Université Concordia University

2023-24

ANNUAL REPORT

Concordia University Inter-Generational Fund

Fiscal year from May 1, 2023, to April 30, 2024

concordia.ca/campaign

Signatory of: PRI Principles for Responsible Investment

SUSTAINABLE DEVELOPMENT GOALS

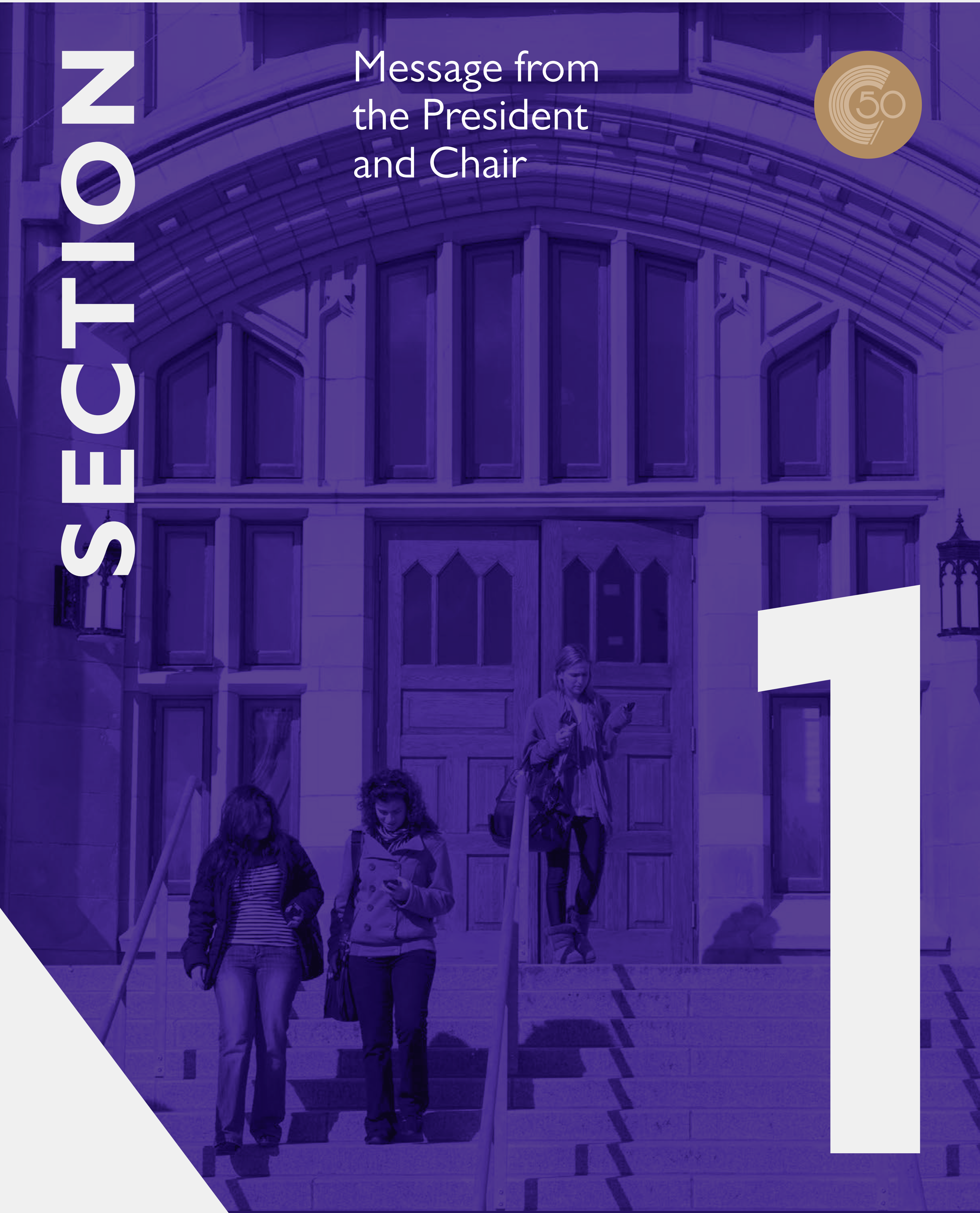
OUR INVESTMENT COMMITMENT BY 2025 100% 0% 10%

CONCORDIA

TABLE OF CONTENTS

SECTION 1

Message from the President and Chair



MESSAGE FROM THE PRESIDENT AND CHAIR

Howard Davidson, BComm 80

Chair, Concordia University Inter-Generational Fund

Denis Cossette

President, Concordia University Inter-Generational Fund

We are honoured to present to you this annual report for the fiscal year ending April 30, 2024, which has been an exciting and transformative year for the Foundation.

Over the past few years, the world has gone through a unique set of challenges and is adjusting to new realities. Last year, the provincial government announced some major tuition policy changes which had a significant negative impact on the university's financial context going forward. The university has tabled a financial plan with an objective to remain both strategically proactive and bring back the stability of its financials over time, to which the Foundation will play an even greater role.

Despite those challenges as well as the uncertain market environment and geopolitical turmoil, Concordia University (CU) has kept the focus on its commitment to serve its community.

In 2024, the Times Higher Education (THE) Impact Rankings placed Concordia among the world's best universities for six of the United Nations' Sustainable Development Goals (SDGs). Moreover, the university rose to first place among North American universities under 50 years old in the latest edition of THE Young University Rankings, up from second in 2023. Concordia has maintained the top position in Canada for seven consecutive years.

CU has also been recognized as a Montreal top employer for the ninth year in a row. The university stands out for its supportive workplace policies, family-friendly environment, health benefits, and pension plan.

Underscoring the year, there has been a transformation both at the governance and sustainable investment strategy levels, in line with our ongoing commitment to achieving our 100/0/10 goals in 2025.

Governance Review

One of the milestones of the last year was a full review and approval of the Foundation's governance by-laws and charters, including a new investment policy and trustees, in order to be aligned to the 100/0/10 commitment. These actions reflect the Foundation's commitment to taking action against climate change and a just energy transition by addressing both local and global challenges.

Renaming of the Concordia University Foundation

In light of the 100/0/10 orientation as well as the overall breadth and depth of the entity's investment programs to support the university, the Foundation has been renamed the Concordia University Inter-generational Fund (CUiF). This ultimately reflects the objective of the entity in supporting the university's long-term financial sustainability aligned to a capital allocation framework providing environmental, social and economic solutions to the world's long-term challenges.

MESSAGE FROM THE PRESIDENT AND CHAIR

2025

With the above developments, the Foundation is well on its way to achieving its 100/0/10 goal in 2025 as well as improving its portfolio diversification and resilience to market shocks.

100/0/10 transition plan

Starting last year, significant progress has been made as part of the transition over the last fiscal year by the CUiF, including the sourcing of sustainable investments, aligned with the CUiF's vision.

This year, the CUiF essentially enhances its alternative investments by sourcing:

> A global diversified infrastructure fund of funds with strong sustainability integration

> A diversified fund of funds with a focus on Canadian private capital in the life science, clean and industrial innovation, and information technology sectors

> Two hedge funds, one that aims to capitalize on the transition to electric energy solutions and the other that focuses on global compliance carbon trading markets.

With the above developments, the Foundation is well on its way to achieving its 100/0/10 goal in 2025, as well as improving its portfolio diversification and resilience to market shocks.

This past year has also seen progress on sustainability reporting frameworks such as the release of inaugural standards by the International Sustainability Standards Board and the Task Force on Nature-related Financial Disclosures. We are pleased with this progress as it is aligned with our objectives and will improve disclosure and measurement of sustainability metrics across our investments.

In relation to climate risk management, the CUiF's exposure to the Carbon Underground 200 (CU200) is currently 1.19%, which represents a decrease from last year. The decline between last year and this year's exposure is attributed to the redemption of investments that are not aligned with our 2025 target. The residual exposure will be addressed in 2025 as part of the currently ongoing aforementioned transition plan.

Transparency is an important part of the CUiF's work, therefore, we are pleased to share one important highlight: starting this year, the carbon emissions of the CUiF portfolio will be calculated. Two well-known carbon emission data providers were hired for that purpose.

MESSAGE FROM THE PRESIDENT AND CHAIR

From an engagement perspective, CUiF has continued to be an active and engaged investor. Above and beyond the above-mentioned milestone, a few facts remain important to mention:

> As for the endowment program, the CUiF distributed close to $5.2M to Concordia University for its endowment designations with a funding ratio of 105.8% as of April 30, 2024.

> As for the investment programs related to the long-term financial sustainability of the university and its sinking funds, the CUiF added fiscal capacity of $5.9M as well as continued growth of its mid-term investment programs.

Looking ahead, CUiF will continue to work towards achieving its 100/0/10 goals and its transition plan, which is well underway. Amongst other projects and initiatives, CUiF will:

> Develop its proxy voting guidelines that align with CUiF values and responsible investment best practices, as well as increase the coverage of its carbon emission calculation.

> Develop a multi-dimensional reporting framework in order to provide an in-depth transparent narrative of how the capital is being deployed and its progress on its intention and purpose, its risk and return performance, and its supporting responsible investment program including engagement progress.

Recognizing that transparency is a key element of the CUiF's mission, we are pleased not only to share this overview of our financials but to make complete audited financial statements available at the end of this report.

We hope you are inspired by the strong impact of donors on our community's current and future accomplishments. We are deeply grateful to our generous donors for all their gifts as well as other supporters for their significant contributions and involvement in the future of our university.

We would like to thank the current members of the CUiF's board of directors and investment committee for their commitment and hard work in advancing the university and its goals. None of what we accomplish would be possible without their support and dedication. Following the result of the extensive governance review completed last year, we are pleased to welcome the new Chair and directors this year.

We are also grateful to the CUiF employees, and to all our partners.

Thank you!

Denis Cossette

President, Concordia University Inter-Generational Foundation

We are deeply grateful to our generous donors for all their gifts as well as other supporters for their significant contributions and involvement in the future of our university.

—Denis Cossette

Should you want to know more about the CUiF, please refer to the following FAQ link:

MESSAGE FROM THE PRESIDENT AND CHAIR

Message from the outgoing Chair of the Board of Directors

It was an honour to serve as the Chair of the Board of Directors of CUF, and I am very humbled and proud of what we have been able to accomplish together, as we are advancing on our sustainability journey.

There are many thank-yous to extend – too many to do so fully, as many have played a significant role in our success over time. I would like to thank our members and donors, without whom we wouldn't be here. Your support to the university is priceless.

I am most confident that the CUiF, its management team and its Board of Directors will continue their excellent works for many years to come.

Sincerely,

Howard Davidson, BComm 80

Chair, Concordia University Inter-generational Fund

It is with great enthusiasm and honour that I will be serving later this year as the Chair of the Board of CUiF.
—Sam Reda

Message from the incoming Chair of the Board of Directors

It is with great enthusiasm and honour that I will be serving later this year as the Chair of the Board of CUiF. I would also like to welcome our new Board members and thank them for their dedication to the university and its community.

As incoming Chair, I would like to express my gratitude to Howard for the enormous contribution made over the years and wish him the best for the future.

Howard has served as Chair since 2010 and has seen the CUiF assets under management more than triple, from close to $130M to $454M 14 years later!

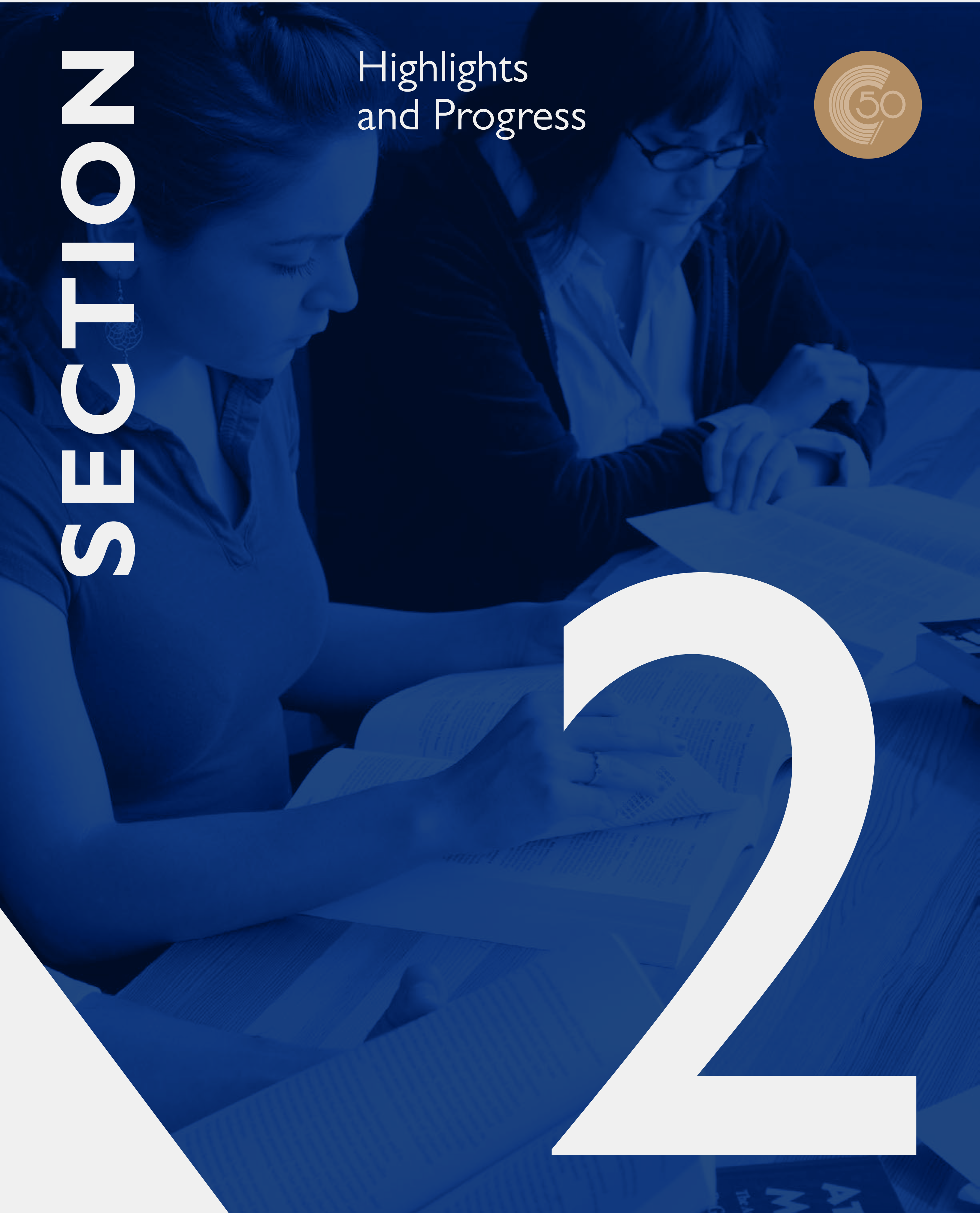
His leadership has been instrumental for the CUiF as it adapted to various challenges over the years.

I look forward to working alongside each one of you.

Sincerely,

Sam Reda

Chair, Concordia University Inter-generational Fund



SECTION 2

Highlights and Progress

HIGHLIGHTS AND PROGRESS

454M

The CUiF's market value has grown from $413M last year to $454M this year.

Overview

Despite all the challenges witnessed in the global financial markets, as well as geopolitical issues and the resulting volatility, the public equity remained resilient in FY 2023. This rang especially true in the US, spearheaded by the "Magnificent Seven" technology stocks. Excitement around generative artificial intelligence technologies has continued to support the market. Combined with resilient economic data and gradual inflation reduction, this has caused solid gains in public equity and fixed income markets despite escalating geopolitical tensions in Middle Eastern markets.

This growth has not been a uniform trend across sectors or regions, as emerging markets generally lagged behind their developed counterparts.

On the private market front, reports from EY indicate that sentiments in the private equity (PE) markets saw improvement during Q1 2024, attributed to the narrowing of valuation gaps, despite the overall drop in volume and the inconsistencies across GPs and geographies. Secondary sales volume saw an uptick, driven by longer hold periods. Separately, the rising popularity of private credit funds prompted traditional lenders like banks to reassert themselves, capitalizing on stabilized rates and heightened demand in the market.

Portfolio Investment and Returns

The CUiF market value has grown from $413M last year to $454M at the end of this fiscal year, including the Long-Term Pool and the Mid-Term Pool, which are respectively $285M and $138M.

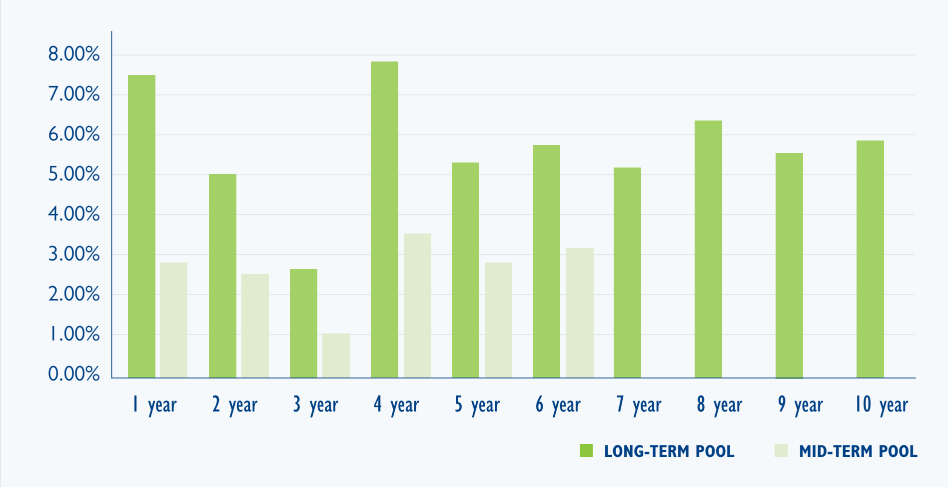
Over the fiscal year ending April 30, 2024, The Long-Term Pool has returned 7.5%, net of all fees, while the Mid-Term Pool returned 2.8%, underperforming its strategic benchmark by approximately1%.

AS AT APRIL 30, 2024	1 YEAR	2 YEARS (annualized)	3 YEARS (annualized)	5 YEARS (annualized)
Equity	11.92%	8.35%	4.24%	8.13%
Fixed income (FI)	2.92%	3.20%	1.31%	2.63%
Alternatives	1.74%	1.12%	3.25%	3.34%
Impact investments	9.12%	4.42%	-0.95%	7.72%

HIGHLIGHTS AND PROGRESS

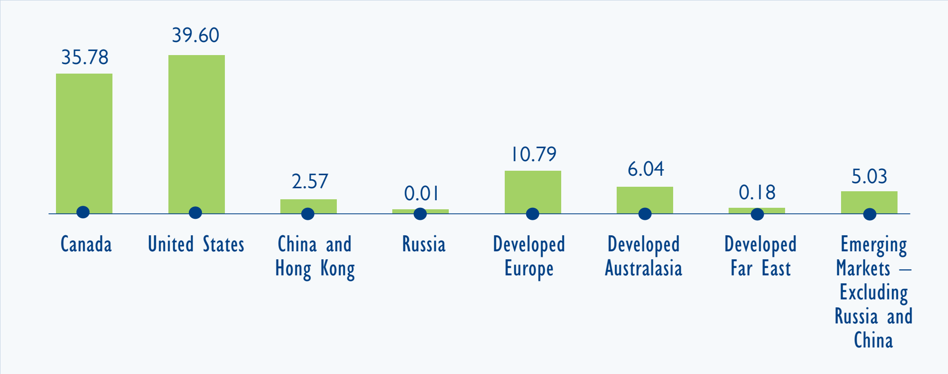
Annualized net returns

The Long-Term Pool has delivered a 10-year return of 5.8%, slightly short of its strategic target, while the Mid-Term Pool has generated 4.6%, since its inception, slightly ahead of its strategic target.

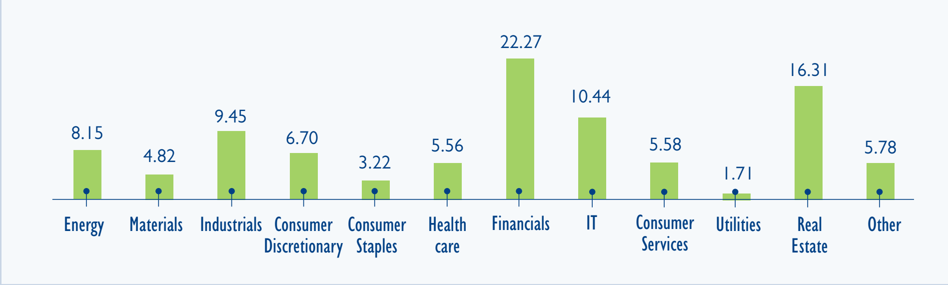


CUiF sector and geographic exposure are also illustrated below. Most of the portfolio is invested in developed markets, with a diversified sector allocation.

CUiF Geographic Exposure (%)



CUiF Sector Exposure (%)



HIGHLIGHTS AND PROGRESS

67%

Following the completion of Phase I at the end of the fiscal year, CUiF is already 67% sustainable and well on its way to being 100% by 2025.

Transition Toward the 100/0/10

The CUiF transition towards its 100/0/10 is being achieved in several phases as described below. Phase I is complete, while Phases II and III are currently being completed and are intended to be finalized by calendar year end, followed by Phase IV.

Phase I:

Focused on increasing allocation to a Paris Agreement-aligned global equity fund, an impact fund with a focus on investing in Quebec-based companies that provide solutions to the water crisis. Phase I was further advanced this year with investments in hedge funds, private infrastructure private equity and venture capital fund of funds, as described below.

> The World Carbon Fund utilizes a long/short strategy in global compliance carbon trading markets, with a proportion of performance fees dedicated to retiring carbon permits to support decarbonization efforts.

> The Westbeck Volta Fund employs a global long/short equity strategy focused on the battery value chain, aiming to capitalize on the transition to electric energy solutions.

> The Global Responsible Infrastructure Fund (GRIF) is a diversified infrastructure fund of funds that invests globally across sectors while integrating sustainability strategy in its investment strategy.

> The Teralys Capital Innovation Fund 2023 is a fund of funds that primarily allocates capital to Canadian venture capital funds, focusing on life sciences, information technology, and clean and industrial innovation sectors.

Phase II:

Phase II's objective is to remove all Carbon Underground 200 (CU200) exposure from the portfolio and adding exposure to our planet and people pillars, with the promotion of healthy ecosystems and biodiversity, as well as improving health and life science, to name a few. The current exposure is 1.19% as at April 2024.

Phase III:

While Phases I and II focus on public equity, hedge funds and private equity, Phase III's focus is on fixed income and real assets, which include allocation to private debt – life science and natural resources (critical energy transition minerals, and agriculture).

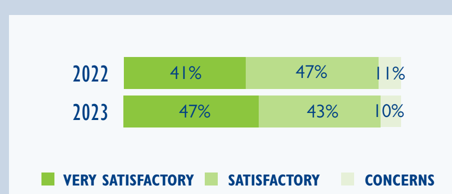
Phase IV

Phase IV's focus is on sourcing more mission-related investments in alignment with the 10% of the 100/0/10.

Ultimately, those investments are selected with the goal of enhancing the diversification within the portfolio as well as aligning the portfolio towards its 100/0/10 commitment.

At the end of last year, as illustrated in the table below, 47% of the investments in the portfolio had a very satisfactory rating, as opposed to 41% last year, which shows an improvement in the quality and conviction of sustainability integration in the portfolio. The next phases of the portfolio transition will address the remaining gap.

Ratings



HIGHLIGHTS AND PROGRESS

5.2M

During 2023/2024, $5.2M of payout was distributed to CU.

Financial Contribution to Concordia University

The contribution of the Long-Term Pool and the Mid-Term Pool can also be seen from how they impact the fiscal capacity of the Concordia University as well as how they contribute to its operating budget.

During 2023/2024, **$5.2M** of payout was distributed to CU. The Group Insurance Plan employee benefit program generated $395K of income, and the Cash Management Optimizer (CMO) generated around $1.4M of income that was distributed to the general operating fund. The endowment portion was $117K.

The fiscal capacity of the university has also increased by nearly **$5.9M** through the growth of its sinking funds and the resulting pay-down of its accumulated debts.

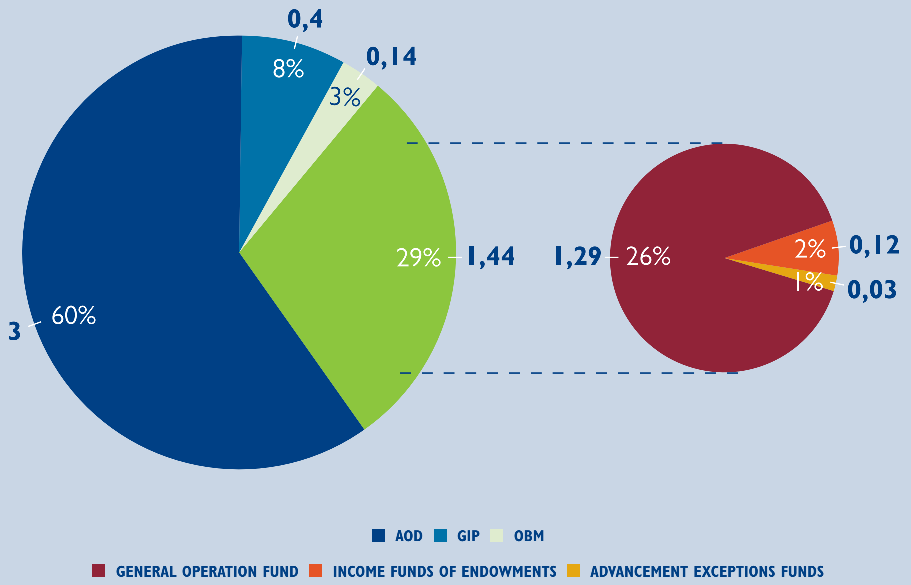
Two new programs were created last year within CUiF to further improve CUiF's contribution to Concordia University, namely, the Operational Budget Management (OBM) and the Accumulated Operation Deficit program (AOD).

> The OBM's purpose is to fund the university's operational needs for special projects with the CFO's approval.

> The AOD's purpose is to fund repayment of the accumulated deficit of the the university's operating fund.

> The AOD generated an income of $3M, while the OBM generated $142K, in their first year of implementation.

Income generated by programs ($M)



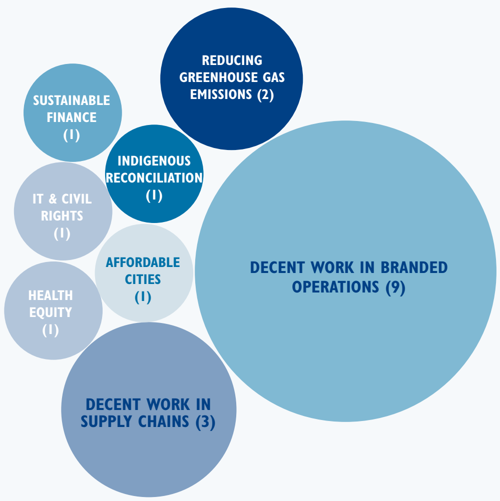
HIGHLIGHTS AND PROGRESS

Company Engagements (Both Through Share and Fund Managers)

UNIE engagements: University Network for Investor Engagement (UNIE) is a shareholder engagement program managed by Share that leverages the power of Canadian university endowments and pension plans' assets as institutional investors to engage investee corporations on climate change-related risks. The initiative focuses both on reducing greenhouse gas emissions and accelerating the transition to a low-carbon economy. During 2023, Share engaged with only 13 companies on our behalf, which reflects our significant level of investment in sustainable companies.

During 2023, Share engaged with only 13 companies on our behalf, which reflects our significant level of investment in sustainable companies.

Focus area



Climate Charter for Canadian Universities

Investing to address climate change: The Climate charter is signed by over 18 universities, including Concordia University with the intention to collaborate on strategies to foster the transition to a low-carbon economy by applying a responsible investing framework to their entire portfolios and increasing investments to sustainable solutions.

During 2023, the charter appointed a new chair committee and welcomed new university members. Also, during the year, the charter hosted PRI representatives to demonstrate the value of being a signatory and the different access and resources available for institutional investors.

Lastly, during 2023, some of the university members shared their responsible investment practices in detail with their sustainability goals and the methodologies used to track their goals.

HIGHLIGHTS AND PROGRESS

PUBLIC PORTFOLIO

	GHG emissions (tCO_2e)	% of total portfolio
Scope 1 (tCO_2e)	6 392	10.71%
Scope 2 (tCO_2e)	1 689	2.83%
Scope 3 (tCO_2e)	51 584	86.46%
Total	59 666	

PRIVATE PORTFOLIO

Strategy	GHG emissions (tCO_2e)
Timber and agriculture strategy	429
VC cleantech	180
Land degradation strategy	97
Total	707

Principles for Responsible Investment (PRI)

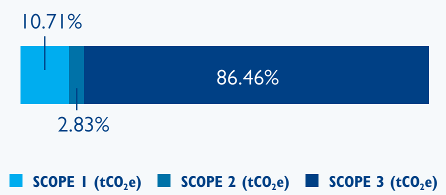
The CUiF has signed the Principles for Responsible Investment, and joined a United Nations-supported is a United Nations-supported international network of financial institutions working together to promote the incorporation of environmental, social and corporate governance factors into their investment decision making. The CUiF achieved scores of B and A in the first two years following its signature of the UNPRI. In 2021, its overall score was below average compared to peers as the assessment didn't include the updates in the CUiF's strategies and goals. This year's report was optional. Considering the ongoing transition and various changes occurring across the portfolio, the CUiF has opted to postpone reporting this year to focus on advancing the transition plan before providing an update. This approach will provide a more accurate representation of the CUiF's current position in its sustainability journey.

Assessing Climate Risk and Opportunities

2023 ABSOLUTE EMISSIONS

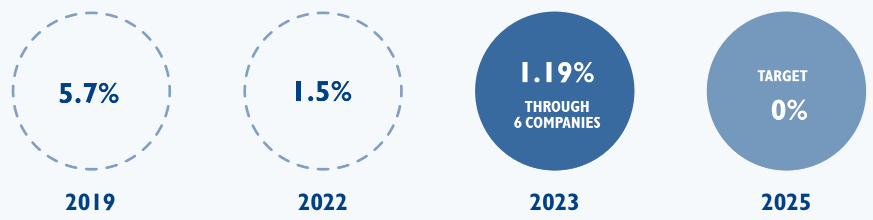
CUiF started calculating its carbon emission for the first time last year, with an objective of ultimately achieving the highest possible coverage of its portfolio, both public and private investments. The adjacent table and the graphs below show the split of the portfolio emissions by scope and between the private and public sleeves.

PUBLIC PORTFOLIO EMISSIONS BREAKDOWN



CARBON UNDERGROUND 200 (CU200) DIVESTMENT

As seen below, significant progress has been made since 2019 toward the 0% target objective set by the CUiF.



SECTION 3

Design and Governance

DESIGN AND GOVERNANCE

Investment Structure: Return Targets and Allocation Policy

The CUiF is the investment arm of Concordia University, which includes multiple investment programs and investment pools, and is governed by an independent Board and its fiduciary obligation.

The CUiF 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.
- Operational Budget Management (OBM), whose purpose is to fund operational needs of the university for special projects with the CFO's approval.
- Accumulated Operation Deficit program (AOD), whose purpose is to fund repayment of the accumulated deficit of the operating fund of the university.
- Cash Management Optimizer (CMO), to optimize the available cash resources allowing in order to generate additional fiscal capacity, with revenues to fund the operational needs of the university.

CUiF

The CUiF is the investment arm of Concordia University, which includes multiple investment programs and investment pools, and is governed by an independent Board and its fiduciary obligation.

DESIGN AND GOVERNANCE

25M

A sinking fund, intended to meet Concordia's debt obligations related to its $25M sustainable bond, issued in 2019.

Each program therefore has its own cash-flow structure with respect to when capital and/or returns need to be transferred back to Concordia University. Given the diversity of investment programs, the CUiF 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 annum;

> A mid-term pool, designed to preserve capital while still generating an investment return target of 4% 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 2023-24 financial year.

INVESTMENT PROGRAMS	INVESTMENT POOL	NET ASSET VALUE
Donations — endowments managed in house	Long-term	$154.17M
Sinking fund — capital investments	Long-term	$87.85M
Accumulated operation deficit program	Long-term	$43.89M
	Total Long-term	$285.80M
Sinking fund — bond equipment and IT	Mid-term	$66.33M
Cash Management Optimizer	Mid-term	$52.62M
Group Insurance plan	Mid-term	$13.38M
Operational budget management	Mid-term	$5.1M
	Total Mid-term	$137.50M
Sinking fund — bond	Ministère des finances Quebec (MFQ)	$7.53M
Other	Externally managed	$23.29M
Total		**$454.09M**

DESIGN AND GOVERNANCE

28.2%

Furthermore, this past year, the endowment program has accumulated a re-investment reserve of 28.2%, compared to 25.4% the year prior.

Endowment Spending Policy

Endowment assets are part of the Long-Term Pool and are permanently restricted capital. Each year, only a portion of its earnings is allocated for its respective purpose. The accumulated returns above the spending rate are re-invested to:

> Maintain purchasing power

> Grow the endowment base

> Avoid capital encroachment

By doing so, the CUiF is able to preserve inter-generational equity for the university community, between current and future generations of beneficiaries. More details are available in the Endowment Spending Policy of the university:

As an illustration of the above endowment objective, the Long-Term Pool earned 7.8% net of fees last year, distributed around 3.5% as payout, with the remaining 4.3% to be reinvested in the endowment capital.

Furthermore, this past year, the endowment program has accumulated a re-investment reserve of 28.2%, compared to 25.4% the year prior.

New Governance Framework

Last year, an extensive review of the CUiF's governance was completed, aligning with best governance and sustainability-related practices in collaboration with the President and certain members of Concordia University management team. A new set of Foundation's Articles, By-Laws and Board and committees' charters as well as the new policies were approved by the Board, to align itself to the 100/0/10 commitment and orientation.

The above-mentioned review also presented an opportunity for the renaming of the Foundation. CUF will now operate under the designation CONCORDIA UNIVERSITY INTER-GENERATIONAL FUND (CUiF) going forward as mentioned earlier in this report.

During the 2024-2025 fiscal year, the CUiF will welcome a new Board of Directors including a new Chair. A transition plan has been put in place to onboard the new members, and knowledge transfer will be performed throughout the year, including orientation and education sessions.

The CUiF is governed by a board composed of experienced directors with a variety of skills and professional backgrounds. In 2023-24, 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
- Andrew Molson
- Richard Renaud
- Lorne Steinberg
- Jeffrey Tory

DESIGN AND GOVERNANCE

The Board of Directors is supported by a specialized investment committee that oversees the investment decisions of the CUiF and makes recommendations. In 2023-24, it was composed of the following members:

INVESTMENT COMMITTEE

- Paul Chesser
- Denis Cossette
- Lorne Steinberg
- Jeffrey Tory
- Howard Davidson

The Board of Directors is also supported by an audit committee that oversees and approves the financial statements of the CUiF's financial matters, reviews CUiF financial statements and makes recommendations. In 2023-24, 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 CUiF'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 2023-24, it was composed of the following members:

OFFICE OF THE TREASURER INVESTMENT DIVISION

- John Boyronikos, Financial Analyst
- Abdel Chabi-Yo, Director, Investments
- Maha Fakih, Advisor, Sustainability and Investments
- Marc Gauthier, Treasurer and Chief Investment Officer
- Muhammad Ibrahim, Investment Risk Analyst
- Inesse Kao, Investment Advisor
- Florence Kwan, Financial Accountant
- Ekaterina Krasnova, Financial Accountant
- Janice Wong, Administrative Coordinator
- Tahmid Nazib Ahmed, Accounting Assistant

DESIGN AND GOVERNANCE

Updated Investment Policy

During the fall of 2022, a new investment policy was approved by the Board of Directors. Key details are explained below.

High conviction and a thematic approach to capital allocation are part of the solution for inter-generational sustainability, aligned with Article 9. This approach is a value statement for Concordia to be part of the solution for the future challenges and opportunities, both of our local region and of the global world, through committing the investment entity to allocate its capital for purpose and intentionality. Intentionality and purpose are essentially a redefinition of impact investments but to be applied to 100% of our capital allocation.

High conviction and a thematic approach to capital allocation are part of the solution for inter-generational sustainability, aligned with Article 9.

	ESG "ARTICLE 8"			SUSTAINABLE "ARTICLE 9"	
	Screened	ESG Broad	ESG Thematics	Sustainable Thematics	Impact
	Use negative exclusions to define investment universe. Can be used to meet E/S objectives	Use E/S/G metrics to target a portfolio outcome – e.g. Improved ESG Score / Portfolio CO_2 reduction	Identify E/S/G trends and investments to deliver positive returns	Identify sustainable trends where investments can deliver returns and sustainable outcomes	Targeting investments that will deliver real world "impact" alongside financial objectives
Climate funds	Fossil Fuel Free	Climate aware / aligned	Climate Opportunities	Climate / Transition Finance	Climate Impact
Investor objective	Reputational	Decarbonization targets (Support)	"Alpha"	Intention	

DESIGN AND GOVERNANCE

100%

The Foundation prioritizes a fully integrated approach throughout the investment process, which intends to allocate 100% of its capital with the purpose and intentionality of addressing sustainability issues related to people and planet as well as achieving its financial goal.

Sustainability goal one – the 100% orientation

The CUiF prioritizes a fully integrated approach throughout the investment process, which intends to allocate 100% of its capital with the purpose and intentionality of addressing sustainability issues related to people and planet as well as achieving its financial goal. This approach is framed around the intention to support people, planet, sustainable economy, appropriate risk adjusted returns, resilience of the investment portfolio, engagement and reporting.

The CUiF uses a comprehensive evaluation process that takes into account several dimensions from the initial investment analysis to post-investment monitoring through exit. This process involves a sustainability assessment as well as its suitability with CUiF's mid- and long-term risk-adjusted goals. From a sustainability perspective, we have aligned our evaluation process with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), where the TFCD recommends looking at the governance, strategy, risk management and metric and targets categories.

We also welcome the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and the International Sustainability Standard Board (ISSB) decision to commence work on nature-related issues. We seek to further align our approach to the new standards. An investment that displays a strong sustainability and investment fit is considered 100% sustainable.

In line with Sustainable Finance Disclosure Regulation (SFDR) article 9, the CUiF's ambition is to support trends where investments can deliver both returns and sustainable outcomes. It also stands ready to target investments that will deliver real world impact alongside financial objectives.

The table on the next page shows the sustainability classes and the investment asset classes that are part of the portfolio construction process. In addition, the CUiF's portfolio will seek to achieve the 17 Sustainable Development Goals (SDGs).

The CUiF's new investment policy is an innovative portfolio construction framework that marries the intentionality of the capital allocated (see the next page for the sustainability asset classes and sub-pillars) with an asset allocation focusing on an optimal level of risk-adjusted return (see asset allocation table on the next page). Those asset classes, which are an optimal mix of private and public markets, and objectives are:

> Fixed Income that helps reduce the financial risk, provide liquidity, and achieve some level of returns

> Equity to provide long-term growth

> Alternative Investments to provide diversification, some inflation hedge, and resilience to the portfolios

DESIGN AND GOVERNANCE

Planet asset class: Funds will be directed toward specialized and dedicated investments in green assets, as well as transition and carbon capture and storage solutions. We stand ready to invest in industries where supporting businesses to transition generates superior returns. This class will address both the circular and blue economies as well as other nature capital such as biodiversity.

People asset class: Funds will be directed toward specialized and dedicated investments promoting social equity and quality of life.

Sustainable economy asset class: This includes investments that do not directly address Planet and People issues, but view environmental, social and corporate governance behaviors from a risk-management perspective.

Sustainability asset classes

SUSTAINABILITY ASSET CLASSES	SUB-PILLARS	SUB-PILLAR ORIENTATIONS
Planet: Climate and ressource impact (30%–70%)	Reducing greenhouse gases (GHGs)	7, 9, 11, 13
	Promoting healthy ecosystems	6, 14, 15
	Nurturing circular economies	12
People: Social equity and quality of life (30%–70%)	Enabling social equity	1, 2, 4, 5, 6, 8, 10
	Improving health	2, 3
	Enhancing quality of life	3, 8, 16
Sustainable economy: Innovation and productivity (30%–70%)	Best-in-class companies	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17
	Sustainable technology	9, 11
	Building sustainable industry and infrastructure	8, 9, 11

Asset allocation framework

The target asset mix and allocation ranges have been determined as follows.

ASSET CLASSES	SUB-LEVEL CLASSES	LONG-TERM POOL		MID-TERM POOL	
		Range (%)	Target (%)	Range (%)	Target (%)
Equities		20–50	35	5–20	10
	Public (passive/active/proxies)	10–30	20	5–15	10
	Private (Private Equity, Venture Capital)	10–20	15	0–5	0
Fixed income		10–60	25	35–80	55
	Public (passive/active/proxies/cash)	5–20	5	30–60	45
	Private (debt, loans)	5–40	20	5–20	10
Alternatives		20–65	40	20–50	35
	Real and related assets	15–50	30	15–35	25
	Absolute return (multi-strategies)	5–15	10	5–15	10

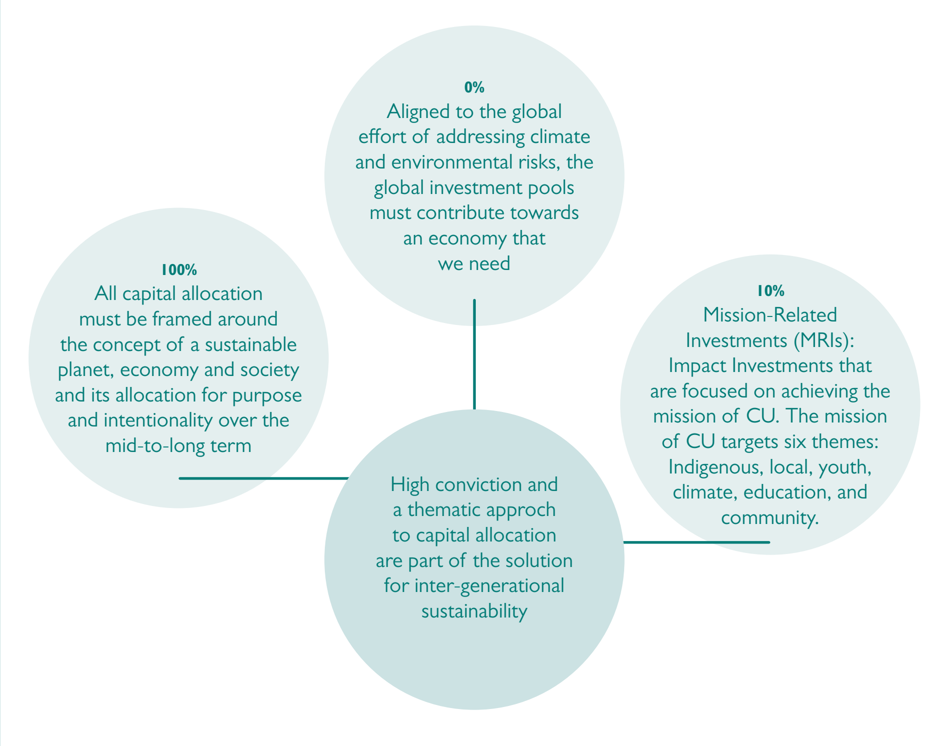
DESIGN AND GOVERNANCE

The framework is capital solution focused, anchored around the 100%, and by default, the 0% and 10% will be fully addressed through its integrated approach.

Sustainability goal two – the 10% orientation

The CUiF will "put its money where its mouth is" by having, within its 100% capital allocation sustainability framework, an allocation for Mission-Related Investments that focuses on achieving the mission of Concordia University. The mission of Concordia targets six themes, namely indigenous, local, youth, climate, education, and community.

The intent is to support both Concordia's development ecosystem as well as Quebec's economic ecosystem.



DESIGN AND GOVERNANCE

Sustainability goal three – The zero orientation

Furthermore, to align the portfolio to the global effort of address climate and environmental risks, the investments must contribute towards a net-zero greenhouse gas emission economy. However, the CUiF's objective is to go beyond net zero and focus on a regenerative economy that takes into account other elements outside of decarbonization such as biodiversity and the circular economy.

Two metrics will be used to measure the Net Zero orientation:

> Portfolio level: carbon emissions footprint to be measured with portfolio coverage that is as high as possible.

> Asset class level: Increase the investments that are contributing to the solution.

Climate goal integration in the active ownership process:

> Engagement with managers to ensure that they have a decarbonization goal and are potentially signatory of the asset managers net-zero alliance.

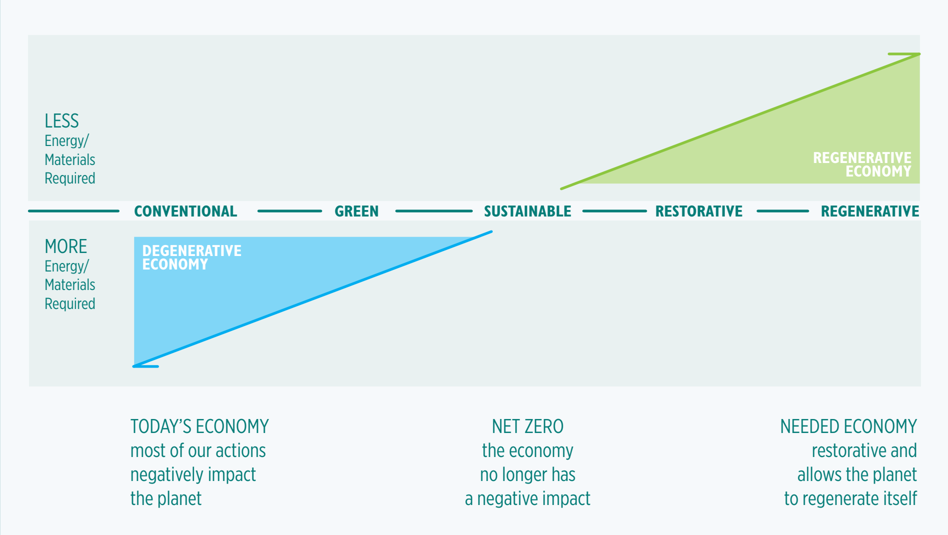
> Proxy voting: ensuring that managers vote in alignment with their goals and monitor that companies set targets towards decarbonization.

The CUiF will continue to monitor fund managers' engagement practices and proxy votes to ensure that the percentage of companies with set Science-Based Targets increases.

Carbon Underground 200 companies: the zero per cent
The CUiF has committed to divest from the Carbon Underground 200 companies (CU200) in 2025. The CU200 represents the 200 oil and coal companies that have the largest carbon reserves. The CUiF's current exposure is 1.19 per cent, a significant decrease from its 2019 exposure.

DESIGN AND GOVERNANCE

Carbon Emissions Measurement:



The calculation of the portfolio's emissions is one of the metrics to measure and track the net zero goal. As a starting point, the portfolio's absolute emissions need to be calculated to set a baseline. After rigorous research and analysis, the following climate providers were selected for the first-year footprint calculation that will define the baseline of the portfolio.

> For public investments, the CUiF selected MSCI platform to collect and calculate emissions. We have excluded short position, cash and cash equivalent, absolute returns assets. All Scope 3 emissions used in this report are estimated by MSCI's S3 estimation model, due to un-usability of the reported data. Therefore, we were able to calculate the carbon emission on approximately 50% of our public investments.

> For investments, the CUiF selected CDP (Climate Disclosure Project) Private to collect and calculate emissions. In the meantime, we have included carbon emissions data on approximately 28% of the private investments which were provided by our managers.

DESIGN AND GOVERNANCE

The carbon measurement framework is aligned with the Global Greenhouse Gas Accounting and Reporting Standard. The Standard is developed by the Partnership for Carbon Accounting Financials (PCAF), an industry-led initiative created in 2015 to enable consistent measurement and disclosure of greenhouse gas emissions for the financial industry.

The reported tCO_2e stands for tonnes (t) of carbon dioxide (CO_2) equivalent (e). It includes all the GHG emissions included in the Greenhouse Gas Protocol.

Definition of scopes:

> Scope 1 – direct GHG emissions from sources a company directly owns or controls. Emissions are released into the atmosphere as a direct result of a set of activities, at a firm level.

> Scope 2 – indirect GHG emissions associated with the electricity, heat, steam, or cooling a company consumes.

> Scope 3 – indirect GHG emissions associated with a company's value chain, including for example emissions associated with products from a supplier, and emissions from its products when customers buy, use, and dispose of them.

Increase percentage of investments in climate solutions:
This metric is measured by using the Impact Management Project (IMP) framework that categorizes the portfolio into managers that, through their strategies, avoid harm, benefit people and planet, have an engagement program, and contribute to a solution.

DESIGN AND GOVERNANCE

Active Ownership:

Engagement:
The university's portfolio allocates to all asset classes globally that invest in both public and private companies. As an institutional investor and an asset owner, Concordia recognizes that engagement plays a transformative role in the investment community.

The university investment staff engages (i) through portfolio managers, those invested in both public and private companies, (ii) by taking part in investors coalitions and initiatives, and finally (iii) with students and student bodies.

i. Engagement with portfolio managers

- Public: through SHARE and UNIE: SHARE engages on behalf of investors to contribute to social and environmental outcomes. UNIE engagement focuses on accelerating the transition to a low-carbon economy in key sectors where advocacy can make the biggest difference, including energy, utilities, finance, transportation, and manufacturing.

- Private: CUiF investment staff engages with managers and through other investors, if needed

ii. Engagement with investors coalitions and initiatives:
Through platforms: such as UNIE, SHARE, CEC, UNPRI collaboration platform, and the Climate charter

iii. Engagement with students:
Given the large and different student movements and bodies available, the CUiF will look to include students in engagement opportunities through:

- UNIE and SHARE, also potentially the PRI collaboration platform

- Portfolio managers: create a process where managers will host a student to participate in engagement activities.

Proxy voting:
The CUiF is in the final steps of reviewing the final proxy voting guidelines and policy that were for approval by the Board. Those guidelines consider environmental, social and governance factors including animal testing, ensuring safety and health for workers, fair compensation packages for employees, and diversity in staff and management teams.

Once the guidelines are approved, they will be shared with the public managers for use when proxy voting for the university.

The process moving forward will include a regular proxy audit conducted by an external firm to confirm compliance with the guidelines.

SECTION 4

Measurement and Capital Allocation Intentionality and Outcomes

MEASUREMENT AND CAPITAL ALLOCATION INTENTIONALITY AND OUTCOMES

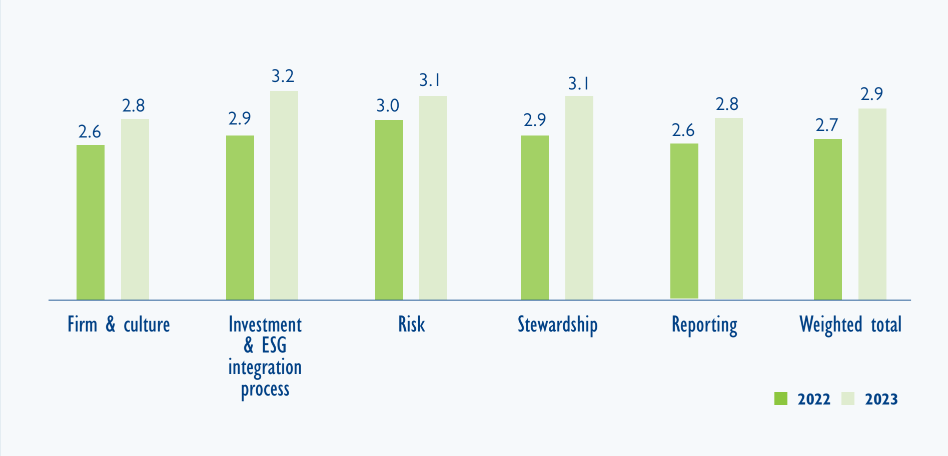
Capital Allocation Framework – The 100% Orientation

Currently two-thirds of the portfolio is considered sustainable given the definition of sustainability below, and one-third represents more traditional sustainability strategies that are risk focused as opposed to high conviction where sustainability is central to the strategy.

34%

Almost 34% (previously 60%) of the CUiF portfolio's managers only avoid harm, which means they have at least a minimum responsible investment policy in place and/or are currently using consultants to implement a policy.

Portfolio rating average



The portfolio was also mapped using the matrix developed by the IMP to better understand the intentions and positions of the fund managers across the portfolio with regards to responsible investment integration in their processes and implementation.

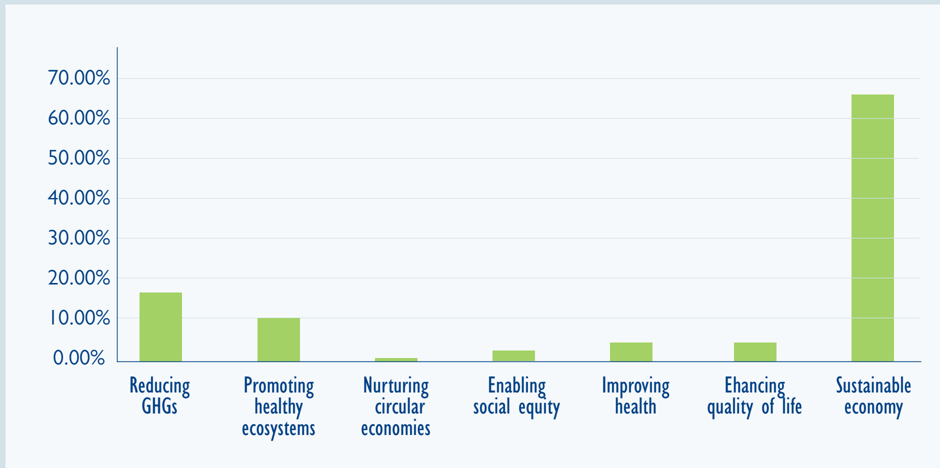
Almost 34% (previously 60%) of the CUiF portfolio's managers only avoid harm, which means they have at least a minimum responsible investment policy in place and/or are currently using consultants to implement a policy. The managers that are categorized as benefiting people and the planet not only avoid harm, but also have an engagement program in practice and integrate environmental, social and governance factors into decision-making represent 36% of the portfolio. Lastly and as previously mentioned, the portfolio consists of almost 23% (previously 17%) of investments that contribute to solutions.

Currently, only 7% of our investment managers do not consider sustainability factors nor have responsible investment policies in place.

MEASUREMENT AND CAPITAL ALLOCATION INTENTIONALITY AND OUTCOMES

CUiF is intentionally well diversified across the 17 UNSDGs as well as its sub-pillars.

Intentionality metrics



In addition, all capital allocated will seek to address, to the extent possible, one of the 17 United Nations Sustainable Development Goals (UNSDGs). These are universal goals of UN member states that are designed to address today's pressing social, economic and environmental challenges and meet the needs of the present generation without compromising those of future generations. They aim to ensure a balance between growth and environmental protection.

2023 UNSDG allocation

MEASUREMENT AND CAPITAL ALLOCATION INTENTIONALITY AND OUTCOMES

10%

The current allocation shows minimal allocation towards the indigenous theme; however, the last phase of the transition plan focuses on achieving the 10% goal with emphasis on the six themes mentioned above.

The MRI – The 10% Orientation

The CUiF's allocation to Mission-Related Investments (MRI) decreased to approximately 5% of its Long-Term pool value, and that is due to the portfolio market value change as that percentage is calculated using the committed capital to impact investments and the annual market value of the Long-Term pool portfolio. It will now target 10% of the Long-Term pool value and six themes, namely youth, local, community, climate, education, and indigenous.

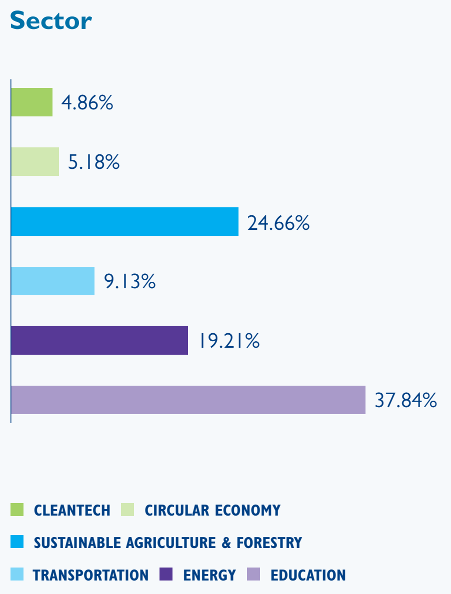
The current allocation shows minimal allocation towards the indigenous theme; however, the last phase of the transition plan focuses on achieving the 10% goal with emphasis on the six themes mentioned above.

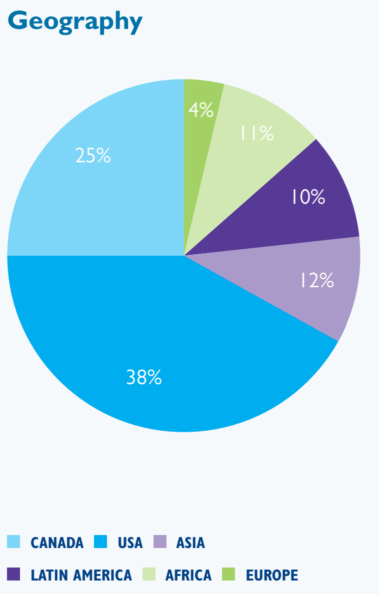
The impact investments are diversified across different sectors and countries; however, around 38% of the investments focus on the circular economy sector. The slight decline of the impact investment reflects the strong growth of CUiF assets under management rather than a decline of impact investments.

Impact investments

MEASUREMENT AND CAPITAL ALLOCATION INTENTIONALITY AND OUTCOMES

The strategy is to be diversified across mission-related themes as well, but also by sector and geography as shown below.





MEASUREMENT AND CAPITAL ALLOCATION INTENTIONALITY AND OUTCOMES

MRI summary table with KPIs for 2023

KPIs are also monitored every year to ensure progress and alignment with CUiF objectives as illustrated below. Various UNSDGs and mission-related themes have been sourced through this allocation.

INTENTIONS	CUiF-RELATED MISSION	IMPACT UN SDGs	KPIs	2021		2022		2023
Brighter Investment Empower higher education students in developing countries	Youth, education	1, 4, 5, 8, 10	Number of students supported (No.)	85	↓	0	↑	26
			Partnership with public universities (No.)	10	—	10	—	10
			Dropout (%)	0.68	↑	0.91	↓	0.90
			Unemployment (%)	28.70	↓	17.10	↑	35.00
Cycle Capital A venture capital cleantech fund with a goal to invest in innovative solutions to the major ecological challenges humanity faces.	Local, domestic, climate	7, 9, 11, 12	Total GHG emissions (tCO_2e)	536	↑	6000	↑	24 072
			Total estimated avoided GHG emissions (tCO_2e)	7717	↑	21 970	↑	30 200
			Number of companies	4	↑	8	↑	10
Fondaction Invests in early-stage companies that contribute to the circular economy through the following 3 sectors: Agri-food, recycling, and eco-construction.	Local, domestic, climate	7, 8, 9, 10, 11, 12, 13	Recycled material (tKg)			49	↑	1007
			Unused virgin material (tKg)			41	↑	235
			Avoided emissions (tKg)			138	↑	452
Inerjys Venture capital firm that invests in cleantech companies that are at growth and commercialization stages.	Local, domestic, climate	7, 11, 12, 13	Total GHG emissions (tCO_2e averted)	1620	↑	3682		
			Food waste (Tonnes)	176	↑	400		
			Number of companies	3	—	3		

MEASUREMENT AND CAPITAL ALLOCATION INTENTIONALITY AND OUTCOMES

INTENTIONS	CUiF-RELATED MISSION	IMPACT UN SDGs	KPIs	2021		2022		2023
MKB Growth stage investor that supports companies in the clean energy, transportations, and smart cities sectors.	Local, domestic, climate	7, 9 11, 13	CO_2 savings (MT+)			1.2	↑	1.9
			Portfolio companies powered by renewable energy (%)			29	↑	50
			Jobs supported			1545	↑	1683
			Portfolio companies with a formal corporate mission statement (%)			57	↑	63
Learn Capital A venture capital firm that backs and builds tech-enabled companies that target education globally.	Youth, education	1, 3, 4, 5, 8, 9, 10, 16	Student reach			2 818 082	↑	5 811 966
			Augmented learning (users)			13 383 747	↓	9 840 307
			Adult learners (users)			14 097	↑	1 178 712
LDN-Mirova Provides long-term financing (debt/equity) for sustainable land-use projects that will reduce or reverse land degradation, mostly in the field of regenerative agriculture and agroforestry	Climate, local	15.3, 1, 2, 5, 13, 17	Jobs provided by projects Target 2033: 163 660			73 421	↑	106 299
			Sustainable land management (ha) Target 2033: 222 307			133 301	↑	138 445
			CO_2 sequestered (M tonnes) Target 2033: 19.6			0.88	↑	1.7
Urapi The fund focuses on implementation of agroforestry systems and development of production	Climate, local	1, 2, 5, 6, 8, 9, 10, 12, 13, 15, 17	Number of families impacted (No.)	99	↓	32.5	↑	371
			Jobs created (No.)	15	↓	12	↓	6
			CO_2 emissions reduction (TCO_2e)	1147	↑	1705	↑	1711
			Hectares reforested (Ha.)	88	↑	119	↓	38
Blue Impact water fund Investing in Quebec-based companies that provide solutions to the water crisis.	Local, domestic and climate	6, 9, 13, 14	Investment stage; KPIs to follow					

MEASUREMENT AND CAPITAL ALLOCATION INTENTIONALITY AND OUTCOMES

23%

IMP contribution to solutions exposure: 23% across 14 strategies.

The Zero Orientation

For the zero orientation, we are tracking 3 metrics across the portfolio:

1. Carbon Underground 200 (CU200) list exposure
2. Exposure to investments that contribute to the climate solution through the IMP framework
3. Portfolio carbon footprint

The CUiF has committed and will seek to divest from CU200 companies in 2025. The current exposure is 1.19%, which represents a significant decrease from its 2022 exposure.

IMP contribution to solutions exposure:
23% across 14 strategies.

Portfolio carbon footprint calculation:
To track our progress towards our net-zero goal, our first step is to set the baseline of the portfolio's emissions. We calculated and are reporting the absolute emissions associated with our investments both in the public and private markets.

For our public portfolio, which represents around 60% of our investment portfolio across different strategies, we used the MSCI platform to calculate the absolute emissions. After attributing the emissions back to the CUiF's position, our public portfolio's total emissions were 59,666 tonnes of carbon dioxide equivalent. Most of the emissions can be attributed to scope 3 emissions representing 86% of the total portfolio emissions, as displayed in the Public Portfolio table on the next page. Most of the emissions can be attributed to scope 3 emissions as displayed in the Public Portfolio table below. Please note that the scope 3 data fully relies on MSCI estimation methodology given the unreliability of the reported data.

MEASUREMENT AND CAPITAL ALLOCATION INTENTIONALITY AND OUTCOMES

As an indication for CUiF, a blended benchmark was calculated based on the managers' individual index and has a carbon emission footprint of 94,664 tonnes of carbon dioxide equivalent, which is approximately 60% higher than the portfolio's emissions.

As shown in the graph on the next page, the highest emitting sectors are energy, industrials, and consumer staples.

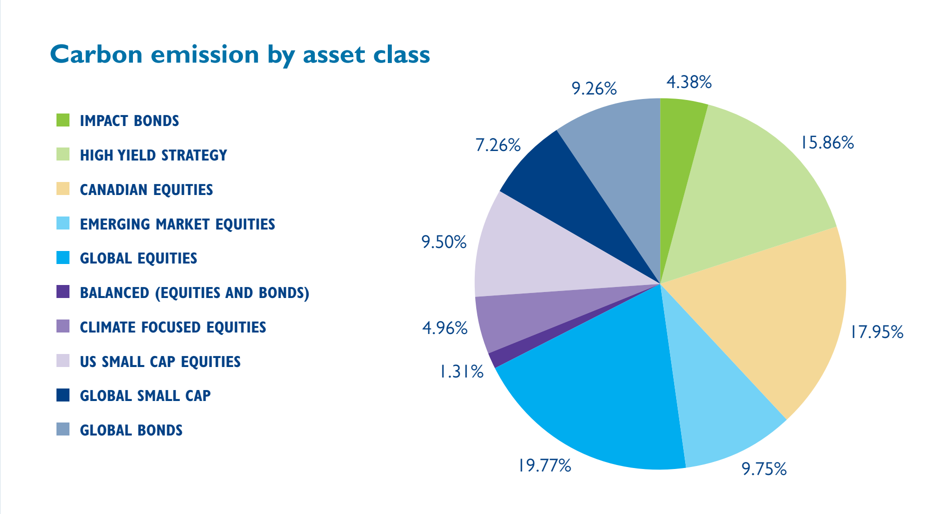
PUBLIC PORTFOLIO

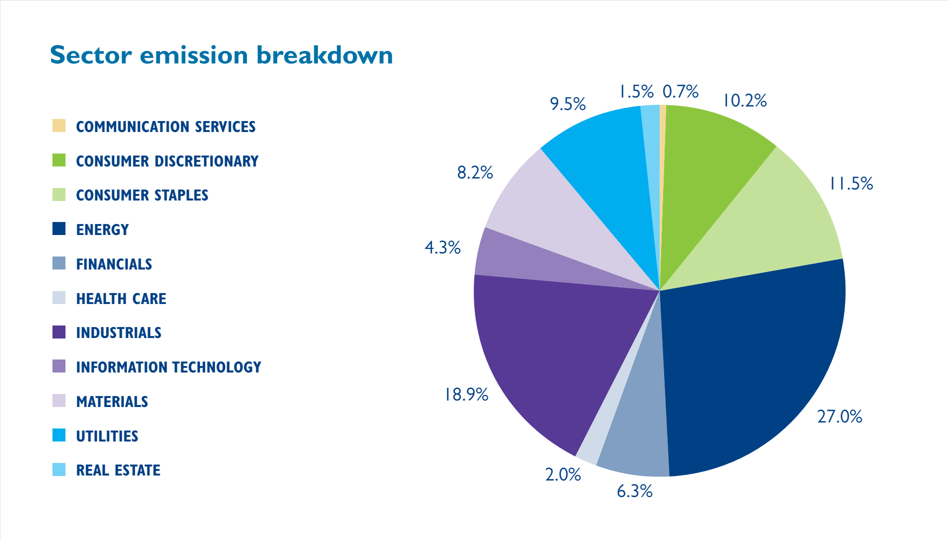
	GHG emissions (tCO_2e)	% of total portfolio
Scope 1 (tCO_2e)	6 392	10.71%
Scope 2 (tCO_2e)	1 689	2.83%
Scope 3 (tCO_2e)	51 584	86.46%
Total	59 666	

PRIVATE PORTFOLIO

Strategy	GHG emissions (tCO_2e)
Timber and agriculture strategy	429
VC cleantech	180
Land degradation strategy	97
Total	707

MEASUREMENT AND CAPITAL ALLOCATION INTENTIONALITY AND OUTCOMES





For the private portfolio, we are currently using CDP (Carbon Disclosure Project), a non-profit organization that helps our private companies in our funds disclose their emissions. However, some of our private managers reported their emissions, which are summarized in the Private Portfolio table on page 33.

A separate report will be released by the end of the year that will include the private allocation emissions for 2023 and details on the methodology used.

SECTION 5

Looking Forward

OUR INVESTMENT
COMMITMENT BY 2025

100% 0% 10%

LOOKING FORWARD

In the coming year, the CUiF will continue to address the following items:

Transition plan

> Finalize the portfolio transition to meet the 100/0/10 commitment by carefully mitigating sustainability risk but also by taking advantage of opportunities created by those risks.

Reporting

> Greenhouse gases (GHG) footprint: continue reporting on carbon emission and advance the reporting beyond public assets, to generate a more complete picture of climate risk in our portfolio.

> Enhance our data analytics to go beyond climate and cover both people and planet, through identification of intentionality, risk/return and sustainability integration.

Proxy voting:

> Finalize the review and approval of the proxy voting policy which will be shared with our investment managers.

STEP 1
Establish internal proxy voting guidelines & policy

STEP 2
Send policy to managers before proxy season*

STEP 3
Conduct first proxy audit to ensure compliance

STEP 4
Perform regular proxy audits every two years to ensure compliance

*Proxy season: April/May or around September


EXCEPTÉ
Concordia
UNIVERSITÉ
Concordia
UNIVERSITY

Consolidated Financial Statements of

CONCORDIA UNIVERSITY FOUNDATION

Year ended April 30, 2024

CONCORDIA UNIVERSITY FOUNDATION

Table of Contents

KPMG LLP
Tour KPMG
600 de Maisonneuve Blvd West, Suite 1500
Montréal, QC H3A 0A3
Canada
Telephone 514 840 2100
Fax 514 840 2187

INDEPENDENT AUDITOR'S 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, 2024
- 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, 2024, 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 **"*Auditor's Responsibilities for the Audit of the Financial Statements*"** section of our auditor's 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.

Auditor's 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 auditor's 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 auditor’s 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 auditor’s 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 9, 2024

*CPA auditor, public accountancy permit No. A142483

CONCORDIA UNIVERSITY FOUNDATION

Statement of Financial Position

April 30, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	$ 49,742,852	$ 45,640,508
Accrued investment income	85,613	747,686
Net investment sales receivable	–	83,834
Sales taxes receivable	191,741	116,467
	50,020,206	46,588,495
Investments (note 2)	402,017,987	364,558,213
Fair value of life insurance policies	3,082,844	3,082,844
	$ 455,121,037	$ 414,229,552
Liabilities and Net Assets		
Current liabilities:		
Net investment purchases payable (note 5)	$ 120,530	$ 554,213
Accounts payable and accrued liabilities (note 5)	906,389	859,018
	1,026,919	1,413,231
Net assets:		
Due to Concordia University (note 3)	454,094,118	412,816,321
Commitments (note 8)		
	$ 455,121,037	$ 414,229,552

See accompanying notes to financial statements.

On behalf of the Board:

______________________ Director

______________________ Director

CONCORDIA UNIVERSITY FOUNDATION

Statement of Operations and Net Assets

Year ended April 30, 2024, with comparative information for 2023

	2024	2023
Revenues:		
Recoveries from Concordia University	$ 2,772,395	$ 2,514,615
Expenses:		
Management fees	1,656,571	1,518,706
Professional fees	781,879	661,964
Insurance policy payments	333,945	333,945
	2,772,395	2,514,615
Revenues over expenses	$ –	$ –
Unrestricted net assets, beginning of year	$ –	$ –
Unrestricted net assets, end of year	–	–

See accompanying notes to financial statements.

CONCORDIA UNIVERSITY FOUNDATION

Statement of Cash Flows

Year ended April 30, 2024, with comparative information for 2023

	2024	2023
Cash provided by:		
Operating activities:		
Net change in non-cash operating working capital items	$ 284,321	$ 256,755
Financing activities:		
Increase (decrease) in due to Concordia University	41,277,797	55,170,831
Investing activities:		
Acquisition of investments	(50,156,830)	(21,697,005)
Reinvested capital	(5,174,137)	(4,829,285)
Disposal of investments	38,681,581	12,275,370
Changes in fair value of investments	(20,810,388)	(6,302,581)
	(37,459,774)	(20,553,501)
Net increase (decrease) in cash and cash equivalents	4,102,344	34,874,085
Cash and cash equivalents, beginning of year	45,640,508	10,766,423
Cash and cash equivalents, end of year	$ 49,742,852	$ 45,640,508

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")
- Accumulated Operating Deficit ("AOD")
- Sinking Fund Program - Equipment & Information Technology related capital investments ("SFP-EQ")
- Group Insurance Fund Program ("GIP")
- Operational Budgeting Management ("OBM")
- Cash Management Optimizer ("CMO")
- 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.

1. Significant accounting policies (continued):

(d) Financial assets and liabilities (continued):

(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.

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:

		2024		2023
	Market value	Cost	Market Value	Cost
Equities	$ 22,455,754	$ 18,375,472	$ 19,076,771	$ 16,886,055
Bonds	9,159,085	9,790,015	7,200,191	7,667,145
Investment funds	330,561,498	280,402,496	338,281,251	309,339,171
Cash held at Institutions	39,841,650	39,763,250	–	–
	$ 402,017,987	$ 348,331,233	$ 364,558,213	$ 333,892,371

As at April 30, 2024, the weighted average interest rate of the bonds is 3.00% (2.85% in 2023) and the weighted average duration is 4.36 years (3.94 years in 2023).

3. Net assets due to Concordia University:

	2024	2023
Beginning balance	$ 412,816,321	$ 357,645,490
Increase (decrease) in due to Concordia University for capital activities:		
Capital transfers received:		
END and special programs [i]	15,578,329	44,687,569
GIP	1,453,574	2,284,098
CMO	–	30,000
	17,031,903	47,001,667
Capital transfers withdrawn:		
END and special programs [i]	(15,000)	(1,067,388)
GIP	(2,215,910)	(602,109)
CMO	(284,115)	–
	(2,515,025)	(1,669,497)
Income (loss) from investing activities (note 6)	29,533,314	12,353,276
Recoveries received from Concordia University	(2,772,395)	(2,514,615)
Ending balance	$ 454,094,118	$ 412,816,321

[i] Special programs include SFP, AOD, SFP-EQ, OBM, MFQ, VBIMP, JFL, DESJ and GFI.

4. END payout, GIP and CMO 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 CMO market value appreciation (depreciation) is the portion of investment income allocated to each of the two programs for the fiscal year.

	2024	2023
Payout for END and special endowments programs [i]	$ 5,155,355	$ 4,969,232
GIP market value appreciation (depreciation)	395,000	274,087
CMO market value appreciation (depreciation)	1,438,029	919,284

[i] Special endowments programs include JFL, DESJ and GFI.

5. Accounts payable and accrued liabilities:

	2024	2023
Professional fees (Concordia University salaries and benefits)	$ 537,316	$ 447,015
Professional fees - other	18,401	57,365
Management fees	350,672	354,638
Net investment purchases payable	120,530	554,213
	$ 1,026,919	$ 1,413,231

6. Income (loss) from investing activities:

	2024	2023
Investment income:		
Dividends	$ 2,647,332	$ 2,862,492
Interest	4,615,232	2,199,876
Partnership income	1,409,240	2,064,178
Pooled fund income	753,489	462,564
	9,425,293	7,589,110
Realized gains	(3,086,120)	1,987,296
Change in unrealized appreciation (depreciation)	23,247,015	2,782,397
Investment expense and other	(52,874)	(5,527)
	$ 29,533,314	$ 12,353,276

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 the 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, 2024, financial assets in foreign currency represent cash and cash equivalents amounting to $353,528 ($3,039,941 in 2023) and investments totalling $103,901,741 ($80,265,956 in 2023).

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, 2024 are as follows:

Private equity	$ 28,311,634

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.

9. Subsequent event:

Name Change

Effective July 31st, 2024, Concordia University Foundation has changed the name to Concordia University Intergenerational Fund (the Fund). This was implemented to better reflect the financial wealth growth objective of the Fund to the University long-term financial health in accordance with the best governance and sustainability orientations.