporate Director<br>Vice President Finance and Operations,<br>UBC            | <b>Byron Thom</b><br>Corporate Director<br>Member of UBC Board of Governors<br>and Chair of the Finance Committee;<br>Partner, Industrial Innovation Venture<br>Fund |
| <b>Amanda Farrell</b><br>Corporate Director<br>Chief Executive Officer,<br>Transportation Investment Corporation                  |                                                                                                       |                                                                                                                                                                      |

## Advisors and Service Providers

|                                                                           |                                                                                |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <b>Auditor</b><br>Rolfe, Benson LLP Chartered<br>Professional Accountants | <b>Legal Counsel</b><br>Norton Rose Fulbright Canada LLP<br>Lawson Lundell LLP |
| <b>Custodians/Administrators</b><br>Northern Trust<br>Sun Life Financial  | <b>Performance Measurement<br/>Consultant</b><br>Northern Trust                |

## **UBC INVESTMENT MANAGEMENT**

1055 West Hastings Street, Suite 1188  
Vancouver, BC, Canada  
V6E 2E9

Tel: +1 (604) 681-7858

[www.UBCIM.ca](http://www.UBCIM.ca)