



ANNUAL REPORT 2024-2025

UNIVERSITY OF VICTORIA FOUNDATION

MARCH 31, 2025



TABLE OF CONTENTS

MESSAGE FROM THE CHAIR	2
ABOUT THE FOUNDATION	3
INVESTMENT OBJECTIVES.....	4
INVESTMENT BELIEFS SUMMARY	4
MEMBERS OF THE BOARD.....	4
GOVERNANCE.....	5
MAIN INVESTMENT POOL PERFORMANCE	6
ASSET ALLOCATION.....	9
FOSSIL FUEL FREE INVESTMENT POOL (FFFIP) PERFORMANCE.....	10
ENDOWMENT MANAGEMENT (SPENDING) POLICY	11
SERVICE PROVIDERS	12
OUR RESPONSIBLE INVESTMENT APPROACH.....	13
RESPONSIBLE INVESTMENT MILESTONES	14
OUR RESPONSIBLE INVESTMENT APPROACH.....	15
CONTACT.....	16

FIGURES

Figure 1: Foundation Growth	1
Figure 2: Links to Audited Financial Statements & Portfolio Holdings.....	6
Figure 3: Fund Return Relative to Investment Goal.....	6
Figure 4: Fund Return Relative to Investment Benchmark.....	7
Figure 5: One-Year Returns by Asset Class Relative to Benchmark.....	7
Figure 6: Annualized Performance by Asset Class.....	8
Figure 7: Asset Allocations Relative to Policy.....	9
Figure 8: Actual Asset Allocations	9
Figure 9: Fund Return Relative to Investment Benchmark	10
Figure 10: Actual Asset Allocation	10
Figure 11: 2025-26 Budget Allocations.....	11

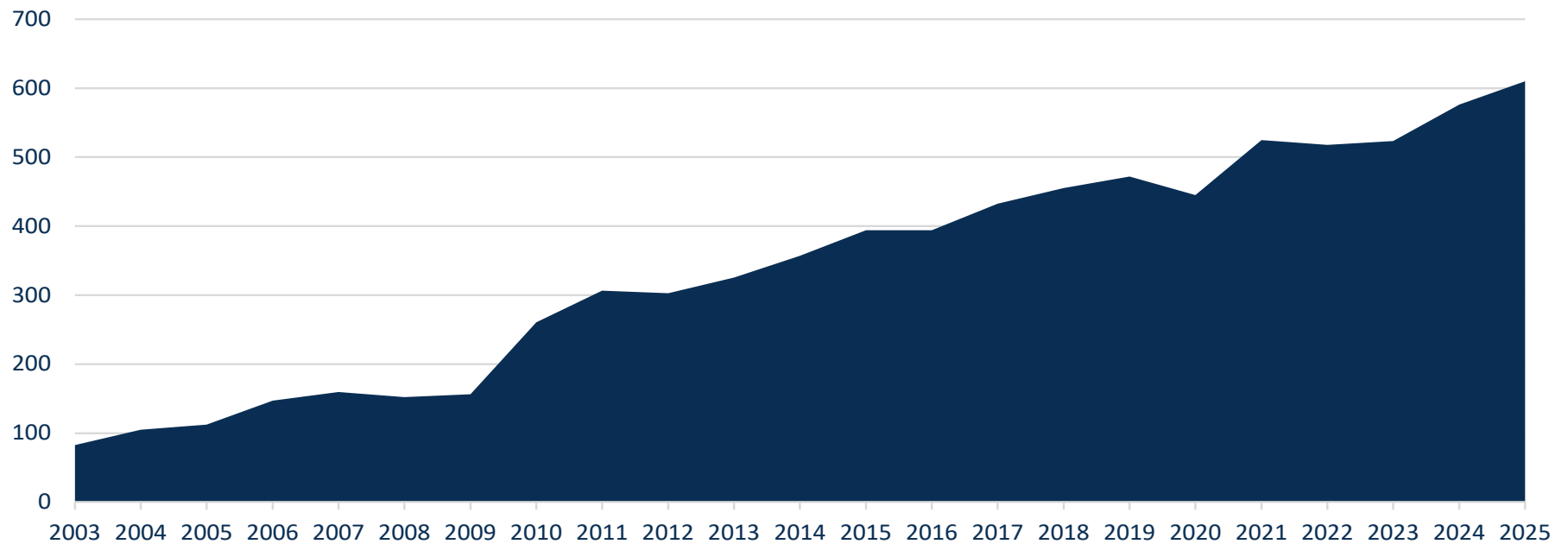


Endowments make a real difference at the University of Victoria. They help fund scholarships, support research, strengthen teaching, and create opportunities that shape student experiences. Your generosity ensures these benefits will be felt for years to come. Thank you.

Christopher Horbachewski, Acting President, University of Victoria Foundation

Figure 1: Foundation Growth

\$ Millions, Market Value, 2003-2025 (as at March 31)



MESSAGE FROM THE CHAIR

I am pleased to share the University of Victoria Foundation's Annual Report for the fiscal year ended March 31, 2025. This report outlines the investment performance and activities over the past year, highlighting the continued growth of our endowment and our commitment to supporting the university's long-term goals.

Over the course of the year, financial markets were shaped by a mix of cautious optimism with decreasing interest rates and market volatility mainly driven by geopolitical tensions. While these uncertainties presented challenges, our investment portfolio remained resilient. The Foundation exceeded its investment goal of achieving a net minimum annualized rate of return of 4.5% above the Canadian Consumer Price Index.

In response to improved market conditions and the Foundation's continued growth, the Board reviewed [its endowment management policy](#) and increased the distribution rates. As a result, the Board approved a budget of \$23.6 million for the 2025–2026 fiscal year, which represents a significant increase of \$4.4 million from the previous year. These funds will continue to support scholarships, bursaries, research centers, and other key initiatives and reflects our commitment to providing steady, multi-generational value and inflation-protected support to the university community.

The Foundation's number of endowments grew to over 1,600 this year, thanks to the continued generosity of donors. Your contributions help build a legacy and ensure that the Foundation continues to support education and research for generations to come.

As always, the Board remains committed to careful stewardship of the Foundation's resources. We continue to review and refine our investment strategy in an effort to maintain strong performance in an evolving national and global context.

On behalf of the Board Members of the University of Victoria Foundation, thank you very much for your ongoing support and partnership.

Sincerely,

Carol Bellringer
Chair, University of Victoria Foundation





ABOUT THE **FOUNDATION**

ABOUT THE FOUNDATION

The University of Victoria Foundation was established in 1954 by the University of Victoria Foundation Act. The Foundation is responsible for managing more than \$600 million in assets and administering over 1,600 endowment funds that disburse greater than \$20 million annually for scholarships, bursaries, and other university purposes. These endowment funds are supported by generous donations from individuals, corporations, and foundations that play a vital role in promoting a continuing interest in the university and in higher education more broadly. The Foundation is a registered charitable organization under the Income Tax Act and is exempt from income taxes.

INVESTMENT OBJECTIVES

The University of Victoria Foundation is invested in accordance with the Foundation's [Statement of Investment Objectives and Guidelines](#) (SIO&G). The SIO&G sets out the categories of permitted investments, diversification, asset mix and return expectations.

A fundamental underlying concept is that endowments are intended to exist in perpetuity. As a result, the Foundation has a long-term investment horizon and focuses on long-term returns. The investment objectives of the Foundation reflect this and are focused on:

- Preservation of capital in real terms;
- Generation of sufficient annual cash flow to meet expenditures objectives; and
- Growth of cash flow to meet rising costs over the long term.

The SIO&G is reviewed annually.

INVESTMENT BELIEFS SUMMARY

The Board has taken steps to codify its investment practices into belief statements. Our beliefs are summarized in the [Summary of Investment Beliefs](#) available online.

MEMBERS OF THE BOARD

Elected by the Members

Keith Barr
Chris Donkers
Ann Glazier Rothwell
Jason Milne
Jagdeep Shergill

Appointed by the Board of Governors of the University

Carol Bellringer (Chair)
Doug Stadelman (Vice-Chair)
Kathy Marshall
Sheridan Scott
Bryan Thomson

University Members (ex officio)

Kevin Hall
Kristi Simpson

Officers (non-voting)

Chris Horbachewski (Acting President)
Raymond Aoki (Treasurer)
Barbara Eccles (Secretary)
Chrissy Drew (Assistant Secretary)

I thank the Foundation Board members for their continued stewardship of our donors' gifts. Their decision to increase distributions from the endowments is extremely meaningful.

Christopher Horbachewski
Acting President, University of Victoria Foundation



GOVERNANCE

GOVERNANCE

The [University of Victoria Foundation Act](#) provides the Foundation Board with the investment powers of a “prudent investor” as per sections 15.1 to 15.6 of the Trustee Act.

The Foundation is governed by a Board of Directors distinct from the University Board of Governors and includes volunteers qualified in investments and trust issues.

Figure 2: Links to Audited Financial Statements & Portfolio Holdings

A full set of audited financial statements is available on the [University of Victoria website](#).

A list of the portfolio holdings is posted on the [Foundation website](#).



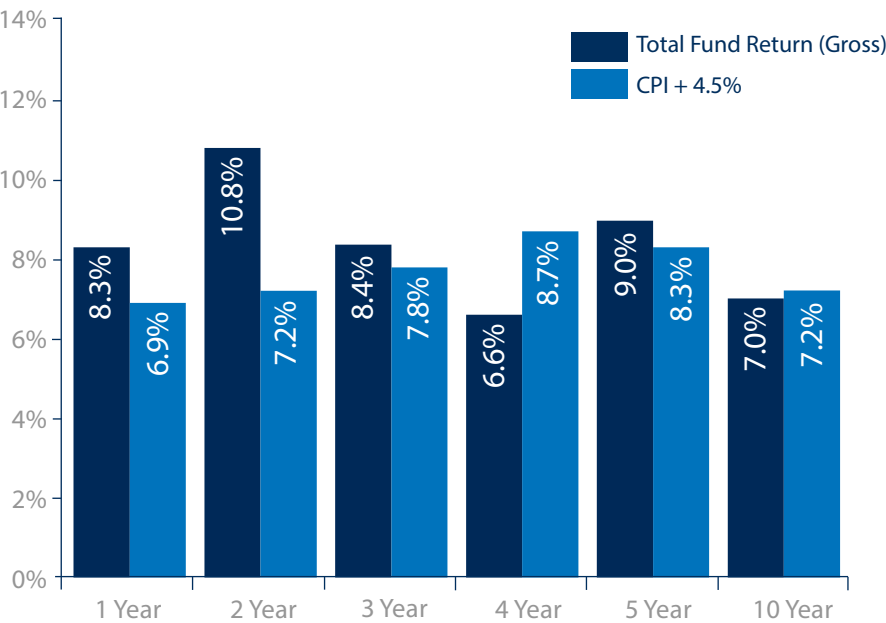
MAIN INVESTMENT POOL PERFORMANCE

FUND RETURN RELATIVE TO INVESTMENT GOAL

The long-term investment goal of the fund is to achieve a minimum annualized rate of return of 4.5% in excess of the Canadian Consumer Price Index. Elevated inflation and ongoing geopolitical uncertainty continue to impact market conditions and has resulted in the fund experiencing mixed performance results relative to the investment goal. The fund exceeded its benchmark over most short and medium-term periods but underperformed over the 4-year and 10-year periods.

Figure 3: Fund Return Relative to Investment Goal

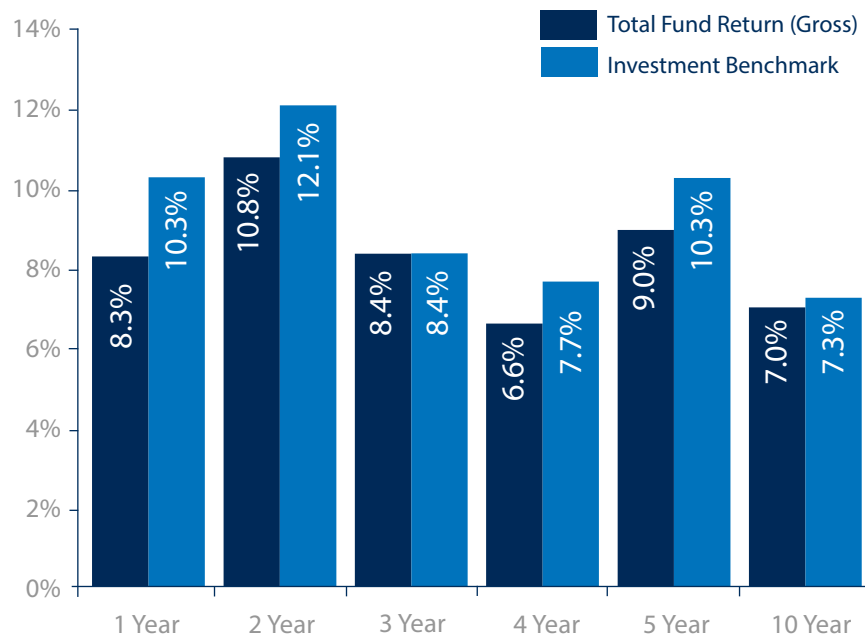
Total Gross Fund Return vs Investment Goal of CPI + 4.5%, as at March 31st, 2025



FUND RETURN RELATIVE TO INVESTMENT BENCHMARK

The Fund employs an active management style and incorporates responsible investment integration across all asset classes. Active management provides the opportunity to outperform specific investment benchmarks. On a relative basis, the total fund matched the performance of the investment benchmark over three years but underperformed over the other periods shown below. The variance of underperformance is primarily attributed to the returns of the global equity strategies.

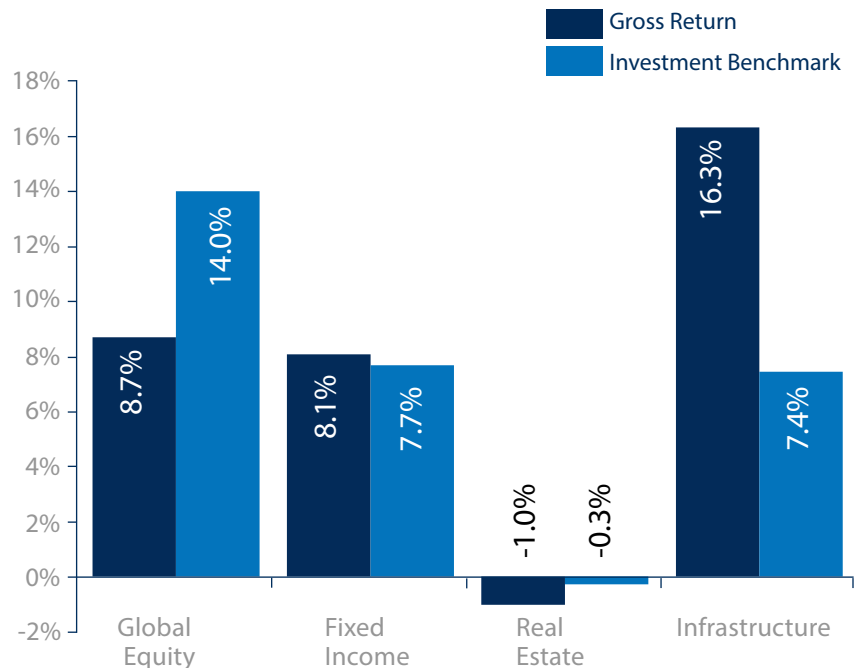
Figure 4: Fund Return Relative to Investment Benchmark
Total Gross Fund Return vs Investment Benchmark, as at March 31st, 2025



RETURNS BY ASSET CLASS RELATIVE TO BENCHMARKS

Global Equity had positive performance in the year returning 8.7% but underperformed its benchmark by 5.3%. The main reason for this underperformance was related to the Foundation's smaller exposure to the narrow group of companies that drove performance during the year. Fixed Income returns were improved over previous years mainly due to a drop in Canadian bond yields. The Fixed Income manager returned 8.1% during the year, outperforming its benchmark by 0.4%. Real Estate performance continues to be challenging as the real estate market evolves. The Real Estate manager returned -1.0% during the year, underperforming its benchmark by 0.7%. The infrastructure managers continue to show the strongest absolute performance and returned 16.3% in the past year, outperforming its benchmark by 8.9%.

Figure 5: One-Year Returns by Asset Class Relative to Benchmarks
Total Gross Fund Return vs Investment Benchmark, as at March 31st, 2025



As a long-term investor, the Foundation monitors year-over-year performance, but it places more emphasis on 4-year performance. Global Equity underperformed its benchmark across all reported timeframes, reflecting persistent volatility, and uneven market conditions. The Fixed Income manager has continued to add value, consistently outperforming the benchmark during all timeframes.

Real Estate performance has been mixed, slightly trailing its benchmark over the short and medium term but matching the benchmark over the four-year period. Infrastructure has outperformed its investment benchmark over all periods in the last 4 years. The infrastructure benchmark is an absolute benchmark rather than a relative market benchmark comparison, as the Board feels a comparable relative reference is currently not available.



Figure 6: Annualized Performance by Asset Class

Total Gross Returns & Benchmarks by Asset Class, as at March 31st, 2025

AS AT MARCH 31st, 2025	ANNUALIZED PERFORMANCE			
	1 YEAR	2 YEAR	3 YEAR	4 YEAR
Global Equity (Gross)	8.7%	14.9%	10.1%	7.0%
Benchmark: MSCI ACWI Net Total Return Index (CAD)	14.0%	18.5%	12.1%	10.7%
<i>Value Added</i>	-5.3%	-3.6%	-2.0%	-3.7%
Canadian Fixed Income (Gross)	8.1%	5.5%	3.0%	1.3%
Benchmark: FTSE Canada Universe Bond Index	7.7%	4.8%	2.5%	0.7%
<i>Value Added</i>	0.4%	0.7%	0.5%	0.6%
Real Estate (Gross)	-1.0%	-2.0%	-0.1%	4.3%
Benchmark: MSCI/REALpac Canada Quarterly Property Fund Index	-0.3%	-0.9%	0.1%	4.3%
<i>Value Added</i>	-0.7%	-1.0%	-0.2%	0.0%
Infrastructure (Net)	16.3%	14.2%	22.5%	22.5%
Benchmark: Consumer Price Index + 5%	7.4%	7.7%	8.3%	9.2%
<i>Value Added</i>	8.9%	6.4%	14.2%	13.3%

ASSET ALLOCATION

Figure 7: Asset Allocations Relative to Policy

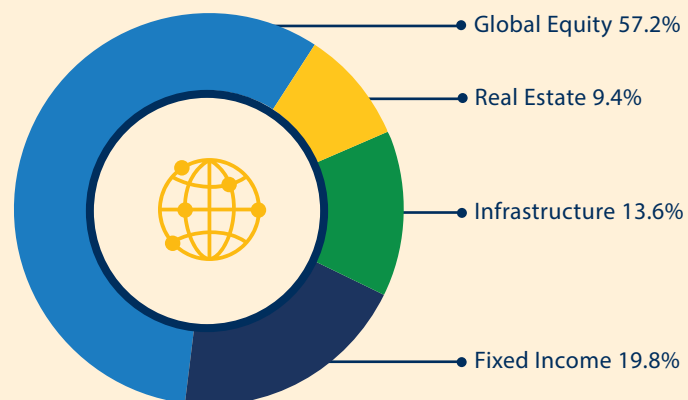
As at March 31st, 2025

ASSET CLASS BENCHMARK POLICY	INVESTMENT POLICY (%)	ACTUAL ALLOCATION (%)
Fixed Income:		
Fixed Income - FTSE Canada Universe Bond Index	20.0	19.8
Equity:		
Global Equity - MSCI ACWI Net Total Return Index (CAD)	55.0	57.2
Alternatives:		
Real Estate - MSCI/REALpac Canada Quarterly Property Fund Index	10.0	9.4
Infrastructure - Consumer Price Index + 5%	15.0	13.6
Total Alternatives	25.0	23.1
Total Fund	100.0	100.0

Figure 8: Main Investment Pool Actual Asset Allocations

Assets Under Management \$608.0 million, as at March 31st, 2025

The Foundation's actual allocation to each asset class remains within the approved investment policy ranges.



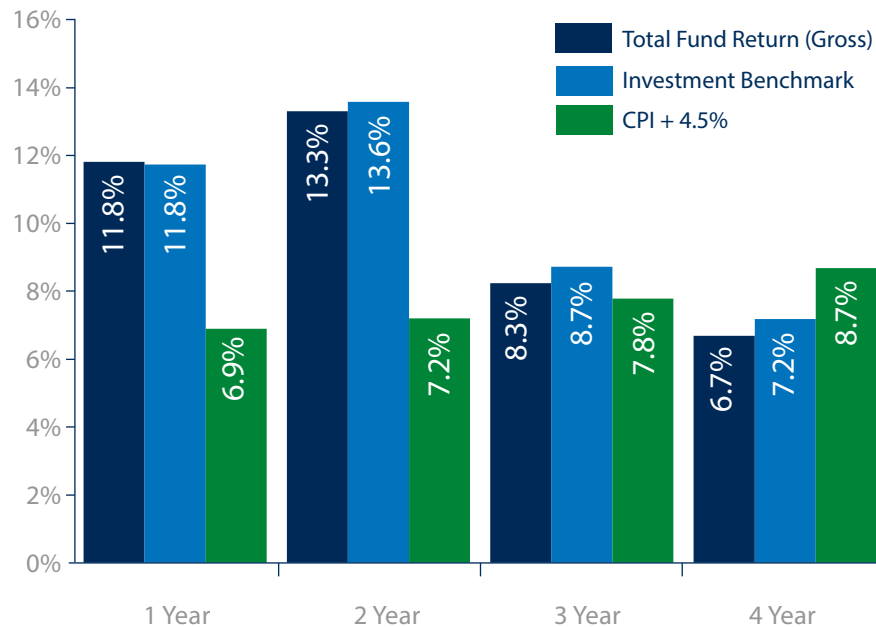
FOSSIL FUEL FREE INVESTMENT POOL (FFFIP) PERFORMANCE

In 2016 the Foundation created a Fossil Fuel Free Investment Pool (“FFFIP”) in direct response to student and faculty calls for action to address climate change and provide donors with a fossil fuel free investment option. The pool excludes investments directly involved in the extraction, processing, and transportation of coal, oil, or natural gas “fossil fuels” and companies included in the “Carbon Underground 200” list.

The FFFIP was seeded by the university with \$25,000 from the working capital investment pool. With help from student feedback over the past year to increase awareness of donor investment options, the FFFIP has grown assets under management to over \$1.9 million.

Figure 9: Fund Return Relative to Investment Benchmark

As at March 31st, 2025



In 2020, the Foundation changed the FFFIP’s manager and rebalanced the portfolio with an asset mix consisting of a 65% allocation to equities and a 35% allocation to fixed income, to better diversify the pool and reduce its volatility. While the FFFIP is still less diversified than the Main Investment Pool and may exhibit higher volatility and risk, both pools are expected to offer comparable long-term performance meeting the Foundation’s investment goals.

The FFFIP returned 11.8% in the past year, outperforming the investment objective of CPI + 4.5% by 4.9% while matching the performance of the investment benchmark.

Figure 10: Actual Asset Allocations

Assets Under Management \$1.9 million, as at March 31st, 2025



ENDOWMENT MANAGEMENT (SPENDING) POLICY

The Board maintains an Endowment Management Policy that sets out the following objectives:

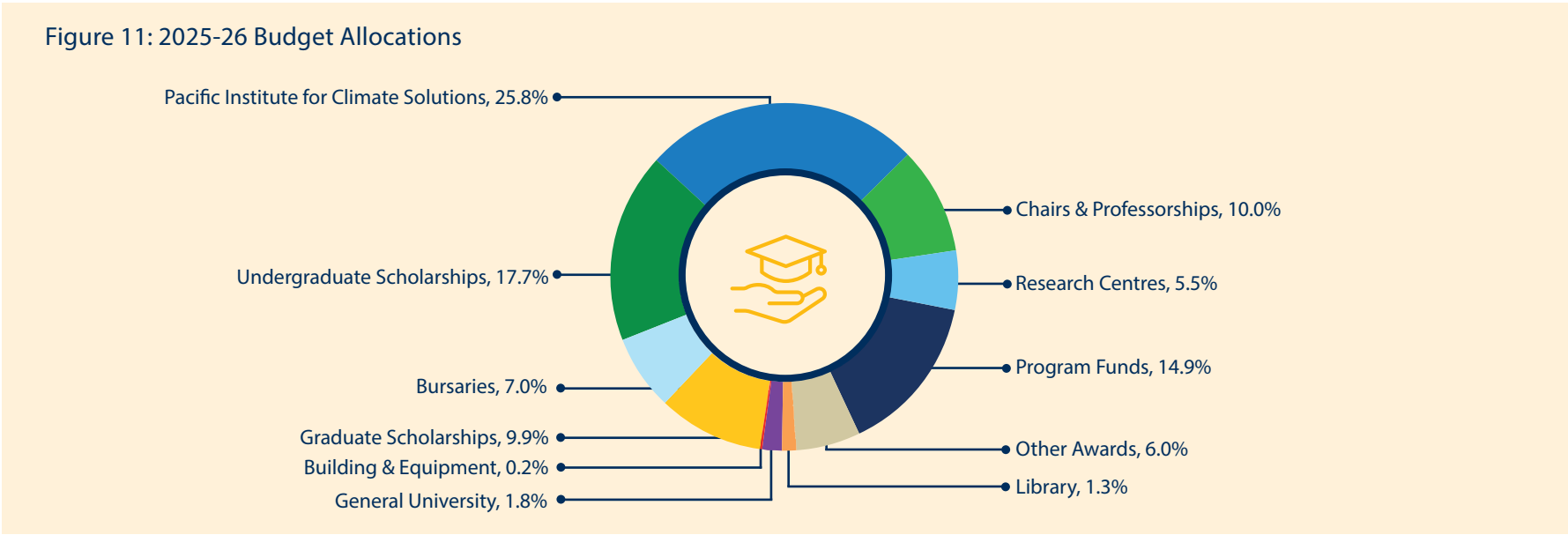
- Protect the value of the Fund against inflation over time so that the donation will continue to benefit the university for generations to come; and
- Provide stability in the earnings distribution to allow both the recipients and the university to plan ahead knowing what funds will be made available each year.

In order to achieve these goals, the Foundation updated the spending policy in March 2025 when establishing the spending budget for 2025-26. Spending distributions equal to 4.5% (increased from 4.0% last year) of the inflation adjusted principal at cost as of December 31, 2024, are designated to endowments that have a market value at or above 100% and less than 108% of the inflation adjusted principal. Endowments with a market value equal to or greater than 108% of the inflation adjusted principal at cost as at December 31, 2024, are eligible for a spending distribution

rate of 5.0% (increased from 4.5% last year) based on the inflation adjusted principal at cost. Endowments with a market value of less than 100% of the inflation adjusted principal at cost as at December 31, 2024, will have their spending distributions of 4.0% (increased from 3.0%) of the inflation adjusted principal at cost.

As a result of the updated spending policy that incorporated increased distribution rates, the Board was able to approve a budget of \$23.6 million for 2025-26 which represents a substantial \$4.4 million increase from the previous year. 78% of the endowments will receive a spending distribution of 5.0%, an improvement from 42% of the endowments in the previous year. 14% of the endowments will receive a spending distribution of 4.0%, a decrease from 28% of the endowments in the previous year. The remaining 7% of the endowments will receive a spending distribution of 4.0%, a decrease from 29% of the endowments from the previous year.

The breakdown of how the budget is allocated is illustrated below.



Budget Categories

- Awards – Achievement based
- Bursaries – Bursaries are non-repayable awards based on financial need and reasonable academic standing.
- Specific Purpose – Research Chairs, Centres, etc.
- Scholarships – Scholarships are non-repayable and are awarded to students on the basis of academic merit or excellence

Operating Expenses

The majority of investment expenses are investment management fees. The spending policy limits other expenses to a maximum of 0.50% per annum of the inflation adjusted principal at cost as at December 31st of the prior year. These expenses may include audit, consulting, and performance measurement fees as well as Alumni & Development and administration services provided by the University of Victoria. For 2025-26 the Foundation budget for these expenses is 0.49% of the inflation adjusted principal at cost as at December 31, 2024.

SERVICE PROVIDERS

INVESTMENT MANAGERS

PH&N Institutional – Fixed Income, Fossil Fuel Free Investment Pool

Baillie Gifford – Global Equity

Pier 21 / C WorldWide – Global Equity

Walter Scott & Partners – Global Equity

Brookfield Asset Management – Infrastructure

Macquarie Infrastructure & Real Assets – Infrastructure

BentallGreenOak – Real Estate

CUSTODIAN

Northern Trust

INVESTMENT CONSULTANT

PBI Actuarial Consultants

PERFORMANCE MEASUREMENT AND REPORTING

PBI Actuarial Consultants

AUDITOR

KPMG LLP



OUR **RESPONSIBLE** INVESTMENT APPROACH

University of Victoria Foundation Responsible Investment Milestones



OUR RESPONSIBLE INVESTMENT APPROACH

In 2012, the Foundation extended its list of investment beliefs to include a responsible investment belief. Two years later, the Foundation updated its policy to require investment managers to submit annual disclosures regarding the processes by which Environmental, Social and Governance (ESG) factors are incorporated into their investment decision-making process.

To support our commitment to sustainability and to articulate our goals with respect to foundation investments, the University of Victoria Foundation updated its investment beliefs in 2020 to recognize climate change as a key issue of our time and adopted a Responsible Investment Policy in 2021 to advance its responsible investment practices aligned with the Principles for Responsible Investment.

The Foundation is a signatory to the Principles for Responsible Investment (the PRI). The Board views these PRI Principles as a key framework and, where consistent with its fiduciary responsibilities, commits to the following:

1. We will Incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.

4. We will promote acceptance and implementation of the PRI Principles within the investment industry
5. We will work together with like-minded investors to enhance our effectiveness in implementing PRI principles
6. We will report our activities and progress towards implementing PRI principles

The Foundation recognizes that Responsible Investing, including climate change initiatives and carbon emission disclosures, is a rapidly evolving area. The Foundation has committed to updating plans to ensure that material Responsible Investment risks and opportunities, including climate change, are integrated into the investment process across all asset classes.

This plan includes:

1. The ongoing monitoring of our investment managers and implementation of best due diligence practices;
2. Commitment to collective engagement through the [University Network for Investor Engagement \(UNIE\)](#);
3. Reducing the carbon intensity of our portfolio by 45% by 2030; and
4. Impact investing opportunities to promote sustainable futures.

Please see the Foundation's [Responsible Investment Report](#) for more information about our responsible investment approach.





This Annual Report is intended to reflect the Foundation's investment performance in 2024-25. Please visit the [University of Victoria Foundation](https://www.uvic.ca/foundation/) website for additional information about the foundation

CONTACT

General enquiries or requests for statements can be directed to the General Counsel's Office

Email: foundations@uvic.ca

Phone: (250) 472-4117