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SECTION 1: MESSAGE FROM THE PRESIDENT AND CHAIR
MESSAGE FROM THE PRESIDENT AND CHAIR

We emerge again from another challenging year. Since the easing of the COVID-19 pandemic and subsequent strong market recovery, other issues have surfaced, namely the war in Ukraine and surge in global energy and food prices. These have pushed inflation to its highest level in decades and compounded instability in financial markets.

Yet the Concordia University community continues to work hard and create positive change. For the third straight year, Concordia was ranked North America’s top university under 50 years old (QS), while our John Molson Executive MBA program placed second in Canada (CEO Magazine). Our university remains a top choice for talented students and researchers — and our campuses are reinvigorated with a return to in-person classes.

The Concordia University Foundation (CUF), the investment arm of the university, has advanced steadily toward its 100/0/10 goal — where CUF assets will be 100 per cent sustainable, with zero investment in traditional oil-and-gas-oriented investments and 10 per cent of long-term assets in impact investments by 2025. In the last year, we:

• Hired an Advisor of Sustainability and Investments to manage the sustainability implementation and progress for both the CUF and Concordia’s Pension Plan portfolios;
• Continued to source impact investments, including a commitment to Fondaction’s Circular Economy Fund;
• Invested significant efforts to realign current investment policy with our 100/0/10 by 2025 commitment — assigning metrics to our three major sustainability goals to better track progress;
• Conducted a fit-gap analysis of the CUF portfolio to better understand its current position and realistically assign metrics to our 2025 targets;
• Established an assessment framework that includes an environmental, social and governance (ESG) scoring system to rate CUF’s fund managers;
• Signed the Climate Charter for Canadian Universities, where more than 16 universities leverage their assets to strategize for a smoother transition to a low-carbon economy;
• Participated as the only university in the Great Canadian ESG Championship, initiated by the Trottier Foundation to identify the top ESG investment manager and bring transparency to the sustainable fund management market.
Given the very volatile markets and the latest recessionary views, both the long-term and mid-term pools in the CUF portfolio underperformed relative to their respective strategic targets on a year-to-date basis. However, over the past two years, both pools exceeded their objectives.

As for the endowment program, the CUF distributed close to $4.6M to Concordia for its endowment designations with a funding ratio of 105.3 per cent as of April 30, 2022.

As a result of this year’s negative performance, our fiscal capacity for the 2022-23 and 2025-26 capital budget cycles is now $20M, compared with last year’s $31M. Over the past two years, despite the $1M loss incurred in 2021-22, another $5.6M was transferred to the university’s operations and restricted funds.

In accordance with our commitment to sustainability, the CUF’s objectives for the coming year include developing proxy voting guidelines aligned with CUF values and responsible investment practices. We are also hiring interns to assist in the implementation of responsible investment practices in our portfolio, and encouraging fund managers to follow suit.

By fall 2022, the investment sub-committee will be tabling its updated investment policy review recommendation to the board of directors. Once approved, all efforts will be applied toward the transition plan of the current portfolio to achieving its three sustainability goals (100/0/10) by 2025.

We would like to thank the members of the CUF’s board of directors and investment committee for their dedication and hard work in supporting the university and its sustainability goals.

We are also grateful to our donors and other partners for their contributions, which played a major role in advancing education and sustainable development.

We hope you find this report enlightening and inspiring. We appreciate your continued support.

Howard Davidson, BComm 80
Chair, Concordia University Foundation

Denis Cossette
President, Concordia University Foundation
HIGHLIGHTS

a. Investment returns

Following a strong post-COVID-19 recovery, 2021-22 was more challenging, with high levels of uncertainty and stress in financial markets due to geopolitical risks, inflation and recession concerns. In this context, the long-term pool delivered returns of -1.90 per cent, and the mid-term pool -1.62 per cent for the fiscal year — and 10.72 per cent and 4.55 per cent respectively over the last two years.

Investment returns by asset class, as at April 30, 2022

<table>
<thead>
<tr>
<th>ASSET CLASSES</th>
<th>1 year</th>
<th>2 years (annualized)</th>
<th>3 years (annualized)</th>
<th>5 years (annualized)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>-3.53%</td>
<td>16.80%</td>
<td>7.97%</td>
<td>7.56%</td>
</tr>
<tr>
<td>Fixed income (FI)</td>
<td>-2.38%</td>
<td>1.99%</td>
<td>2.25%</td>
<td>2.26%</td>
</tr>
<tr>
<td>Alternatives</td>
<td>7.65%</td>
<td>6.19%</td>
<td>4.85%</td>
<td>5.13%</td>
</tr>
<tr>
<td>Long-term pool</td>
<td>-1.90%</td>
<td>10.72%</td>
<td>5.58%</td>
<td>5.46%</td>
</tr>
<tr>
<td>Mid-term pool</td>
<td>-1.62%</td>
<td>4.55%</td>
<td>2.84%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Investment returns by pool

<table>
<thead>
<tr>
<th>LONG-TERM POOL RETURNS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year</td>
</tr>
<tr>
<td>2015-16</td>
</tr>
<tr>
<td>2016-17</td>
</tr>
<tr>
<td>2017-18</td>
</tr>
<tr>
<td>2018-19</td>
</tr>
<tr>
<td>2019-20</td>
</tr>
<tr>
<td>2020-21</td>
</tr>
<tr>
<td>2021-22</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MID-TERM POOL RETURNS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year</td>
</tr>
<tr>
<td>2018-19</td>
</tr>
<tr>
<td>2019-20</td>
</tr>
<tr>
<td>2020-21</td>
</tr>
<tr>
<td>2021-22</td>
</tr>
</tbody>
</table>
b. **Collaborations:**

The CUF intends to join forces with other like-minded investors through collaborations that increase impact by pooling assets.

i. **University Network for Investor Engagement** is a program for shareholders that leverages the collective power of Canadian university endowment and pension plan assets to address climate-change-related risks. During 2021, the program engaged with 20 companies from the CUF’s portfolio on issues related to climate.

ii. New collaboration — **Investing to Address Climate Change: A Charter for Canadian Universities**, signed by more than 16 universities including Concordia, provides principles and practices to guide responsible investment decisions and foster the transition to a low-carbon economy.

iii. **Principles for Responsible Investment (PRI) scores:**

   - 2019 report: overall score of B
   - 2020 report: overall score of A
   - 2021 report: to be released Q3 2022

c. **Contribution to United Nations Sustainable Development Goals (UNSDGs):**

As planned, the CUF’s impact policy addressed three major themes this past year: education, local and domestic goals. Since reassessing our impact policy and priorities, the CUF is now expanding its focus to six areas: youth, local, indigenous, climate, education and community, which we will report on next year.

![2021-22 Allocation to CUF themes](image)
The graph below represents the allocation of the CUF portfolio to each of the 17 UNSDGs. (Since some funds in the portfolio contribute to more than one UNSDG, the total exceeds 100 per cent.) In 2021-22, given the under-allocation of the CUF to SDG 14 (Life below water), this goal and the blue economy have been the focus of CUF and are still in progress.

**Allocation as of April 2022:**

- **No poverty**: 1.65%
- **Zero hunger**: 0.31%
- **Good health and well-being**: 14.42%
- **Quality education**: 8.24%
- **Gender equality**: 1.23%
- **Clean water and sanitation**: 0.12%
- **Affordable and clean energy**: 17.55%
- **Decent work and economic growth**: 20.91%
- **Industry, innovation and infrastructure**: 4.61%
- **Reduced inequalities**: 1%
- **Sustainable cities and communities**: 11.76%
- **Responsible consumption and production**: 5.41%
- **Climate action**: 15.24%
- **Life below water**: 0%
- **Life on land**: 0.31%
- **Peace, justice and strong institutions**: 0.88%
- **Partnerships for the goals**: 0%
SECTION 3: DESIGN AND GOVERNANCE
DESIGN AND GOVERNANCE

a. Investment structure: return targets and allocation policy

The CUF is designed to meet the various investment needs of Concordia, outside of its pension plan, through investment programs. An investment program is a specific investment need which will have its own accounting and measurement structure where the capital received and return generated are earmarked specifically for the program itself. For Concordia, investment needs are to create fiscal capacity for:

- Donations received — of an endowed or restricted nature — to support funding for student, academic or research activities;
- Capital investments and capital budget through its sinking funds, which are funds set aside to pay back the debt obligations of the university;
- Group insurance plans and the management of funds generated from their policies.

Each program therefore has its own cash-flow structure with respect to when capital and/or returns need to be transferred back to Concordia. Given the diversity of investment programs, the CUF also designed a multiple-investment-pool structure to closely align the objectives of each investment program.

To that end, we created three pools:

- A long-term pool, where the capital is not required to be transferred back for a period longer than 10 years, which seeks a result target of 6.25 per cent;
- A mid-term pool, designed to preserve capital while still generating an investment return target of 4 per cent within a two- to five-year period;
- A sinking fund, intended to meet Concordia’s debt obligations related to its $25M sustainable bond, issued in 2019. Below is a summary of all investment programs, their associated investment pool and their net asset values at the end of the 2021-22 financial year.

<table>
<thead>
<tr>
<th>INVESTMENT PROGRAMS</th>
<th>INVESTMENT POOLS</th>
<th>NET ASSET VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donation – endowments</td>
<td>Long-term</td>
<td>$123.5M</td>
</tr>
<tr>
<td>Sinking fund – capital investments</td>
<td>Long-term</td>
<td>$79.6M</td>
</tr>
<tr>
<td>Sinking fund – bonds</td>
<td>Ministère des Finances du Québec (MFQ)</td>
<td>$4.4M</td>
</tr>
<tr>
<td>Sinking fund – program equipment &amp; IT</td>
<td>Mid-term</td>
<td>$55.7M</td>
</tr>
<tr>
<td>Donation – restricted</td>
<td>Mid-term</td>
<td>$51.4M</td>
</tr>
<tr>
<td>Group insurance plans</td>
<td>Mid-term</td>
<td>$16.7M</td>
</tr>
<tr>
<td>Others</td>
<td>Managed separately outside the CUF</td>
<td>$27.2M</td>
</tr>
</tbody>
</table>
b. Asset allocation

The investment policy integrates a tactical asset allocation framework, which provides flexibility within the following parameters and includes the use of proxies to maintain allocation coverage and liquidity.

<table>
<thead>
<tr>
<th>ASSET CLASSES</th>
<th>ASSET ALLOCATION RANGES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Long-term pool</td>
</tr>
<tr>
<td>Equity</td>
<td>40% – 60%</td>
</tr>
<tr>
<td>Fixed income</td>
<td></td>
</tr>
<tr>
<td>• Cash and cash equivalents</td>
<td>0% – 4%</td>
</tr>
<tr>
<td>• Others</td>
<td>10% – 25%</td>
</tr>
<tr>
<td>Alternatives</td>
<td>25% – 45%</td>
</tr>
<tr>
<td>Impact investments</td>
<td>0% – 10%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CURRENT ASSET ALLOCATION, as at April 30, 2022</th>
<th>WEIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>40.6%</td>
</tr>
<tr>
<td>Fixed income</td>
<td>22.9%</td>
</tr>
<tr>
<td>Alternatives</td>
<td>25.5%</td>
</tr>
<tr>
<td>Impact investments</td>
<td>7.9%</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3.1%</td>
</tr>
<tr>
<td>Total investments are allocated as follows:</td>
<td>WEIGHT</td>
</tr>
<tr>
<td>Long-term pool</td>
<td>63%</td>
</tr>
<tr>
<td>Mid-term pool</td>
<td>37%</td>
</tr>
</tbody>
</table>
c. Governance

The CUF is governed by a legally autonomous board of directors responsible for the fiduciary obligations of the CUF, along with the sound management of the entity and its investments. In 2021-22, it was composed of the following members:

**Board of directors**
- Graham Carr
- Paul Chesser
- Denis Cossette, president
- Howard Davidson, chair of the board
- Brian Edwards, vice-chair of the board
- Christine Lengvari
- Ralph Loader
- Andrew Molson
- Richard Renaud
- Lorne Steinberg
- Jeffrey Tory
- Vacant position

The board of directors is supported by a specialized investment committee that oversees and approves the investment decisions of the CUF. In 2021-22, it was composed of the following members:

**Investment committee**
- Paul Chesser
- Denis Cossette
- Howard Davidson
- Ralph Loader
- Lorne Steinberg
- Jeffrey Tory

The board of directors is also supported by an audit committee that oversees and approves the financial statements of the CUF. In 2021-22, it was composed of the following members:

**Audit committee**
- Brian Edwards (interim chair)
- Christine Lengvari
- Andrew Molson
- Jeffrey Tory

The board of directors and investment committee have delegated management of the CUF’s operations to Concordia’s Office of the Treasurer and its investment division. These operations include leadership of the entity, implementation of its policies, investment allocation recommendations and administration of the overall entity. In 2021-22, it was composed of the following members:

**Office of the Treasurer investment division**
- John Boyronikos, financial analyst
- Abdel Chabi-Yo, director
- Maha Fakih, advisor, sustainability and investments
- Marc Gauthier, treasurer and chief investment officer
- Geir Rune Johnskareng, investment advisor
- Florence Kwan, financial accountant
- Ekaterina Krasnova, financial accountant
- Janice Wong, administrative coordinator

**d. Investment policy:** The committee has been working on an updated investment policy to be shared in fall 2022.
IMPACT FROM OUR ALLOCATIONS

a. Investment policy review process
The CUF appointed an investment sub-committee to review and align its investment policy to its goal of achieving 100/0/10 by 2025. The process was completed and recommendations tabled to the investment committee and board of directors in the fall of 2022. The process included:

• Defining what each component of the 100/0/10 by 2025 target is meant to address;
• Assessing and redesigning our portfolio’s asset allocation construction toward our target;
• Reviewing our tactical asset allocation policy and conducting a fit/gap analysis to determine how the current allocation fits into the new investment framework and a transition plan to reach 100/0/10 by 2025.

b. Impact investment report, 2021-22
Within the impact investment portfolio, eight funds are mission-related investments, aligning with and directly achieving the CUF’s mission and themes, as outlined below.

Since our 2020-21 report, the CUF has committed $2M to a new impact investment: Fondaction’s Circular Economy Fund. This brings our allocation of mission-related investments to $11,518,750 — representing 5.5 per cent of the portfolio, up from 4.3 per cent in 2020-21. The portfolio’s overall impact allocation is 8.2 per cent.
c. Mission-related investments

Progress of the key performance indicators (KPIs) for each of the following mission-related investment funds will be tracked and reported next year.

**Brighter Investment** empowers students in developing countries to become the next generation of leaders in STEM and business fields.

- **Fund description:** provides loans to students in Africa to cover their full graduate education and offers them job-search mentorship
- **Terms:**
  - Duration of loans: 12 years
  - Duration of repayment: 7 years
  - Average student loan: US$6,678
- **CUF investment rationale:** focuses on education in underdeveloped countries
- **UNSDGs:**
- **KPIs:**
  - Number of students supported
  - Partnerships with public universities in Ghana
  - Student employment rate
  - Dropout rate

**Cycle Capital** is a venture capital manager with $600M in early- and growth-stage funds to invest in innovative solutions to major ecological challenges.

- **Fund description:** cleantech fund that invests in growth companies across North America
- **Terms:**
  - Term: 10 years +2
  - Fund size: $145M
  - CUF commitment: $1M
  - Target return: 15 per cent
- **CUF investment rationale:** supports clean energy and contributes to the climate solution
- **UNSDGs:**
- **KPIs:**
  - Greenhouse gas (GHG) emissions avoided
  - GHG emissions
  - ESG diversity metrics
**Fondaction** is a labour-sponsored fund with assets under management of $2 billion, collected as retirement savings from more than 180,000 shareholders and invested in companies across Quebec.

- Fund description: invests in early-stage companies that contribute to the circular economy through three sectors: agrifood, recycling and eco-construction
- Terms:
  - **Vintage year:** 2021
  - **Concordia start date:** 2022
  - **Term:** 10 years
  - **Investment period:** 5 years
  - **Fund size:** $25M
  - **CUF commitment:** $2M
  - **Target net return:** 10 per cent

- CUF investment rationale: contributes to reducing GHG emissions and targets the Montreal region, largely Quebec companies
- **UNSDGs:**
- **KPIs:**
  - One circularity metric (quantity of unused virgin material or quantity of material diverted from landfills and repurposed)
  - Avoided/sequestered GHGs
  - Reduced energy consumption
  - 35 ESG KPIs

**Inerjys** is a venture capital firm that invests in cleantech companies in the growth and commercialization stages.

- Investment description (CUF has invested in three companies):
  - **Still Good:** food upcycling to avoid waste
  - **Goliath Wind:** wind turbines incorporating their patented modular-ring generators
  - **AESP Green Energy:** renewable energy solutions, including custom-designed products, such as recharging stations and street lights
- Terms:
  - **CUF commitment:** $1.2M
  - **Total investments (three companies):** $8M
- CUF investment rationale: contributes to the climate solution
- **UNSDGs:**
- **KPIs:**
  - Carbon footprint
**MKB** is a thematic growth-stage investor that supports companies in clean energy, transportation and smart cities.

- **Fund description:** invests in energy and transportation firms using innovative technologies and business models to build decentralized networks
- **Terms:**
  - Vintage date: 2020
  - Concordia start date: 2021
  - Term: 10 years
  - Investment period: 5 years
  - Fund size: $175M
  - CUF commitment: $2M
  - Target net return: 15 – 18 per cent
- **CUF investment rationale:** contributes to the climate solution
- **UNSDGs:**
- **KPIs:**
  - ESG questionnaire

**Learn Capital** is the first and best-established education-focused venture capital firm. It backs and builds global education technology firms, including Udemy and Coursera.

- **Fund description:** VC fund that invests in education-focused tech companies
- **Terms:**
  - Vintage date: 2020
  - Concordia start date: 2021
  - Term: 10 years +2
  - Investment period: 5 years (April 6, 2025)
  - Fund size: US$250M
  - CUF commitment: US$2M
- **CUF investment rationale:** advancing and facilitating education globally
- **UNSDGs:**
- **KPIs:**
  - Reach
  - Intensity
  - Performance
Mirova is a global asset-management firm that is BCorp certified and a lead player in sustainable finance. It combines financial performance with environmental and social impact.

- Fund description: **Land Degradation Neutrality Fund** provides long-term financing (debt/equity) for sustainable land-use projects that will reduce or reverse land degradation, mostly in regenerative agriculture and agroforestry

- Terms:
  - Vintage year: 2018
  - Concordia start date: 2021
  - Term: 15 years +2
  - Investment period: 5 years (December 2023)
  - Fund size: US$208.4M
  - CUF commitment: US$1.45M
  - Target net return: 7 – 8 per cent

- CUF investment rationale: contributes to the climate solution

- UNSDGs: 

- KPIs:
  - Jobs supported
  - CO2 emissions reduction

Urapi supports the development of mid-sized cooperatives through the restoration of degraded land, implementation of agroforestry systems, construction of processing units to increase value-creation potential, and generation of carbon credits. It is designed and operated by Ecotierra.

- Fund description: focuses on implementation of agroforestry systems and development of production (certified organic, fair-trade coffee)

- Terms:
  - Vintage year: 2019
  - Concordia start date: 2020
  - Term: 15 years +2
  - Investment period: 4 years
  - Fund size: US$50.3M
  - CUF commitment: US$725,000

- CUF investment rationale: contributes to the climate solution

- UNSDGs: 

- KPIs:
  - Number of families impacted
  - Jobs created
  - Restored surface
  - CO2 emissions reduction
  - Hectares reforested
d. Climate risk-exposure report, 2021-22

The CUF determined that, as of April 30, 2022, it was exposed to nine companies listed in the Carbon Underground 200, totalling a weight of 1.19 per cent of the portfolio. Fund managers invested in these companies are in active engagement with them on how frameworks they have in place will assist with a transition to a low-carbon economy. The CUF encourages fund managers to engage with portfolio companies on all aspects of sustainability and ensure they remain sustainable over the long run.

Our portfolio was also mapped using the matrix developed by the Impact Management Project. Its goal is to better understand the intentions and positions of fund managers across the portfolio with regard to incorporating responsible investment into their processes and implementation. Almost 60 per cent of CUF portfolio managers “act to avoid harm,” which means having a minimum of responsible investment policy in practice and/or using consultants to implement a policy. Managers categorized as “benefiting people and the planet” not only avoid harm, but also integrate environmental, social and governance factors into decision-making. Nearly 21 per cent of the portfolio’s investments contribute to solutions, while about seven per cent of managers do not consider ESG factors or have responsible investment policies in place.

These insights were derived from the investment policy review process and fit/gap analysis mentioned earlier. They will guide us in establishing a transition plan toward a new 100/0/10 investment framework.
SECTION 5: OPPORTUNITIES FOR CONCORDIA STUDENTS
OPPORTUNITIES FOR CONCORDIA STUDENTS

Experiential learning is a priority at Concordia, and the CUF is working to support the university’s commitment to offer every incoming undergraduate student at least one experiential learning opportunity during their studies and at least two by 2025.

a. **Internship opportunities within asset management firms**
   As part of our onboarding process, the CUF encourages fund managers to hire Concordia interns. They have proven eager to collaborate with the university to facilitate hiring our students and alumni.

b. **Beat the Odds**
   This Concordia internship program is open to undergraduate students from equity-seeking groups in all four faculties. The internships can be fully funded by Concordia’s Experiential Learning Office.

c. **Concordia’s Experiential Learning Office**
   This unit provides support and coordination for experiential learning activities across the university to assist students, faculty, staff and partner organizations.
SECTION 6: CONCORDIA SUSTAINABILITY ACTIVITIES
CONCORDIA SUSTAINABILITY ACTIVITIES

Concordia is committed to sustainability and has taken action on numerous fronts toward this goal. A few examples:

a. **Sustainable bond issue:**
   In 2019, Concordia became Canada’s first university to issue a sustainable bond.

Bond details:

<table>
<thead>
<tr>
<th>Bond details</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal</td>
<td>25M$</td>
</tr>
<tr>
<td>Coupon rate</td>
<td>3.63%</td>
</tr>
<tr>
<td>Type</td>
<td>Senior unsecured bond</td>
</tr>
<tr>
<td>Term</td>
<td>20 years</td>
</tr>
<tr>
<td>Issue date</td>
<td>February 11, 2019</td>
</tr>
<tr>
<td>Maturity date</td>
<td>February 10, 2039</td>
</tr>
<tr>
<td>Projects financed</td>
<td>Applied Science Hub on Loyola Campus</td>
</tr>
</tbody>
</table>

- **Type of investors/buyers:** RBC Dominion Securities, BMO Nesbitt Burns, Casgrain & Co, CIBC and TD Securities

- **Progress on projects:** Concordia’s Applied Science Hub has been certified LEED Gold by the Canada Green Building Council.
### b. Other Concordia University initiatives:

<table>
<thead>
<tr>
<th>NAME</th>
<th>GOAL</th>
<th>PARTIES INVOLVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability Ecosystem</td>
<td>Educate and connect different stakeholders on various sustainability topics</td>
<td>Concordia University staff</td>
</tr>
<tr>
<td>Sustainable Investing Practicum</td>
<td>Provide John Molson students with hands-on experience in managing a global equity portfolio with a sustainable investing mandate</td>
<td>Manulife Investment Management, Concordia students/staff</td>
</tr>
<tr>
<td>Van Berkom Investment Management program</td>
<td>Each year, six to 10 Concordia students are selected to actively manage a portfolio of small-capitalization stocks</td>
<td>Van Berkom &amp; Associates, Concordia students/staff</td>
</tr>
<tr>
<td>Joint sustainable investment advisory committee</td>
<td>Provide a forum to members of the Concordia community to make recommendations regarding ESG investment opportunities</td>
<td>Representatives from Concordia Student Union, Graduate Student Association, Divest Concordia, CUF and faculty/staff</td>
</tr>
</tbody>
</table>

### c. Montreal Climate Partnership

The Montreal Climate Partnership is a groundbreaking grouping of nearly 100 Montreal economic, institutional, community and philanthropic organizations committed to meeting the challenge of reducing Montreal’s greenhouse gas emissions by 55 per cent by 2030 and putting the metropolis on a path to carbon neutrality by 2050.

Concordia has a presence at the Montreal Climate Partnership, with President and Vice-Chancellor Graham Carr on the steering committee, as well as a number of professors who are members.

Partners include the Fondation du Grand Montréal, Trottier Foundation and the City of Montreal.
SECTION 7: LOOKING FORWARD
SECTION 7: LOOKING FORWARD

As Concordia continues to advance as Canada’s next-gen university, the CUF has made significant progress directly supporting the university's goals, including its commitment to sustainability. Looking ahead to 2022-23, we are focused on the following five objectives:

1. Completion of the investment policy review process, which will align our policy to our 100/0/10 by 2025 commitment (includes approval of the new definitions and metrics for these three main sustainability goals);

2. Development and implementation of a transition plan to achieve the three sustainability goals (100/0/10) by 2025;

3. Development of a stewardship program focused on creating proxy voting guidelines and an engagement program;

4. Selection of an appropriate climate provider to measure the footprint of CUF portfolio (Goal 2);

5. Involvement of students in engagement activities, such as PRI collaboration platform and Share.
Consolidated Financial Statements of

CONCORDIA UNIVERSITY FOUNDATION

Year ended April 30, 2022
<table>
<thead>
<tr>
<th>Financial Statements of Concordia University Foundation</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of Financial Position</td>
<td>1</td>
</tr>
<tr>
<td>Statement of Operations and Net Assets</td>
<td>2</td>
</tr>
<tr>
<td>Statement of Cash Flows</td>
<td>3</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>4 - 11</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Board of Directors of Concordia University Foundation

Opinion

We have audited the financial statements of Concordia University Foundation (the "Entity"), which comprise:

- the statement of financial position as at April 30, 2022
- the statement of operations and net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies
  (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at April 30, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors’ Responsibilities for the Audit of the Financial Statements" section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

**Auditors’ Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Montréal, Canada

October 12, 2022
Concordia University Foundation

Statement of Financial Position

April 30, 2022, with comparative information for 2021

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$10,766,423</td>
<td>$21,489,731</td>
</tr>
<tr>
<td>Accrued investment income</td>
<td>527,102</td>
<td>515,774</td>
</tr>
<tr>
<td>Net investment sales receivable</td>
<td>37</td>
<td>13,315,381</td>
</tr>
<tr>
<td>Sales taxes receivable</td>
<td>70,637</td>
<td>115,350</td>
</tr>
<tr>
<td></td>
<td>11,364,199</td>
<td>35,436,236</td>
</tr>
<tr>
<td>Investments (Note 2)</td>
<td>344,004,712</td>
<td>322,390,051</td>
</tr>
<tr>
<td>Fair value of life insurance policies</td>
<td>3,082,844</td>
<td>3,082,844</td>
</tr>
<tr>
<td></td>
<td>$358,451,755</td>
<td>$360,909,131</td>
</tr>
<tr>
<td><strong>Liabilities and Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment purchases payable (Note 5)</td>
<td>$806,265</td>
<td>$798,045</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities (Note 5)</td>
<td>806,265</td>
<td>798,045</td>
</tr>
<tr>
<td></td>
<td>806,265</td>
<td>798,045</td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to Concordia University (Note 3)</td>
<td>357,645,490</td>
<td>360,111,086</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>357,645,490</td>
<td>360,111,086</td>
</tr>
<tr>
<td></td>
<td>357,645,490</td>
<td>360,111,086</td>
</tr>
<tr>
<td>Commitments (Note 8)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$358,451,755</td>
<td>$360,909,131</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

On behalf of the Board:

[Signatures]
CONCORDIA UNIVERSITY FOUNDATION

Statement of Operations and Net Assets

Year ended April 30, 2022 with comparative information for 2021

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recoveries from Concordia University</td>
<td>$2,349,103</td>
<td>$2,245,363</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management fees</td>
<td>1,500,400</td>
<td>1,484,065</td>
</tr>
<tr>
<td>Professional fees</td>
<td>514,758</td>
<td>427,353</td>
</tr>
<tr>
<td>Insurance policy payments</td>
<td>333,945</td>
<td>333,945</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>2,349,103</td>
<td>2,245,363</td>
</tr>
<tr>
<td><strong>Revenues over expenses</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Unrestricted net assets, beginning of year</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Unrestricted net assets, end of year</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
Statement of Cash Flows

Year ended April 30, 2022, with comparative information for 2021

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash provided by:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in non-cash operating working capital items</td>
<td>$ 13,356,949</td>
<td>$ (13,105,526)</td>
</tr>
<tr>
<td>Financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Decrease) increase in due to Concordia University</td>
<td>(2,465,596)</td>
<td>78,236,754</td>
</tr>
<tr>
<td>Investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of investments</td>
<td>(68,571,552)</td>
<td>(19,289,301)</td>
</tr>
<tr>
<td>Reinvested capital</td>
<td>(5,130,022)</td>
<td>(3,735,411)</td>
</tr>
<tr>
<td>Disposal of investments</td>
<td>39,210,424</td>
<td>7,382,121</td>
</tr>
<tr>
<td>Changes in fair value of investments</td>
<td>12,876,489</td>
<td>(39,941,933)</td>
</tr>
<tr>
<td></td>
<td>(21,614,661)</td>
<td>(55,584,524)</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>(10,723,308)</td>
<td>9,546,704</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>21,489,731</td>
<td>11,943,027</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of year</td>
<td>$ 10,766,423</td>
<td>$ 21,489,731</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
The Concordia University Foundation (the "Foundation") was incorporated as a corporation without share capital under Part II of the Canada Corporations Act in April 1991 and became operational on June 1, 1995. Effective April 11, 2014, the Foundation was continued under the Canada Not-for-profit Corporations Act. The Foundation is the fund management partner to Concordia University. Its mission is to use its resources exclusively to encourage the advancement and development of higher education, teaching, research and other charitable activities of Concordia University. The Foundation, a registered charity, is associated with Concordia University and is therefore exempt from income tax under the Income Tax Act.

1. **Significant accounting policies:**

   (a) **Basis of presentation:**
   
   The Foundation's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

   (b) **Accounting estimates:**
   
   The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's knowledge of current events and actions that the Foundation may undertake in the future. Actual results may differ from these estimates.

   (c) **Entity accounting:**
   
   The Foundation is designed to meet the various investment needs of the university, outside of its pension plan, through investment programs. An investment program is a specific investment need that will have its own accounting and measurement structure where the capital received and return generated are earmarked specifically for the program itself.

   For Concordia, investment needs are to create fiscal capacity for:

   - Donations received, either from an endowed or restricted nature to support funding for student, academic or research activities;
   - Capital investments and capital budget through sinking funds, which are funds set aside to pay back the debt obligations of the university;
   - Group insurance plans and the management of funds generated from their policies.
1. **Significant accounting policies (continued):**

(c) **Entity accounting (continued):**

The Foundation consists of the following investment programs:

- Endowment Program ("END")
- Sinking Fund Program - property related capital investments ("SFP")
- Sinking Fund Program - Equipment & Information Technology related capital investments ("SFP-EQ")
- Group Insurance Fund Program ("GIP")
- Donated Restricted Funds Investment Program ("DRIP")
- Sinking Fund program for 2019 CU Bonds - MFQ ("MFQ")
- Illiquid In-kind Restricted Donations Program
- Special Endowment Program - Jarislowsky Fraser ("JFL")
- Special Endowment Program - Desjardins ("DESJ")
- Special Endowment Program - GFI Investment Counsel Ltd. ("GFI")
- Van Berkom Investment Management Program ("VBIMP")

The full net asset value of the Foundation is recognized as a due to Concordia University.

(d) **Financial assets and liabilities:**

(i) **Initial measurement:**

Upon initial measurement, the Foundation's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are recognized in operations in the year they are incurred.

(ii) **Subsequent measurement:**

At each reporting date, the Foundation measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets), except for the fair value of life insurance policies, investment funds and common shares which are measured at fair value and bond investments which the Foundation has elected to measure at fair value by designating that fair value measurement shall apply.
1. Significant accounting policies (continued):

(d) Financial assets and liabilities (continued):

(ii) Subsequent measurement (continued):

With respect to financial assets measured at amortized cost, the Foundation assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Foundation determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in operations in the year the reversal occurs.

(e) Revenue recognition:

The Foundation follows the deferral method of accounting for contributions.

Recoveries from Concordia University are recorded when expenses are incurred.

Contributions received are recognized as Due To Concordia University in the year in which they are received or receivable, if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

(f) Fair value changes in investments:

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting.

Changes in fair value are recognized when they occur.

(g) Contributed supplies and services:

The Foundation recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

(h) Cash and cash equivalents:

Cash and cash equivalents include bank overdrafts whose balances fluctuate frequently from being positive to overdrawn, and investments maturing within three months of the acquisition date or investments redeemable at any time without penalty.
1. Significant accounting policies (continued):

(i) Foreign currency translation:

The Foundation uses the temporal method to translate transactions denominated in a foreign currency. Under this method, monetary assets and liabilities are translated at the exchange rate in effect at the financial position date. Non-monetary assets and liabilities are translated at historical exchange rates, with the exception of those recognized at fair value, which are translated at the exchange rate in effect at the financial position date. Revenues and expenses are translated at the average rate for the period. The related exchange gains and losses are accounted for in the operations for the year. Exchange gains and losses on financial instruments subsequently measured at fair value are included in changes in fair value of investments.

(j) Life insurance:

Life insurance represents the greater of either the fair market value of insurance policies at acquisition or the current cash surrender value of insurance policies held.

2. Investments:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Market value</td>
<td>Cost</td>
</tr>
<tr>
<td>Equities</td>
<td>$25,646,501</td>
<td>$23,835,391</td>
</tr>
<tr>
<td>Bonds</td>
<td>5,523,063</td>
<td>5,942,923</td>
</tr>
<tr>
<td>Investment funds</td>
<td>312,835,148</td>
<td>286,330,757</td>
</tr>
<tr>
<td></td>
<td>$344,004,712</td>
<td>$316,109,071</td>
</tr>
</tbody>
</table>

As at April 30, 2022, the weighted average interest rate of the bonds is 2.53% (2021 - 2.15%) and the weighted average duration is 3.74 years (2021 - 4.58 years).
### 3. Net assets due to Concordia University:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance</td>
<td>$360,111,086</td>
<td>$281,874,332</td>
</tr>
<tr>
<td>Increase (decrease) in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>due to Concordia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>University for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>capital activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital transfers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>received:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>END and special</td>
<td>6,097,215</td>
<td>13,404,560</td>
</tr>
<tr>
<td>programs (i)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GIP</td>
<td>872,910</td>
<td>96,985</td>
</tr>
<tr>
<td>DRIP</td>
<td>98,412</td>
<td>11,178,123</td>
</tr>
<tr>
<td></td>
<td>7,068,537</td>
<td>24,679,668</td>
</tr>
<tr>
<td>Capital transfers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>withdrawn:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>END and special</td>
<td>(273,698)</td>
<td>(1,315,329)</td>
</tr>
<tr>
<td>programs (i)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GIP</td>
<td>(784,267)</td>
<td>(874,942)</td>
</tr>
<tr>
<td>DRIP</td>
<td>(96,985)</td>
<td>(440,592)</td>
</tr>
<tr>
<td></td>
<td>(1,154,950)</td>
<td>(2,630,863)</td>
</tr>
<tr>
<td>(Loss) income from</td>
<td>(6,030,080)</td>
<td>58,433,312</td>
</tr>
<tr>
<td>investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Note 6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recoveries received</td>
<td>(2,349,103)</td>
<td>(2,245,363)</td>
</tr>
<tr>
<td>from Concordia University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ending balance</td>
<td>$357,645,490</td>
<td>$360,111,086</td>
</tr>
</tbody>
</table>

(i) Special programs include SFP, SFP-EQ, MFQ, VBIMP, JFL, DESJ and GFI.

### 4. END payout, GIP and DRIP market value appreciation (depreciation):

Payout represents 3.5% of the 36-month moving average market value of the respective endowment programs (END, JFL, DESJ and GFI), calculated monthly. GIP and DRIP market value appreciation (depreciation) is the portion of investment income allocated to each of the two programs for the fiscal year.

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payout for END and special endowments programs (i)</td>
<td>$4,634,629</td>
<td>$4,325,331</td>
</tr>
<tr>
<td>GIP market value</td>
<td>(172,862)</td>
<td>1,242,007</td>
</tr>
<tr>
<td>(depreciation) appreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DRIP market value</td>
<td>(668,715)</td>
<td>3,521,255</td>
</tr>
<tr>
<td>(depreciation)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(i) Special endowments programs include JFL, DESJ and GFI.
5. Accounts payable and accrued liabilities:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional fees (Concordia University salaries and benefits)</td>
<td>$426,866</td>
<td>$377,592</td>
</tr>
<tr>
<td>Management fees</td>
<td>$379,399</td>
<td>$420,453</td>
</tr>
<tr>
<td>Net investment purchases payable</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$806,265</strong></td>
<td><strong>$798,045</strong></td>
</tr>
</tbody>
</table>

6. (Loss) income from investing activities:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>$2,931,748</td>
<td>$2,984,077</td>
</tr>
<tr>
<td>Interest</td>
<td>1,389,754</td>
<td>1,285,092</td>
</tr>
<tr>
<td>Partnership income</td>
<td>1,292,583</td>
<td>863,726</td>
</tr>
<tr>
<td>Pooled fund income</td>
<td>215,456</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total investment income</strong></td>
<td>5,829,541</td>
<td>5,132,855</td>
</tr>
<tr>
<td>Realized gains</td>
<td>7,671,788</td>
<td>7,078,941</td>
</tr>
<tr>
<td>Change in unrealized (depreciation) appreciation</td>
<td>(19,460,549)</td>
<td>46,233,795</td>
</tr>
<tr>
<td>Investment expense and other</td>
<td>(70,860)</td>
<td>(12,319)</td>
</tr>
<tr>
<td><strong>Total (Loss) income</strong></td>
<td>$(6,030,080)</td>
<td>$58,433,312</td>
</tr>
</tbody>
</table>

7. Financial risks:

There has been no significant change to the risk exposure during the year.

(a) Credit risk:

The Foundation is exposed to credit risk regarding the financial assets recognized on the statement of financial position, other than investments in common shares and investment funds. The Foundation has determined that the financial assets with more credit risk exposure are corporate bonds, since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Foundation.

Additionally, some investment funds indirectly expose the Foundation to credit risk.

The risk is mitigated by adhering to the investment policy targets as described in the investment policy. In addition, monitoring of our managers is done on a regular basis. Currently, the allocation to corporate bonds in Foundation's portfolio is low.
7. Financial risks (continued):

(b) Market risk:

The Foundation’s financial instruments expose it to market risk, in particular, to interest rate risk, currency risk and other price risk, resulting from its investing activities:

(i) Interest rate risk:

The Foundation is exposed to interest rate risk with respect to financial assets bearing fixed interest rates.

The investments in bonds bear interest at a fixed rate and the Foundation is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

Additionally, some investment funds indirectly expose the Foundation to interest rate risk.

(ii) Currency risk:

The majority of the transactions are in Canadian dollars. Currency risk results from the Foundation’s sales and purchases of investments denominated in foreign currency, which are primarily in U.S. dollars. As at April 30, 2022, financial assets in foreign currency represent cash and cash equivalents amounting to $1,618,678 (2021 - $1,940,359) and investments totalling $85,188,709 (2021 - $63,581,655).

Additionally, some investment funds indirectly expose the Foundation to currency risk.

(iii) Other price risk:

The Foundation is exposed to other price risk due to investment funds and common shares since changes in market prices could result in changes in fair value or cash flows of these instruments. Additionally, some investment funds also indirectly expose the Foundation to other price risk.

(c) Liquidity risk:

The Foundation’s liquidity risk represents the risk that the Foundation could encounter difficulty in meeting obligations associated with its financial liabilities. The Foundation is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized on the statement of financial position. The liquidity risk is mitigated partly by the University's line of credit and partly by keeping part of the assets invested in highly liquid financial instruments.
8. Commitments:

Investment commitments:

The Foundation has committed to making contributions in future years in accordance with the terms and conditions set forth in the agreements with investment managers. The investment commitments made by the Foundation as at April 30 are as follows:

| Private equity | $ 7,894,409 |

The financing of the commitments mentioned above can be called by the various managers at various dates until 2030. However, many fund managers have the option to extend the investment period, conditional on approval from the investors.
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