

Investing in the future

Oxford Endowment Fund Report 2025

The Oxford Endowment Fund	3
Investors	5
OUem	6
Our approach	7
Sustainability	11
Performance	12

OU Endowment Management (OUem) is authorised and regulated by the Financial Conduct Authority and is an Alternative Investment Fund Manager under the Alternative Investment Fund Managers Directive (AIFMD). We manage The Oxford Funds: Endowment Master (known as the Oxford Endowment Fund, the OEF or the Fund), a collective investment scheme as defined in the Financial Services and Markets Act 2000 and an Alternative Investment Fund (AIF). The Oxford Endowment Fund is a Charitable Unauthorised Unit Trust (CUUT). The Oxford Endowment Fund operates within a master / feeder structure, with two feeder vehicles. The Collegiate Feeder vehicle is available to the charitable trusts of the University of Oxford, its colleges and associated collegiate entities. The Non-Collegiate Feeder vehicle is a CUUT available to UK charities, with TOF Corporate Trustee Limited as corporate trustee.

The Oxford Endowment Fund: delivering on our investment objective

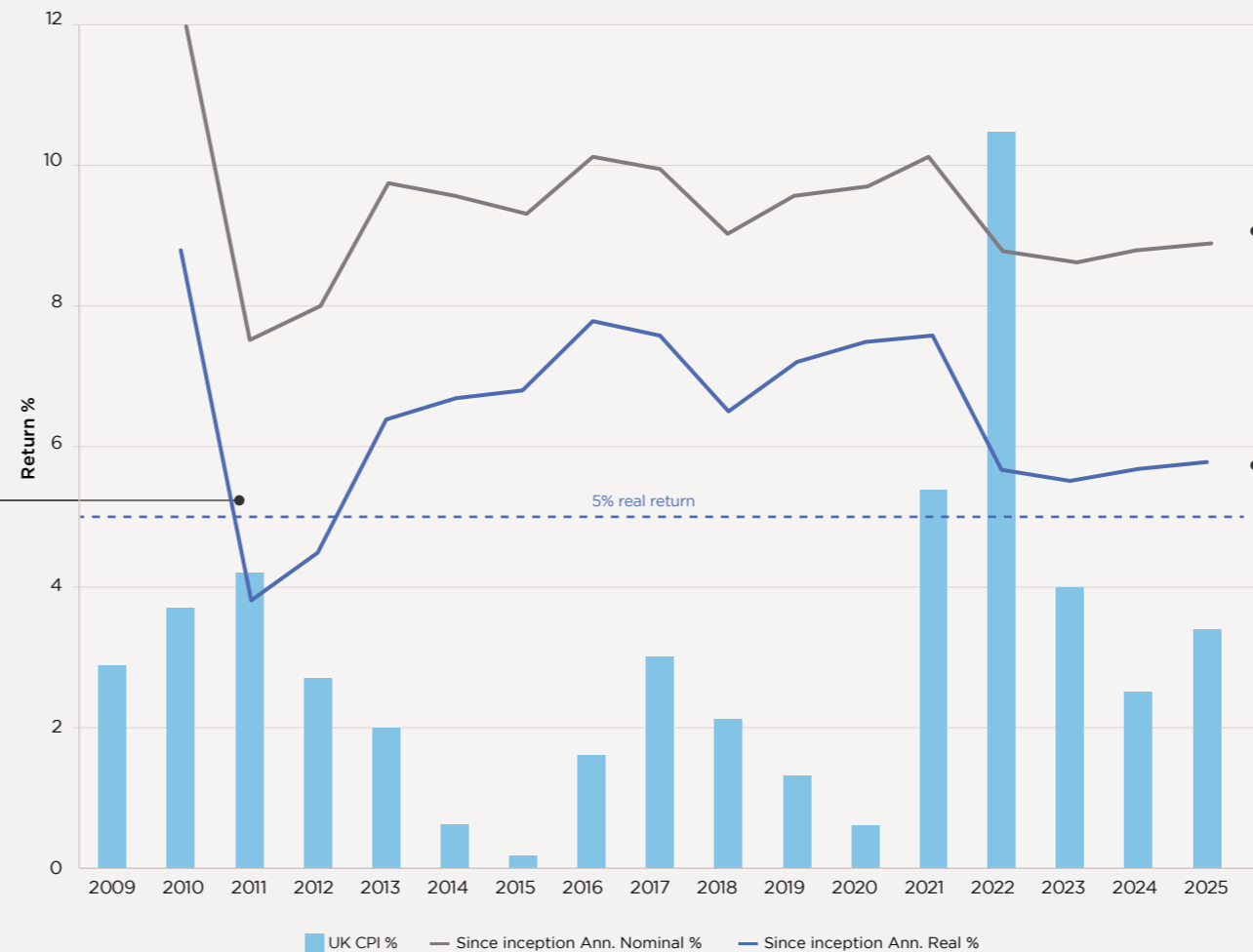
Managing an endowment is unlike traditional investment management because of the nature of the beneficiaries. For most pools of capital, such as pension funds, the beneficiaries are alive. For endowments, the beneficiaries may not even be born yet.

A careful balance is required between managing the interests of today's beneficiaries with those of future generations. To do this, we aim to preserve the real value of gifts invested in the Oxford Endowment Fund (OEF) to fund activities and generate absolute real returns. This is different from the vast majority of other investors, who may be concerned with liability matching or beating short term market indices, whether they go up or down.

The OEF is designed for the long term capital of UK foundations and endowments. These institutions are charged with existing in perpetuity and financing charitable activities across generations of beneficiaries. They are seeking to grow their annual spending, in real terms, ensuring generational equality.

The Investment Objective is 5% real over the long term. This is a challenging objective designed to maintain real value and provide a stable and predictable annual cash flow to our investors to fund their activities

Delivering on our 5% real return objective



9.0% nominal ann. net return since inception

OEF is outperforming its 5% real return objective

5.9% real ann. net return since inception



Regent's Park College

5.9% real ann. net return over 17 years since inception

£2.1bn distributed since inception

£4.2bn gains through performance alone

Source: OUEm. Inception is 1 January 2009. Returns and exposure data shown in this report are for The Oxford Funds: Endowment Master and calculated by OU Endowment Management to 31 December 2025, unless otherwise stated. Returns are time weighted returns, quoted in Sterling and net of all fund expenses. Figures are rounded to one decimal place. Occasionally, figures may not sum to total due to rounding and percentages may not precisely reflect the absolute figures. Geographic and sector exposures at the asset group level may not total to 100% due to the nature of the strategies within underlying funds.



Reuben College

The Oxford Endowment Fund: a stable and growing distribution for our investors

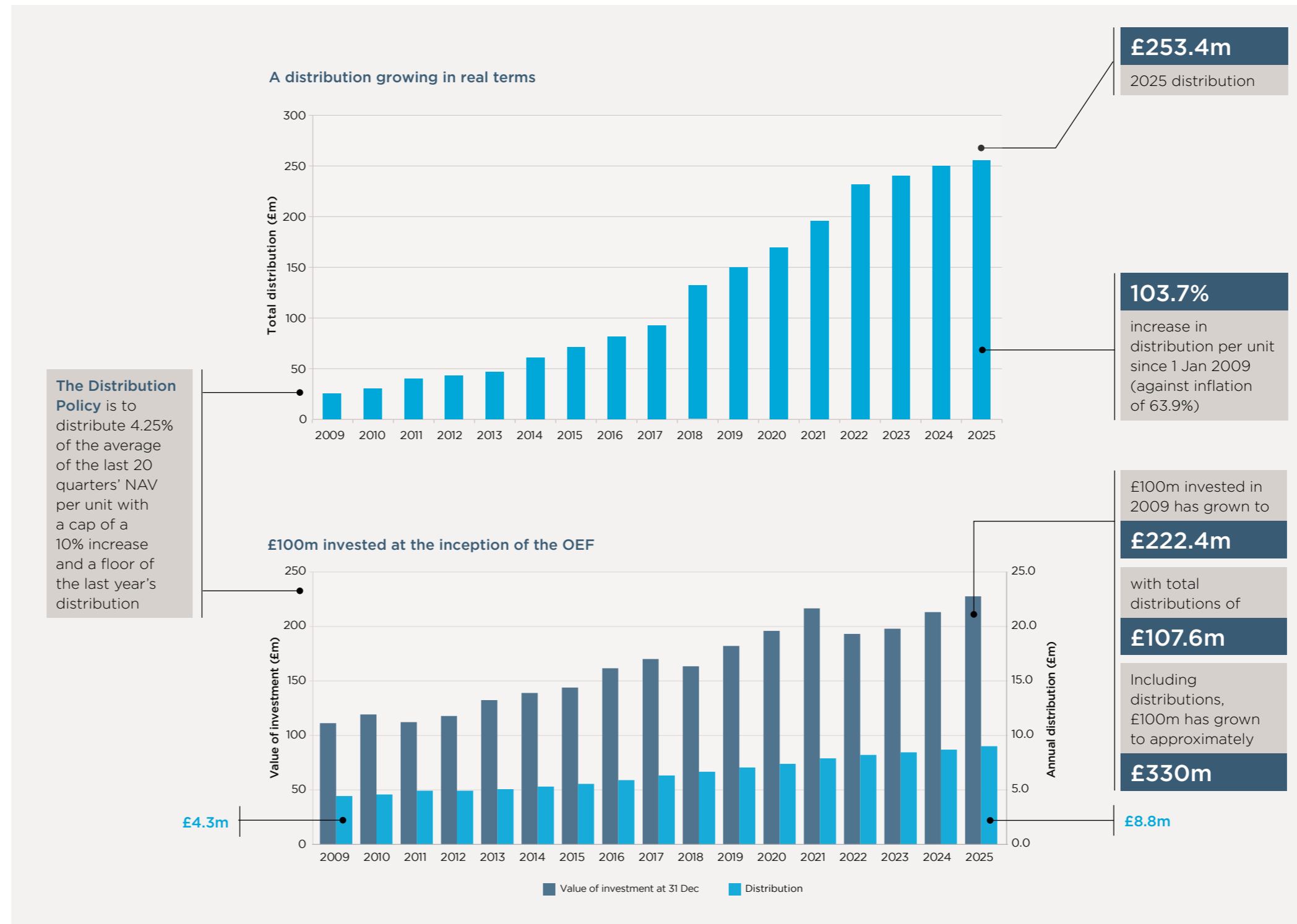


Lady Margaret Hall

Our investors are UK endowments and foundations. We have 46 investors in total, comprising of the University of Oxford, 31 of its colleges, eight collegiate trusts and six UK endowments & foundations. While these groups have different pools of capital, including working capital and spendable investments, we manage their permanent endowment capital to provide an annual income. This funds their charitable activities and, for those investors who are endowments, does not include money raised from government or student fees.

Stability and predictability of the annual cash distribution (or income) is critically important for our investors. Preserving the real purchasing power of endowment capital is often forgotten as most industry providers focus on short term benchmarking against nominal index returns.

The OEF provides a simple one stop solution for our investors, allowing them to focus on their charitable activities. The chart on this page illustrates the growth of the annual distribution and the increase in size of the underlying investment, if £100m had been invested on 1 January 2009.

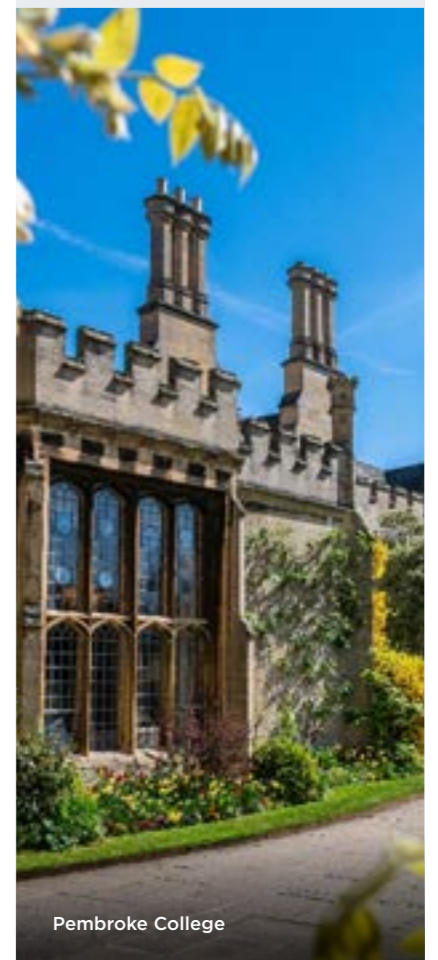


104%

increase in distribution per unit since 2009, the inception of the OEF.

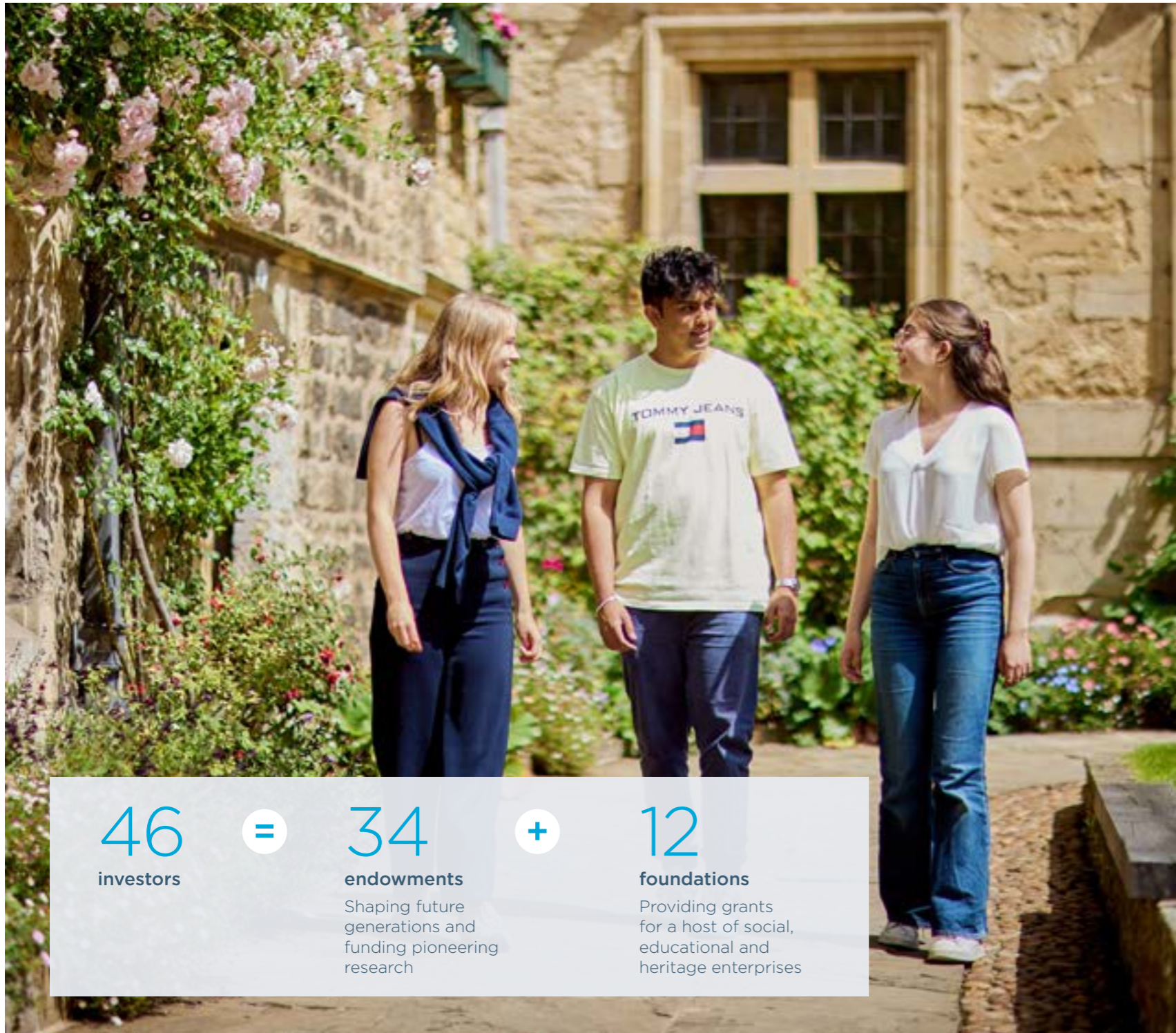
£253m

distribution in 2025



Pembroke College

Stewarding our investors' capital to ensure intergenerational equality



St Edmund Hall

From supporting scholarships and fellowships to maintaining our historic estate and driving sustainability initiatives, the endowment provides the financial resilience that underpins life at St Edmund Hall. Growing its real value in perpetuity to continue funding these activities is essential to fulfilling our mission over the long term.

The goals of the endowment are to preserve and grow its value after inflation and maintain a responsible annual drawdown. This approach ensures distributions support core activities while safeguarding future purchasing power. St Edmund Hall first invested in the Oxford Endowment Fund in 2009, enabling us to hold a global and diversified portfolio beyond what we could achieve alone

and benefit from the access, networks and expertise of the OUem team. Investing alongside like-minded investors in a discretionary vehicle delivers economies of scale, while reducing operational and governance burden.

In today's economic context, marked by uncertainty, volatility and rising costs in higher education, the blend of simple access to global markets, a real return focus, and stable distribution policy is particularly valuable. It equips us to plan and spend with confidence – supporting talented students, maintaining world-class facilities, and investing in a sustainable future.

Eleanor Burnett, Finance Bursar, St Edmund Hall

Uehiro Foundation on Ethics and Education

The Uehiro Foundation on Ethics and Education aims to advance well-being and global harmony by fostering world-leading research on the most important ethical questions, and by research-led assistance in ethical decision-making. It is an example of one of the underlying trusts held within the University's unitholding of the Oxford Endowment Fund. There is a long-standing partnership between the University and the Uehiro Foundation, and their philanthropic support has enabled ethics research, teaching and international engagement at Oxford over many years. This commitment culminated in a transformational gift that established a new Uehiro Oxford Institute on 1 October 2024, providing a permanent academic home for ethical inquiry.

The Institute supports world-class research and teaching across a wide range of ethical questions, including medical ethics, bioethics, artificial intelligence, global priorities and public policy. The endowment funds the appointment and retention of academic talent, including doctoral students and postdoctoral researchers, and convening interdisciplinary programmes that bring together scholars from across the humanities, social sciences, medicine and beyond. By providing long-term, secure funding, the gift ensures that ethical scholarship at Oxford is intellectually ambitious, globally engaged and responsive to emerging challenges.

Maintaining the real value of the underlying endowment, while generating a steady and growing distribution, is essential to sustaining the Institute's activities for future generations. Through the Oxford Endowment Fund, the gift supporting the Uehiro Oxford Institute is invested to balance the needs of today's scholars and students with those of future beneficiaries, ensuring intergenerational equity and enduring academic impact. In doing so, the gift continues to shape ethical thinking at Oxford and beyond.



46

investors

=

34

endowments

Shaping future generations and funding pioneering research

+

12

foundations

Providing grants for a host of social, educational and heritage enterprises

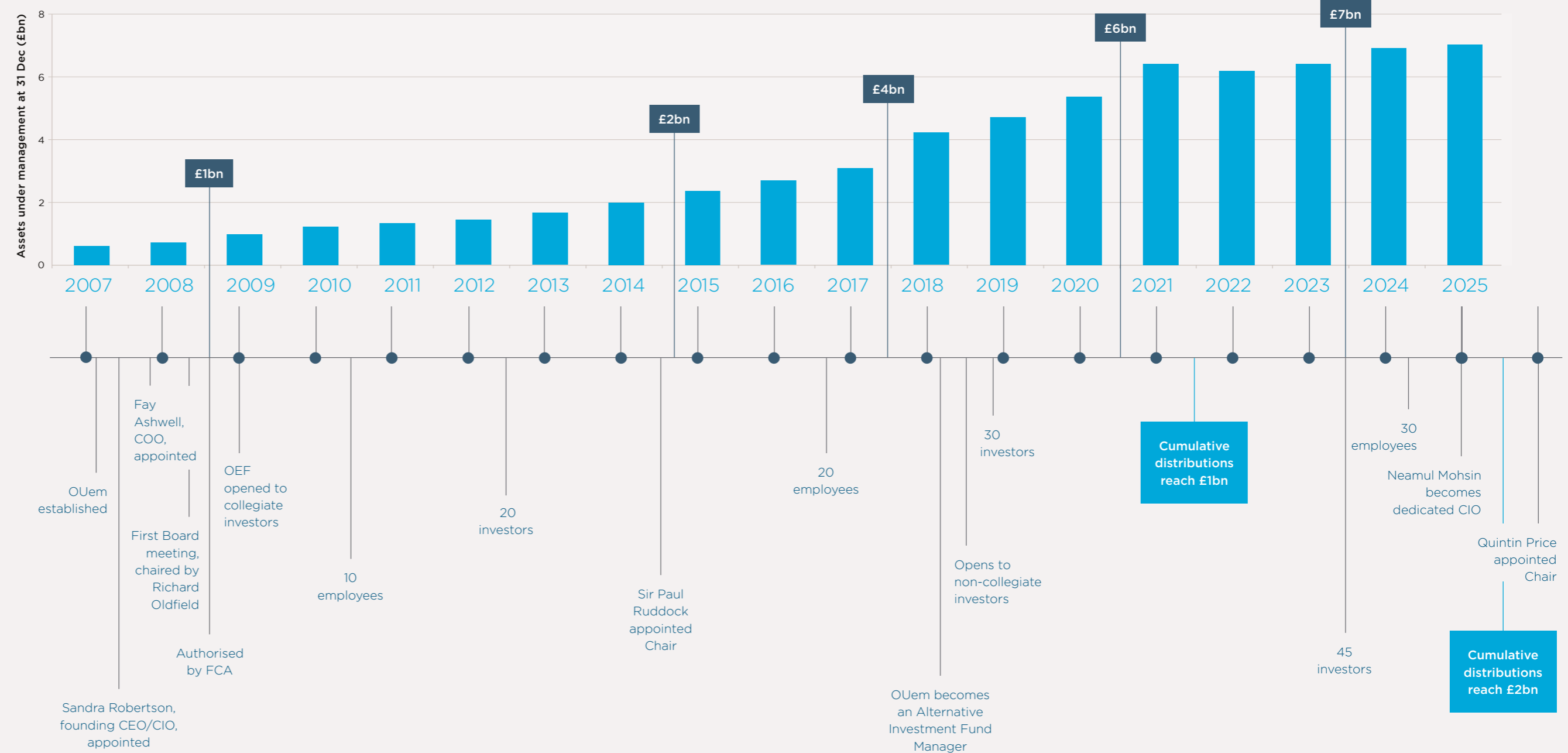
OUem: investing over decades

OUem is a 31-person team providing world class professional services to our investors, through our investment process, operational practices and investor services. We have over 100 years of combined investment experience with a clear focus on managing permanent endowments. We bring excellence to our investors by hiring and training exceptional people. The company is led by Chief Executive Officer and founder Sandra Robertson, and Chief Investment Officer, Neamul Mohsin. OUem is a commercial operating subsidiary of the University of Oxford. It is overseen by a corporate board with deep experience in managing investment businesses.



St Anne's College

The evolution of OUem



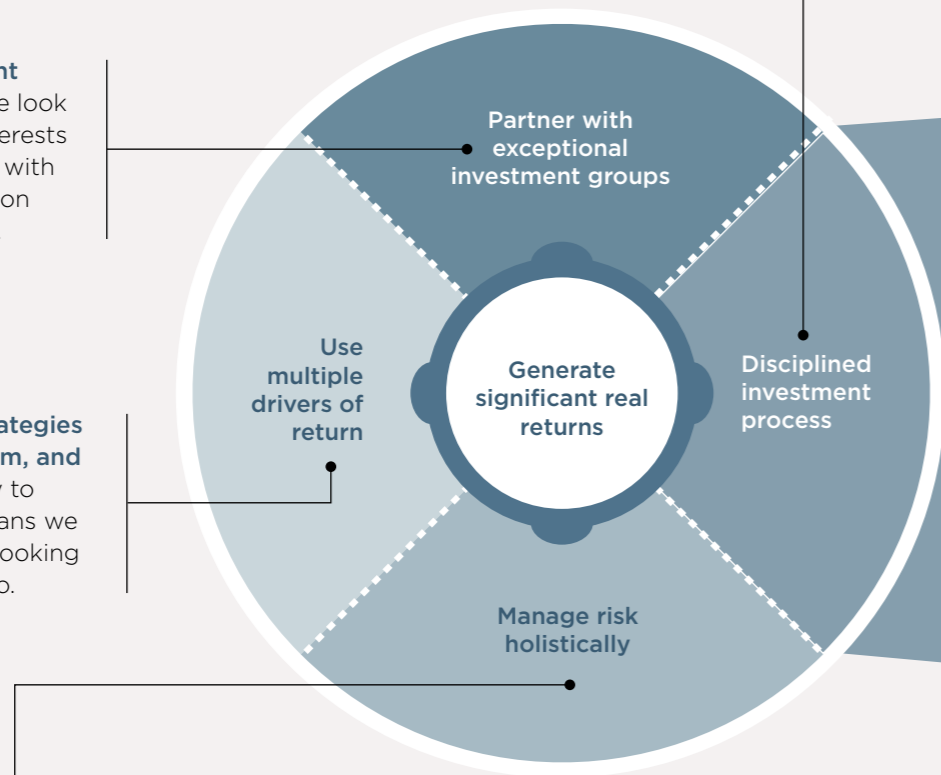
Our philosophy and process

Our Investment Philosophy is built around our unique competitive advantages: a genuine multi-year time horizon, proven access to the world's best investment talent and sole focus on managing global, diversified long term capital for endowments and foundations.

Investment philosophy

Exceptional investment talent drives investment returns. We look to source partners whose interests and time horizon are aligned with our investors and who focus on absolute, not relative returns.

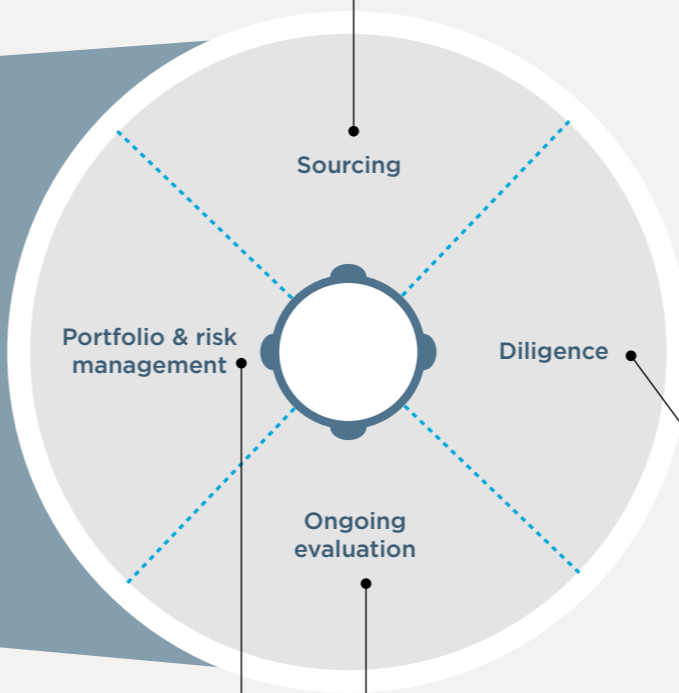
We invest globally across **strategies with a range of short, medium, and long durations**. The flexibility to invest in innovative ideas means we are not reliant on backward-looking models to shape our portfolio.



We **manage risk holistically** at the OEF level, with a focus on achieving the long term real return objective, while providing investors with a stable and growing annual distribution. We don't manage to a benchmark or try to predict short term economic or political outcomes; our goal is to ensure the OEF has the resilience to navigate volatile and complex market environments. On a day-to-day basis, **portfolio & risk management** is embedded in our investment process, with substantial monitoring of a variety of portfolio metrics and exposures, alongside more qualitative flows of information.

A disciplined investment process is at the heart of our investment success; to develop a deep understanding of a manager's process, strategy, people and incentives. Ongoing objective evaluation allows for timely decision making.

Disciplined investment process



Wide ranging **sourcing** generates ideas from: current managers, peer organisations, former managers, intermediaries, conferences and desktop research. We often back new groups and spend time in the market to ensure a high quality flow of ideas. We view exceptional investment groups as those singularly focused on generating long term returns, a clear alignment of interests – financially and philosophically – and a collaborative and interactive relationship with OUEM. Often these groups are capacity constrained and in the position to choose their investor base. Finding and accessing these managers requires the team to source globally and use networks and relationships they have built over many years.

We are looking for long term partnerships with investment groups so, before any investment is made, we complete thorough quantitative and qualitative **diligence** including: investment, operational, legal and ESG. Our detailed approach and decades of experience enable us to invest in emergent strategies and back first-time funds, where standard datasets are often unavailable.

For each individual investment we routinely evaluate progress against the original investment thesis as well as reviewing any changes to a manager's team or business model. This **ongoing evaluation** enables us to make informed and timely decisions to ensure the optimal mix of strategies and managers for the Fund.



Balliol College

30%
in venture and growth – innovation is a key return driver

70%
underlying funds capacity constrained

24
first time funds – backing exceptional investment talent

A global and diversified portfolio

We source managers globally, investing in a range of strategies, giving access to the world's leading companies.



Geographic exposure at 31 December 2025

59.5%
North America

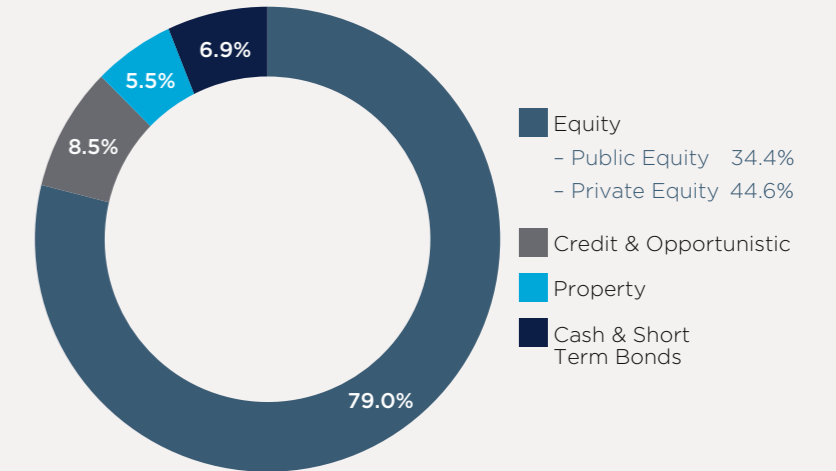
16.6%
United Kingdom
4.0% Cash & ST Bonds
5.3% Property

11.5%
Europe (ex UK)

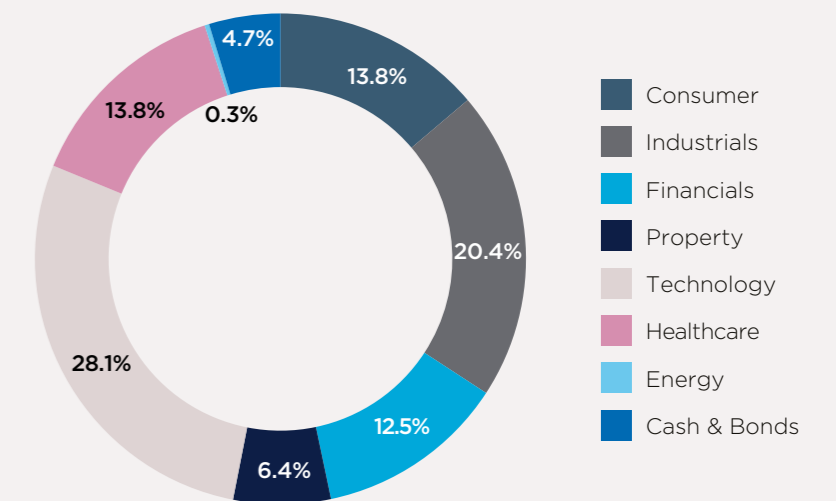
9.3%
Emerging markets

3.1%
Developed Asia

Asset allocation at 31 December 2025



Sector exposure at 31 December 2025



Note: the Oxford Endowment Fund at 31 December 2025.

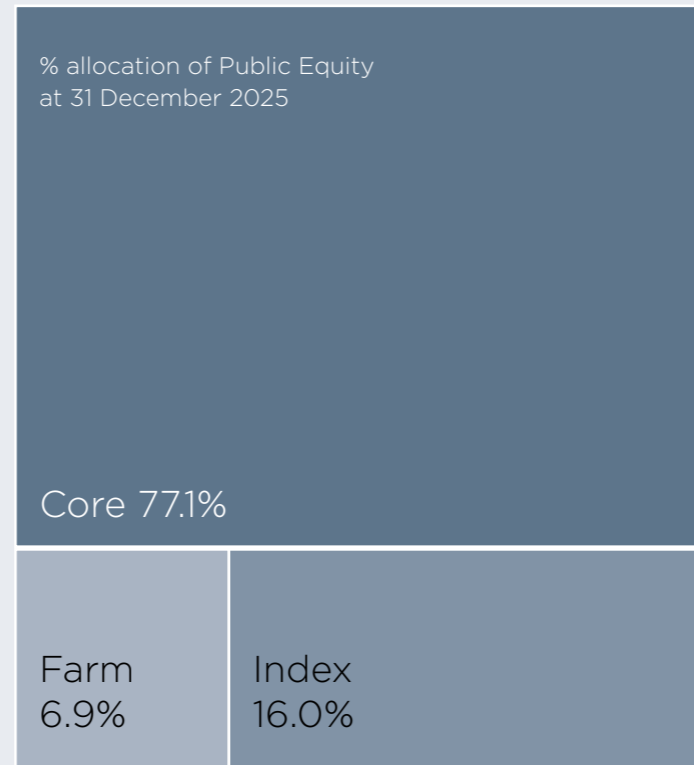
Asset groups: Equity

We have three main asset groups which we group as Risk Assets: Equities, Credit & Opportunistic and Property assets. At any one time we would expect the Fund to be 70-80% invested in Equities.

Public Equity

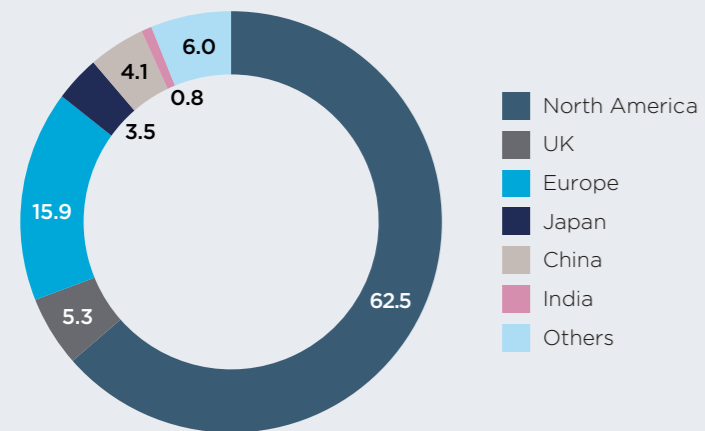
In Public Equity, we are looking for exposure to growing, well managed companies globally by investing with managers who have at least a 3-5 year time horizon and whose interests are aligned with our investors:

- **Core:** concentrated investments in well managed, strongly growing companies led by manager talent.
- **Farm Team:** appropriately sized access to less mature groups.
- **Index:** passive exposure to global markets used to maintain allocation and liquidity.

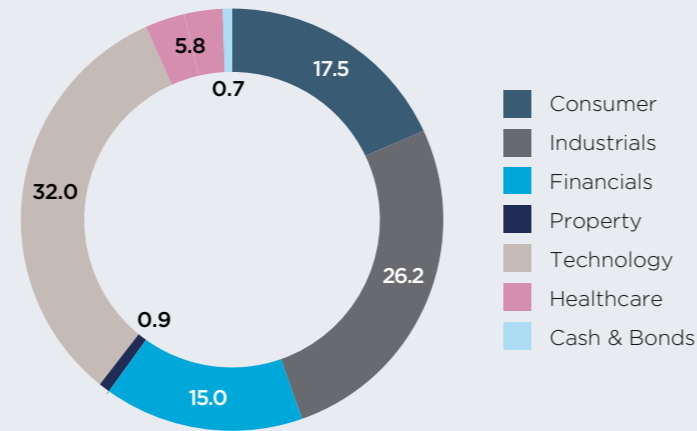


Estimated 'look through' exposures of Public Equity

Geographic exposure (%)



Sector exposure (%)



79.0%

Total equity exposure

34.4%

44.6%

Credit & Opportunistic 8.5%

Property 5.5%

Cash & ST Bonds 6.9%

% allocation of the OEF at 31 December 2025

% allocation of Private Equity at 31 December 2025

Venture 40.5%

Hybrid 12.9%

Growth 26.3%

Buyout 20.3%

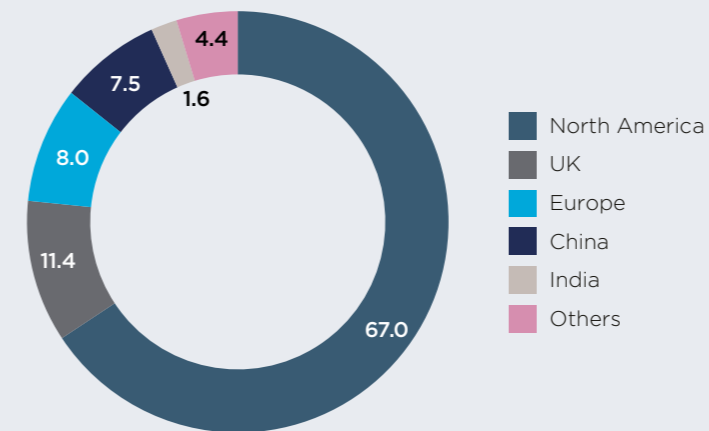
Private Equity

In Private Equity, we utilise long term capital to access return premium generated by operational improvement or growth, which needs flexibility and time. This enables access to young growing companies in niche sectors, not available in public markets. Our brand, size and time horizon gives us a competitive advantage to partner with a deep pool of talented investors. We invest across four equity strategies in private markets:

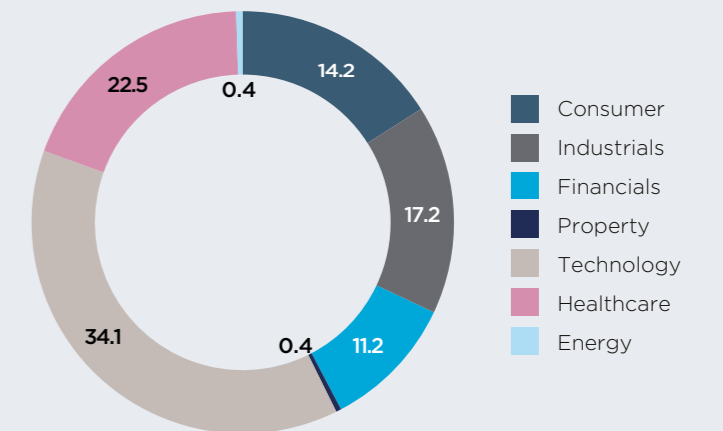
- **Buyout:** lower middle market strategies; focusing on operational improvement rather than leverage.
- **Growth:** high growth, generally profitable companies; mixture of minority growth equity and late-stage venture.
- **Venture:** focus on seed and early stage.
- **Hybrid:** strategies investing in public and private companies; weighted towards healthcare and biotech.

Estimated 'look through' exposures of Private Equity

Geographic exposure (%)



Sector exposure (%)



Asset groups: Credit & Opportunistic and Property

Credit & Opportunistic

The role of Credit & Opportunistic is to provide an uncorrelated source of return and liquidity in periods of sustained equity market stress. To 31 December 2025, this asset group has a 3 year rolling correlation to MSCI ACWI of 0.32 and beta of 0.20.

- **Credit** strategies are mainly specialist investments in less efficient credit instruments, led by manager talent.
- **Opportunistic** enables us to invest in strategies that do not fit neatly elsewhere but can generate an uncorrelated return to equity markets.

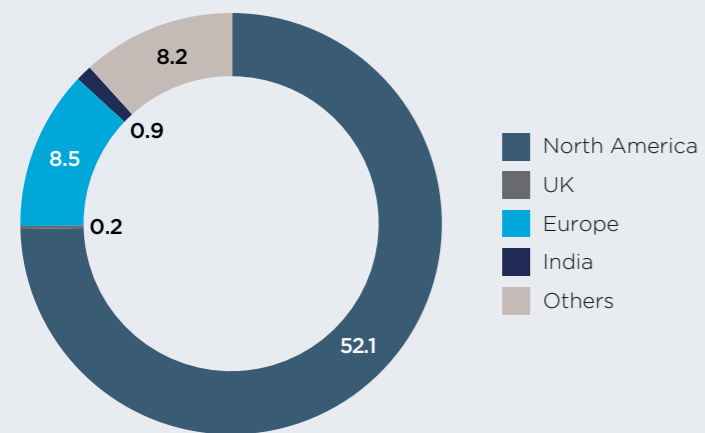
% allocation of Credit & Opportunistic at 31 December 2025

Credit 66.3%

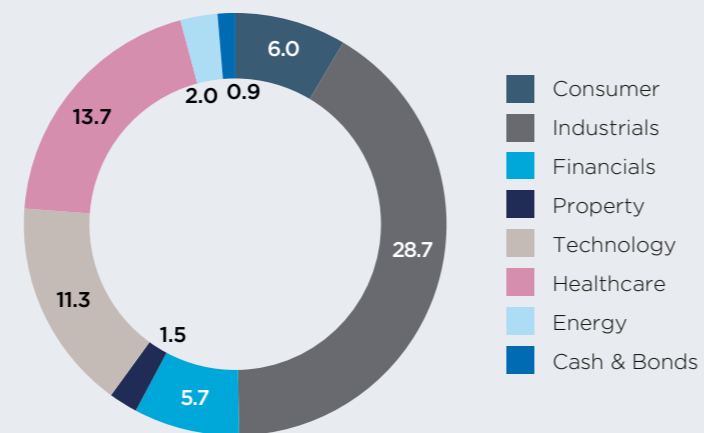
Opportunistic 33.7%

Estimated 'look through' exposures of Credit & Opportunistic

Geographic exposure (%)



Sector exposure (%)



% allocation of the OEF at 31 December 2025

8.5%

5.5%

Public Equity 34.4%

Private Equity 44.6%

6.9%

% allocation of Property at 31 December 2025

Core 33.9%

Strategic 28.2%

Value Add 37.9%

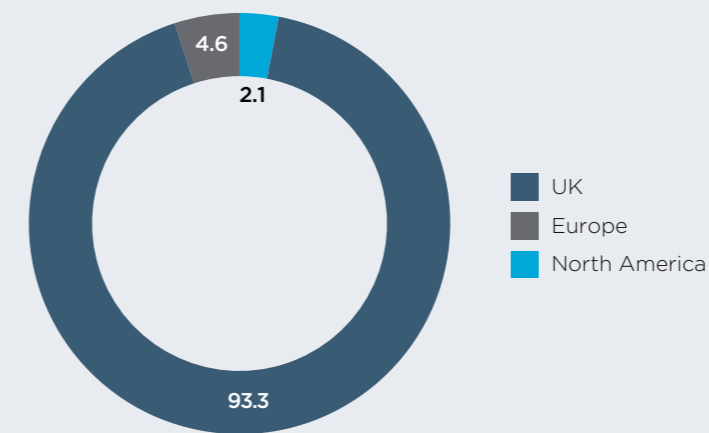
Property

Property provides resilient, income-producing real assets, actively managed, with potential for transformation or change of use.

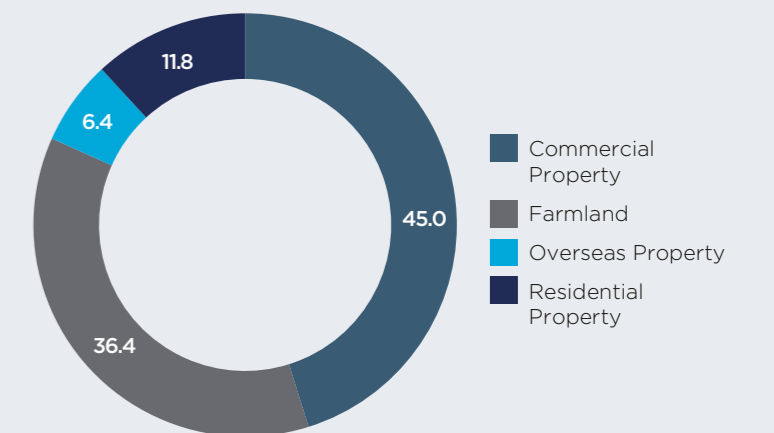
- **Core:** directly held UK properties with strong income generation; mainly commercial assets in the industrial and retail warehouse sectors.
- **Strategic:** directly held long term investments with value created by strategic changes in land or property usage; mostly low-yielding UK rural assets.
- **Value Add:** indirect strategies, operated by specialist external managers, covering a range of sectors within the UK, Europe and the US. Managed by external managers.

Estimated 'look through' exposures of Property

Geographic exposure (%)



Sector exposure (%)



Cash & Short Term Bonds

The allocation to Cash and Bonds enables us to balance the overall liquidity profile of the Fund, ensuring we can meet all our short and medium term liabilities, and have the appropriate flexibility to act on opportunities as we see them.

Sustainability



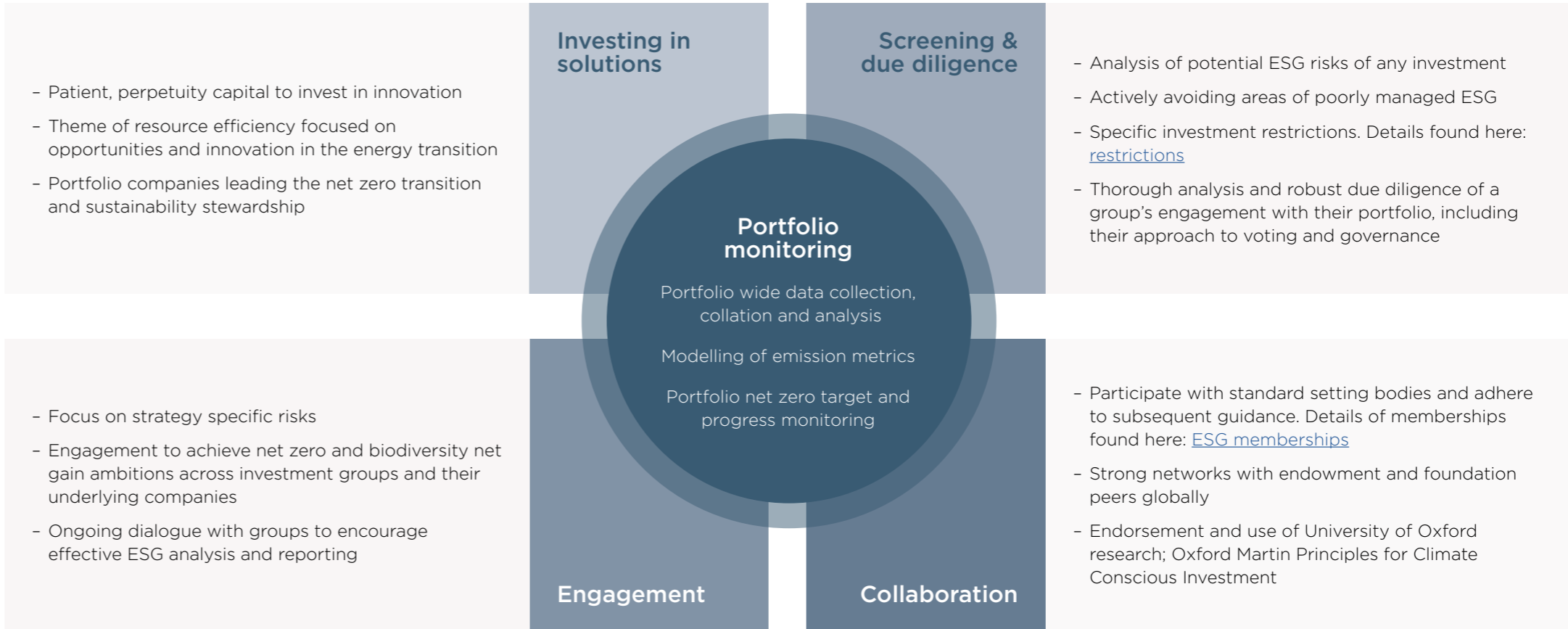
The necessity to live more sustainable lives is one of the most pressing challenges facing society today. Managing perpetuity capital gives us a unique perspective and competitive advantage in this area, enabling us to invest in innovative sustainability solutions.

Aligned with this, we believe that to be a successful long term investor, analysis of environmental, social and governance (ESG) risks should be integrated into holistic risk management. By applying a principles based approach, we have developed an appropriate framework to deal with a variety of sustainability and ESG issues, regardless of the sector, strategy or region. These principles are: investing in solutions, screening and due diligence, engagement and collaboration.

Substantial climate reporting is found on our website: [Sustainability Report](#)

Linacre College

An integrated approach



2035

Paris-aligned net zero plans across the Oxford Endowment Fund

Zero FF ✓

No direct investments in fossil fuel extractors

Net zero ✓

Engagement with residual fossil fuel exposure on net zero planning

2025 ✓

Carbon neutrality of OUem

Performance

The environment remained volatile in 2025, with sustained geopolitical risk driving uncertainty. Trade tensions rose sharply in the first half of the year following the introduction of US tariffs on 'Liberation Day' and subsequent global reaction, contributing to a brief but severe market drawdown before a partial compromise and rate cuts by the Federal Reserve stabilised sentiment. Against this dramatic backdrop, over 12 months equity markets delivered healthy headline returns, though this was notably dispersed by region and sector. Europe, the UK and China materially outperformed the US; communications services and financials performed well against flat consumer sectors, and a powerful rebound in biotech. Currency movements proved a meaningful headwind for Sterling denominated investors, with a volatile, weak US Dollar detracting from Sterling returns.

For the year to 31 December 2025, the OEF returned 10.9%. In the 17 years since inception, the endowment has compounded annually at 9.0% (5.9% real), generating £4.2bn in gains, with assets totalling £6.7bn at the year end. The annual distribution has increased from £26 million at inception in 2009 to over £250 million today, a growth rate of 103.7% against inflation of 63.9%. All OEF performance is quoted net of fees.

To meet its challenging 5% real investment objective, the OEF is primarily equity focused, with a 79.0% allocation – broadly split between public and private – driving returns. Public Equity delivered a return of 11.7%, supported by a broad mix of contributors across regions and sectors. This was led by the OEF's Core managers, whose emphasis on high quality, well managed businesses with durable competitive advantages proved resilient through periods of market stress. Returns came from a diversified range of drivers, including meaningful contributions from the industrial sector alongside technology related exposures.

Private Equity returned 15.4% over the year. Distributions continued to be healthy across the Private Equity portfolio, where Venture and Hybrid were the standout performers. Improved sentiment saw a 50% uplift in Venture distributions, including from IPOs. It takes patience to build a private equity programme. Over the 17 years of the OEF, Private Equity has delivered 13.3% annualised; however, over this time, the OEF itself has grown substantially through inflows, and therefore the portfolio remains young with nearly 40% less than five years old. We continue to see significant embedded value, consistent with the long term nature of the programme, giving access to innovation, operational improvement and growth opportunities not readily available in listed markets.

The Credit & Opportunistic portfolio returned 1.6%, with broadly positive performance in local currency terms across most strategies. While US dollar weakness detracted from Sterling denominated returns, this part of the portfolio continues to fulfil its intended role, providing diversification, income and liquidity during periods of equity market uncertainty.

Property returned 3.2% for the year. Core and Strategic assets – predominantly directly held in the UK – delivered positive performance, supported by active asset management and selective realisations at uplifts to valuations. By contrast, Value Add strategies experienced more challenging conditions. Across the portfolio, progress continues to be made on repositioning assets and enhancing long term value.

More broadly, activity focused on trimming strong performers in Public Equity and rotating into diversifying strategies, continuing to back early stage Venture and mid-market strategies in Private Equity, and selectively building liquidity, while maintaining exposure to the OEF's long term return drivers. This approach reflects our continued emphasis on resilience, flexibility and diversification across market cycles.

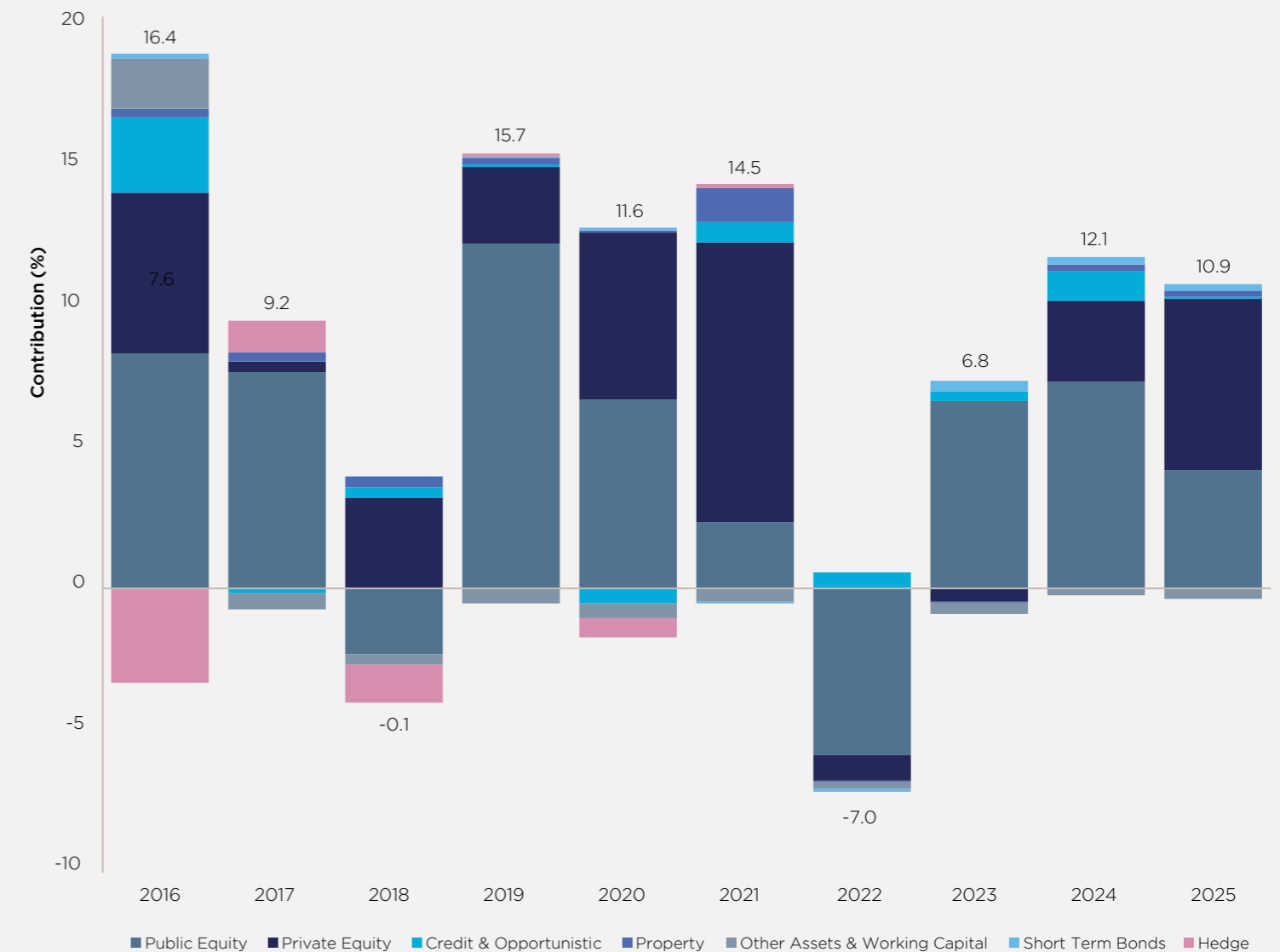
Looking ahead, 2026 has already been shaped by shifting geopolitical dynamics and a renewed focus on inflationary risks, while structural changes in the global economy continue to influence markets. Rapid advances in AI have raised legitimate questions about the long term resilience of several established business models across multiple sectors. Unsurprisingly, markets have experienced intermittent bouts of volatility. However, short term sentiment and share price movements often provide limited insight into long term business outcomes, particularly during periods of accelerated technological change.

As we continue to witness this powerful wave of innovation, we remain focused on identifying and partnering with world class investment managers who can capitalise on these opportunities, while maintaining a long term perspective. In this context, the portfolio is well positioned to continue delivering sustainable real returns for investors over the decades to come.

331.4%
cumulative return since inception

£4.2bn
gains through performance alone

Asset group contribution over 10 years (%)



Performance driven by equities: both public and private

Source: OUm. Note: Currency hedging requirement removed by anchor unitholder in 2021; currency hedge was a performance detractor prior to 2021. Returns and exposure data shown in this report are for The Oxford Funds: Endowment Master and calculated by OU Endowment Management to 31 December 2025, unless otherwise stated. Performance is net of fees and costs, including those associated with managing an Alternative Investment Fund.



All photos provided by John Cairns Photography, with the exception of The Uehiro Oxford Institute photograph by David Fisher of Fisher Studios.

'The Oxford Endowment Fund', 'OEF' and 'the Fund' are terms used to cover The Oxford Funds: Endowment Master, an unauthorised unit trust scheme managed by Oxford University Endowment Management Limited ('OU Endowment Management' or 'OUem'). The information contained in this document has been prepared and approved by Oxford University Endowment Management Limited ('OUem'). The content of this document is for information purposes only and, whilst information contained herein is considered to be reliable, no warranty or representation is given as to its accuracy or completeness. This document is not intended to create contractual obligations for OUem. Oxford University Endowment Management Limited is authorised and regulated by the Financial Conduct Authority, under reference number 479702.

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