



University of Toronto

OFFICE OF THE VICE-PRESIDENT, BUSINESS AFFAIRS

Memorandum to: Business Board

From: Felix Chee

For: Meeting of May 6, 2002

Agenda Item: 3

Item Identification: **Annual Report of the University of Toronto Asset Management Corporation (UTAM) for the year ended December 31, 2001**

Jurisdictional Information

This report is required by a Business Board resolution and the service agreement between the Governing Council of the University of Toronto and UTAM

Sponsors

Felix Chee, Vice-President Business Affairs & Chief Financial Officer
Robin Korthals, Chair, UTAM
Don Lindsey, President and Chief Executive Officer, UTAM

Action Sought

Receipt of the report for information.

Highlights

2001 was the first full year of the asset management responsibilities being carried out by UTAM since its establishment on May 1, 2000.

The market value of both the Long-Term Capital Appreciation Pool (LTCAP) (\$1,196 million) and Pension Master Trust (\$2,146 million) declined during the year due primarily to the decline in equity markets worldwide. The nominal rates of return earned (-3.23% and -1.48% respectively) were below the 5.7% and 4.7% rate required. The market value of the Expendable Funds Investment Pool (EFIP) increased from \$497 million at December 31, 2000 to \$546 million as at December 31, 2001 due to donations.

The attached annual report provides details on the performance of the funds being managed. The audited financial statements for UTAM's operations for the year ended December 31, 2001 are presented at the end of the report.

Performance Measurement
Fund Rates of Return (%) and comparison to Benchmarks
As at March 31, 2002

| | 1 Month | vs index | 3 Months | vs index | Yr/Yr | vs index |
|-------------------------------|---------|----------|----------|----------|-------|----------|
| Pension Master Trust | | | | | | |
| TOTAL FUND | 1.67 | 0.02 | 1.21 | 0.80 | 3.95 | 2.48 |
| Pension Fund Policy Benchmark | 1.65 | | 0.41 | | 1.47 | |
| | | | | | | |
| LTCAP | | | | | | |
| TOTAL FUND | 2.88 | -0.06 | 2.24 | 1.38 | 3.86 | 3.95 |
| LTCAP Policy Benchmark | 2.94 | | 0.86 | | -0.09 | |
| | | | | | | |
| EFIP | | | | | | |
| TOTAL FUND | 0.76 | -0.87 | 0.74 | 0.14 | 3.23 | 0.80 |
| EFIP Policy Benchmark | 1.63 | | 0.60 | | 2.43 | |
| | | | | | | |

