# Cambridge University Endowment Fund

## Quarterly Investor Report

Quarter ended 31st March 2026
*(Q3 of CUEF Financial Year ending 30th June 2026)*



FOR PROFESSIONAL CLIENTS

# Contents

# Quarterly Summary

### Fund, Unit Value and Distribution per Unit

Figure 1 below provides the Net Asset Value, Unit Value and Distribution per Unit for the Cambridge University Endowment Fund for the quarter ended 31st March 2026 (Q3 of the CUEF Financial Year), compared with the previous quarter. Historical performance data is available to download from the Investor Portal on the UCIM website.

*Figure 1: CUEF Net Asset Value, Unit Value and Distribution per Unit*

| | Report quarter 31-Mar-26 | Previous quarter 31-Dec-25 |
|---|---:|---:|
| Net Asset Value (NAV) | £5.0 billion | £4.9 billion |
| Unit value | £78.34 | £77.84 |
| Distribution per unit £ | £0.73 | £0.73 |

### Market Overview Q1 2026

Calendar Q1 2026 saw material market volatility, driven by the outbreak of war between US and Israel with Iran, and the resulting oil price shock, as well as a sell-off in software stocks amid concerns about AI-related disruption. The increase in the price of oil (from $61 per barrel on 1st January 2026 to a peak of $118 on 31st March 2026)[1], triggered by the closure of the Strait of Hormuz, prompted a sharp reassessment of inflation and interest rate expectations.

Given the software-heavy composition of the US market, the S&P 500 declined −4.3% (in US Dollar terms). In emerging markets, there was significant disparity in performance by country. For example, the equity market in Brazil (an energy exporter) rose +22.7%, whereas in oil-reliant India it declined −18.1% (both in USD).[2]

### CUEF Performance

Against this backdrop, the CUEF returned +1.6% for the quarter, ahead of the "65/35 Passive Portfolio" comparator[3] (-1.7%), with positive returns generated by all major asset classes.[4]

The CUEF's public equity portfolio returned +1.0% during the quarter in Sterling terms, outperforming the MSCI ACWI ex. fossil fuels index return of -2.5%. The CUEF's private equity portfolio returned +3.5% in Sterling terms, driven by a selection of venture capital managers. The CUEF's absolute return and credit portfolio returned +0.4% in local currency terms, with seven of the portfolio's twelve managers generating positive local currency returns in the quarter. The real assets portfolio generated a +1.9% Sterling return, with notable performance from one of the CUEF's renewable energy infrastructure managers.

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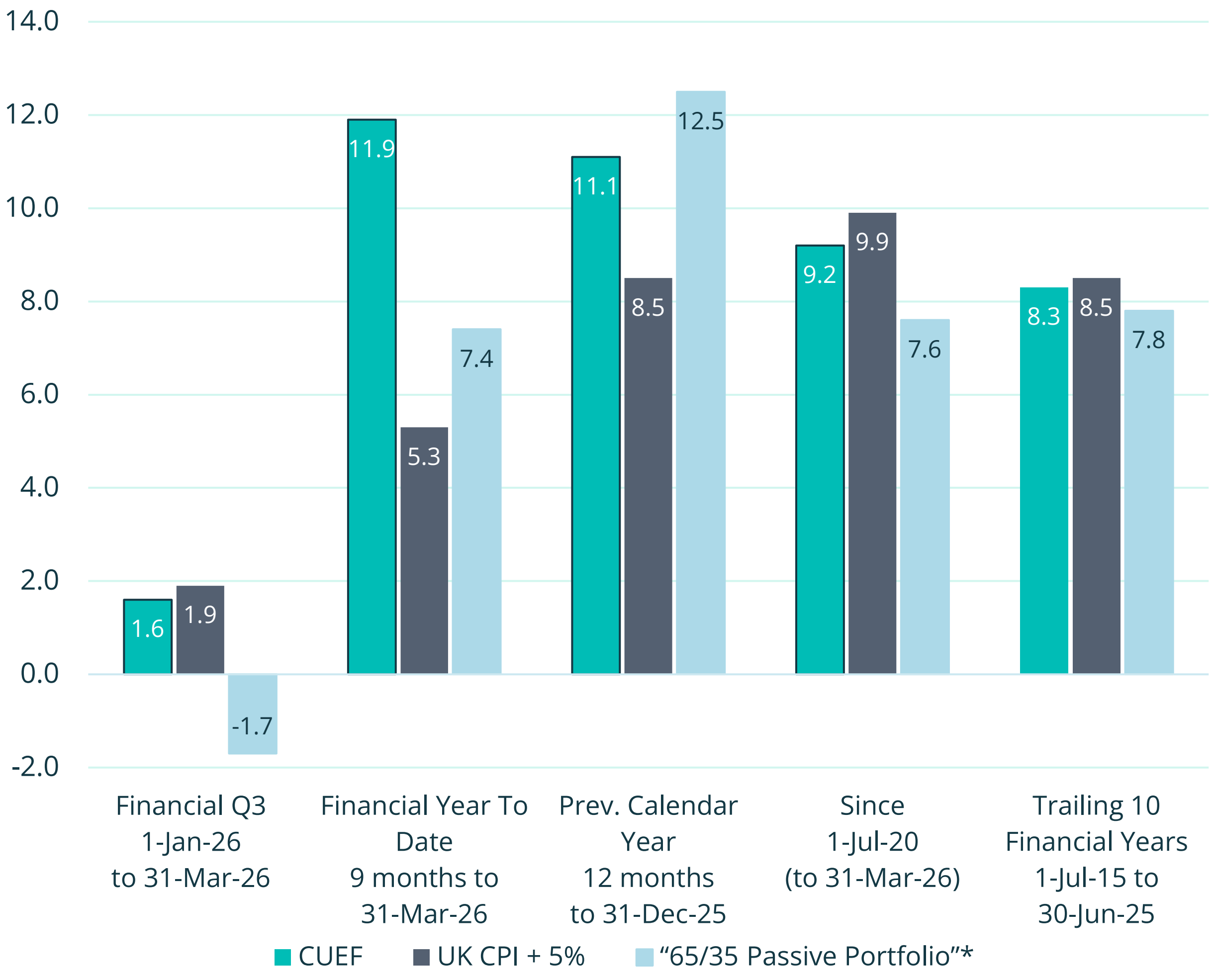
[1] *Based on front-month Brent futures contracts.*
[2] *Brazil – Ibovespa; India – MSCI India, data sourced from Bloomberg*
[3] *UCIM provides the "65/35 Passive Portfolio" for illustrative purposes, as a proxy for the total return that might be achieved were the CUEF to be managed on a passive basis. The composition of the "65/35 Passive Portfolio is provided in Appendix 1.*
[4] *UCIM reports CUEF performance with a lag of one quarter to incorporate the performance of illiquid funds.*

For the nine-month period from 1st July to 31st March 2026 (Financial Year to date), the CUEF returned +11.9%, materially ahead of both its investment objective (UK CPI +5%) and the "65/35 Passive Portfolio" comparator.

This positive year-to-date performance follows the pattern outlined in the previous investor report, whereby returns have been driven by CUEF's public equity portfolio, which has returned +17.8% in Sterling terms, compared to the MSCI ACWI ex. fossil fuels index, which returned +10.7%.

Further details on the drivers of returns by asset class are provided in the Asset Class Review below.

*Figure 2: CUEF returns (%), CUEF investment objective (CPI +5%), "65/35 Passive Portfolio" over respective time periods*




Notes:

- *Past performance is not indicative of future returns.*
- *CUEF returns are calculated based on CUEF Net Asset Value and reported net of all fees, charges and expenses.*
- *Data sources: UCIM internal reporting, Bloomberg, MSCI; CPI data from the Office for National Statistics (ONS).*
- **The "65:35 Passive Portfolio" is reported on a total return basis, its composition is provided in Appendix 1.*
- *Comparisons provided are for informational purposes only.*

# Asset Class Review

*Figure 3: CUEF Asset Class Performance*

| | Financial Q3<br>31-Dec-25<br>to 31-Mar-26 | Financial YTD<br>9 months<br>to 31-Mar-26 | Calendar Year<br>1-Jan-25<br>to 31-Dec-25 | Since<br>1-Jul-20 |
|---|---:|---:|---:|---:|
| | Cumulative | Cumulative | Cumulative | Annualised |
| **CUEF** | **+1.6%** | **+11.9%** | **+11.1%** | **+9.2%** |
| Public Equity | +1.0% | +17.8% | +17.4% | +10.6% |
| *Developed Markets* | *+0.4%* | *+16.7%* | *+16.3%* | *+11.7%* |
| *Emerging Markets* | *+2.9%* | *+21.5%* | *+21.0%* | *+7.0%* |
| Private Equity | +3.5% | +12.2% | +6.3% | +12.9% |
| Absolute Return and Credit (LC)* | +0.4% | +6.6% | +10.7% | +7.1% |
| Real Assets | +1.9% | +6.0% | +9.8% | +8.1% |

*Notes:*

- *Past performance is not indicative of future returns.*
- *CUEF asset class returns are calculated based on CUEF Net Asset Value, reported net of all fees, charges and expenses 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, Bloomberg, MSCI*
- **Local currency*

### Public Equity

The CUEF public equity portfolio returned +1.0% during the quarter, compared to the MSCI ACWI ex. fossil fuels index's return of −2.5% in Sterling terms.  As in the prior quarter, the portfolio benefitted from strong outperformance by the CUEF's sector specialist fund managers in developed markets and its relative overweight to emerging markets.

The CUEF's biotechnology specialist manager was a leading contributor, returning +15.1% in local currency terms; performance was driven by the acquisition of one of its larger holdings by a major pharmaceutical company at a significant premium to the prevailing share price.  In emerging markets, the CUEF's Brazil-focused manager returned +24.1%, benefitting from a broad rally in Brazilian equities.  Two of the CUEF's global quality-focused managers underperformed their benchmarks as their media and software holdings were impacted by broad-based market concerns over AI-led disruption.

*To provide investors with a more detailed assessment of the impacts of AI, a separate paper summarising UCIM's analysis of its AI exposure in the CUEF's public and private equity portfolios is provided alongside this report.  The report notes that the recent market sell-off in companies deemed to be at risk of disruption or obsolescence from AI (in particular, software companies) was broad-based and largely indiscriminate.  UCIM's analysis shows that the dynamics are more nuanced and believes that investors will become more selective about potential "AI winners" and "losers" over time.*

For the Financial Year to date, the CUEF's public equity portfolio returned +17.8%, outperforming the MSCI ACWI ex. fossil fuels index (+10.7%). As noted above, this strong performance was driven by the portfolio's specialist sector managers and more balanced regional positioning relative to the market, specifically the relative overweight to emerging markets.

## Private Equity

The CUEF's private equity portfolio delivered a return of +3.5% in Sterling terms during the quarter. Returns were driven by a selection of venture capital managers, including notable contributions from a UK manager and a China-focused manager. The UK manager's performance was driven by a substantial mark-up in a quantum computing company following interest in acquiring the business at a meaningful premium to its last funding round. The China-focused manager benefitted from strong fundraising momentum across its portfolio, including a large language model provider that was marked up by over 150% following a successful funding round.

Performance of the buyout portfolio was mixed, with strong returns from one manager specialising in the industrials sector, driven by the successful initial public offering of one of its portfolio companies. This was partly offset by markdowns at a software-focused buyout manager, reflecting lower valuations among public comparables.

For the Financial Year to date, the CUEF's private equity portfolio returned +12.2% in Sterling. Since 1st July 2020, the CUEF's private equity portfolio has returned +12.9% on an annualised basis.

During the quarter, UCIM completed new commitments, including an additional allocation to an India-focused private equity manager and a new relationship with a US venture capital firm focused on deploying artificial intelligence within physical industries. UCIM also made a co-investment alongside a North American buyout manager.

## Absolute Return and Credit

The absolute return and credit portfolio acts as a reliable liquidity provider to the CUEF, particularly during periods of market disruption, and is designed to be uncorrelated to broader equity markets. The portfolio primarily comprises hedge funds and other uncorrelated assets such as cash or short-duration bonds.

The CUEF's absolute return and credit portfolio rose +0.4% in local currency terms (+1.4% in Sterling), ahead of the −0.4% return of its local currency benchmark.[5] Seven of the portfolio's twelve core managers had positive returns in their respective local currencies. The most notable contributor was a European credit manager whose returns were driven by the reorganisation of equity in a UK industrials company ahead of an expected IPO. The most notable detractor was a macro hedge fund, which suffered negative returns due to positioning around the US–Iran conflict (this positioning and the fund's returns have since reversed in Q2 of the Calendar Year).

For the Financial Year to date, the absolute return and credit portfolio returned +6.6% in local currency terms, with 10 of the portfolio's 12 managers achieving positive returns.

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[5] [2] *0.2x MSCI World ex. Fossil Fuels + 0.8x UK 0–1 Year Gilts.*

**Real Assets**

The CUEF's real assets portfolio returned +1.9% in Sterling terms during the quarter, led by strong performance from the natural resources portfolio, which delivered a return of +4.3%. The CUEF's specialist metals and mining manager, focused on supplying critical resources for the energy transition, generated a return of +13.1%. In aggregate, the CUEF's real estate managers returned +0.9%, supported by leasing activity across the portfolio.

For the Financial Year to date, the real assets portfolio returned +6.0%. After the quarter end, UCIM made a new investment with a natural resources specialist and an industrial real estate manager completed the sale of a number of units from a legacy portfolio at an 18.4% premium to the prior valuation.

# Asset Allocation

Figure 4 below shows the CUEF asset allocation at the end of the previous quarter (31st December 2025), the end of the reported quarter (31st March 2026), and the long-term asset allocation targets. The CUEF's allocation to public equity was marginally elevated at the end of the quarter ended 31st December 2025, due to the timing impact of month-end rebalancing. Notwithstanding this, the CUEF's asset allocation remained relatively unchanged since the previous quarter.

*Figure 4: CUEF Asset Allocation Summary*

| | Last Quarter 3-Dec-25 | **Current Quarter** 31-Mar-26 | | Long-Term Target Allocation |
|---|---|---|---|---|
| | % | £ | % | % |
| Total Equity | 66% | **£3112.4m** | **62%** | 60-65% |
| *Public Equity* | 42% | ***£1857.4m*** | ***37%*** | *30-35%* |
| *Private Equity* | 24% | ***£1255.0m*** | ***25%*** | *30%* |
| Absolute Return & Credit | 21% | **£1113.4m** | **22%** | 20-22.5% |
| Real Assets | 9% | **£460.3m** | **9%** | 10-12.5% |
| Inflation-Sensitive Assets* | 1% | **£57.0m** | **1%** | 5% |
| Cash & Fixed Income | 3% | **£265.2m** | **5%** | |
| **TOTAL** | **100%** | **£5008.4m** | **100%** | **100%** |

***Data source****: UCIM internal reporting.*
**"Inflation Sensitive Assets" consists of a small portfolio of UK index-linked gilts and a new hedge fund allocation designed to provide protection to the CUEF portfolio in the event of elevated UK inflation.*

# Sustainability

As of 31st March 2026, the CUEF's conventional energy exposure was 1.0%, an increase of 0.4% since 31st December 2025, but still meaningfully below the MSCI ACWI (4.5%)[3]. This increase was due to a change in the positioning of one of the CUEF's absolute return and credit managers, following the closure of the Strait of Hormuz.

UCIM's sustainable investment strategy is focused on engaging with its fund manager partners to support them in decarbonising their portfolios and achieving real-world outcomes. In June, following UCIM's engagement, one of the CUEF's public equity managers substantially improved its voting policy, particularly on climate-related issues. The managers' new policy aligns with UCIM's view and guidance on best practices, including how it assesses the governance, climate disclosures, emissions-reduction targets, and physical risk of its portfolio companies.

The sixth cohort of UCIM's sustainable investment executive education programme for fund manager partners commences on 1st July in Singapore, with senior representatives from seven of UCIM's Asia-based managers taking part.

# UCIM Organisation

UCIM is pleased to report several positive team developments. Within the operations team, Elliot Durose successfully completed his Investment Operations Specialist Apprenticeship and has subsequently been promoted to Operations Analyst. Alice Vaissi has been promoted to Head of Compliance, reflecting both the growing importance of compliance within financial services and her expanding external representation of UCIM.

In the investment team, Vincent Rustill has been promoted to Senior Investment Associate, and, following the successful completion of her two-year graduate programme, Kate Pruden will assume the role of Sustainable Investment Analyst from 1st August 2026. UCIM is also pleased to confirm the successful completion of the recruitment process for a further graduate Investment Analyst: Tom Edgar will join in August having graduated from Kings College, London, alongside Shivansh Pandey of Gonville & Caius College, Cambridge, further augmenting the investment team's capacity.

UCIM continued to strengthen its internal technology and data capabilities during the period, with a focus on implementing AI across the investment and operations teams. To support this, UCIM has developed a formal AI and Data Governance Framework, with input from and oversight by the UCIM Board. UCIM has completed the rollout of Microsoft Copilot, Claude and note-taking licences across the organisation, supported by ongoing employee training and guidance on the appropriate use of AI.

Members of the UCIM team continued to meet with and present to University departments and stakeholders, including Cambridge Judge Business School, Cambridge Zero, Cambridge Enterprise and the Cambridge University Finance and Investment Society. In March, Sam Sturge was interviewed for the "How I Invest" podcast.

# Investor Reporting Dates

Please note that, in addition to the usual year-end investor presentation taking place in Cambridge on 3rd November, UCIM will host an additional meeting in London to report on the CUEF's 2026 year-end performance, especially for external members of investment committees. This will take place at 4.00pm on Thursday, 12th November; please email Joel Beckman if your organisation has London-based committee members who would like to attend this session.

| 2026 Dates | Reporting |
|---|---|
| Tuesday 7th July (2.00pm) | CUEF Q3 Update Call |
| Wednesday 22nd July | Year-end estimated unit value provided |
| Tuesday 8th September | Year-end final unit value provided |
| Friday 30th October | Annual Investment Management Report issued |
| Tuesday 3rd November (11.00am – 1.00pm) | Annual Investor Meeting (Trinity Hall) |
| *Thursday 12th November 4.00pm – 6.00pm* | *Annual Investor Meeting in London for external members of investment committees.* |

*Financial reports are available on the private Investor Portal section of the UCIM website. For support accessing the Portal, or for any other information, please email:*
*Joel Beckman, Communications Lead joel.beckman@ucim.co.uk*

# Leverage

UCIM reports three leverage measures quarterly for the CUEF:

i) the CUEF's own internal method,
ii) the AIFMD 'Gross' method and,
iii) the AIFMD 'Commitment' method.[6]

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 and 3.

As at 31st March 2026 the Fund had no leverage under the CUEF's own internal method, and capital commitments outstanding of 21%. The AIFMD leverage ratios were as follows: 'Gross' method excluding capital commitments 122%, 'Commitment' method 103%. To aid investor understanding a breakdown of the main contributors to the 'Gross' and 'Commitment' leverage levels is provided in Appendix 3.

[6] *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

*Figure 5: CUEF returns, the CUEF investment objective (UK CPI +5%), a "65:35 Passive Portfolio"* and other leading indices.*

| | Financial Q3 31-Dec-25 to 31-Mar-26 | Financial YTD 9 months to 31-Mar-26 | Calendar Year 1-Jan-25 to 31-Dec-25 | Since 1-Jul-20 | Trailing 10 Financial Years (1-Jul-15 to 30-Jun-25) |
|---|---|---|---|---|---|
| | Cumulative | Cumulative | Cumulative | Annualised | Annualised |
| **CUEF** | **+1.6%** | **+11.9%** | **+11.1%** | **+9.2%** | **+8.3%** |
| UK CPI + 5% | +1.9% | +5.3% | +8.5% | +9.9% | +8.5% |
| "65:35 Passive Portfolio" * | -1.7% | +7.4% | +12.5% | +7.6% | +7.8% |
| MSCI ACWI ex. fossil fuels** | -2.5% | +10.7% | +14.6% | +12.0% | +12.0% |
| MSCI ACWI ex. fossil fuels (USD) | -4.4% | +6.5% | +23.1% | +13.3% | +10.6% |
| MSCI ACWI (USD) | -3.1% | +7.9% | +22.9% | +13.7% | +10.5% |
| FTSE All-Share | +2.4% | +16.4% | +24.0% | +12.3% | +6.8% |
| Bloomberg Global Agg. Bonds (GBP-Hedged) | -0.2% | +1.7% | +4.8% | +0.1% | +1.6% |
| FTSE British Govt Index-Linked Bonds | +1.3% | +3.2% | +1.3% | -7.2% | -0.6% |
| MSCI UK Quarterly Property | +1.3% | +4.0% | +5.7% | +3.0% | +3.8% |

*Notes:*

- *Past performance is not indicative of future returns.*
- *CUEF returns calculated based on CUEF Net Asset Value and reported net of fees, charges and expenses.*
- *Comparisons provided are for informational purposes only.*
- *Data sources: UCIM internal reporting, Bloomberg, MSCI, CPI data: Office for National Statistics (ONS).*

- **65/35 Passive Portfolio" is provided on a total return basis and 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[7]*
  - *8% MSCI Emerging Markets Index (GBP-Unhedged) – ex. fossil fuels after 1st July 2020*
  - *15% Bloomberg Global Aggregate Bond Index (GBP-Hedged)*
  - *10% FTSE British Government Index-Linked All Stocks (GBP)*
  - *10% MSCI UK Quarterly Property Index (GBP).*

- ***MSCI ACWI data is provided excluding fossil fuels from 1st July 2020 onwards.*

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*[7] Given the CUEF's charitable status typically results in not paying withholding tax on dividend income, UCIM typically uses "gross total return" indices in the construction of the "65/35 Passive Portfolio" comparator. However, to reflect the withholding tax paid in some markets or within some commingled fund vehicles, UCIM believes it is appropriate that this portion of the equity exposure in the "65/35 Passive Portfolio" should be net of withholding tax. Further, since an ex. fossil fuels version of a GBP-hedged MSCI World Net Total Return Index is not available, UCIM proxies this return by adjusting the GBP-unhedged index by the estimated cost of hedging.*

## Appendix 2 – Portfolio Composition

*Foreign Exchange Exposure – Total CUEF*

| | CUEF | | |
|---|---|---|---|
| | **Quarter End** | **Calendar Year End** | **Last Financial Year End** |
| | 31-Mar-26 | 31-Dec-25 | 30-Jun-25 |
| **GBP** | **59.6%** | **58.5%** | **57.1%** |
| **USD** | **14.0%** | **15.4%** | **22.5%** |
| **Other Developed Market FX** | **16.4%** | **17.2%** | **11.3%** |
| *of which EUR* | *6.9%* | *6.8%* | *2.1%* |
| *of which JPY* | *4.2%* | *4.2%* | *3.4%* |
| *of which CAD* | *0.4%* | *0.5%* | *0.4%* |
| *of which CHF* | *0.3%* | *0.5%* | *0.8%* |
| *of which Other* | *4.6%* | *5.2%* | *4.6%* |
| **Emerging Market FX** | **10.0%** | **8.9%** | **9.1%** |

*Geographic Region Exposure – Total CUEF*

| | CUEF | | |
|---|---|---|---|
| | **Quarter End** | **Calendar Year End** | **Last Financial Year End** |
| | 31-Mar-26 | 31-Dec-25 | 30-Jun-25 |
| **Developed Markets** | **69.0%** | **72.9%** | **70.2%** |
| *of which United States* | *30.8%* | *32.0%* | *29.0%* |
| *of which UK* | *17.8%* | *18.8%* | *20.3%* |
| *of which Europe ex-UK* | *14.1%* | *15.5%* | *14.0%* |
| *of which Japan* | *4.3%* | *4.2%* | *4.3%* |
| *of which Canada* | *0.6%* | *0.7%* | *0.7%* |
| *of which Other DM* | *1.4%* | *1.8%* | *1.9%* |
| **Emerging Markets** | **12.5%** | **11.5%** | **10.9%** |
| **Balance**[8] | **18.5%** | **15.6%** | **18.9%** |

*[8] 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 (continued) – Portfolio Composition

*Sector Exposure – Total CUEF*

| | CUEF | | |
|---|---|---|---|
| | **Quarter End** | **Calendar Year End** | **Last Financial Year End** |
| | 31-Mar-26 | 31-Dec-25 | 30-Jun-25 |
| Information Technology | 18.1% | 19.4% | 17.5% |
| Industrials | 15.9% | 15.4% | 13.8% |
| Consumer Discretionary | 7.0% | 7.8% | 8.1% |
| Real Estate | 9.9% | 10.3% | 10.5% |
| Healthcare | 9.5% | 9.1% | 8.0% |
| Financials | 6.2% | 6.6% | 7.1% |
| Consumer Staples | 2.5% | 3.4% | 4.4% |
| Communication Services | 4.3% | 4.3% | 4.1% |
| Utilities | 4.0% | 4.1% | 4.0% |
| Materials | 2.5% | 3.0% | 2.2% |
| Energy | 1.0% | 0.6% | 1.0% |
| Balance[9] | 19.1% | 16.0% | 19.3% |

[9] *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 3: 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 31st March 2026

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

| CUEF Leverage - CUEF own internal method | |
|---|---|
| | **£m** |
| **CUEF Net Asset Value** | **£5,008 m** |
| Exclude: Operational CUEF Net Current Assets | £21 m |
| Exclude:  Fixed Interest / Cash Investments | -£190 m |
| **Total Exclusions: CUEF own internal method** | **-£169 m** |
| **CUEF Total Investment Exposure - 'CUEF own' method** | **£4,839 m** |
| CUEF Net Asset Value | £5,008 m |
| CUEF Leverage % - CUEF own internal method | 97% |
| CUEF Leverage Limit % - CUEF own internal method | 110% |

| CUEF Leverage - 'Gross' method | |
|---|---|
| | **£m** |
| **CUEF Net Asset Value** | **£5,008 m** |
| Plus: Adjusted Derivative Positions | |
| - Currency Options | £145 m |
| - Currency Contracts | £1,105 m |
| - Futures | £0 m |
| **Total CUEF Investment Position - 'Gross' method** | **£6,258 m** |
| Exclude: Operational CUEF Net Current Assets | £21 m |
| Exclude: Cash and Cash Equivalents | -£193 m |
| **Total Exclusions - 'Gross' method** | **-£172 m** |
| **CUEF Total Exposure excluding capital commitments- 'Gross Method'** | **£6.086 m** |
| CUEF Net Asset Value | £5,008 m |
| CUEF Leverage % - 'Gross' method excluding capital commitments | 122% |
| CUEF Capital Commitments (Private Equity) | £1,098 m |
| **CUEF Total Exposure including capital commitments- 'Gross Method'** | **£7,184m** |
| CUEF Net Asset Value | £5,008 m |
| CUEF Leverage % - 'Gross' method including capital commitments | 143% |
| CUEF Leverage Limit % - 'Gross' method | 5,000% |

| CUEF % Leverage - 'Commitment ' method | |
|---|---|
| | |
| **CUEF Net Asset Value** | **£5,008 m** |
| Plus: Adjusted Derivative Positions | |
| - Currency Options | £145 m |
| - Currency Contracts | £1,105 m |
| - Futures | £0 m |
| **Total CUEF Investment Position - 'Gross' method** | **£6,258 m** |
| Exclude: Operational CUEF Net Current Assets | £21 m |
| Exclude: Hedging positions | -£1,118 m |
| **Total Exclusions - 'Commitment' method** | **-£1,097 m** |
| **CUEF Total Exposure excluding capital commitments- 'Commitment' method** | **£5,161 m** |
| CUEF Net Asset Value | £5,008 m |
| CUEF Leverage % - 'Commitment' method | 103% |
| CUEF Leverage Limit % - 'Commitment' method | 5,000% |

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