

2019  
|  
2020

# HKUST Alumni Endowment Fund

ANNUAL REPORT



香港科技大學  
THE HONG KONG  
UNIVERSITY OF SCIENCE  
AND TECHNOLOGY

ALUMNI  
ENDOWMENT  
FUND

# Appreciation of Alumni Support

YOU'VE MADE THE HISTORY OF HKUST

Launched in 2012, the **Alumni Endowment Fund (AEF)** is a very exciting development in the history of HKUST – it is our first-ever endowment fund to receive donations mainly from alumni. Every year since the establishment of AEF, the interest income of donations has gone directly to support a variety of initiatives of the highest priority.

While the University makes decisions regarding the usage of the interests of AEF according to its strategic needs, there have been a good number of alumni who have designated their donations towards the University's developments. These include campus infrastructure such as student hostels and sports facilities, internship programs and many others.

Thanks to the overwhelming support from our alumni, our students are able to live their university lives to the fullest through the provision of a holistic learning environment.

Alumni are our most valuable stakeholders having a huge impact on the University. Every dollar you donate is gratefully appreciated by everyone. We are relying on you to ensure the University continues to nurture the young generations who would contribute towards the betterment of the society.

# Our Alumni, Our Pride

OVER **HK\$48,000,000**

has been raised since the launch of AEF

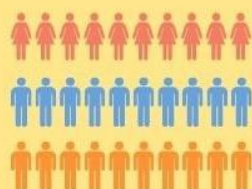
**\$20,000,000** 2019-2020

has been collected



DONORS

**3,700**



alumni have contributed  
since 2012

**1,700**

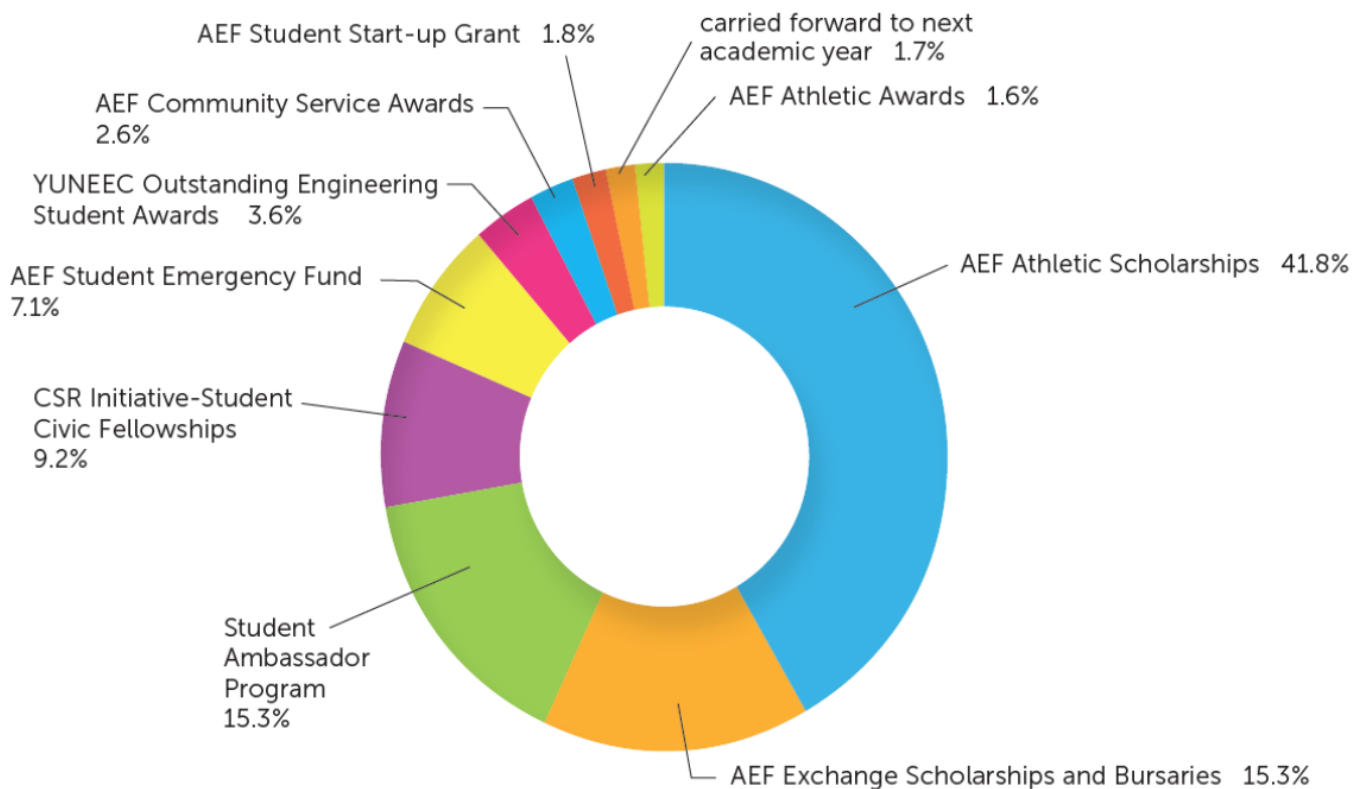
STUDENTS

have been benefitted  
from the provision of a  
holistic learning  
environment



# Allocation of Interests to different initiatives

## Allocations to different initiatives during 2019-2020



Apart from the above initiatives, our alumni have been highly supportive of the extensive capital projects on campus so to bring about an incredible environment and fruitful learning experience to our students.



# How AEF Has Made Lifelong Impact on Them...



**CHLOE NG-BROSSARD**

**SCIENCE SCHOOL YEAR 1**

**AEF SPORTS SCHOLARSHIP  
2019-2020**

Admitted to HKUST in 2019, our science student Chloe is among one of the recipients of the AEF Sports Scholarships this year.

Chloe developed a strong interest in skating since a young age and has kept on practicing regularly throughout the years. With her exceptional talent and persistence, she joined the Hong Kong Figure Skating Youth National Team in 2016 and since then has been representing Hong Kong at different overseas competitions.

Photo by Ken Lui

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SportSoHo

*"I believe that staying focused is the key to gliding through challenges. HKUST offers multifaceted support and an environment conducive to learning. I'm glad to be one of the student beneficiaries."*

*"Thanks to the support from the University and alumni donors, I can live out my sporting dream while achieving the academic goals."*

# How AEF Has Made Lifelong Impact on them...

## A BUSINESS SCHOOL YEAR 2 STUDENT STUDENT EMERGENCY FUND

Coming from a single-parent family, the student has been financially independent and got to support himself as early as three years ago by taking up part-time jobs on campus and teaching kids at tutorial centers.

Owing to the outbreak of COVID-19, he lost all his jobs since January 2020. This unforeseen financial difficulty sank him into deep despair to support his living, not to mention the extra spending on daily necessities such as masks and personal hygiene products.

The Student Emergency Fund just came in the perfect timing to overcome this hurdle.

*"I'm truly grateful to all those who have generally donated to AEF. Your support enables me to sustain my living during these difficult times.*

*I am fortunate to be one of the many beneficiaries from your generosity. It also further boosts my determination to help others after graduation."*

# Financial Arrangement for the University's Endowment

All endowments are invested in a Central Pool based on an investment policy approved by the University's Council. The objective is to provide, over time, a steady and sustainable distribution of funds to meet present and future expenditure. By incorporating environmental, social and governance considerations, the Central Pool invests in a wide range of assets managed by 70 professional investment managers to ensure risks are properly diversified and volatility is minimized. Alternatively, subject to prior agreement with the donor and on a case-by-case basis, the University may implement other investment instructions as prescribed by the donor.

Endowments are given the actual investment returns in full. Out of the investment return, a fixed payout, currently set at 3.5% p.a., based on the principal of the endowments, will be distributed for spending. Payout is made semi-annually and will commence immediately after the establishment of an endowment. In other words, spending of the endowment can begin without any waiting period for accumulation of investment return. Any return in excess of the payout will be earmarked against the respective endowment of the corresponding donor and reinvested in the Central Pool with the aim to make the principal keep up with inflation over time. This will help in maintaining an endowment's purchasing power. Furthermore, to insulate the endowment from prevailing adverse investment markets conditions, our University could provide temporary bridging finance when the accumulated and unspent investment return is insufficient for the payout, thus ensuring the continuity and stability of the payout.

Our University periodically carries out a review of its Endowment Policy. The intent is to increase the payout steadily in the future when sufficient undistributed return has been accumulated. Our University monitors spending and accumulated investment returns, in order to ensure the sustainability of the endowments.



# Financial Arrangement for the University's Endowment

## LIST OF EXISTING PROFESSIONAL INVESTMENT MANAGERS CURRENTLY MANAGING THE CENTRAL POOL

### Public Equity (7 managers)

- Vanguard Investment (HK) Ltd.
- Schroder Investment Management (HK) Ltd.
- Acadian Asset Management (Singapore) Pte Ltd.
- Unigestion Asia Pte Ltd.
- Magellan Asset Management Ltd.
- Cantillon Capital Management LLP
- Generation Investment Management LLP

### Fixed Income (4 managers)

- Vanguard Investment (HK) Ltd.
- PIMCO Asia Ltd.
- Loomis Sayles Investment Asia Pte Ltd.
- Colchester Global Investors (Singapore) Pte Ltd.

### Real Assets (2 managers)

- State Street Global Advisors Asia Ltd.
- AMP Capital Fund Management Ltd.

### Hedge Funds (23 managers in total; the following are those with sizable investments)

- Hudson Bay Capital Management LP
- Davidson Kempner Capital Management LP
- Nitorum Capital, LP
- Sachem Head Capital Management LP



# Financial Arrangement for the University's Endowment

## LIST OF EXISTING PROFESSIONAL INVESTMENT MANAGERS CURRENTLY MANAGING THE CENTRAL POOL

Private Equity (22 managers in total; the following are those with sizable investments)

- Baring Private Equity Asia Limited
- Silver Lake Partners
- Lux Capital Management LLC
- Centana Growth Partners GP, LLC

Private Credit (12 managers in total; the following are those with sizable investments)

- Dignari Capital Partners (HK) Limited
- Fortress Investment Group
- Highbridge Capital Management, LLC
- MGG Investment Group



# **We Count on Your Support**

## **THANK YOU AGAIN FOR YOUR CONTINUED SUPPORT!**

Know more about **ALUMNI GIVING**

[alumgiving.ust.hk](http://alumgiving.ust.hk)

