



Investment Management

# Cambridge University Endowment Fund

Q3 2024-25 Investor Update

*8<sup>th</sup> July 2025*

# Agenda

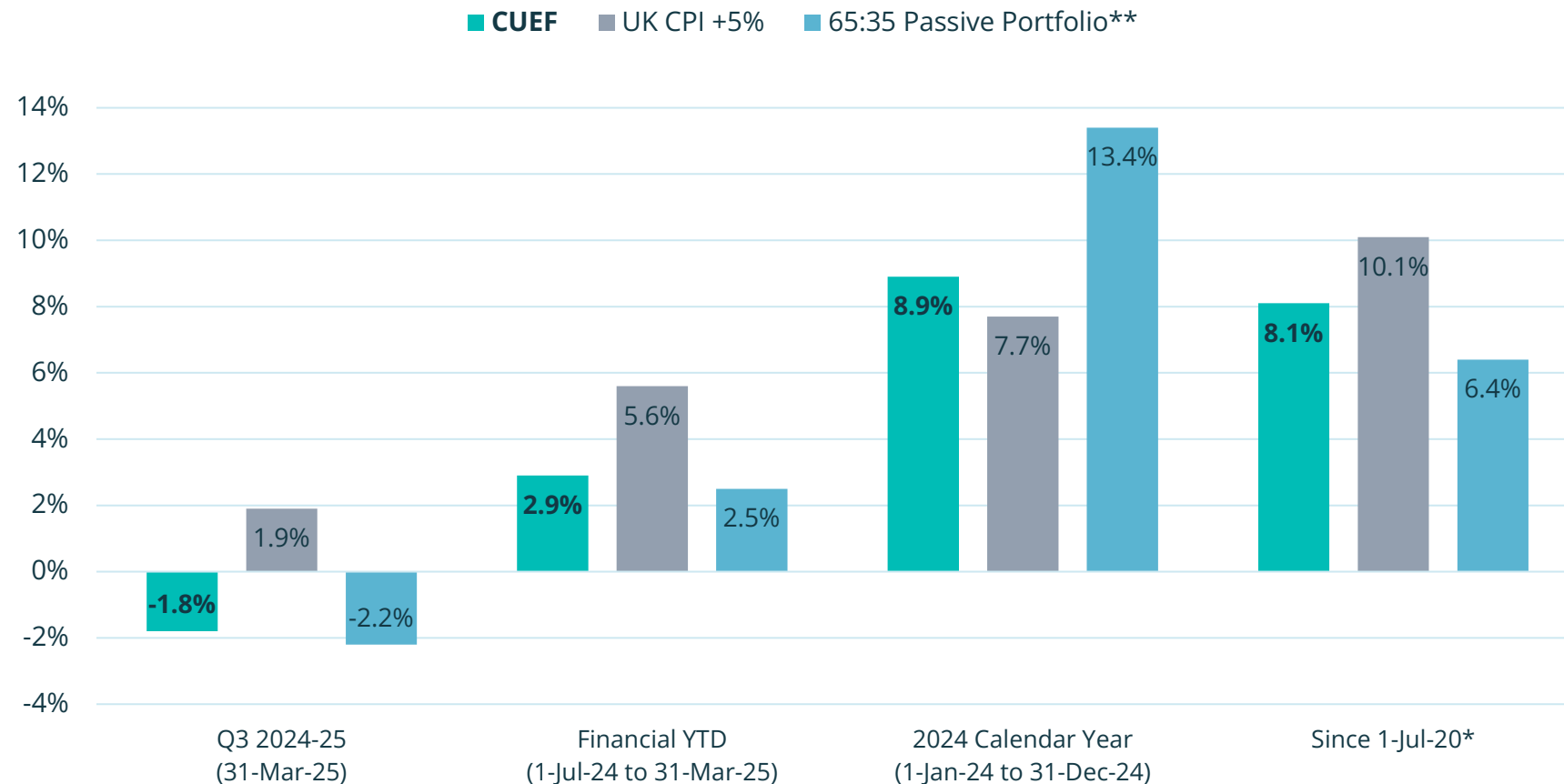
1. Performance
2. Market Update
3. Stress Test
4. Organisational Update
5. Forthcoming Dates
6. Q&A

# CUEF NAV, Unit Value and Distribution per Unit

	Report quarter 31-Mar-25	Previous quarter 31-Dec-24
Net Asset Value (NAV)	<b>£4,324 m</b>	£4,423 m
Unit value	<b>£70.85</b>	£72.84
Distribution per unit £	<b>£0.7104</b>	£0.7104

# CUEF Performance

Returns %



**Data sources:** CPI data from the Office for National Statistics (ONS), CUEF returns calculated based on CUEF Net Asset Value, other data sourced from Bloomberg and UCIM internal reporting.

**Notes:**

- CUEF returns are net of fees. All index returns in Pounds Sterling unless stated. Past performance is not indicative of future returns.

\* 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 benchmark comparisons provided are for informational purposes only. The "65:35 Passive Portfolio" consists of: 33% MSCI World Index (GBP-Unhedged) ex. fossil fuels, 24% MSCI World Index (GBP-Hedged) ex. fossil fuels, 8% MSCI Emerging Markets. Index (GBP-Unhedged) ex fossil fuels, 15% Bloomberg Aggregate Bond Index (GBP-Hedged), 10% FTSE British Government Index-Linked All Stocks (GBP), 10% UK Quarterly Property Index (GBP).

# Asset Class Performance

	Financial Q3 / Calendar Q1 1-Jan-25 to 31-Mar-25	Financial YTD 1-Jul-24 to 31-Mar-25	Calendar Year 2024 (Full)	Since 1-Jul-20*
	Cumulative	Cumulative	Cumulative	Annualised
<b>CUEF</b>	<b>-1.8%</b>	<b>+2.9%</b>	<b>+8.9%</b>	<b>+8.1%</b>
Public Equity	-4.3%	+2.4%	+13.1%	+8.0%
<i>Developed Markets</i>	-5.6%	+3.2%	+16.2%	+9.3%
<i>Emerging Markets</i>	+0.0%	-0.9%	+1.5%	+3.7%
Private Equity	-0.8%	+1.2%	+5.2%	+13.3%
Absolute Return and Credit (LC)**	+1.7%	+6.0%	+8.1%	+6.6%
Real Assets	+1.9%	+2.6%	+0.3%	+7.7%
Inflation Sensitive Assets***	-18.4%	-18.9%	n/a	n/a

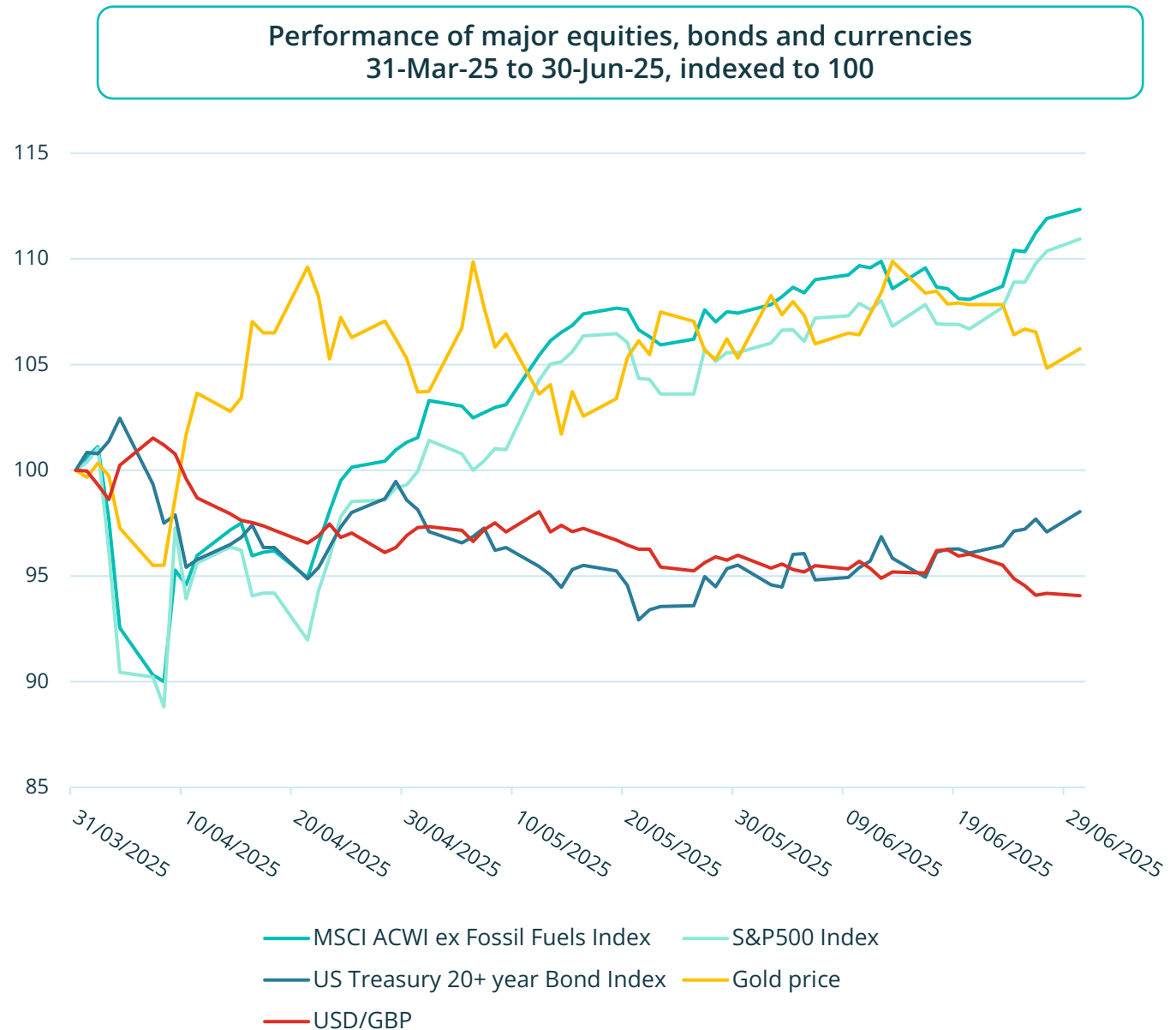
**Data source:** UCIM internal reporting.

**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.
- \*1<sup>st</sup> 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.
- \*\* LC = local currency.
- \*\*\* Inflation Sensitive Assets is a new asset class comprising a small portfolio of UK index-linked gilts and a new fund allocation designed to provide protection to the CUEF portfolio in the event of elevated UK inflation.

# Market Volatility - Update

- The 2<sup>nd</sup> April announcement of broad-based tariffs on foreign goods imported to the US caused significant market volatility
- Equity markets have subsequently recovered losses, although the US Dollar and Treasuries have remained weak
- Gold, traditionally a safe-haven asset, performed particularly strongly and has remained high
- In April, UCIM used a disciplined approach to maintain equity (and FX) exposure through selective and passive instruments
- At the end of April and May, UCIM enacted manager-specific rebalancing actions to optimise position sizes with third-party managers in the CUEF public equity and absolute return and credit portfolios



**Data source:** Bloomberg

**Note:** All index returns are total returns in US dollars unless stated otherwise. Past performance is not indicative of future returns.

\* Performance data shown from 31<sup>st</sup> March 2025 to 30<sup>th</sup> June 2025.

# CUEF Annual Stress Test

## Core Scenario Assumptions

- **45% decline in global public equity markets**, phased over three years
- **Inflation re-accelerates to 10% and declines slowly** to 8.0% and 6.0% over a three-year period
- **No asset class outperformance based on manager selection or diversification**, conservative assumptions for relative performance of other asset classes
- **Investors redeem 50%** of their maximum allowable capital in year one
- **Distributions to investors continue** to be calculated and paid in line with the current model

## Resilience Factors

- **Revolving credit facility** (renegotiated 2024)
- **Uncorrelated Absolute return and Credit portfolio** (22% of the CUEF at 31<sup>st</sup> March 2025)
- Appropriate level of **cash and equivalent assets** held
- **Robust cash management**, modelling and internal reporting

## Outcome

- The CUEF continues to pay distributions
- The CUEF is able to fulfil redemption notices
- The CUEF does not need to sell equities (and should be in a position to opportunistically purchase equities at depressed prices)

# Updates and Forthcoming Activity

## Team

- New graduate analyst starting February 2026
- 2025 summer internships start 14<sup>th</sup> July

## Portfolio

- Completed first-ever trade of a new “Custom Basket Future” product
- Ongoing due diligence on existing and prospective manager opportunities

## Operations

- IT migration project completed successfully

## Stakeholder Engagement

- Fifth cohort of executive education programme for fund managers completed
- Ongoing engagement with the IRDI Working Group



# Forthcoming Dates

<b>Tuesday 22<sup>nd</sup> July</b>	Provisional Year-End NAV
<b>Tuesday 9<sup>th</sup> September</b>	Final Year-End NAV
<b>Last week of October</b>	Investment Management Report
<b>Tuesday 4<sup>th</sup> November (10.00am Trinity Hall)</b>	CUEF Annual Investor Meeting

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