

Cambridge University Endowment Fund

Quarterly Investor Report

Quarter ended 30th September 2023
(Q1 of CUEF Financial Year ending 30th June 2024)

For Professional Clients only.

*University of Cambridge Investment Management Limited is
authorised and regulated by the Financial Conduct Authority
with reference number 515843.*

Contents

Fund and Unit Value	3
Chief Investment Officer's Quarterly Review	3
Asset Class Review	5
Asset Allocation	7
Sustainability	8
UCIM Organisational Update	9
Key dates	10
Leverage	10
Appendices	11
Important Information	17

Fund and Unit Value

Figure 1 below provides the Net Asset and Unit Value for the Cambridge University Endowment Fund for the reported quarter ended 30th September 2023 (Q1 of the CUEF Financial Year). compared with the previous quarter.

Figure 1: CUEF Net Asset and Unit Value

	Report quarter 30-Sep-2023	Previous quarter 30-Jun-2023
Net Asset Value (NAV)	£4,018 m	£3,971m
Unit value	£67.81	£67.59

Chief Investment Officer's Quarterly Review

Market Overview

Following a strong first half in 2023, global equity markets declined for the three months to 30th September (Q1 of the CUEF Financial Year). Although economic data was relatively resilient, investors were cautious about the potential for a prolonged period of higher interest rates ("higher for longer").

US equity markets fell -3.3% (in USD), Europe -2.0% (in EUR) and although Japan rose +2.5% in local currency terms, it fell -1.0% in USD terms. Sterling investors in global markets benefitted from a material devaluation of Sterling versus the US Dollar (from \$1.27/£ to \$1.22/£). As such, the MSCI ACWI ex. fossil fuels index was flat in GBP terms.

Most long-term developed market government bond yields continued to rise, with real and nominal yields nearing post-2000 highs, and a US credit rating downgrade in August.

CUEF Performance Summary

Against this backdrop, the CUEF return for the quarter ended 30th September 2023 was +1.3%, outperforming the "65/35" benchmark¹ (-1.6%).

This relative outperformance was driven by strong performance from managers in the public equity portfolio, partially offset by marginally negative performance in the absolute return and credit portfolio. The CUEF's private equity portfolio modestly outperformed its Cambridge Associates PE composite benchmark return, while the real assets portfolio marginally lagged its CUEF real assets composite benchmark.

¹ The purpose of the "65/35" benchmark and the comparison is to provide a measure, over the long-term, of the return that might be achieved were the CUEF to be managed on a passive basis. The composition of the "65/35" benchmark is set out in Appendix 1.

For the first three quarters of the calendar year 2023, the CUEF return was +4.7%, slightly behind its "65/35" benchmark (+5.4%). As outlined in the annual Investment Management Report to unitholders for the financial year ended 30th June 2023, the primary drag on performance was the public equity portfolio's overweight to emerging markets and Chinese equities relative to the US, which struggled in the first half of 2023.

A table and more detailed summary of the performance of each asset class is provided in the section, "Asset Class Review" below.

Since 1st July 2020, the CUEF's net annualised return of +8.5% represents notable outperformance against the "65/35" benchmark (+3.9%).

Performance over relevant time periods and against key benchmarks is provided in Figure 2, below. Performance against a fuller set of benchmarks for comparison purposes is provided in Appendix 1. A breakdown of the Fund's assets by currency, geography, and sector for the quarter ended 30th September 2023 is provided in Appendix 2.

Figure 2: CUEF Investment Performance against principal benchmarks

	Financial Q1/ Calendar Q3 1 Jul – 30 Sep 2023	Calendar Year 1 Jan – 30 Sep 2023	Financial Year (12 months to 30 Jun 2023)	Since 1 Jul 2020 *	Trailing 10 Years (1 Jul 2013 – 30 Jun 2023)
		Cumulative	Cumulative	Annualised	Annualised
CUEF	+1.3%	+4.7%	+4.1%	+8.5%	+9.3%
UK CPI + 5%	+1.6%	+7.6%	+13.3%	+11.5%	+8.1%
"65/35" benchmark**	-1.6%	+5.4%	+4.5%	+3.9%	+7.8%
MSCI ACWI ex. fossil fuels***	+0.0%	+9.0%	+11.8%	+9.0%	+11.1%

Notes:

- *Past performance is not indicative of future returns.*
- *CUEF returns calculated based on CUEF Net Asset Value and reported net of fees.*
- *Data sources: UCIM internal reporting, Bloomberg, CPI data from the Office for National Statistics (ONS).*
- **1st July 2020 is the date at which various material changes to UCIM's general portfolio approach (and risk limits) were formally incepted by the UCIM Board.*
- *** The composition of the "65/35" benchmark is provided in Appendix 1.*
- **** MSCI ACWI data is provided excluding fossil fuels from 1st July 2020 onwards.*

Asset Class Review

Figure 3: CUEF Asset Class Performance

	Financial Q1/ Calendar Q3 1 Jul – 30 Sep 2023	Calendar Year 1 Jan – 30 Sep 2023	Financial Year (12 months to 30 Jun 2023)	Since 1 Jul 2020 *
		Cumulative	Cumulative	Annualised
CUEF	+1.3%	+4.7%	+4.1%	+8.5%
Public Equity	+1.6%	+9.6%	+9.9%	+7.0%
Developed Markets	+1.7%	+12.0%	+14.1%	+7.7%
Emerging Markets	+1.3%	+2.3%	-1.9%	+5.0%
Absolute Return and Credit (local currency)	-0.2%	+1.4%	+6.1%	+5.9%
Private Equity	+4.0%	+2.5%	-0.7%	+18.9%
Real Assets	+0.5%	-4.8%	-13.7%	+10.5%

Notes:

- Past performance is not indicative of future returns.
- CUEF asset class returns calculated based on CUEF Net Asset Value, reported net of fees and in £ Sterling, except for Absolute Return and Credit, which is reported in local currency. Some asset class returns are subject to change as various late illiquid asset valuations are received.
- Data sources: UCIM internal reporting.
- *1st July 2020 is the date at which various material changes to UCIM's general portfolio approach (and risk limits) were formally incepted by the UCIM Board.

Public Equity

The CUEF's public equity portfolio performed well in the quarter, returning +1.6%, ahead of the MSCI ACWI ex. fossil fuels index return of 0.0% (in Sterling). Outperformance was consistent across developed and emerging markets, returning +1.7% and +1.3% in Sterling respectively, with 14 of the CUEF's 18 managers outperforming their benchmarks.

Within developed markets, the CUEF's Japanese small-cap manager was a notable contributor to both absolute and relative returns (+11.5% in local currency terms versus +4.2% for its benchmark). Another notable relative contribution came from a US-focused manager (-0.7% versus -3.3% for its benchmark in local currency), which benefitted from positive returns among its technology and communication services holdings.

In emerging markets, one of the CUEF's managers which invests in emerging Asia (excluding China) performed well against its benchmark (+0.3% versus -3.2% in local currency), driven by strong stock selection in the information technology and consumer staples sectors. Performance in the CUEF's specialist and very long-term Indian manager also meaningfully outperformed its benchmark (+5.8% versus +0.8% in local currency). These positive contributions more than offset a negative contribution from the CUEF's specialist fund manager in Brazil (-8.7% versus its benchmark of -5.0%, in local currency).

During the quarter, we continued to trim selected public equity holdings to reduce the overall public equity allocation (from 40% of CUEF assets to 39%) and move towards the long-term asset allocation targets (see Asset Allocation in Figure 2 below).

For the first nine months of the calendar year to 30th September 2023, the public equity portfolio returned +9.6%, driven by strong performance in the developed markets portfolio.

Absolute Return and Credit

During a challenging quarter for almost all major asset classes, the CUEF's absolute return and credit portfolio declined a modest -0.2% in local currency terms (but rose +2.2% in Sterling). Given most major equity indices fell by mid-single digits in the quarter, this represents a reasonable outcome, albeit the portfolio underperformed the CUEF's demanding absolute return and credit benchmark, "UK 0-1Yr Gilts + 400bps", which returned +2.2%.

This part of the CUEF portfolio consists of twelve core manager positions; during the quarter, eight of these managers recorded positive returns in local currency. The stand-out contributor in the quarter (and for 2023 to date) was a manager specialising in fixed income arbitrage (+5.3% for the quarter and +18.8% for calendar year-to-date). Rising bond market yields had a negative impact on a tail-risk volatility manager, which posted a -11.7% return for the quarter.

For the first nine months of the calendar year to 30th September 2023, the absolute return and credit portfolio returned +1.4% (in local currency).

Private Equity

During the quarter, the CUEF's private equity portfolio returned +4.0% in Sterling terms, modestly outperforming the Cambridge Associates preliminary benchmark return of +3.7%². Individual fund performance during the quarter was varied, driven by specific factors across managers' portfolios.

During the quarter, notably strong performance came from one European buyout manager (+6.8%) and the CUEF's secondaries manager, (+6.5%). In contrast, another European buyout manager with exposure to UK consumer businesses struggled due to the impact of weak consumer confidence in the UK.

Activity levels for both acquisitions and distributions continue to be relatively muted, at approximately two-thirds of expected levels. Distributions were £24.9 million during the quarter, while capital calls totalled £41.9 million.

During the quarter, three new fund commitments were completed: a €40.0 million commitment to a new European buyout manager, a \$12.0 million commitment to a new North American early-stage venture capital manager (across two funds) and a \$3.5 million commitment to an existing North American venture capital manager.

² *Private Equity and Real Assets Composite Benchmark returns remain subject to change as underlying illiquid indices are finalised.*

For the first nine months of the calendar year to 30th September 2023, the private equity portfolio returned +2.5%, broadly in line with the Cambridge Associates Benchmark (+2.4%).

Real Assets

The CUEF's real assets portfolio returned +0.5% in Sterling terms in the quarter, marginally behind its benchmark (+0.7%)³. Major contributors included the CUEF's portfolio of multi-let industrial estates (+0.5%) and a European renewable energy manager (+0.4%). An office redevelopment project near London's Canary Wharf was the primary detractor, due to declining values in the broader office sector.

The high interest rate environment continues to impact the real estate market; transaction volumes remain substantially lower than in recent years. This nevertheless provides some attractive opportunities and two of the CUEF's real estate managers have recently capitalised on this environment to make new investments.

Within the CUEF's natural resources investments, renewable energy infrastructure performed positively, with both of the CUEF's managers posting positive returns in the quarter.

For the nine-month calendar year to 30th September 2023, the real assets portfolio returned -4.8%, as a result of interest rate increases prompting the aforementioned muted market environment.

Asset Allocation

Figure 2 below shows the actual CUEF asset allocation at the end of the previous quarter 30th June 2023 (also the financial year end) and the current quarter 30th September 2023, as well as the CUEF's long-term asset allocation targets approved by the UCIM Board in April 2023.

Figure 2 – CUEF Asset Allocation Summary

	Last Quarter 30 June 2023	Current Quarter 30 September 2023		Long-Term Target Allocation
	%	£	%	
Total Equity	63%	£2,547m	63%	60-65%
Public Equity	40%	£1,568m	39%	30-35%
Private Equity	23%	£979m	24%	30%
Real Assets	7%	£303m	8%	10-12.5%
Absolute Return & Credit	23%	£924m	23%	20-22.5%
Cash & Fixed Income	7%	£244m	6%	5%
TOTAL	100%	£4,018m	100%	100%

Data source: UCIM internal reporting.

³ Private Equity and Real Assets Composite Benchmark returns remain subject to change as underlying illiquid indices are finalised.

Sustainability

During the quarter, the following progress was made against the three pillars of UCIM's Sustainable Investment Strategy:

Investing to achieve a phased transition to "net zero"

As of 30th September 2023, the CUEF's conventional energy exposure was 1.6%, meaningfully below the MSCI ACWI (5.3%)⁴ and a reduction of 0.5% since 30th June 2023, a period in which the index's exposure to conventional energy increased.

Engaging to decarbonise the real economy

Note this and the following section on "Reporting" includes commentary on the activity and progress subsequent to the conclusion of the financial period covered in this report.

UCIM's investment team continued to actively engage with its fund manager partners through the quarter. To ensure it remains front of mind for our partners, the team includes sustainability as standard agenda item in manager meetings.

UCIM continues to be encouraged by its fund managers' activities to decarbonise their portfolios as a result of its engagement. For example, the manager of an industrial real estate portfolio has commissioned its first embodied carbon assessment associated with building works in two of its new estates. In September 2023, one of the CUEF's venture capital managers co-hosted a sector-wide conference in the City of London to support investors with sustainability strategy, measurement, reporting and portfolio management.

Following the end of the quarter, in December, Honor Fell (Associate Director and Sustainable Investment Lead) met with a selection of US fund managers in Boston and New York specifically to discuss sustainability; and together with Sarah Wood (Associate Director) commenced a review of public equity managers' voting and engagement activities; UCIM plans to share the outcome of the review with unitholders later in 2024.

A key part of UCIM's engagement activity is using the climate and sustainability expertise at the Cambridge Institute for Sustainability Leadership (CISL) to provide a bespoke executive education programme for our fund managers, supporting them to decarbonise their portfolios. The fourth cohort of this programme, "Net Zero by 2038", will take place in the spring of 2024, focused on a selection of US partners. Thus far, ten firms have committed to attend, managing over £100bn of capital in aggregate.

Reporting with transparency and accountability to our stakeholders

As part of increased engagement with relevant stakeholders across the University, CIO Tilly Franklin, Managing Director Benoit Ramsay, and Communications Lead Joel Beckman held an information session with senior members of the Cambridge University Development and Alumni Relations ("CUDAR") team in October to improve their understanding of the CUEF and support potential collaboration.

⁴ iShares MSCI ACWI ETF exposure via Bloomberg is used as a proxy for MSCI AWCI energy exposure.

In November, Honor Fell, Associate Director and Sustainability Lead, met with the new President of the Student Union to introduce the CUEF and its approach to sustainability. In December, Honor attended the University's Environmental Strategy Sustainability Committee meeting.

The Cambridge University Endowment Trustee Body (CUETB) held its first meeting with unitholders on 23rd November, when it also approved the new Responsible Investment Principles (now available on [UCIM's website](#)).

To round off 2023, in December, the CUEF Annual Review 2023 was published and shared with unitholders and other stakeholders; the Review is also available at the [UCIM website - Annual Review 2023](#).

On 8th February 2024, UCIM will hold its annual “town hall” event, open for everyone at the University to attend to learn more about how the CUEF works, how it supports the University, and its progress implementing the sustainable investment strategy. The town hall is a virtual event and details will be shared with CUEF unitholders in advance. See “Key Dates” below.

UCIM Organisational Update

UCIM welcomed Shiwen Bian, Senior Operations Analyst, back from maternity leave and started the recruitment process for its first Operations Apprentice.

Alex Sligo-Young, Senior Investment Analyst, resigned at the end of the calendar year to pursue a new opportunity. UCIM has commenced recruitment for this role and Alex's close relationship with the investment team will ensure a smooth transition. Alex has been a valued team member, and we wish him every success in his future role.

In January 2024, we announced the well-deserved promotion of Vincent Rustill from Senior Investment Analyst to Investment Associate.

Recruitment for two sustainable investment interns from the University of Cambridge commenced in December 2023, with an encouraging and strong level of applications. Further information is available on the [UCIM website](#). Recruitment for the two further internships, in partnership with GAIN (Girls are Investors) and the 10,000 Black Interns Foundation is approaching a conclusion.

Key dates

Date	Information
Friday 26th January 1.30pm	Q1 Investor Call – calendar appointment and Zoom details shared with unitholders.
Thursday 8th February 12 noon	CUEF Annual Town Hall with the University – MS Teams details to be shared with unitholders by email before 31 st January.
Wednesday 17th April	Q2 Investor Report distribution to unitholders
Thursday 24th April 2.00pm	Q2 Investor Call

*Financial reports are available on the private "Investor Portal" section of the UCIM website:
<https://www.ucim.co.uk/log-in>.*

*If you have yet to register, need support logging in, or for any other information, please email:
Joel Beckman, Communications Lead joel.beckman@ucim.co.uk.*

Leverage

UCIM reports quarterly three actual leverage measures for the CUEF:

- i) the CUEF's own internal method,
- ii) the AIFMD 'Gross' method and,
- iii) the AIFMD 'Commitment' method.⁵

The primary difference between the CUEF's own internal method and that employed by both AIFMD methods is that the latter set incorporates the entire notional value of some of the CUEF's investments; additionally, in the case of the AIFMD 'Gross' method, any hedging is disregarded.

Further detail regarding the calculation of these measures is included in Appendix 2.

As at 30th September 2023 the Fund had no leverage under the CUEF's own method, and capital commitments outstanding of 20%. The AIFMD leverage ratios were as follows: 'Gross' method 128%, 'Commitment' method 98% excluding capital commitments. To aid investor understanding a breakdown of the main contributors to the actual 'Gross' and 'Commitment' leverage levels is provided in Appendix 3.

⁵ Leverage measures as set out in the Alternative Investment Fund Managers Directive ("AIFMD") 2011/61/EU and the Delegated Regulation 231/2013.

Appendices

Appendix 1 – CUEF Performance against Benchmarks

	Calendar Q3 1 Jul – 30 Sep 2023	Calendar Year 1 Jan – 30 Sep 2023	Financial Year (12 months to 30 Jun 2023)	Since 1 Jul 2020 *	Trailing 10 Years (1 Jul 2013 – 30 Jun 2023)
	Cumulative	Cumulative	Cumulative	Annualised	Annualised
CUEF	+1.3%	+4.7%	+4.1%	+8.5%	+9.3%
UK CPI + 5%	+1.6%	+7.6%	+13.3%	+11.5%	+8.1%
“65/35” benchmark**	-1.6%	+5.4%	+4.5%	+3.9%	+7.8%
MSCI ACWI ex. fossil fuels***	+0.0%	+9.0%	+11.8%	+9.0%	+11.1%
MSCI ACWI ex. fossil fuels (USD)	-3.9%	+10.6%	+17.1%	+8.6%	+9.1%
MSCI ACWI (USD)	-3.3%	+10.5%	+17.1%	+9.4%	+9.3%
FTSE All-Share	+1.9%	+4.5%	+7.9%	+9.8%	+5.9%
Bloomberg Global Agg. Bonds (GBP-Hedged)	-2.0%	+0.4%	-0.8%	-3.8%	+1.5%
FTSE British Govt Index-Linked Bonds	-4.7%	-7.2%	-17.0%	-13.0%	+1.7%
MSCI UK Quarterly Property	-0.7%	-0.4%	-15.3%	+2.0%	+6.3%

Notes:

- Past performance is not indicative of future returns.
- CUEF returns calculated based on CUEF Net Asset Value and reported net of fees.
- Data sources: UCIM internal reporting, Bloomberg, CPI data: Office for National Statistics (ONS).
- *1st July 2020 is the date at which various material changes to UCIM's general portfolio approach (and risk limits) were formally incepted by the UCIM Board.
- **65/35" Benchmark consists of:
 - 33% MSCI World Index (GBP-Unhedged) – ex. fossil fuels after 1st July 2020
 - 24% MSCI World Index (GBP-Hedged) – ex. fossil fuels after 1st July 2020
 - 8% MSCI Emerging Markets Index (GBP-Unhedged) – ex. fossil fuels after 1st July 2020
 - 15% Bloomberg Capital Global Aggregate Bond Index (GBP-Hedged)
 - 10% FTSE British Government Index-Linked All Stocks (GBP)
 - 10% UK MSCI Quarterly Property Index (GBP).
- ***MSCI ACWI data is provided excluding fossil fuels from 1st July 2020 onwards.

Appendix 1 – Portfolio Composition

Foreign Exchange Exposure – Total CUEF

	CUEF post FX hedge		
	Quarter End	Financial Year End	Calendar Year End
	30-Sep-23	30-Jun-23	31-Dec-22
GBP	59.1%	58.8%	59.1%
USD	20.3%	21.1%	19.7%
Other Developed Market FX	8.8%	8.2%	8.8%
of which EUR	1.8%	1.8%	2.4%
of which JPY	2.9%	2.5%	2.0%
of which CAD	0.6%	0.5%	0.5%
of which CHF	0.7%	0.7%	0.9%
of which Other	2.8%	2.7%	3.0%
Emerging Market FX	11.8%	11.9%	12.4%

Geographic Region Exposure – Total CUEF

	CUEF		
	Quarter End	Financial Year End	Calendar Year End
	30-Sep-23	30-Jun-23	31-Dec-22
Developed Markets	68.3%	67.9%	70.1%
of which United States	31.4%	32.0%	32.8%
of which UK	19.0%	19.0%	19.3%
of which Europe ex-UK	11.0%	10.7%	11.7%
of which Japan	4.2%	3.6%	3.7%
of which Canada	0.9%	0.9%	0.7%
of which Other DM	1.8%	1.7%	1.9%
Emerging Markets	12.5%	12.1%	13.0%
Balance⁶	19.2%	20.0%	16.9%

⁶ The Balance is predominantly non-directional exposure from the Absolute Return portfolio, a degree of leverage in Equities portfolio, Cash held at both a CUEF level and underlying managers, and a small portion of investments where a lack of data meant it could not be categorised.

Appendix 1 (continued) – Portfolio Composition

Sector Exposure – Total CUEF

	CUEF		
	Quarter End	Financial Year End	Calendar Year End
	30-Sep-23	30-Jun-23	31-Dec-22
Information Technology	18.2%	18.3%	20.5%
Consumer Discretionary	10.7%	10.9%	11.1%
Industrials	10.6%	11.0%	9.0%
Healthcare	9.0%	8.7%	8.1%
Real Estate	8.2%	7.6%	8.0%
Financials	5.9%	5.1%	6.4%
Consumer Staples	4.5%	4.6%	4.8%
Communication Services	4.5%	4.6%	4.3%
Materials	2.9%	2.6%	2.7%
Utilities	2.4%	2.5%	2.8%
Energy	1.6%	2.1%	2.8%
Balance ⁷	21.5%	22.0%	19.5%

⁷ The Balance is predominantly non-directional exposure from the Absolute Return portfolio, a degree of leverage in Equities portfolio, Cash held at both a CUEF level and underlying managers, and a small portion of investments where a lack of data meant it could not be categorised.

Appendix 2: UCIM Leverage Calculation Methods

Since the introduction in 2014 of the Alternative Investment Fund Managers Directive 2011/61/EU ("AIFMD") and the Delegated Regulation 231/2013, we have reported three leverage measures in the Investor Quarterly Report, these being calculated leverage in accordance with the 'Gross' and 'Commitment' methods per AIFMD and in addition, calculated leverage using the CUEF's own internal method.

Calculated leverage using the CUEF's own internal method:

The CUEF's own internal method calculates the amount of leverage employed via cash borrowing or negative cash. Having grossed up derivative positions, this leverage is measured by comparing the net asset value of all investments except those in the Fixed Interest/Cash asset class with the total net asset value of the portfolio. So long as the Fixed Interest/Cash class is a positive percentage of the portfolio, there is no leverage in the portfolio using this method.

Calculated leverage using the AIFMD 'Gross' method:

The AIFMD 'Gross' method considers the gross investment exposure of the Fund and in this scenario, all hedging to protect the portfolio from possible losses is disregarded. In addition, only base currency Fixed Interest/Cash amounts are deducted from the gross investment exposure. In the case of a global fund such as the CUEF, where derivative instruments are used to hedge the portfolio, the 'Gross' method is particularly sensitive to the following:

- (1) Foreign Currency Hedges - The Fund holds investments in any currency without restriction and achieves the hedges as necessary by maintaining forward foreign currency contracts. In the case of a forward foreign currency contract, both the Sterling asset and the foreign currency liability are accounted for within Fixed Interest/Cash. Hence entering into such a contract could not increase leverage. However, leverage under the 'Gross' method ignores this hedging and grosses up the position. For instance, in a hypothetical example, if all investments in a fund were denominated in foreign currencies and all foreign currency exposure in the fund was hedged, the gross exposure would be 200%.
- (2) Asset Class Hedges – The Fund may from time to time hold futures contracts based on, for example, equity indices. In this case, the value of the exposure gained is shown gross within the appropriate asset class (for example, Public Equity or Real Assets) whilst the value of the liability to pay for the exposure is shown within Fixed Interest / Cash. The leverage calculation using the 'Gross' method grosses up these future positions and counts them as exposure that increases the leverage ratio.
- (3) Macro Hedges - The inclusion of notional contract sizes in the valuation methodology for interest rate derivatives leads to what can be considered an "overvaluation" of positions and overstatement of leverage. For the purposes of the gross investment exposure valuation such positions are calculated as follows: 'Gross' exposure valuation = number of contracts x notional contract size x market value of underlying asset x delta as per the conversion methodologies under AIFMD Delegated Regulations 231/2013, Annex II.

Calculated leverage using the AIFMD 'Commitment' method leverage:

This method considers the gross investment exposure of the Fund as covered above in the 'Gross' method but allows reductions for hedging and netting strategies.

Appendix 3: Leverage calculations as of 30th September 2023

Below is a breakdown of the contributors of the actual gross and commitment leverage levels to aid Investor understanding:

CUEF Leverage - CUEF own internal method		£m
CUEF Net Asset Value		4,018.1
Exclude: Operational CUEF Net Current Assets		1.6
Exclude: Fixed Interest / Cash Investments		-184.7
Total Exclusions: CUEF own internal method		-183.1
CUEF Total Investment Exposure - 'CUEF own' method		3,835.0
CUEF Net Asset Value		4,018.1
CUEF Leverage % - CUEF own internal method		95%
CUEF Leverage Limit % - CUEF own internal method		110%

CUEF Leverage - 'Gross' method		£m
CUEF Net Asset Value		4,018.1
Plus: Adjusted Derivative Positions		
- Plain Vanilla Options on Futures Contracts		0.0
- Futures		71.5
- Currency Contracts		1,243.3
Total CUEF Investment Position - 'Gross' method		5,332.9
Exclude: Operational CUEF Net Current Assets		1.6
Exclude: Cash and Cash Equivalents		-202.4
Total Exclusions - 'Gross' method		-200.8
CUEF Total Exposure excluding capital commitments- 'Gross Method'		5,132.2
CUEF Net Asset Value		4,018.1
CUEF Leverage % - 'Gross' method excluding capital commitments		128%
CUEF Capital Commitments (Private Equity)		784.0
CUEF Total Exposure excluding capital commitments- 'Gross Method'		5,916.2
CUEF Net Asset Value		4,018.1
CUEF Leverage % - 'Gross' method including capital commitments		147%
CUEF Leverage Limit % - 'Gross' method		5,000%

CUEF % Leverage - 'Commitment' method	
	£m
CUEF Net Asset Value	4,018.1
Plus: Adjusted Derivative Positions	
- Plain Vanilla Options on Futures Contracts	0.0
- Futures	71.5
- Currency Contracts	1,243.3
Total CUEF Investment Position - 'Commitment' method	5,332.9
Exclude: Operational CUEF Net Current Assets	1.6
Exclude: Hedging positions	-1,391.2
Total Exclusions - 'Commitment' method	-1,389.6
CUEF Total Exposure excluding capital commitments- 'Commitment' method	3,943.3
CUEF Net Asset Value	4,018.1
CUEF Leverage % - 'Commitment' method	98%
CUEF Leverage Limit % - 'Commitment' method	5,000%

Important Information

This report is issued on a confidential basis by University of Cambridge Investment Management Limited ("UCIM") as the investment manager to Cambridge University Endowment Fund for information purposes only. The information is for Professional Clients only. It is confidential and should not be copied or distributed without the consent of UCIM.

All reasonable care has been taken in the preparation of this information. No responsibility can be accepted under any circumstances for errors of fact or omission. Some of the information in this document may contain projections or other forward-looking statements. Such statements are only predictions as of the date of this report which could change without notice and actual events or results may differ. Nothing herein should be construed as investment advice to buy or sell any securities.

The use of any data of Bloomberg, MSCI, LSE Group (FTSE), Cambridge Associates, or their affiliates (herein referred to as "index providers") and the use of relevant index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of UCIM or CUEF by these index providers. The data is believed to come from reliable sources, but no index provider guarantees the timeliness, accurateness or completeness of any data or information relating to the indices referenced and neither is liable in any way to UCIM, CUEF or other third parties with respect to the use or accuracy of the indices or any data included therein.

Past performance is not a guide to future results. The value of an investment and any income from it can go down as well as up and investors may not get back the original amount invested.

University of Cambridge Investment Management Limited is authorised and regulated by the Financial Conduct Authority with reference number 515843.