



TO: Business Board

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DATE: March 30, 2011 for April 6, 2011

AGENDA ITEM:

ITEM IDENTIFICATION:

University of Toronto Pension Master Trust Investment Policy

JURISDICTIONAL INFORMATION:

The Pension Committee is responsible for the Statement of Investment Policies and Goals for the pension fund master trust and any amendments thereto. The Statement will include, without limitation: return objectives, normal risk tolerance, asset allocation, and benchmarks for the evaluation of performance.

PREVIOUS ACTION TAKEN:

HIGHLIGHTS:

The Pension Statement of Investment Policies and Procedures (SIP&P) currently has four components:

U of T Pension Fund Master Trust Investment Policy: this policy contains the pension investment risk and return targets along with other required elements (such as conflict of interest guidelines). This Policy was most recently approved by the Business Board on December 14, 2009. In future, the components of this policy will be approved by the Pension Committee. The risk and return targets are the subject of the briefing at the meeting of April 6th, and this policy is attached.

Delegation of Authority: this authority delegates certain authorities from the University to UTAM. It was most recently approved by the Governing Council on June 25, 2010. At that time, the UTAM Board's authority for approval of the investment strategy, including asset allocation, was transferred from the UTAM Board to the Pension Committee.

UTAM Pension Fund Master Trust Investment Policy: this policy contains the pension asset mix, and other elements of investment strategy, along with other required elements (such as exercise of proxies and voting rights). This Policy was mostly recently approved by the UTAM Board on March 26, 2010. In future, the components of this policy will be approved by the Pension Committee.

Investment Management Agreement: this agreement between the University and UTAM was most recently updated effective November 26, 2008. It mostly governs the operational relationship between the University and UTAM and its negotiation and execution are delegated to the administration.

Over the next several meetings, the Pension Committee will consider the elements contained in the current U of T and UTAM policies, which, after those deliberations, will ultimately be brought together in a single policy document.

At the April 6th meeting, the Committee will receive a briefing on the current pension investment risk and return targets, as contained in the U of T pension investment policy, which is attached to this green sheet.

The other documents comprising the SIP&P may be found at the following web address:
(<http://www.finance.utoronto.ca/policies/pipg.htm>).

**FINANCIAL AND/OR
PLANNING IMPLICATIONS:**

RECOMMENDATION:

For information.