University of Virginia Investment Management Company

ANNUAL REPORT 2025 HIGHLIGHTS

> This year has been marked by an intense focus on execution, informed by the evolving needs of the University and the broader higher education landscape. We remain committed to being a trusted and strategic financial partner—equipping the University with the resilience and resources necessary to meet today's challenges and those of the future."
>
> - Robert Durden, Chief Executive Officer and Chief Investment Officer, UVIMCO

Serving the University

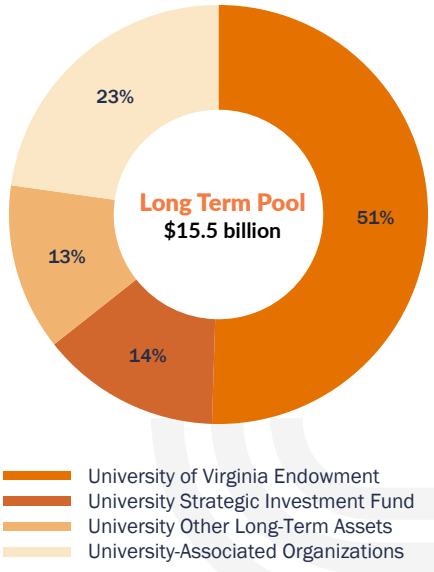
The University of Virginia Investment Management Company (UVIMCO) provides investment management services to the University of Virginia and University-associated organizations to serve the University's mission. UVIMCO's primary objective is to maximize the long-term, inflation-adjusted returns commensurate with the risk level of the University.

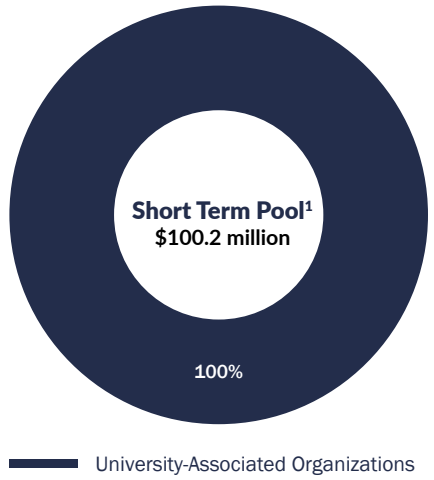
As of June 30, 2025, UVIMCO's assets under management were $15.5 billion in the Long Term Pool (LTP) and $100.2 million in the Short Term Pool **(Graph 1)**. Within UVIMCO's LTP, $7.9 billion represents the Rector and Visitors' endowment, $2.1 billion represents the University's Strategic Investment Fund, $2.0 billion represents other University long-term assets, and $3.5 billion represents assets held by University-associated organizations, including the Darden School Foundation, Law School Foundation, UVA Alumni Association, and Jefferson Scholars Foundation.

Since 2022, UVIMCO's assets under management have grown from $13.6 billion to $15.5 billion **(Graph 2)**. By generating returns in excess of the University's spending rate plus inflation, UVIMCO is providing a steady source of income to support the University's mission for future generations of students, alumni, faculty, staff, and patients through scholarships, professorships, research funding, and other important initiatives.

GRAPH 1 Investor Composition

As of June 30, 2025

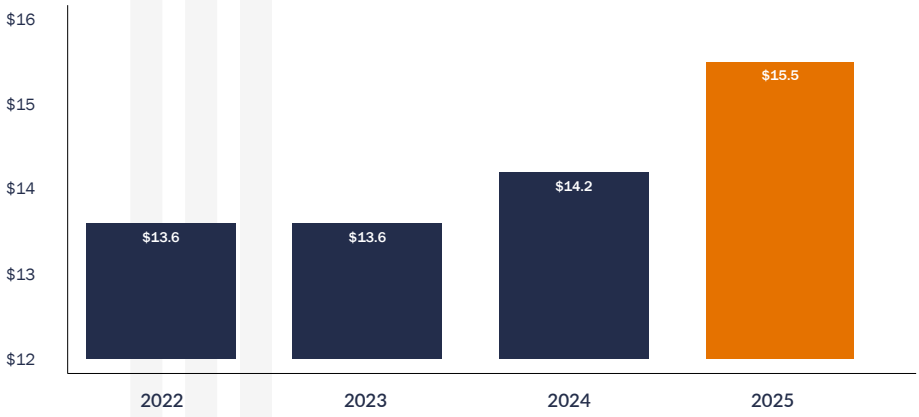




(1) The Long Term Pool's cash portfolio invests in the Short Term Pool. The Short Term Pool market value reflected above excludes Long Term Pool assets.

GRAPH 2 Long Term Pool Market Value

In billions, as of June 30



Long Term Pool Performance

In fiscal year 2025, our disciplined investment strategy produced strong results. The LTP generated a 12.4% return, contributing more than $1.7 billion in value to the University and its affiliated foundations. During the fiscal year, the heightened level of market volatility provided opportunities for differentiated stock selection and skilled active management by our investment managers.

Our commitment to disciplined, long-term investing across the LTP's strategies continues to produce results that meet and exceed UVA's objectives: 11.8% over five years, 9.2% over ten years, and 9.6% over twenty years **(Table 1)**. In particular, our approach to equity-related investments has delivered exceptional results. For example, the LTP's composite Private Equity return of 14.9% per year over the past two decades exceeds the MSCI ACWI by over 6%. This exemplary long-term performance record reflects the quality of our managers, the strength of our sourcing, and our ability to capture the illiquidity premium over time. We are proud of this record and confident in our ability to continue delivering outstanding value for the University.

UVIMCO consistently outperforms its institutional peers in addition to securing long-term returns above the policy benchmark and required return. Over the past twenty years, UVIMCO's annualized return of 9.6% has well exceeded the 7.1% garnered by median peers **(Graph 3)**, according to Wilshire Trust Universe Comparison Service (TUCS) data.

TABLE 1 Long Term Pool Strategy Allocation and Investment Returns

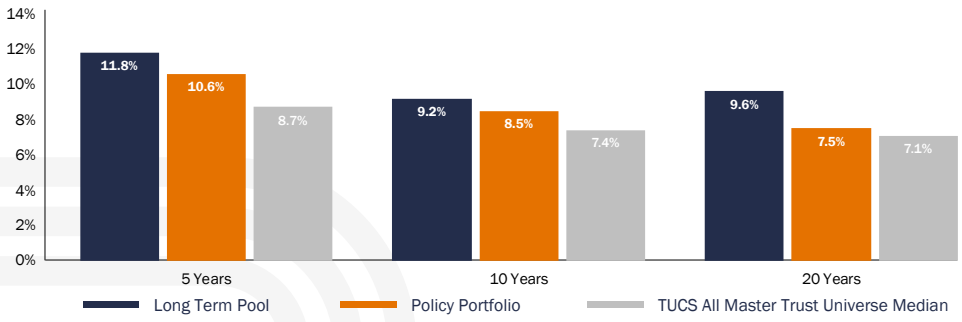
In percentages, as of June 30, 2025

		Annualized				
	Allocation[1]	1YR	3YR	5YR	10YR	20YR
Long Term Pool[2]	**100.0**	**12.4**	**7.2**	**11.8**	**9.2**	**9.6**
Policy Benchmark[3]		*13.9*	*13.8*	*10.6*	*8.5*	*7.5*
Public Equity	27.7	20.0	12.8	10.5	9.6	11.6
Long/Short Equity	9.1	7.1	6.8	5.4	4.8	6.9
Private Equity	28.5	14.3	4.1	18.4	15.0	14.9
Real Assets	15.6	6.1	7.4	20.8	11.4	9.0
Absolute Return	8.6	2.5	5.4	6.4	4.4	5.7
Credit	4.6	11.3	8.8	9.9	6.9	6.9
Fixed Income	4.5	4.5	0.7	(0.9)	1.7	2.9
Cash	1.4	3.8	4.0	2.4	1.7	--

(1) Percent of Long Term Pool net asset value.
(2) Long Term Pool returns are presented gross of UVIMCO management and incentive fees but net of underlying manager fees.
(3) Geometrically linked monthly average of 75% MSCI All Country World Equity and 25% Bloomberg U.S. Treasury Bond. The policy portfolio weights are 65/10/25 equity, real estate, fixed income between July 1, 2019 and June 30, 2020 and 60/10/30 prior to July 1, 2019.

GRAPH 3 Long Term Pool Relative Performance

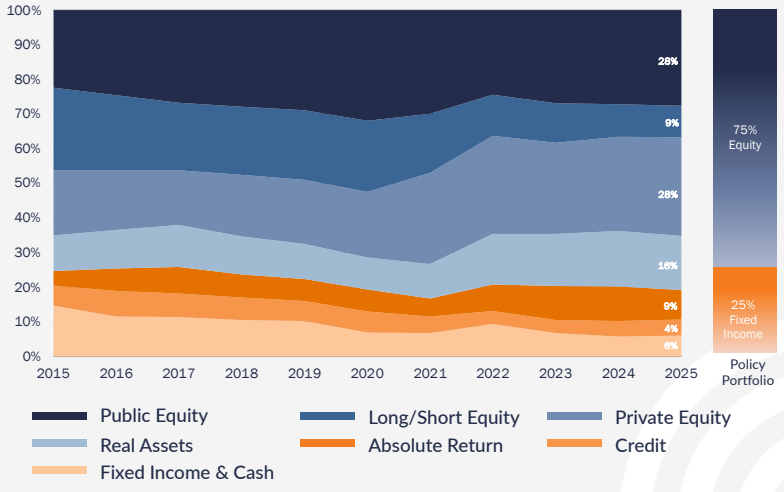
Annualized through June 30, 2025



Asset Allocation

UVIMCO's investment performance and strategy starts with successful asset allocation and alignment with asset owners. UVIMCO's investment policy includes a policy portfolio allocation, which our Board of Directors establishes based on the University's risk tolerance and expected future capital requirements. The policy portfolio serves as an indicator of how the endowment would fare under passive management.

UVIMCO has a long history of partnering with exceptional investment managers, who add value to passive alternatives over time. Our managers invest in Public Equity, Long/Short Equity, Private Equity, Real Assets, Absolute Return, Credit, and Fixed Income. **Graph 4** displays the trends in the asset allocation of the Long Term Pool over the past decade, with shifts in recent years primarily due to relative performance.

GRAPH 4 Long Term Pool Historical Asset Allocation

Fiscal years ending June 30