The University of Alberta is one of the largest collecting institutions in Canada. With 29 registered museum collections distributed across campus and millions of museum objects, the University of Alberta Museums is a unique system that is integral to the University of Alberta’s academic mission. The University of Alberta has a long tradition of collecting on campus and all museum objects are used to create new knowledge. Collections are accessed by students, researchers, and the community through classes, online platforms, and exhibitions. All the photos in the following report are supplied by the University of Alberta Museums and connect museum collections to new research and knowledge and demonstrate how museum collections help answer some of life’s biggest questions.

Cover page: *Mayfair Woods, Edmonton*, date unknown; Joseph van der Gracht: Born Netherlands, 1880, Died Vancouver, British Columbia, 1959; University of Alberta Museums Art Collection; 1950.25

Inside Cover: *Undergrowth*, 1941; Emily Carr: Born Victoria, British Columbia, 1871, Died Victoria, British Columbia, 1945; University of Alberta Museums Art Collection; 1950.38
Letter from the Investment Committee Chair

I am pleased to present the 2021 annual report on behalf of the University of Alberta Investment Committee. The investment assets under the oversight of the Investment Committee totaled $2.8 billion as of March 31, 2021, of which just over half, $1.57 billion, represented endowments. Over the year, endowment assets provided $56 million for program spending on scholarships and research, which represents a $3 million increase from the prior year.

The University Endowment Pool (UEP) returned 28% this past year, higher than the return coming out of the Global Financial Crisis in 2010. This return builds on the UEP’s impressive record of accomplishment and ability to manage capital throughout the economic cycle. The UEP has exceeded its long-term target of 7.25% with a 9.5% annualized return since inception. The Non-Endowed Investment Pool (NEIP) returned 12.3%, outperforming its benchmark return of 11.4%.

Over the past year, we have all adopted significant changes in our daily life due to the COVID-19 pandemic. The global recession that began in early 2020 proved to be one of the shortest on record, as unprecedented fiscal and monetary stimulus prevented a worldwide depression. Reason for optimism surfaced in late 2020 as multiple vaccine approvals led to the expectation that life will return to some degree of normalcy in 2021. As a result, capital market volatility abated and risk assets soared as the effects of the economic stimulus began to take hold. Many equity indices around the world reached new records and commodities took flight as higher inflation expectations gained traction for the first time in decades. Consequently, safe haven assets such as sovereign bonds and the US dollar underperformed. The UEP benefitted from its overweight allocation to Growth assets and underweight to Deflation Hedging over the past year. Mild negative performance from Diversifiers as well as an underweight allocation to Inflation Sensitive strategies more than offset this and caused the UEP to lag its benchmark. With many assets appearing richly valued and central banks contemplating policy normalization amidst the expectation of higher inflation, markets may face unique challenges not seen before. Navigating this new set of risks will be a focus for Management and the Investment Committee over the coming year.

The Investment Committee continued to oversee Management’s implementation of both the UEP and NEIP target asset allocations over the past year. A comprehensive UEP asset allocation study conducted during the year culminated with commensurate updates made to the University Funds Investment Policy. In the coming year Management will continue advancing the UEP closer to its strategic targets, and undergo an asset allocation review for the NEIP to ensure the present approach remains appropriate.

I would like to acknowledge the dedication and service of Dave Lawson and John Butler, Investment Committee members whose terms ended during the year. Dave served as the Chair for many years and John was a long serving member known for his excellent questions. I also thank the continuing members of the Investment Committee and Management for their hard work in support of the University and its stakeholders over the past year. We hope everyone continues to stay healthy and positive.

Derek Brodersen, CFA
Chair, Board Investment Committee, University of Alberta
Executive Summary

The investment assets of the University of Alberta under the purview of the Investment Committee had a total market value of $2.79 billion as of March 31, 2021 (2020 - $2.27 billion) divided between $1.57 billion (2020 - $1.28) in Endowed Funds and $1.22 billion (2020 - $0.99) in Non-Endowed Funds.

With few exceptions, the Endowed Funds are pooled and invested collectively in the University Endowment Pool (UEP). Endowment funds represent permanently restricted capital, and only a portion of the earnings can be allocated for their specified purpose. The investment objective of the UEP is to achieve a long-term rate of return that in real terms (i.e. adjusted for inflation) meets or exceeds total endowment spending, as outlined in the UEP Spending Policy. By meeting this objective, the University is able to preserve intergenerational equity for students and researchers, ensuring a comparable level of support between current beneficiaries and future generations.

In contrast, the Non-Endowed Investment Pool (NEIP) consists primarily of expendable operating and research funds. Its investment profile is shorter-term in nature and with a greater focus on capital preservation. Like the UEP, these funds are pooled together for investment purposes until required. Investment earnings derived from this program directly support the University’s budget.

Endowment Funds - Highlights

- The UEP returned 28% during the year as robust performance from Growth and Inflation Sensitive strategies more than offset weaker performance in the Deflation Hedging and Diversifiers categories.

- The market value of the Endowment Funds ended the 2021 fiscal year at $1.57 billion, up $289 million from 2020. This increase is comprised of $345 million in investment gains plus $19 million in donations, less the $56 million program spending allocation, $10 million for investment management costs, and the $9 million administrative assessment for indirect costs associated with the supporting endowed programs.

- During the year, the real value of the endowments increased by 20.5% - the 28% return less a net 5.3% for total expenditures and inflation of 2.2%. As a result, the value of the endowments over their cumulative inflation adjusted objective increased to $281 million as of March 31, 2021, or 21.8% as outlined in Exhibit 1. The current surplus is necessary to protect against potential market volatility and allows for stable spending support heading into the coming year.

Exhibit 1

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Value</th>
<th>Donations Inflated by CPI</th>
<th>2021 Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>700</td>
<td>330</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>750</td>
<td>360</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>800</td>
<td>390</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>850</td>
<td>420</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>900</td>
<td>450</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>950</td>
<td>480</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>1000</td>
<td>510</td>
<td>$281</td>
</tr>
<tr>
<td>2019</td>
<td>1050</td>
<td>540</td>
<td>$281</td>
</tr>
<tr>
<td>2020</td>
<td>1100</td>
<td>570</td>
<td>$281</td>
</tr>
<tr>
<td>2021</td>
<td>1150</td>
<td>600</td>
<td>$281</td>
</tr>
</tbody>
</table>
• For the fiscal year, $56 million was made available for spending on academic programs, faculty support, research, and scholarships. This represents an increase of $3 million from last year.

• The UEP’s benchmark returned 31% this past year indicating underperformance of 3%. Over the past ten years, the fund has outperformed its benchmark by an annualized rate of 0.3%.

Non-Endowed Funds - Highlights

• The NEIP returned 12.3% for the year as performance was positive across the Liquidity, Yield, and Return Seeking strategies.

• Significant progress was made in implementing the Yield strategy. Allocations to absolute return and private credit strategies were completed throughout the year while additional capital was deployed into Canadian preferred shares.

• The value of the NEIP’s Yield and Return Seeking strategies continues to exceed their underlying obligations by $153 million (2020 - $30 million) or 19.7% (2020 – 5.8%). The surplus value supports the investment income reserve.

The Anne Lambert Clothing and Textiles Collection includes everyday wear and designer clothes for men, women and children from different continents and spanning over 350 years of history. Curator, Dr. Anne Bissonnette, has provided insight into the science behind facemasks. Read the story from Folio.
Major Initiatives During the Year

**UEP Asset Allocation Study & University Funds Investment Policy Revisions**

Over the course of the year, Management in consultation with the Investment Committee conducted its first comprehensive review of the UEP’s strategic asset allocation since 2013. Utilizing internal capabilities and endowment-specific modelling software, Management constructed and examined numerous portfolios for their expected probability of meeting the UEP’s objective of achieving intergenerational equity over the long term. Through its ongoing dialogue with the Investment Committee, Management rigorously tested the assumptions and parameters within which the revised strategic asset allocation was developed. The Investment Committee and Board of Governors subsequently approved the revised University Funds Investment Policy in early 2021. Work on this project is ongoing and Management will detail its specific approach to implementing each asset group later in 2021 for approval by the Investment Committee.

**Implementation of the UEP Strategic Asset Allocation**

Despite Management’s focus on policy related initiatives over the past year, progress continued in the construction of the UEP’s allocation to private markets through a variety of new commitments. Within Growth, three private equity fund commitments and two co-investments were made. In Inflation Sensitive, commitments to a European value-add real estate fund, two energy and renewables funds, as well as two co-investments were completed. Capital calls accelerated throughout the year as existing funds continued to draw down capital and the total number of commitments grew. However, capital outflows were tempered by some early investments that are now starting to distribute cash back to the UEP. At the end of the fiscal year private market assets totalled 13.6% of the UEP.

**Implementation of the NEIP Yield Strategy**

The past year saw significant development of the NEIP’s Yield strategy through the appointment of a number of new managers and allocations. The NEIP’s liquid alternatives portion added three multi-asset absolute return managers. Additional commitments to three private credit strategies were also finalized with capital expected to be called over the next 12-36 months. Management also increased the existing allocation to Canadian preferred shares and deferred making an allocation to commercial mortgages pending greater clarity on post-COVID real estate trends.
Endowment Funds

The primary investment objective for the UEP is to achieve a long-term real rate of return that equals or exceeds total endowment spending. Emphasis is placed on preserving intergenerational equity to ensure all beneficiaries, current and future, receive comparable levels of support. Assets are classified based on the strategic role they perform within the portfolio, specifically: Growth, Inflation Sensitive, Deflation Hedging, and Diversifiers.

- To meet spending targets and grow the value of the assets over time, a large allocation to public and private equities is necessary.
- Inflation sensitive assets are those that respond favourably to unexpected and/or rising inflation. The assets in this category include real estate, natural resource equities, energy and renewables, and commodities.
- Deflation hedging assets remain liquid and maintain their value during times of extreme economic and capital market turmoil. This strategy consists of high-quality sovereign bonds.
- Diversifiers are investment strategies that have low or no expected correlation with the capital markets or inflation and include absolute return strategies and cash.

Endowment investments are categorized by Strategic Role in Exhibit 2.

Exhibit 2

UEP Asset Allocation by Strategic Role

![Diagram showing asset allocation for Growth, Inflation Sensitive, Deflation Hedging, and Diversifiers from 31-Mar-20 to 31-Mar-21, with a target allocation for each category.]

- Growth
- Inflation Sensitive
- Deflation Hedging
- Diversifiers
The fiscal 2021 return of 28% reflects:

- Strong absolute and relative performance from most investment strategies.
- An overweight allocation to public equities at the expense of other assets.
- Canadian dollar appreciation which dampened absolute performance.

The UEP remains invested for the long-term with the expectation of providing a return in excess of spending and inflation in some years to compensate for years when this is not the case. Exhibit 3 illustrates the UEP’s historical performance relative to the return objective of 7.25%.
As shown in Exhibit 4, since its April 1989 inception the UEP has produced an annualized return of 9.5%. This performance has exceeded since inception annualized endowment spending plus inflation of 7.5%. Performance has also surpassed spending and inflation over the past four and ten year periods. The UEP remains in a position to allow for stable support for students, researchers, and the University during this challenging environment.

**Exhibit 4**

**Endowment Returns vs. Spending, Expenses, Fees + Inflation**

As shown in Exhibit 4, since its April 1989 inception the UEP has produced an annualized return of 9.5%. This performance has exceeded since inception annualized endowment spending plus inflation of 7.5%. Performance has also surpassed spending and inflation over the past four and ten year periods. The UEP remains in a position to allow for stable support for students, researchers, and the University during this challenging environment.

Peach Blossom Spring, 1719; Set of twelve hanging scrolls; Yuan Jiang; Mactaggart Art Collection; Gift of Sandy and Cécile Mactaggart; 2004.19.11
Further Perspectives on Investment Performance

The performance of all strategies is measured against relevant benchmarks while the overall fund return is compared to the benchmark outlined in Exhibit 5. The difference between the UEP and its benchmark return reflects the impact of allocation decisions by Management together with active decisions by our external managers.

The UEP return of 28% over the past year trailed its benchmark return of 31%. The portfolio’s Growth strategy contributed the majority of the relative performance as external public equity strategies strongly outperformed across all regions during the year. Inflation Sensitive assets were a detractor due primarily to the energy and renewables allocation, which was in an underweight position for the year and suffered from a lag in private market valuations. The Deflation Hedging strategy was mildly accretive to relative returns due to outperformance and an underweight allocation for the year. The Diversifiers program, in aggregate, detracted from returns largely due to allocation effects as other assets outpaced its contribution by a wide margin. Further details on each of the strategies are provided below.

Growth

Growth assets generated a 40.3% return over the past year as equity markets rallied from the depths of the COVID-19 crisis. Performance was positive across all geographies and underlying strategies within the public equity program. Cyclically oriented markets like Canada outperformed on expectations of a global economic reopening. Value strategies staged a significant rally at the expense of growth and low volatility following positive vaccine developments and heightened inflation expectations towards the end of 2020. Small cap strategies also outperformed across all geographies as these companies generally benefit more than their large cap peers do during periods of higher economic growth. Towards the end of 2020, Management trimmed the allocation to global equity following several months of strong performance and redeployed the capital into Inflation Sensitive strategies.

The UEP’s existing private equity investments continued to call and distribute capital as they progress through their fund lives. Management made two new fund commitments (one to growth, and one to venture capital) and increased its commitment to an existing venture capital fund investment during the year. An additional co-investment in a venture capital portfolio company was also finalized. With a new strategic asset allocation now in place, Management will continue working alongside its private markets advisor to build out the program over the coming years.

Exhibit 5

<table>
<thead>
<tr>
<th>UEP Investment Policy Benchmark</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI Canada IMI</td>
<td>10%</td>
</tr>
<tr>
<td>MSCI World IMI</td>
<td>35%</td>
</tr>
<tr>
<td>MSCI Emerging Markets IMI</td>
<td>10%</td>
</tr>
<tr>
<td>Cambridge Associates Private Equity Index</td>
<td>5%</td>
</tr>
<tr>
<td>IPD/Realpac Global Property Index</td>
<td>7%</td>
</tr>
<tr>
<td>S&amp;P Global Natural Resources Index</td>
<td>5%</td>
</tr>
<tr>
<td>Dow Jones North America Select Junior Oil/Gas Index</td>
<td>5%</td>
</tr>
<tr>
<td>Bloomberg Commodity Index</td>
<td>3%</td>
</tr>
<tr>
<td>FTSE/TMX All Federal Bond Index</td>
<td>10%</td>
</tr>
<tr>
<td>LIBOR + 6%</td>
<td>10%</td>
</tr>
<tr>
<td>*100%</td>
<td></td>
</tr>
</tbody>
</table>

Landscape After Wang Meng, 1692; Gu Fang; Mactaggart Art Collection; Gift of Sandy and Cécile Mactaggart; 2004.19.22
Inflation Sensitive

Inflation Sensitive assets posted a return of 23.7% over the year with significant divergence between the underlying allocations. Real estate investments performed poorly as heightened uncertainty about the future of central business district commercial property post COVID-19 negatively affected valuations. Value-add strategies were opportunistically able to return capital through select sales, while performance in US and Canadian core real estate was below that of recent years. Management took advantage of this opportunity and increased the allocation to US core real estate, and committed to a new European value-add fund at the beginning of the pandemic.

In contrast to real estate, strategies across the real assets complex performed strongly as the global economy began to emerge from the pandemic. Natural resource equity, energy & renewables, and commodities were all positive for the year as broad based strengthening occurred across energy, agriculture, and base metals due to expectations of increased demand coupled with constrained supply. At the same time, precious metals performed less well as fear in the market abated and participants began to focus on the more economically sensitive parts of the commodities complex. Management was active over the past year with two fund commitments and two co-investments in the energy and renewables space. A further allocation was made to natural resource equity in December.

Deflation Hedging

The Deflation Hedging strategy produced a return of -0.4% for the year as interest rates at the long end of the yield curve rose due to heightened growth and inflation expectations. The strategy benefitted from a defensive posture and shorter modified duration than the index over the year. Management may look to soften this stance as monetary policy normalizes and real interest rates at the long end become more attractive.

Diversifiers

In aggregate, Diversifiers were the worst performing strategy this past year with a -3.9% return after leading the UEP in the prior fiscal year. Currency was the main reason for the poor performance as the vast majority of assets in the Diversifiers strategy are USD denominated and remain unhedged. During the year the US dollar depreciated by 11.4% against the Canadian dollar. The liquid alternatives program exceeded expectations as long short equity and credit strategies more than made up for the minor drag from trend following, relative value, and global macro strategies. USD cash and T-bills were a significant detractor due to the aforementioned headwind from an unexpectedly appreciating Canadian dollar and low interest rates.
Investment Performance Relative to Peers

The University of Alberta participates in annual benchmark studies with our North American peers. The Canadian Association of University Business Officers (CAUBO) surveys as of December 31. The most recent published data from CAUBO is for the period ending December 31, 2019. This data may make shorter-term comparisons less than informative due to timing issues. The University’s ten-year return of 9.0% for the period ending December 31, 2019 was comparable to the CAUBO 10 year median return. In the United States, the National Association of College and University Business Officers (NACUBO) in conjunction with Teachers Insurance and Annuity Association of America (TIAA), surveys as of June 30. As US dollar returns can be very different to those in Canadian dollars due to exchange rate fluctuations, a short-term direct comparison is usually not meaningful. However, over the long-term the University’s returns remain comparable to many larger US endowments.

Cost

The fund incurred direct investment management related expenses of $10 million or 0.7%. An administrative fee to support centrally funded indirect costs associated with endowment programs is charged to the endowments. For 2021, this amounted to $9 million or 0.7%.
Non-Endowed Funds

The Non-Endowed Investment Pool (NEIP) represents the University’s operating, capital, and restricted funds, which are pooled together for investment purposes until required. Updated long-term cash flow projections continue to indicate that a substantial portion of these funds will not be required in the short-term. Accordingly, the Non-Endowed funds are structured to reduce opportunity cost by investing across three distinct strategies with varying maturity profiles as summarized in Exhibit 6.

- To meet the University’s cash flow requirements, the Liquidity strategy focuses primarily on the preservation of capital and invests in money market securities maturing within one year.

- To generate additional returns above Liquidity assets while maintaining an appropriate level of risk, the Yield strategy is diversified across global fixed income, preferred shares, private credit, and absolute return strategies.

- To further enhance long-term returns, the Return Seeking strategy accesses global public and private markets by investing in the UEP.

Exhibit 6

NEIP Asset Allocation by Strategic Role
The NEIP returned 12.3% for the year compared to the benchmark return of 11.4%. Management actively deployed capital and moved the NEIP more in line with its strategic targets for Yield and Return Seeking at the expense of the Liquidity strategy. Due to record low interest rates, the Liquidity strategy returned a modest 0.9% for the year.

The Yield strategy returned 13.2% with positive performance from all underlying allocations. Global unconstrained fixed income performed well due to narrowing credit spreads and opportunistic allocations to high yield, emerging market debt, and structured credit. Canadian preferred shares were the top performing strategy as they benefitted from rising long-term interest rates and the tailwind of positive regulatory developments. Management allocated additional capital to this strategy at several points throughout the year. Private credit strategies also saw good performance and Management finalized three new fund commitments that are expected to call capital over the next 12-36 months. Management also completed the NEIP’s initial allocation to the liquid alternatives space through investments in three multi-asset absolute return strategies. These strategies started funding in late 2020 and the allocation reached its target near the end of the fiscal year.

The Return Seeking strategy invests in the UEP with the expectation that this capital will not be required for at least a decade. This strategy returned 28% and was brought to target weight throughout the year.

With the NEIP near its strategic targets and sub-strategies almost fully implemented, the program is constructed to generate higher returns over the medium to long-term and benefit from better diversification of strategies. Following a year of strong performance the value of the Yield and Return Seeking strategies over their underlying obligations stood at $153 million or 19.7% (2020 - $30 million or 5.8%). The surplus value supports the investment income reserve, which is one element of the risk management strategy for the NEIP. Amounts in excess of 17% may be used for future strategic initiatives.

*On The Road From Banff To Lake Louise, 1929; Roland Gissing: Born Willersey, England, 1895, Died Okotoks, Alberta, 1967; University of Alberta Museums Art Collection; 1977.30.8*
Responsible Investment

The University’s Statement of Investment Principles and Beliefs (SIP&B) includes the following statement on responsible investment:

As a long-term investor, the University of Alberta believes that investments in companies with positive attributes such as high ethical standards, respect toward their employees, human rights, and a commitment to the communities in which they do business can improve long-term financial performance. Conversely, investments in companies that manage their environmental, social and governance (ESG) risks poorly can negatively impact returns. The university believes that a proactive approach of engagement on ESG risks and opportunities is more constructive than excluding particular investments. As an active owner, the University collaborates with its active investment managers to ensure that ESG risks are incorporated into the investment analysis and portfolio construction process and are reported upon.

As part of the annual review of the SIP&B, Management and the Investment Committee decided to expand the statement above to include a section on equity, diversity, and inclusion. It is important that there is alignment between the University and its investment partners on such matters. The statement reads as follows:

The University believes that higher levels of equity, diversity and inclusion (EDI) contribute positively towards financial performance, growth and employee engagement. Investment managers are encouraged to integrate EDI into their investment processes and improve EDI practises within their own organizations.

Management has curated a set of examples illustrating investments that align with the University’s SIP&B below:

Causeway Capital Management

The University has maintained a relationship with global equity manager Causeway Capital Management (Causeway) since early 2014. Led by co-founder Sarah Ketterer, Causeway has demonstrated a commitment to equity, diversity, and inclusion (EDI) since the firm’s inception in 2001. Described as an integral part of Causeway’s culture, EDI goes beyond the firm’s co-founder as 30% of the total employee base is female, including three of the five Board members, and 19% of the owners. Since 2015, Causeway has partnered with the Women in Institutional Investments Network, an organization whose goal is to strengthen relationships and empower women in the local investment community of Southern California. In 2016, Causeway began sponsoring female interns in conjunction with Girls Who Invest, an organization that focuses on education, industry outreach, accessibility, and career placement for young women in finance. Causeway’s commitment to EDI stretches beyond gender, as 50% of the employees and 38% of the firm’s owners are minorities. While many investment management firms have only recently prioritized EDI in their organizations, Causeway has demonstrated industry leading efforts in this area for over 20 years.
In January 2021, the University made an investment into Symend, a Calgary-based company that helps large telecommunication and financial companies manage and retain customers that are at risk of churning. Their combination of data driven insights and behavioral sciences results in a more targeted and less confrontational approach to the collection of past due payments.

Legacy collections practices are not sensitive to an individual’s unique circumstances and leave people who are behind in their payments feeling like they have failed, even when the situation is out of their control. In providing at-risk customers with a dignified, relationship-based approach to repaying debt, Symend’s behavioural science-driven engagement creates state of the art debt repayment practices that ultimately helps achieve collection objectives while reducing the stress for the party in arrears. The key, according to Symend, is to ensure that all communications leave customers feeling empowered, rather than disengaged. Symend’s tools and solutions provide a personalized approach to positively encourage payment by individuals and build loyalty. The Symend approach has showed greater success than traditional methods of collection from delinquent customers, resulting in lower collection costs and a reduction in bad debt write-offs.

Symend was co-founded by Tiffany Kaminski. Since only 12% of fintech firms are founded or co-founded by women, Symend is a leader in the industry. Tiffany was recognised by the Female Founders in Fintech in 2018 and Women Founders Scale-Up Program in 2019. She received the inaugural Start Alberta Women in Tech of the Year Award in 2020. Symend promotes women throughout the firm as 36% of their employees, 26% of leadership roles, and another 26% of STEM positions are staffed by women.

The other co-founder, Hanif Joshaghani, lived in refugee camps as a child before arriving in Canada to live first with a foster family, and then his actual family. His past personal experience as a new arrival in Canada strongly influenced his desire to reduce the pressures, stress, and shame associated with traditional bill collection tactics. Hanif mentors with the Plato’s Circles of Inclusion program for traditionally underrepresented groups as his way to give back to the technology ecosystem.

**Voloridge Investment Management**

The University finalized an allocation to systematic market neutral equity manager Voloridge Investment Management (Voloridge) in February 2021. The investment was allocated equally between the Voloridge Fund (VF) and the Voloridge Sustainability Fund (VSF).

The firm employs a long-term approach that is purely quantitative, focused on applying mathematics and technology to identify opportunities. VSF’s objective is to deliver absolute returns in a variety of market conditions through the implementation of various quantitative models. VSF’s portfolio construction process is unique in that it has embedded Environmental, Social, and Governance (ESG) signals in the quantitative models, which are used to identify opportunities across global equity markets.

Voloridge dedicates a portion of VSF to climate change strategies using the same quantitative process. The models employ a data driven approach to assess the economic impacts of climate change across a variety of industries, taking long or short positions in companies that mitigate or contribute to climate change respectively. Investment themes that VSF currently seeks exposure to are the electric vehicle transition, energy efficiency, and climate related events.
Closing Thoughts and Outlook

As we move into the second year of the pandemic, certain aspects of our society have undergone structural change, while others are on the verge of returning to some degree of normalcy. The University grappled with a plethora of challenges this past year as classes moved to remote delivery, research activities paused or changed significantly, and faculty and staff shifted away from campus to newly configured home offices. With vaccines now widely available the hope is that University activities can begin to return to normal later this year, though the process may be gradual.

After a truly extraordinary year, the real value of the UEP remains healthy as ever, enabling the UEP Spending Policy’s continued stable and predictable allocations to benefit students, faculty, researchers, and the broader University community. Amidst this changing environment, the Investment Committee continued to oversee and work with Management as significant progress was made in implementing the NEIP Yield strategy, and critical policy work was completed setting the road map for years to come.

Under the purview of the Investment Committee, Management will continue to carry out the implementation of both the UEP and NEIP’s long-term strategies. With respect to the UEP, capital will continue to be deployed in private markets and liquid alternatives over the coming year to bring these allocations closer to target. Due to changes in underlying assumptions over the past few years, the NEIP will undergo a review of its strategic asset allocation to determine if the portfolio allocations remain appropriate. Lastly, efforts will continue to progress on ensuring the risk profile of the UEP and NEIP remains consistent with their respective objectives and time horizons.

A sample from the University of Alberta’s Meteorite Collection, Dr. Chris Herd, Curator of the Meteorite Collection, is lending his expertise to the NASA Mars Rover mission in analyzing Martian meteorites and other rocks to select samples. Read the story from Folio.
InScope, 2015; Dam de Nogales: Veronica de Nogales Leprevost: Born Barcelona, Spain, 1970 & Edwin Timothy Dam: Born Hamilton, Ontario, 1970; University of Alberta Museums Art Collection; Gift from the Li Ka Shing [Canada] Foundation; 2015.7.1
Investments & Treasury

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