Buddha’s wisdom is for everyone.

I thank the volunteers, executives, and sponsors—all of you. You have put so much dedication into this Khyentse Foundation endeavor, and for this I am very, very grateful.

On behalf of all sentient beings, I hope you continue to dedicate your time, energy, and ideas.

—Dzongsar Jamyang Khyentse Rinpoche

www.khyentsefoundation.org
Gliding with the Changes

Our goal has not changed. The goal of Khyentse Foundation is to support the study and practice of the dharma. But since we are victims of causes and conditions we are very much victims of time and space, and as you know, in the past few years the world is changing so fast. Not just geopolitically, but also the human mind, the way humans think—moral values, spiritual values, emotional values are changing—although maybe not really changing. In one way it’s not a big deal; samsara has always been like that. But on the other hand, it seems to have different nuances, a different kind of color, and a different kind of taste. Accordingly, we in Khyentse Foundation must try to glide with these changes.

We don’t know whether the dharma practice phenomenon is flourishing or declining. We may say that it’s declining, but how do we know? Individually, people practice in different ways. On the relative level there are concrete things that we can do, such as facilitating study, research, and translation, and organizing events. These are the sorts of things that we can do.

But as I said, the times are changing—how we communicated with people 20 years ago, or even 5 years ago, [is different from] how we communicate with people today. And [how to communicate with] young people—that is really beyond older people like me. There is just so much information, so much education, so many things to read, and so many things you hear. So how we facilitate educating, teaching, and translating—that is going to be a forever, ongoing, evolving challenge. “Challenge” is maybe not the right word, but it’s something that we need to be aware of.

We must try to let go of the old habits of how we communicate, how we talk to people, how we translate things, how we organize things—even how we organize events. Even in the choice of a table or a chair, we can be so attached. Of course, we are human beings, and we have so much insecurity. We talk about not having the courage to get out of the zone, get out of the box. Every time we feel that we are sort of out of the box, we realize that we are really still in the old box. We may have been out of the 1980s box during the 2000s, but now it’s 2023. We should also be out of that box, but it’s difficult. This is something that Khyentse Foundation should be aware of.

I address this so that we will have the ability to facilitate and to help and assist students and practitioners, and also what we call traditional monasteries, both in India and beyond. We can be brave in investing in projects, maybe by closing one eye and jumping in to see whether they could lead us somewhere. This is just to remind ourselves that we always need to think ahead.

Other than that, I thank the volunteers, executives, and sponsors—all of you. You have put so much dedication into this Khyentse Foundation endeavor, and for this I am very, very grateful. On behalf of all sentient beings, I hope you continue to dedicate your time, energy, and ideas.
Managing Long-Term Sustainability

Message from Executive Director Cangioli Che

With the worldwide pandemic, all kinds of political turmoil, and economic uncertainty, the past few years have been difficult for many around the world. The downturn in the investment market and the personal hardship of many KF supporters directly affected KF’s investment and donation income during the fiscal year July 1, 2021 through June 30, 2022.

In the previous 20 years, KF was always able to balance expenditures and income and to maintain a healthy surplus on an annual basis. We were therefore able to build up substantial assets of more than US$50 million. This past year is the first time that expenditures exceeded income, and we were obliged to tap into our reserved assets. This was not unexpected, however, because we had expanded our activities and made significant investments in endowed chairs, schools for children, translation projects, outreach initiatives, and so on. Our reserve funds are intended precisely so that in times of reduced donations and economic setbacks we can maintain our activities without major disruption to our priority projects.

Looking forward, one of our major challenges is to manage revenue fluctuations with a more controlled budget for program expenditures. Both donations and investment income have fluctuated significantly from year to year and will continue to swing both ways. Change and uncertainty are the true nature of samsara, so this is no surprise. We are dealing with three variables in our financial planning: our expenditures, which are relatively under our control; our donation income; and our investment income. Our budget plan for the next few years is to sustain KF activities in the long run and to make our best estimate regarding income fluctuations based on historical data and in consultation with our expert panel of investment managers and advisors.

We are very grateful for the continued support of our donors and volunteers—they have stood by us to share the Buddha’s wisdom even in these turbulent times. And despite the decrease in the total donation amount, we are very encouraged that the number of KF sponsors during the year increased by 17%, to more than 3,200 donors from more than 60 countries. There was also a slight increase in the number of recurring donors, who now represent 30% of our total donor population. It is reassuring to see more people inspired and committed to preserving and propagating the dharma in these difficult times.

This annual report outlines the expanded scope of KF’s programs and activities for the year. With your continued support, together we can realize Rinpoche’s aspirations and bring the dharma closer to people all over the world.
The scope of Khyentse Foundation’s activities is wide-ranging, from monastic support, text preservation, and tradition and legacy projects to scholarships and grants, translation, and supporting practitioners. This year’s annual report spotlights our priority areas—education for children, translator and teacher training, and academic development—although the foundation continues to sponsor people and programs across all our project areas. Here are a few highlights from the past year.

**Monastic Support** KF continues to finance Dzongsar Khyentse Chökyi Lodro Institute (DKCLI) in India, Chökyi Gyatso Institute in Bhutan, and Dzongsar Monastery in China. In 2023, students will graduate from the Higher Tibetan Studies program and MA degree at DKCLI, and the institute is working with Pune University toward accreditation.

**Text Preservation** KF has been supporting the work of the Buddhist Digital Resource Center (BDRC) and the Fragile Palm Leaves Foundation (FPL) for almost 2 decades. In 2022, BDRC continued to digitize and catalog more than 400,000 pages of Peter Skilling’s Fragile Palm Leaves collection as well as over 1,000 volumes of Tibetan texts for the National Library of Mongolia—currently BDRC’s two main projects.

**Tradition and Legacy** KF India and Siddhartha’s Intent India are now working closely together, focusing on cultural and community events across India. Events are centered around traditional practices and have so far included Charya dance workshops, a paubha painting workshop, and meditation and teaching programs.

**Scholarships and Grants** KF continues to offer individual study and practice scholarships through open applications and collaborates with Rangjung Yeshe Institute and International Buddhist College to support their students.

Ashoka Grant budgets were reduced in 2022, but we hope that these awards continue to inspire positive action in the world. Last year’s awardees include a project to offer meditation and dharma instruction to people in their twenties and thirties in Serbia, Croatia, Bosnia and Herzegovina, and Macedonia; a hospice program in South Africa; and a podcast series featuring interviews with practitioners.

**Translation** The foundation sponsors two major translation initiatives—the Kumarajiva Project and Khyentse Vision Project—as well as many smaller, individual translation projects through the Ashoka Grant program.

**Supporting Practitioners and Beyond** The Trisong Grant program supports resilience and well-being through projects that share the Buddha’s wisdom in innovative ways. With the intent to enable the dharma to reach more people, KF is reaching out to connect with new audiences. Among these are university students, through chaplaincy programs and through the online courses and community events offered by Dharma College.
This was a pivotal year for Middle Way Education (MWE), a global nonprofit organization established in 2017. A growing team of leadership and dharma advisors helped advance MWE’s mission to support parents, educators, and institutions in introducing the dharma to children in age-appropriate ways.

MWE’s research is currently focused on creating a sequenced map of learning standards, benchmarks, and enduring understandings. Founded on Buddhist theory and practices, the emerging curriculum—innovative, nonsectarian, and based on neuroscientific research into childhood development—is supplemented by hundreds of lessons from real classroom experience. MWE has invested in curriculum mapping software to organize the frameworks and materials that have been developed and tested at the Middle Way School in New York. School leaders and teachers around the world will soon be able to access these materials and adapt them for their own needs. Concurrently, MWE is developing teacher training modules around the curriculum framework. Many of these materials are offered at no cost on the MWE website.

MWE’s highly adaptable model is designed to accommodate the unique conditions of schools and camps in different countries. MWE has now started to advise school founders looking to establish programs in Asia and

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**Education for children is a priority area of Khyentse Foundation’s activities. In addition to Middle Way Education, we now support four Buddhist schools directly as well as a variety of projects through open applications under our Ashoka education grants.**

**Middle Way Education**

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**Education for Children**

Middle Way Education conducts its action research at partner schools like the Middle Way School in New York—the embodied activity of altar keeping is a favorite of young children; photo courtesy Dondre Frances and Middle Way Education.

Contributed by Carolyn Yeh and Kailin Hau, Education for Children program coordinators.
South America. This service includes feasibility studies, strategic planning, hiring, aesthetics, curriculum planning, teacher training, and more.

The MWE website now better reflects the full spectrum of its mission and vision. There is an active community helping to build the resource base, searching for and sharing materials. Those interested in dharma education for children are encouraged to join.

Bilingual project learning is a key feature of the Blue Lion Preschool (BLP) curriculum. Recently, the children worked on a project on global warming and discovered how it affects arctic animals. They collected money for charity, learning about generating value and giving back to the community.

Another key feature is the Asian Heroes project, a school-wide study that highlights two or three Asian heroes each school year and covers their stories and impact. The team is also introducing dharma topics through stories, songs, and discussion.

Nature is another highlight of the BLP curriculum. The school has put considerable effort into developing an edible garden, where the children grow and harvest fruit and flowers for use in school meals and to be shared with their families. In fact, the school garden is a classroom that offers many lessons. The children learn to make natural pigments from the plants and flowers, creating their own resources. They then use the pigments in their art projects, reducing waste.

BLP has developed a unique school graduation tradition. At the end of the school year a graduand decides on a final project, such as an art auction benefiting a charity of choice this past year or a Teochew opera performance the previous year, and guides their younger peers in preparing for the event.

Looking ahead, BLP will continue to work on enrollment, curriculum development, and research projects to further its goal of developing and applying innovative dharma curriculum in early learning.

The Middle Way School, USA

The Middle Way School (MWS) had a successful admissions season in its fifth year, with 90 students enrolled. The school won three awards, including Best Elementary School in the Hudson Valley by Chronogram, a popular local magazine.

Although the pandemic continued to present challenges for the school, staff were skilled in overcoming any difficulties. In fact, the situation gave teachers an opportunity to lean into the dharma thematic units authentically. MWS had wonderful moments of growth and success, and is happy to be able to hold in-person events once again.

MWS is fulfilling its mission by placing the dharma at the center of life and learning, which makes the school unique. The benefits are increasingly evident as the school works toward Rinpoche’s vision of Buddhist education for children. Dharma is infused into the classroom with morning sits, thematic units, and weekly assemblies. In addition to its own evolving curriculum, MWS uses the Social, Emotional, and Ethical (SEE) Learning Framework developed by Emory University.

The parent community has expanded and is becoming more financially supportive. Some two-thirds of all parents have engaged in self-study or practice. Teachers undertake both professional development and contemplative practice to meet both rigorous academic standards and dharma expectations. As MWS needs to remain competitive in the local private school market, its primary focus is on developing high standards and benchmarks for its students to thrive.

MWS has grown in a short period of time. The head of school, Grace Louis, describes MWS as an action research school that is “building the plane while flying it.” Thanks to a generous donor, the construction of a shrine hall/multipurpose space will begin in summer 2023 to relieve some of the challenges posed by limitations of space.
Kanishka School, India  In September 2022, Kanishka School, a Buddhist monastic school under Dzongsar Khyentse Chökyi Lodrö Institute (DKCLI), moved to a new campus, taking over half the campus of a Tibetan school nearby. In the academic year 2022–23, 140 students aged 7 to 20 from Nepal, India, and Bhutan are enrolled in the school.

Currently, Kanishka offers a 6-year primary education program with emphasis on Buddhist philosophy and values and on languages. On completion of the program, students can choose to pursue higher Buddhist studies at DKCLI, to continue on at Kanishka, or to move to mainstream education. For those remaining at Kanishka, an additional grade is created each year, subject to Dzongsar Khyentse Rinpoche’s approval. In the academic year 2023–24, for example, the program will extend to Grade 7.

SEE Learning activities are scheduled once a week to support the students’ social and emotional well-being. To create a customized syllabus for Kanishka, the syllabus and content of two Indian education boards are being studied. The expanded syllabus will include subjects such as arithmetic, science, history, and culture. In 2023, teaching positions will also be created in music, arts, and physical education, and a dedicated school nurse will be engaged.

Looking ahead, Kanishka is moving from a mainstream education model to a more holistic, integrated, immersive, and experiential approach, incorporating elements from pedagogies such as Montessori, Reggio, Abiding Heart, and SEE Learning.

Lhomon Education, Bhutan  Lhomon Education (LME) is a 4-year program for young monks under Chökyi Gyatso Institute (CGI). Currently, 70 monks aged 14 to 17 are enrolled in the program, which integrates Buddhist principles, values, and wisdom into mainstream academic learning. Initiated by Dzongsar Khyentse Rinpoche, LME prepares the young monks to be good human beings who relate to the world with decency and compassion.

With these goals in mind, in 2022 LME continued with its model of engaging its young monks in 3 hours of integrated, project-based holistic education each day. Through enjoyable hands-on activities and investigation, students are encouraged to explore how everyday objects are produced and discarded. Such activities are specially designed to teach students about causes, conditions, and results, and to recognize that everything is interdependent.

LME’s outreach has expanded this year to include 370 youths, parents, and teachers from both the local community and other regions in Bhutan. Wakefulness and contemplation practices, art camps, teachings on bodhichitta, field trips, and skill-based programs reconnect participants with Buddhist values. In addition, the winter wakefulness retreat has become an important event for educators, introducing profound and authentic wakefulness techniques based on Bhutan’s Mahayana tradition.

LME has thus been able to extend its outreach beyond its educational “laboratory,” engaging children, youths, educators, and parents to actively reflect on, contemplate, and practice the profound buddhadharma.

Ashoka Grants  Khyentse Foundation is committed to supporting other education projects through our Ashoka Grants. Applications this year covered a wide range of projects, such as Buddhist schools and camps in Thailand and Brazil, a Russian children’s book, and a community workshop in Nepal. KF also sponsored the website Windows into Buddhism, designed to support, in particular, teachers and educators in countries where Buddhism is taught in mainstream schools.
**Teacher Training**  
As we have since our inception, Khyentse Foundation supports both students and retreatants at Rinpoche’s monasteries and monastic colleges in India, Bhutan, and China. With a current population of more than 3,000 monastics, these traditional institutions are the most important training ground for Buddhist teachers. Providing ongoing support to these institutions is Khyentse Foundation’s primary responsibility, and over the last 2 decades these shedras have produced hundreds of Buddhist teachers.

Rinpoche has always had the aspiration to train Buddhist teachers for the West and elsewhere. Many khenpos and lopons in the traditional shedras are interested in acquiring the skills needed to enable Buddhism to reach a global audience. KF programs assist these 21st-century teachers with language and leadership skills, cultural immersion, and teacher training, and even with specialized courses in marketing and new media.

In the past few years, we have sponsored four Himalayan scholars to participate in immersion programs at Naropa University and the University of Virginia, and two graduates of Dzongsar Khyentse Chökyi Lodrö Institute (DKCLI) in India to further their studies at the University of Hamburg. We expect more qualified candidates to emerge in the coming year.

**SHAPING THE FUTURE**

*Many khenpos and lopons in the traditional shedras are interested in acquiring the skills needed to enable Buddhism to reach a global audience. KF programs assist these 21st-century teachers with language and leadership skills, cultural immersion, and teacher training, and even with specialized courses in marketing and new media.*

In 2022, we supported the sixth year of the Milinda Program, a 10-year shedra-like course for laypeople from the West and elsewhere who aspire to become Buddhist teachers. Originally, it was intended that Milinda participants would come together physically each year for 3-month immersion training periods of in-depth study with leading khenpos and scholars, and continue their follow-up study with online revisions and reviews. Due to Covid-19 restrictions, however, during the last 2 years all classes have been conducted online. Nevertheless, plans are now in place to hold the next 3-month gathering in person at Rangjung Yeshe Institute in Nepal in the spring of 2023. Altogether 23 students from four different sanghas are enrolled in the program. In order to qualify as teachers, they have committed to a minimum of 80% participation.

In collaboration with the University of Hamburg, we sponsored the Academic Research Project Initiative to introduce Western research methodology to Himalayan scholars. This has already resulted in the establishment of research departments at DKCLI, at Shechen Shedra in Nepal, and at Namdroling Monastery in India. A few other traditional centers of learning in the Himalayan region are interested in developing these research skills as well.

The Kumarajiva Project’s continuation of the 2,000-year-old tradition of translating Buddhist texts into Chinese; oil painting, offered to the Kumarajiva Project by Taiwan artist Ya-chi Zeng.
Translator Training  Due to a critical lack of qualified translators from Tibetan to both classical and modern Chinese, the Kumarajiva Project shifted its emphasis from translation to translator training and launched a comprehensive 6-year online customized translator training program. More than 20 aspiring translators joined the program, and a few of them will be joining the Kumarajiva Project as junior translators this year.

Khyentse Vision Project (KVP), now just 2 years old, has achieved significant translation targets and set up structures based on the model of 84000. KVP offers a 2-year translator training program, tailor-made to train students in translating the works of Jamyang Khyentse Wangpo from Tibetan to English. Ten trainees have already graduated, and successful interns are integrated into actual work. The project aspires to eventually become a hub for translation of the works of all the Khyentse lineage masters and to include languages other than English.

In Portugal, Dharma Sagar, a third custom training program initiated by Jigme Khyentse Rinpoche, is conducting a 5-year program to train participants to translate from Tibetan primarily into Spanish and Portuguese. There are now 19 students, and the project is registered as an NGO.

In addition to these customized translation programs, KF has been offering Translation Studies Scholarships for almost 10 years. Many recipients are now working for 84000 and KVP. With the shift to customized training the number of applicants for the scholarships has declined, and we are therefore phasing them out and offering a targeted program in collaboration with Rangjung Yeshe Institute in Nepal to support students attending their MA program for dharma translation.

ACADEMIC DEVELOPMENT

In the early days of Khyentse Foundation, Rinpoche expressed his wish to establish an endowed academic chair of Buddhist studies at a major university on each continent. The first KF chair was established at the University of California at Berkeley, USA, in 2006; the second, at the University of Michigan, USA, in 2018; and the third, at the Hebrew University of Jerusalem, Israel, in 2021. In 2022, we established three additional chairs: at Ludwig Maximilian University of Munich in Germany, at the University of Sydney in Australia, and at the International Buddhist College in Thailand. We have also funded short-term faculty positions at various universities.

We are extending our support to nontraditional projects that deliver Buddhist content not usually covered in academic curricula or made available to young adults who are not in college.

Contributed by Sydney Jay, co-chair, Academic Development Committee.

Monks conducting research at the Dzongsar Buddhist Research Center, Chauntra, India, photo courtesy Dzongsar Khyentse Chökyi Lodrö Institute.
Academic Programs  KF provides funding for many types of projects to support Buddhist studies in academic settings. For example, we have funded two Buddhist studies centers, one at the University of Hamburg and the other at Eötvös Loránd University in Budapest. We have also funded a University of Arizona project to map Buddhist sites in the Hangzhou region of China.

In Hamburg, under the direction of Professor Dorji Wangchuk and Dr. Orna Almogi, the Academic Research Program Initiative (ARPI) trains traditionally educated monastics in Western research methods. The pilot program was launched in 2014, ARPI-I in 2015, and ARPI-II in 2020. As a result of these workshops, Shechen Monastery (Nepal), Dzongsar Khyentse Chökyi Lodrö Institute (India), and Namdroling Monastery (India) have now set up their own research centers. A total of 20 students have joined the program, including 3 nuns from Mindrolling Monastery (India), and 12 have already graduated.

In the Hangzhou region, University of Arizona doctoral and undergraduate students visited 10 different temples and collected historical information and data in order to map the temples relative to the spread of Buddhism to Japan and Korea.

Beyond Academics  We are extending our support to nontraditional projects that deliver Buddhist content not usually covered in academic curricula or made available to young adults who are not in college. The University of Toronto and the University of Edinburgh have both developed innovative teaching methods and extensive content for secondary school teachers drawing on innovative, experiential learning methods, addressing the ideal for early exposure to Buddhism.

As an example, Toronto has developed university courses exposing students to Buddhist art and the creation of ritual objects for Buddhist practice. Students made a sand mandala, crafted tormas, and learned to draw the Buddha’s face.

In another example, the faculty at Edinburgh, building on their strong background in narrative Buddhology, offered a Buddhist-based storytelling workshop for high school teachers that resulted in two performances for the general public by the workshop leaders.

The Edinburgh Buddhist faculty, with KF sponsorship, also held a visiting day for students (180 attended from eight schools) that included a treasure hunt relating to Buddhist objects at the National Museum of Scotland.

Both the Edinburgh and Toronto faculties developed extensive bibliographies and resource materials for teachers.

In the coming academic year, we will fund a Leipzig University project targeting students aged 9 and older with content on topics such as meditation, kindness, and compassion. This project is being developed by the university’s Center for Contemplative Traditions in collaboration with the Education Department.

Student Support  Among the projects with the most immediate, measurable impact to date are those that provide financial awards and stipends to students in Buddhist studies, including annual undergraduate Awards for Excellence in Buddhist Studies; 4-year stipends for doctoral students at eight universities; and monthly seminars and a biannual residential workshop at Northwestern University, where doctoral student grant awardees share their preliminary work and have it critiqued by fellow students and renowned Buddhist scholars. In 2022, Janet Gyatso of Harvard Divinity School was the guest workshop leader. So far, we have sponsored 19 doctoral students, 3 of whom now have their PhDs.

In addition, we are funding our first postdoctoral fellowship at Yale University. We also joined efforts with other funders to support master’s degree students at the University of Oxford and the University of Washington, and we sponsored a chaplaincy position at Duke University, which was so successful that Duke has made it a permanent, half-time position.

In summary, we find that more universities are starting to offer lectures and workshops to those outside of academia. Buddhist studies faculty seem to be increasingly interested in connecting contemporary issues with contemplative practice. This could be explained by the fact that more Buddhist studies faculty are practicing Buddhists, as in the case of the new project we are funding at Leipzig University. There, two of the faculty members have undertaken 3-year retreats, one of whom has completed two retreats.
A Challenging Investment Year

Investment Committee Report, Year 2022

The year 2022 was a particularly challenging one, with the world transitioning from the Great Moderation to a period marked by unexpected shocks to the global economy, which reverberated across markets. Russia’s invasion of Ukraine, China’s insistence on its zero-Covid policy, and the process of the US Federal Reserve (the Fed) fighting inflation by aggressive increases in the federal funds rate all led to a meltdown in the broad US stock and bond market averages, with each logging double-digit losses for the first time since 1931. The decline in the financial markets was unique in that fixed income offered no support when equity markets deteriorated.

The stock market dropped by 18% (S&P 500 Index) while the bond market fell by 13% (Barclays Aggregate Bond Index). Long-term Treasuries were down 31.2%, offering no refuge. The average stock of the Russell 3000 Index was down 45.3% from its all-time high. Meanwhile, inflation increased prices by an average of 7.1% in 2022, as measured by the Consumer Price Index (CPI). Positive returns were hard to come by no matter where one looked. A few asset classes were up on a total return basis for the year, with the only double-digit percentage gains found in the energy sector and some agricultural commodities.

The year began with markets unease over accelerating inflation and the likely response of the Fed to move to a contractionary monetary policy after 2 years of quantitative and fiscal easing. As economic indicators were mixed, the Fed was slow to act. The action, however, was extraordinary, with seven hikes in 9 months raising rates from 0.25% to 4.5%. The silver lining is that one can finally invest in CDs, bonds, and government notes with good yields once again.

The goal of economic policy is to help balance supply and demand. Unfortunately, this balance has been very difficult to achieve over the past 3 years. The Fed’s mandate is to fight inflation; however, the Fed does not control the supply side of the economy. If supply does not increase to meet demand, demand must fall to meet supply. Reducing demand, when extreme, means the economy risks recession. While interest rate hikes have already been aggressive, according to the Fed there’s more to come. As monetary policy acts with a lag, the actions of today will continue to impact the economy for at least the next 12 months.

Within this context, the KF portfolio had a negative return of 12% in 2022, ending the year with an asset allocation of 43% in fixed income, 38% in equities, 9% in alternative investments (3% in hedge funds, 3% in real estate private equity, and 3% in other private equity funds), and 5% in structured notes. Cash was 5%, including the portion that secures options.

**Equities** The stock market’s actions in 2022 represent the first chapter in a “new” reality, as interest rates rise. What we are seeing is a “normalization” of economic trends, company earnings, and stock prices. For example, the demand that was pulled forward over the last year or so created massive earnings for growth companies. This helped drive earnings last year beyond market expectations by a wide margin. Now, we are seeing a slowdown in sales and excess inventories in those industries, causing some companies to lower their earnings guidance. Subsequently, higher earnings expectations started to fall, accompanied by a drop in stock prices.

The equity portfolio was down 21%, with structured notes performing as expected and down only 2%. US holdings had a tilt towards growth so were down 25%, more in line with Nasdaq’s -33%. Companies in emerging markets were down 15%, helped by the strong performance of energy and agricultural commodity stocks. China, on the other hand, suffered as a result of lockdowns and economic slowdown, returning -25%.

Whether the Fed orchestrates a soft landing or triggers a mild recession, the direction of the stock market in 2023 will depend largely on corporate earnings as companies adjust to the new reality. We already see this adjustment in some technology companies that overexpanded during the pandemic and have now begun layoffs due to the slower pace of business.

Normalizing of valuations is an important and necessary part of market cycles, even if painful. However, even against this economic background there is still a great deal to be optimistic about. History has shown that markets discount both recessions and recoveries more than a year in advance, so it is possible that we have already seen the impact of a recession on expectations. Also, market volatility is an opportunity to add to quality names and discover new investments that had been too expensive for some time.

**Fixed Income** As the Fed increased rates at a magnitude and speed never before experienced, fixed income returns were the worst in 46 years. It was extremely difficult to find positive returns—in a list of 23 different investments, only 2 qualified: loans and collateralized loan obligations. Investment grade AAA bonds were down more than 20%!

The overall fixed income portfolio was down 9.5%, with highlights to global developed market bonds down 8% and preferred down 18%. Emerging markets were down 15%.

The inflation rate is certainly high by historical standards, but it has likely peaked. Growth in the money supply has disintegrated, fiscal deficit spending to GDP has fallen significantly, the dollar has probably peaked, and bond yields are up across the curve.

**Alternatives** The allocation to alternatives has once again contributed to the overall performance, with private equity up 30%, hedge funds down 17%, and private real estate funds up 10%. On the negative side, KF decided to have a very small exposure to cryptocurrency (0.2% of the portfolio), which had a negative return of 51%. It’s good to keep in mind that private equity is an area that has not seen the normalizing of valuations that the public equity market has already experienced, so that may still take place.

While this has been a very difficult year, it is helpful to step back and remember that market pullbacks are not something new, and neither is political discourse. All this has happened before—it just feels louder and worse since we are experiencing it for ourselves. The year 2022 saw the highest inflation in a generation,
the first land war in Europe since WWII, and the fastest pace of interest rate increases in history. It is important to remember that it is impossible to guess exactly which way the currents will flow in 2023. It is more important to choose investments capable of navigating such currents and companies that can execute well throughout the economic cycle. Recessions come and go; we have had nine since WWII. Despite the near-term headwinds we might encounter, durable businesses will prevail.

**FINANCIAL SUMMARY**

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<td>Nurturing the Source</td>
<td>2,832,028</td>
<td>2,311,625</td>
</tr>
<tr>
<td>Monastic Support</td>
<td>584,575</td>
<td>270,420</td>
</tr>
<tr>
<td>Text Preservation</td>
<td>931,326</td>
<td>848,016</td>
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<tr>
<td>Translation</td>
<td>1,118,822</td>
<td>762,069</td>
</tr>
<tr>
<td>Revitalizing Buddhist Traditions</td>
<td>197,305</td>
<td>431,120</td>
</tr>
<tr>
<td>Training for the Future</td>
<td>5,539,932</td>
<td>3,769,191</td>
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<tr>
<td>Ashoka Grants and Scholarships</td>
<td>771,661</td>
<td>659,226</td>
</tr>
<tr>
<td>Buddhist Teacher Training</td>
<td>148,286</td>
<td>68,858</td>
</tr>
<tr>
<td>Academic Development</td>
<td>3,433,751</td>
<td>1,915,194</td>
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<tr>
<td>Education for Children</td>
<td>837,692</td>
<td>1,057,883</td>
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<tr>
<td>Outreach Initiatives</td>
<td>348,542</td>
<td>68,030</td>
</tr>
<tr>
<td><strong>ADMINISTRATION</strong></td>
<td>637,934</td>
<td>526,244</td>
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</table>

This summarized financial position is based on the audited financial statements, which are on modified cash basis, for the fiscal year July 1, 2021 through June 30, 2022.

**FINANCIAL POSITION**

**NOTES TO FINANCIAL INFORMATION**

1. Period under Review: The financial summary is based on the audited financial statements for the fiscal year July 1, 2021 through June 30, 2022. The investment report is based on performance for the calendar year January 1 through December 31, 2022.

2. Net Assets: Surplus revenues over expenses for any given year, if any, are accumulated as Net Assets and are allocated as Board Designated Funds and/or Project Reserves as identified and decided by Rinpoche and the board.

3. Purchase of Land and Buildings Being Leased to the Middle Way School: The property that the Middle Way School has been operating on was purchased. Additional payments have been made for leasehold improvements.

4. Direct to Beneficiary: In recent years, there has been a growing trend of donors contributing directly to groups or projects in various countries that the foundation has designated for support. These direct sponsorships are inspired and coordinated by the foundation and are reflected in the financial graphs, but they are not included in the audited financial summary on the previous page.

5. In the Year labels for the financial graphs, FY = Fiscal Year ended June 30, A = Actual, F = Forecast; therefore, FY 2023F reflects forecasted amounts.

TOTAL ASSETS FY2022

US$M
- BOARD DESIGNATED FUNDS
- MONASTIC 5.0M
- SCHOLARSHIPS 5.0M
- ACADEMIA 5.0M
- TRANSLATION 5.0M
- PRESERVATION 2.0M
- SIDDHARTHA’S INTENT 1.0M
- KARMA YOGA 1.0M
- PROJECT RESERVES AND CASH
- PROPERTY AND IMPROVEMENTS

REVENUE

US$M

<table>
<thead>
<tr>
<th>FY 2019A</th>
<th>FY 2020A</th>
<th>FY 2021A</th>
<th>FY 2022A</th>
<th>FY 2023F</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2M</td>
<td>2.3M</td>
<td>9.0M</td>
<td>10.7M</td>
<td>12.7M</td>
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<tr>
<td>0.73M</td>
<td>0.04M</td>
<td>2.2M</td>
<td>4.8M</td>
<td>7.2M</td>
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<tr>
<td>2.2M</td>
<td>-1.9M</td>
<td>4.6M</td>
<td>1.0M</td>
<td>1.5M</td>
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<tr>
<td>-5.6M</td>
<td>-6.0M</td>
<td>-5.6M</td>
<td>-5.6M</td>
<td>-5.6M</td>
</tr>
</tbody>
</table>

PROGRAM EXPENSES BREAKDOWN 2022

US$M

- BUDHIST TEACHER TRAINING 0.15M
- LEGACY & TRADITIONS 0.30M
- SPECIAL GRANTS 0.2M
- OUTREACH INITIATIVES 0.35M
- GRANTS & SCHOLARSHIPS 0.59M
- TEXT PRESERVATION 0.93M
- TRANSLATION 1.14M
- EDUCATION FOR CHILDREN 1.16M
- MONASTIC EDUCATION 1.19M
- ACADEMIC DEVELOPMENT 3.47M

TOTAL = US$9.4M

FY 2022A
Khyentse Foundation Team
as of December 31, 2022

CHAIRMAN OF THE BOARD OF DIRECTORS
Dzongsar Jamyang Khyentse Rinpoche

ADVISORS
Richard Dixey, Patrick Jacquelin, Chagdud Khadro, Peter Skilling, Albert Paravi Wongchirachai

BOARD OF DIRECTORS
Drubgyud Tenzin Rinpoche, Asha Pillai-Balsara, Richard Chang, Cangioi Che, Lynn Hoberg, Anita Lee, Christine Ng, Isabel Pedrosa, Angi Tsai, Kris Yao, Carolyn Yeh

OFFICERS
Cangioi Che, executive director
Lisa Davison, secretary
Marco Noailles, treasurer

COMMITTEES
Executive Committee
Cangioi Che, Lynn Hoberg, Christine Ng, Isabel Pedrosa, Carolyn Yeh

Investment Committee
Isabel Pedrosa, chair
Desmond Chum, Marco Noailles, Angi Tsai

Advisors to the Investment Committee
Gene Chan, James Nelson, Luciana Novaes, Miles Santo

Academic Development Committee
Sydney Jay, Carolyn Yeh, co-chairs
Cangioi Che, Mingyuan Gao, Mattia Salvini, Trent Walker

Ashoka Grants Committee
Ngodrup Dorjee, chair
Brinda Dalal, Lisa Davison, Deborah Dorjee, Janine Schulz

Ashoka Translation Grants Subcommittee
John Canti, James Gentry, Adam Pearcey, Janine Schulz

Language Consultants
Kholoud Groves, Arabic
Alicja Zmigrodzka, Polish
Nadia Yakovenko, Russian
Sara Rojo, Spanish

Ashoka Education for Children Grants Subcommittee
David Nudell, chair
Sarah Hart, Jennifer Hogan, Lucie Jurikova, Dorji Pelzom
Kailin Hau, Carolyn Yeh, KF liaisons

Ashoka India Program Grants Subcommittee
Pravin Baudhha, Richard Dixey, Uma Pitta

Award for Outstanding Dissertation Committee, Europe
Mattia Salvini, coordinator
Vincent Tourner, chair
Patrice Ladwig, Christian Luczanits, Michael Radich, Jonathan Silk

Award for Outstanding Dissertation Committee, Asia
Mingyuan Gao, coordinator
Ven. Dhammajoti, chair
Liu Guowei, Saerji, Yao Zhihua

Award for Outstanding Translation Committee
Stephanie Suter, coordinator
Natalie Gummer, Charles Hallisey, Jens-Uwe Hartmann, Jan Nattier, Jacqueline Stone

Buddhist Teacher Training
David Nudell

Education for Children
Kailin Hau, Carolyn Yeh

Khyentse Foundation India
Uma Pitta, Deepak Thakur, board members
Prashant Varma, advisor
Aspi Mistry, consultant
Pema Wangchuk, India liaison
Anna Tenzin, accounting

India Programs Working Committee
Deepa Thakur, chair
Uma Pitta, operations director
Zubin Balsara, Khenpo Choying Dorjee, Aksita Dutta

Khyentse Vision Project
Dolma Gunther, executive director
Chantel Gebbie, KF liaison
Jan Roberts, strategic planning consultant

The Kumarajiva Project (Yuan-Man Fa-Zang)
Jennifer Yo, executive director
Ivy Ang, Cangioi Che, Pilan Chen
Sarah KC Wilkinson, English editor
Rosalina Ho, grants manager

Monastic Institutes
Toni Whittaker, coordinator
Pilan Chen, Jun Xie
Uma Pitta, Deepak Thakur, Kanishka School
Nikki Keefe, healthcare support

Scholarships Committee
Stephanie Suter, chair
Pawo Choying Dorji, Jacqui Merrell, Luciana Novaes, Don Stein, Phurbu Tsering

PhD Scholarships Subcommittee
Jacob Dalton, James Gentry, Pascale Hugon, Sydney Jay, Casey Kemp

Trisong Grants Committee
Deborah Dorjee, David Nudell, Li-Hao Yeh, Guzin Yener

Trisong Grants India Subcommittee
Asha Pillai-Balsara, Uma Pitta, Guzin Yener

REGIONAL REPRESENTATIVES
Australia: Chantel Gebbie
Bhutan: Tashi Chozom
Brasil: Letícia Braga, Luciana Novaes
Canada: Johann Newmarch
Germany: Nico Flores, Doris Wolter
Hong Kong: Anita Lee, Jun Xie

India: Asha Pillai-Balsara, Zubin Balsara
Malaysia: Ang Gah Lin
Mexico: Emiliano Yzuña
New Zealand: Ma Lan
Singapore: Tessa Goh, Danny Lee, Frank Lee
Switzerland: Marie Crivelli
Taiwan: Chou Su-ching, Stephanie Lai, Kris Yao
UK: Yomei Macellian, Penelope Tree
USA: Linda Coeill, John Solomon

OPERATIONS
Accounting
Marco Noailles, treasurer
Pilan Chen, Shelley Swindell, accounting managers
Toni Whittaker, finance manager

Finance Committee
Cangioi Che, Christine Ng, Marco Noailles, Shelley Swindell, Carolyn Yeh

Administration
Lynn Hoberg, administration director
Valeria Bykova, administration support

Grants Management
Manwai Annie Ng, grants manager
Pat Hanna, Su-yin Lee, Sonam Tenzing, beneficiary coordinators

Grants Supervisors
Glen Fawcett, Cambodia projects
Sarah Mist, Nepal projects
Luciana Novaes, major grants

Communications
Jun Xie, communications director
Maryann Lipaj, creative director
Christine Ng, Chinese communications coordinator
Jessie Wood, managing editor
Frances McDonald, English editor, writer
Jesse Klein Seret, chair, video team
Candice Tsuei, social media manager
Dora Fung, communications assistant
Cherry Chan, Carla Irusta, Alicia Zmigrodzka, creative support
There is so much about our friend Suresh that we will long remember and rejoice in: his dedicated devotion to India and its culture and spiritual traditions; his deep adoration for the words of the Buddha, which he did not just leave on the page but worked hard to practice; his generous contributions to the dharma and to so many secular philanthropic projects; and much more.

And personally, I will always miss Suresh’s sharp-witted and enthusiastic conversations about subjects ranging from literature and history to politics and economics. His remarks will be quoted again and again in the years to come.

I shall pray that there are no obstacles to Suresh’s spiritual journey: may he very quickly realize moksha.

Dzongsar Jamyang Khyentse Rinpoche, November 30, 2022
I thank the volunteers, executives, and sponsors—all of you. You have put so much dedication into this Khyentse Foundation endeavor, and for this I am very, very grateful.

On behalf of all sentient beings, I hope you continue to dedicate your time, energy, and ideas.

— Dzongsar Jamyang Khyentse Rinpoche

www.khyentsefoundation.org