

## **Vilnius University Foundation**

The first university's endowment in Lithuania, which invests the collected donations and uses investment returns with a mission to guarantee global competitiveness of Vilnius University.

## **General Information**

Founded:	2016.04
Endowment capital formed:	2017.05
Investments started:	2019.01
Endowment capital size:	1 914 802 Eur
Investment results since 2019.01:	+65 123 Eur
Used for VU financing:	0 Eui
Portfolio value:	1 979 925 Eu
Target return, long-term:	5%

## Investment Portfolio & Results by Asset Class

ļ		Allocation 2019.12.31	Annualised return since 2019.01
2	European	13%	+22,5%
Equity	World	13%	+23,4%
ШI	Emerging markets	-	-
s	Euro-zone government	9%	+1,1%
Bonds	Investment grade corporates	-	-
	High yield	10%	+8,3%
	Alternative investments	6%	-6,1%
I	Investments	<b>51%</b>	+12,2%
	Cash and equivalents	49%	-
I	Portfolio	100%	+3,8%



## Comment:

In the second half of 2018 we defined and confirmed as well as solved various technical and legal issues regarding the investment start of the first university's endowment in Lithuania. Thus, we prepared the investment process to start from January 2019.

We chose periodic investment strategy so throughout 2019 we were gradually making investments and slowly reducing the proportion of cash in the portfolio. Our key priority is well-diversified portfolio. Around half of the investments made were equities through ETFs, offering exposure into European and US markets. The other substantial part of investments consisted of safe Eurozone government bonds and riskier high-yield corporate bonds. Such composition of bonds offers the portfolio enough safety, but also attractive cash flow from high-yield bond coupons, which will be used to finance Vilnius University projects. No investments were made into investment grade corporate bonds due to close to zero yield. In addition, we made our first investment into alternative asset class – we acquired part of infrastructure fund, which should soon begin generating additional positive cash flow.

To sum up, the start of the investments and first results might be treated positively – the value of investments made grew by around 12%, while the total portfolio value increased by around 4%. We plan to continue gradually employing the cash into investments through 2020 and, in case of favorable conditions, start investing into new asset classes and further increasing portfolio diversification.



Information about endowment capital investments of Vilnius University Foundation in this document is provided for informative purposes only. Information is not audited and is provided based on the best knowledge of the foundation's management. Investment returns is related to risks, its value can decrease or increase, historical positive investment returns of similar asset classes do not imply return in the future, thus there is no guarantee that investment return targets of the foundation will be reached. Information cannot be interpreted as a recommendation to buy or sell financial instruments. The fund is not for individual investments – the goal of the foundation is to invest the collected donations and use investment returns to improve Vilnius University activities.