

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL

REPORT NUMBER 246 OF THE BUSINESS BOARD
Tuesday, April 23, 2019

To the Governing Council,
University of Toronto.

Your Board reports that it met on Tuesday, April 23, 2019 at 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present:

Keith Thomas (Chair)
Brian Lawson (Vice-Chair)*
Scott Mabury, Vice-President, Operations
and Real Estate Partnerships (VPOREP)
Kelly Hannah-Moffat, Vice-President, Human
Resources and Equity (VPHRE)
Sheila Brown, Chief Financial Officer
Preet Banerjee
Robert G. Boeckner
Harvey T. Botting
David Bowden
P.C. Choo
Gary D. Goldberg
Ian Peter Hutson
Mala Kashyap*
Jan Mahrt-Smith
John Paul Morgan
Chris Thatcher*
Bruce Winter

**participated via conference call*

Non-Voting Assessors:

David Palmer, Vice-President, Advancement
Trevor Rodgers, Assistant Vice-President,
Planning and Budget
Gilbert Delgado, Chief, Planning, Design
and Construction
Saher Fazilat, Chief Administrative Officer,
UTM
Anne Macdonald, Assistant Vice-President,
Ancillary Services
Ron Saporta, Chief Operations Officer,
Property Services & Sustainability

Secretariat:

Patrick F. McNeill, Secretary

Regrets:

Andrew Binkley
Sara Gelgor
Avrum Gotlieb
Sue Graham-Nutter
Mark Krembil
Price Amobi Maka
Brian A. Miron

In Attendance:

Vivek Goel, Vice-President, Research and Innovation (VPRI)

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In Attendance continued:

Zohair Ahmed, Director, Operations, University of Toronto Asset Management Corporation (UTAM)
Tad Brown, Counsel, Business Affairs and Advancement
Doug Chau, Chief Risk Officer, Head of Research, UTAM
Elizabeth Church, Director, Stakeholders Relations, University of Toronto Communications
Elizabeth Cragg, Director, Vice-President, Operations and Real Estate Partnerships
Gloria Cuneo, Director, Faculty, Residential & Student Family Housing
Barbara Dick, Assistant Vice-President, Alumni Relations
Rosalyn Figov, Chief Operations Officer, Office of the Vice-President Human Resources and Equity
Leon Lu, Portfolio Manager, Investments, UTAM
Mila Miller, Executive Director, Strategic Planning and Advancement Organizational Development
Gillian Morrison, Assistant Vice President, University Development
James Robertson, Chief Operating Officer, Advancement Services
Daren Smith, President and Chief Investment Officer, UTAM

IN CAMERA ITEM 16(a) IS RECOMMENDED TO THE GOVERNING COUNCIL FOR APPROVAL. ITEMS 4, 7 AND *IN CAMERA* ITEM 16(b) WERE APPROVED. ALL OTHER ITEMS ARE REPORTED TO THE GOVERNING COUNCIL FOR INFORMATION.

Pursuant to section 33(i) of By-Law Number 2, items 13 to 16 were considered in camera.

OPEN SESSION

1. Chair's Remarks

The Chair welcomed members and guests to the meeting.

With the approval of the Board, Item 12(a) *Report of the Panel to Review the Asbestos Management Program at the University of Toronto and the Administrative Response to the Report*, was added to the agenda under Other Business.

2. Annual Report: Vice-President Advancement

Mr. David Palmer, Vice-President, Advancement (VPA), introduced members of his senior Advancement team that were in attendance and thanked them, as well as the operational and front-line advancement staff in the DUA and divisions, for their extraordinary efforts in achieving success. He also thanked the many academic leaders across the University whose ideas animated the Boundless campaign and inspired such an incredible range of generosity. He then proceeded to present the *University Advancement Annual Report and Boundless Campaign Close Report*.

Mr. Palmer reminded Board members that in 2011, the University publicly launched the most ambitious fundraising campaign in Canadian history, with a goal of securing \$2 billion built on the twin pillars of meeting global challenges and preparing global leaders. In 2016, with enthusiastic donor support, U of T announced it had surpassed its original campaign goal, and that it would boldly expand the goal to \$2.4 billion.

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The Vice-President, Advancement, stated that he was pleased to report formally that as of December 31, 2018, *Boundless: the Campaign for the University of Toronto (Boundless)* had raised \$2,641,331,307, surpassing its expanded goal and setting a new record for philanthropy in Canada.

Mr. Palmer highlighted the following achievements of *Boundless*, as part of his presentation:

- inspired support from 104,059 unique donors from around the world at all levels (73 per cent of donors gave less than \$1,000, underlining how every gift counts);
- inspired many young alumni to become donors (more than 16,000 donors under the age of 40 supported the campaign);
- close to 7,000 current and former U of T faculty and staff gave to the *Boundless* campaign, a reflection of our community's commitment to the University's aspirations;
- raised over \$406 million to support student awards and programs, funding nearly 4,000 scholarships and 220 student focused initiatives such as experiential learning, international internships and research programs, and opening the door to greater opportunity for students in their academic and professional careers;
- there was a 36 per cent increase in the number of undergraduate scholarships and bursaries awarded annually since the start of the campaign;
- helped support more than 600 groundbreaking research centres, initiatives and programs;
- supported or established 82 chairs and professorships, attracting and retaining the very best talent for key academic initiatives across our three campuses;
- raised \$856 million for leading-edge research and programs with lasting impact, generating multiples of funding from additional grants on initial program investments, and strengthening a vital entrepreneurial pipeline from scientific discovery to translation to commercialization; and
- raised \$600 million to support 41 critical infrastructure initiatives and many other important renewal and equipment projects that enhanced U of T's excellence in teaching and research, expanded facilities to allow for future growth, and restored and recreated Toronto's dynamic skyline.

Mr. Palmer stated that the visionary generosity of the University's supporters had provided enhanced and accessible learning environments for students and fostered a collaborative working environment for researchers, establishing a permanent future legacy and strengthening U of T's partnership with one of the world's greatest cities.

In closing, Mr. Palmer expressed special thanks to members of Governing Council and the Business Board; as well as to Principals and Deans across the three campuses, the University's Campaign Executive and broader Cabinet in support of the Campaign's highest priorities, and to all advancement staff – all had played a crucial role in developing strategies to engage the University's diverse base of alumni, donors and friends in the *Boundless* Campaign.

In response to members' comments and questions, Mr. Palmer stated the following:

- Advancement would continue to analyse its data further to identify potential donors as part of a new campaign, both within Canada and at the international level (China, Hong Kong, USA and UK);

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- the *Alumni Engagement Survey* revealed an enormously productive, innovation, and creative footprint of activity by alumni in communities around the world;
- Alumni and friends participated in U of T events across the Greater Toronto Area (GTA), and regionally and internationally throughout the campaign;
- more than 8,800 alumni and friends now served as volunteers at the University, an eightfold increase; and among them
- more than 2,600 people served as mentors at the University of Toronto, a remarkable trove of expert advice and guidance for students.

Ms Barbara Dick, Assistant Vice-President, Alumni Relations, noted that the sophistication and high calibre of the University's alumni population came across very clearly in the *Alumni Impact Study* findings. As a result, U of T could create substantive engagement opportunities for alumni that were closely aligned with advancing the University's mission, both centrally and divisionally.

Professor Vivek Goel, Vice-President, Research and Innovation (VPRI), commented that traditionally, alumni engagement activities in Ontario had been focused mainly in the Greater Toronto Area, but the survey revealed a high presence of alumni (i.e. health care professionals), outside the GTA and throughout Ontario, which could have a positive impact on U of T's messaging to government and other partners.

On behalf of the Board and alumni, the Chair thanked Mr. Palmer and his team on the extraordinary success of the *Boundless* Campaign.

3. University of Toronto Asset Management Corporation (UTAM): Annual Report and Financial Statements, 2018

The Chair stated that under the Business Board's *Terms of Reference* it was responsible for approval of the investment risk and return targets for University funds, but not for Pension funds, which were approved by the Pension Committee together with the asset allocation and other elements required to be included in the *Pension Statement of Investment Policies and Procedures*. Asset allocation and other elements of investment strategy for University funds were delegated to the President.

The Business Board was responsible for reviewing annual reports for both University and Pension funds, which included information on asset allocation, an example of which was the *UTAM Annual Report*.

Mr. Smith introduced members of his team and presented the *UTAM Annual Report and Financial Statements, 2018*. He noted that the *Report* was updated from the previous year's Report. It highlighted the building blocks that UTAM employed in their management of the University's assets; and included an in-depth review of the processes used by UTAM, including its focus on responsible investing.

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Mr. Smith's presentation highlighted the following: actual returns versus University target returns over three time periods (1 year, 5 years and 10 years); Reference Portfolio returns versus University target returns; actual returns versus Reference Portfolio returns (UTAM value added); the current asset allocation and limits; and actual risk versus reference portfolio risk (volatility).

Mr. Smith reported that the Pension Fund Master Trust (PMT) and Long-Term Capital Appreciation Pool (LTCAP); investments managed by UTAM on behalf of the University realized lower returns in 2018 than in 2017 due to a challenging investment environment. The Expendable Funds Investment Pool (EFIP) earned a slightly higher return in 2018 than in 2017.

Mr. Smith further provided a summary of the investment performance noting the following:

- for the year ending December 31, 2018, the target nominal investment return (including CPI) net of fees and expenses was 6.0% (2017 – 5.8%);
- the actual nominal investment return for the year was minus 1.6% (2017 – 12.4%) for PMT and minus 1.5% (2017 – 12.4%) for the LTCAP;
- the actual nominal investment return for the Reference Portfolio was minus 2.3% (2017 – 11.4%);
- the actual PMT return earned by UTAM exceeded the Reference Portfolio return by 0.7% (-1.6% minus -2.3%), but had fallen short of the target return by 7.5% (-1.6% minus 6.0%).
- for LTCAP, the actual return earned by UTAM exceeded the Reference Portfolio return by 0.8% (-1.5% minus -2.3%), but had fallen short of the target return by 7.5% (-1.5% minus 6.0%);
- for 2018, the target return for the EFIP was 2.3% while the actual return was 2.1%; and
- for 2018, UTAM's active management approach added value in the amount of \$58.8 million for the PMT and LTCAP portfolios combined – for the ten-year period ending December 31, 2018, it was \$668.5 million in value added.

Mr. Smith commented on UTAM's responsible investing activities and highlighted the following:

- UTAM had continued to make enhancements to its investment processes to more fully take into account ESG (environmental, social and governance) factors and responsible investing generally;
- as part of the *Montréal Carbon Pledge*, UTAM had disclosed the carbon footprint of the Pension and LTCAP public equity investment portfolios (results were posted on UTAM's website);
- UTAM had taken a more active role, and in some cases a leadership role, in a number of the responsible investing organisations that it had joined (e.g. UTAM's CRO, Doug Chau was on the Asset Owner Advisory Committee of the Principles for Responsible Investment (PRI); and UTAM's COO, Lisa Becker was on the board of the Responsible Investment Association (RIA));
- UTAM had recently completed its third annual *Responsible Investing* report, which would shortly be available on its website. This report provided an in-depth look at how UTAM considers environmental, social and governance (ESG) factors in its investment analysis and decision-making processes; and
- UTAM was working on a revamped website that would be launched shortly.

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Mr. Smith encouraged members of the Board to periodically visit UTAM's website as updates were added to the website throughout the year, in particular with respect to responsible investing activities.

In response to members' questions and comments, Mr. Smith stated the following:

- by combining risk and return metrics it was possible to calculate risk-adjusted performance measures. One of the most common risk-adjusted performance measures was the Information Ratio, which looked at how much value was added divided by a metric based on how closely actual performance tracked benchmark performance (i.e., the tracking error);
- unfortunately, there was not a lot of data to work with because UTAM's current risk framework had only been in existence since around 2013. However, over the last 5 years the Information Ratio for LTCAP and Pension portfolios had been close to 1, which was considered very good;
- the credit portfolio outperformed its benchmark in 2018 in part because some of the investments were not in public markets and this allowed the portfolios to earn an illiquidity premium. For example, some of the portfolio was invested with investment managers who make loans directly to companies, which allowed them to earn higher returns than what was available in the public credit markets;
- although the risk limit for PMT and LTCAP was based on volatility, UTAM also measured and monitored risks using many different approaches such as scenario analysis and stress testing. UTAM also considered other risks such as liquidity and counterparty risks in its management of the portfolios; and
- the Reference Portfolio included Chinese companies as part of its Global and Emerging Markets regional equity allocations.

Mr. Smith stated that one of his primary objectives after being appointed President and Chief Investment Officer of UTAM was to provide more transparency on the organization (e.g. *who we are, what we do, and how we do it*) and improve communications generally. The content in the 2018 *Annual Report* and the revamped website were part of this effort.

Ms Brown confirmed that the investment strategy for the pension and endowment portfolios were the same. She noted that some might argue that the endowment portfolio could assume more risk than the pension portfolio but the University preferred not to do so and felt this was a prudent approach.

A member noted that they found it helpful that UTAM showed its value added in dollar terms as well as in percentage terms.

A member commended Mr. Smith and his team for presenting another concise and clear annual report.

The report was received by the Board for information.

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4. Ancillary Operations: Residential Housing – Operating Plan and Budget, 2019-20

The Chair noted that under its *Terms of Reference*, the Board reviewed and approved the annual budget of unincorporated business ancillaries and that the St. George Campus Residential Housing Ancillary was one such unincorporated business ancillary.

Professor Mabury stated that it was important for the success of the recently adopted *Four Corners Strategy* to look at other ancillary operations, and that one objective of the University's real estate strategy was to grow the portfolio of good quality, attainable housing to help attract and retain outstanding faculty, librarians and senior staff.

Ms Macdonald reported that a housing survey was undertaken in the fall of 2018 to assess and quantify the demand for University-affiliated housing of various types, and for both rental and ownership. She added that the study primarily focused on the St. George campus but feedback was gathered from UTSC and UTM that would help inform demand and potential for projects on those campuses. The university was currently reviewing the final reports and future discussion would occur in the coming months as plans for development were shaped.

In response to a member's suggestion, Ms Macdonald agreed to review the reporting format of the residential housing budget.

Ms Macdonald also presented the annual budget. There were no questions from members.

On motion duly moved, seconded and carried

IT WAS RESOLVED

THAT the operating budget for the Residential Housing Ancillary for 2019-20, as contained in the '2019-20 Budget' column of Schedule 1 to the *Overview of Operations and Business Plan for 2019-24*, be approved.

5. Report on Capital Projects as of March 31, 2019

Professor Mabury commented on the new format to be used for the Report on Capital Projects to the Board – more information on building activity would be presented on an ongoing basis.

Mr. Gilbert Delgado, Chief, Planning, Design and Construction, noted that the report now included a status update on highlighted projects with cash flow analogues indicating cash flow and cumulative cost data.

The report was received by the Board for information.

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6. Reports of the Administrative Assessors

Greenhouse Gas Reduction Program (GGRP)

Professor Mabury reported that the GGRP capital project was delivered on time on March 30, 2019, at a cost of approximately \$54 million of which \$34 million had been provided by the Province as part of the retrofit program. The VPOREP said he was confident that the undertaking of the energy reduction projects would generate significant energy savings across all three campuses. The Province would be undertaking an audit on the actual reductions to be reported – the University’s objective was to reduce greenhouse-gas-emissions according to the Paris Agreement.

Moody’s Investors Service Credit Opinion

Ms Brown reported that Moody’s Investors Service had recently confirmed the rating of the University at *Aa2, Positive*, which remained unchanged from the previous year. A copy of the report would be distributed to members at the next Board meeting.

OPEN SESSION CONSENT AGENDA

On a motion duly moved, seconded, and carried

YOUR BOARD APPROVED

THAT the consent agenda be adopted and items approved.

7. Report of the Previous Meeting

Business Report Number 245 (March 18, 2019) was approved.

8. Business Arising from the Report of the Previous Meeting

There was no business arising from the Report of the previous meeting.

9. Report 131 of the Audit Committee (March 5, 2019)

Report 131 of the Audit Committee (March 5, 2019) was received for information.

10. Status Report on Debt to March 31, 2019

Members received the status report on debt to March 31, 2019, for information.

REPORT NUMBER 246 OF THE BUSINESS BOARD – Tuesday, April 23, 2019**11. Date of the Next Meeting – Tuesday, June 18, 2019**

The Chair reminded members that the date of the next meeting was Tuesday, June 18, 2019 at 5:00 p.m.

12. Other Business***(a) Report of the Panel to Review the Asbestos Management Program at the University of Toronto and the Administrative Response to the Report***

Professor Mabury reminded members that in February 2018, in response to an incident at the Medical Sciences Building (MSB), the University had asked three experts with extensive academic knowledge and industrial expertise in public health, occupational epidemiology and occupational hygiene to review the way the University handled materials containing asbestos. The panel's mandate was to examine and evaluate U of T's Asbestos Management Program on all three campuses and other owned properties, to make recommendations on best practices and to ensure the program complied with regulations.

The VPOREP stated that the University had received the *Report of the Panel to Review the Asbestos Management Program* (dated February 22, 2019) and prepared an administrative response (dated March 26, 2019) to the *Report* and its recommendations. The comprehensive *Report* also provided excellent background on asbestos and its effects.

As part of the consultation process, Professor Mabury said that the panel had met with staff members involved in the Asbestos Management Program, Health and Safety, other staff as appropriate, and with representatives of both student and employee groups. The panel had also received extensive written comments. An extension of time was granted to the panel to conduct a thorough review of the large volume of material that it had received.

Professor Mabury reported that the panel concluded that the University's Asbestos Management Program met, and in several respects exceeded legal requirements and had served the University well. The panel found U of T's Environmental Health and Safety staff were highly trained, qualified and competent. In response to the *Report's* recommendations to clarify and further improve certain aspects of the program (i.e. oversight of external parties, education and communications), the University would work to clarify roles and responsibilities.

As part of the administrative response to one recommendation regarding the organizational structure of the Asbestos Management Program, the oversight and management would continue to reside in all three Vice-President portfolios (VP Operations and Real Estate Partnerships (VPOREP); VP Human Resources and Equity (VPHRE); and VP Research and Innovation (VPRI)) – as this was considered best practice. The University would continue to consult with various stakeholder groups; and that it was committed to providing a safe environment for students, faculty and staff to study and work, and to increase awareness of health and safety issues related to asbestos management.

The Board Moved *In Camera*

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13. *In Camera* Reports of the Administrative Assessors

Professor Hannah-Moffat, Vice-President, Human Resources and Equity, reported on a labour relations matter.

14. Collective Agreement: University of Toronto and The United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, and its Local 46, June 1, 2018 – May 31, 2021

The Collective Agreement was received by the Board for information.

15. Employee Pension Contribution and Compensation Increases:

(a) International Brotherhood of Electrical Workers, Local 353 - Electricians Unit

On a motion duly moved, seconded and carried

YOUR BOARD APPROVED

The recommendation of Professor Hannah-Moffat, Vice-President, Human Resources and Equity, as outlined in the memorandum dated April 12, 2019, regarding Employee Pension Contribution and Compensation Increases for International Brotherhood of Electrical Workers, Local 353 - Electricians Unit.

(b) International Brotherhood of Electrical Workers, Local 353 – Locksmiths Unit

On a motion duly moved, seconded and carried

YOUR BOARD APPROVED

The recommendation of Professor Hannah-Moffat, Vice-President, Human Resources and Equity, as outlined in the memorandum dated April 12, 2019, regarding Employee Pension Contribution and Compensation Increases for International Brotherhood of Electrical Workers, Local 353 – Locksmiths Unit.

(c) International Brotherhood of Electrical Workers, Local 353 – Machinists Unit

On a motion duly moved, seconded and carried

YOUR BOARD APPROVED

The recommendation of Professor Hannah-Moffat, Vice-President, Human Resources and Equity, as outlined in the memorandum dated April 12, 2019, regarding Employee Pension Contribution and Compensation Increases for International Brotherhood of Electrical Workers, Local 353 – Machinists Unit.

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16. Capital Project: Student Commons located at 230 College Street (*Revised Total Project Cost Increase and Sources of Funding*)

(a) Financing

On a motion duly moved, seconded and carried

YOUR BOARD RECOMMENDED

THAT the recommendation of Professor Scott Mabury, Vice-President, Operations and Real Estate Partnerships, as outlined in the memorandum dated April 11, 2019, regarding the revised financing of the Student Commons located at 230 College Street capital project, be approved.

(b) Execution of the Project

On a motion duly moved, seconded and carried

YOUR BOARD APPROVED

The recommendation of Professor Scott Mabury, Vice-President, Operations and Real Estate Partnerships, as outlined in the memorandum dated April 11, 2019, regarding the execution of the Student Commons located at 230 College Street capital project.

The Board returned to Open Session.

The Chair thanked members for their attendance and participation in the Board meeting.

The meeting adjourned at 7:14 p.m.

Secretary

Chair

April 25, 2019



UNIVERSITY OF
TORONTO

UNIVERSITY ADVANCEMENT ANNUAL REPORT AND BOUNDLESS CAMPAIGN CLOSE REPORT

TUESDAY, APRIL 23, 2019
PREPARED FOR BUSINESS BOARD



BOUNDLESS

- 1. BOUNDLESS CAMPAIGN FINAL REPORT**
- 2. CELEBRATING AN HISTORIC ACHIEVEMENT**
- 3. WHAT'S AHEAD**

1. BOUNDLESS CAMPAIGN FINAL REPORT



A large indoor event space, likely a convention hall, with a high ceiling and blue carpet. A man in a dark suit stands at a podium on a raised white platform, addressing a large audience seated in rows of chairs. The audience is clapping. A large white screen on the left side of the stage displays the text "\$2.4 BILLION" in blue. The stage is lit with blue and white lights. There are several small white podiums with logos in the audience area. A large white screen is visible in the background on the right side.

\$2.4 BILLION

**December 8, 2016
Campaign Goal Expansion
\$2.058 billion raised**



\$2,641,331,306.75

March 19, 2019
Campaign Close Announcement
\$2.641 billion raised by Dec. 2018

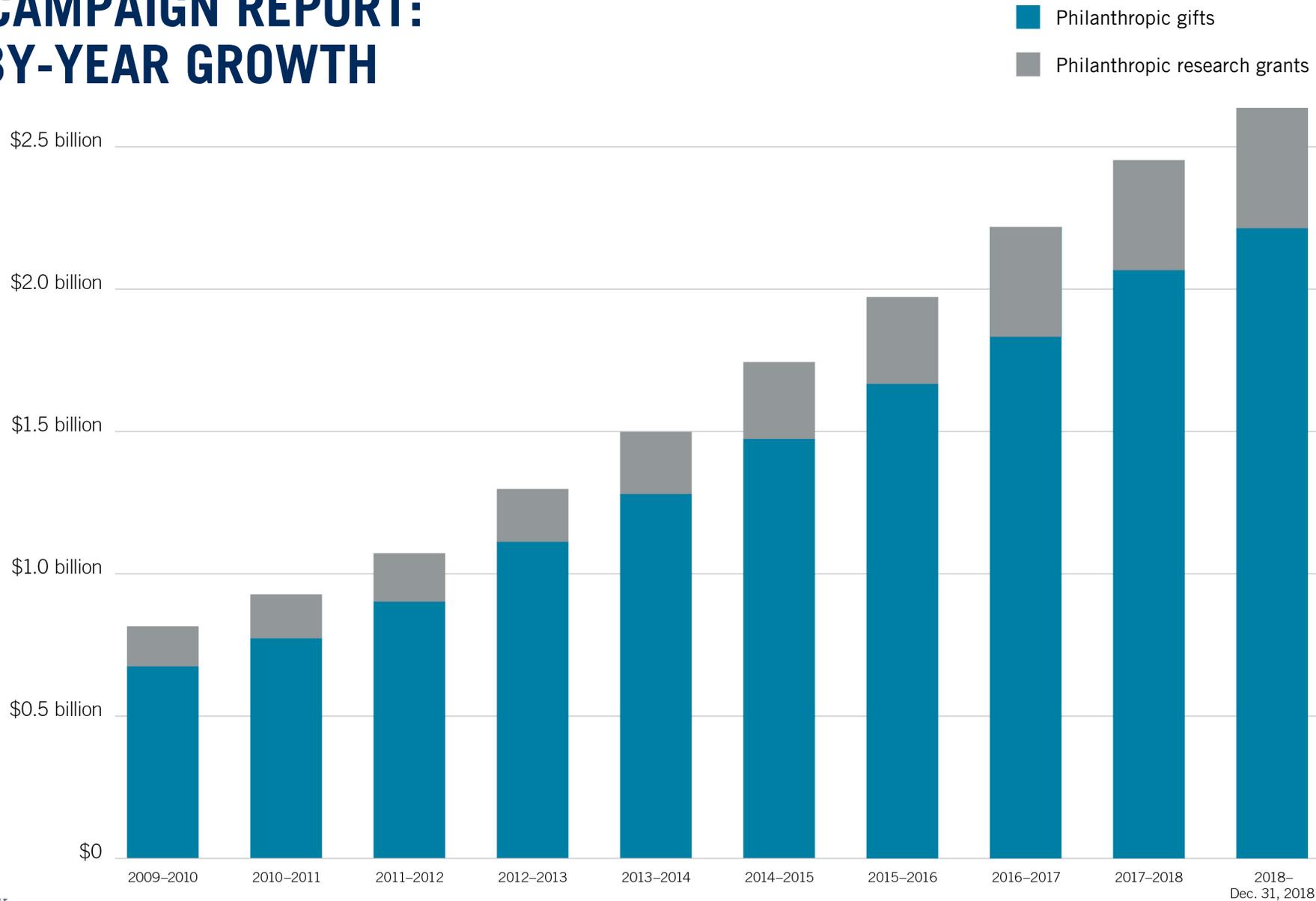
FINAL CAMPAIGN REPORT: FUNDRAISING PERFORMANCE

\$2,641,331,306

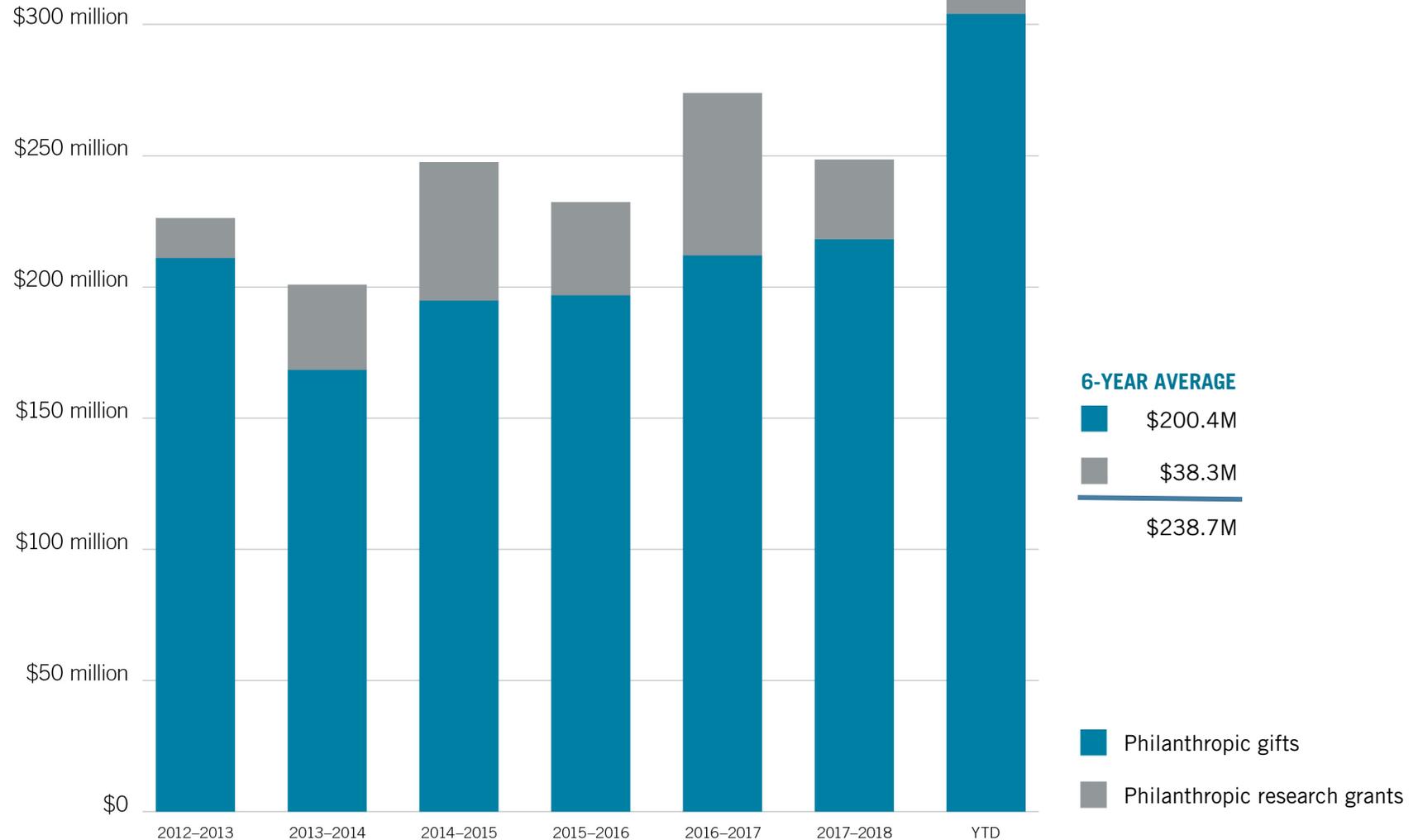
FINAL CAMPAIGN REPORT: FUNDRAISING PERFORMANCE

\$2,641,331,306.75

FINAL CAMPAIGN REPORT: YEAR-BY-YEAR GROWTH



ANNUAL FUNDRAISING PROGRESS



Totals reported to Business Board

PHILANTHROPIC GIFTS BY GIFT BAND

\$2.641 BILLION CAMPAIGN

	Received #	Received \$	Received %
\$100,000,000	0	0	0%
\$30,000,000	3	131,163,335	6%
\$20,000,000	7	153,664,387	6%
Sub-total \$20m+	10	284,827,722	12%
\$10,000,000	25	314,326,853	13%
\$5,000,000	25	142,151,419	6%
Sub-total \$5m+	60	741,305,994	31%
\$2,000,000	96	267,880,773	11%
\$1,000,000	198	237,184,837	10%
Sub-total \$1m+	354	1,246,371,604	52%
< \$1,000,000	435,558	868,721,758	36%
Intentions	379	91,103,594	4%
Grant Totals	1,262	435,134,351	18%
Campaign Total	Many	2,641,331,307	110%

Goal \$2,400,000,000

PHILANTHROPIC GIFTS BY DESIGNATION

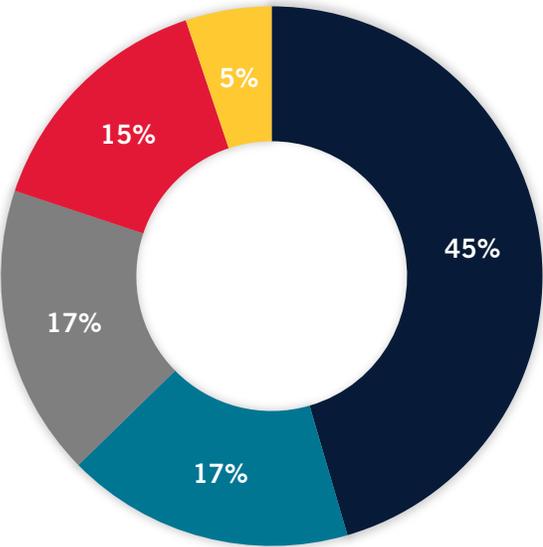
Amount Raised by Gift Type

Gift Type	Received (\$)	%
Confirmed Pledges	1,588,633,947	60.1%
Realized Planned Gifts	251,510,404	9.5%
Gifts-in-Kind	253,998,703	9.6%
Sponsorship	20,950,308	0.8%
Pledges & OTO Total	2,115,093,362	80.1%
Intentions	91,103,594	3.4%
Research Grants	435,134,351	16.5%
Total Support	2,641,331,307	100.0%

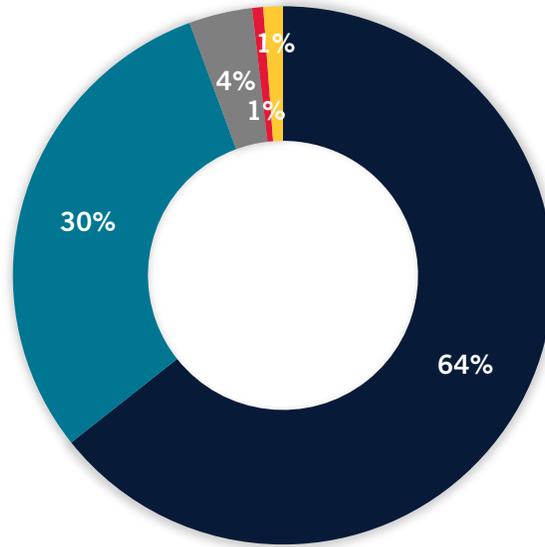
Amount Raised by Priority Area

Gift Type	Received (\$)	%
Student Experience	394,718,679	14.9%
Faculty Support	263,950,457	10.0%
Programs and Research	856,315,713	32.4%
Infrastructure	600,108,513	22.7%
Pledges & OTO Total	2,115,093,362	80.1%
Intentions	91,103,594	3.4%
Research Grants	435,134,351	16.5%
Total Support	2,641,331,307	100.0%

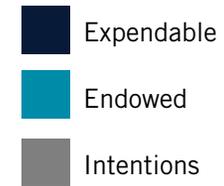
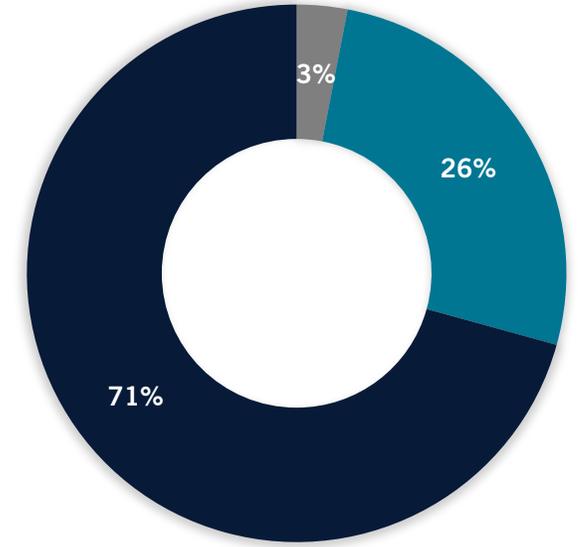
PHILANTHROPIC GIFTS BY SOURCE: \$ COMMITTED



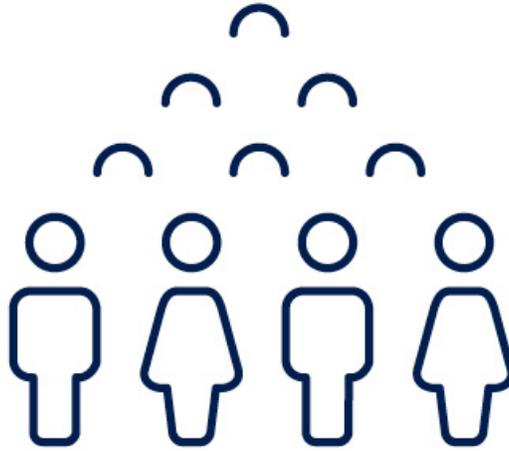
PHILANTHROPIC GIFTS BY SOURCE: # DONORS



PHILANTHROPIC GIFTS BY INVESTMENT



FINAL CAMPAIGN REPORT: OUR VISIONARY DONORS



104,059
unique donors
supported the
Boundless
campaign

FINAL CAMPAIGN REPORT: OUR VISIONARY DONORS



66,460

donors are
U of T alumni



2,162

donors gave
in every year of
the campaign



Close to **50,000**
donors made their
first gift to U of T
during the campaign



75,732

donors gave less than
\$1,000, underlining
how every gift counts

FINAL CAMPAIGN REPORT: OUR VISIONARY DONORS



16,052

donors were under
the age of 40



Nearly **7,000**

U of T current and
former faculty and
staff gave to
the campaign



More than **5,500**

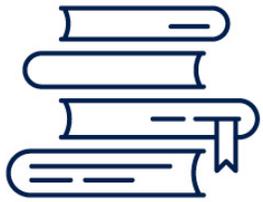
donors to the campaign
are corporations,
foundations and
organizations



More than **1,600**

donors included
U of T in their
estate plans

FINAL CAMPAIGN REPORT: STUDENT EXPERIENCE



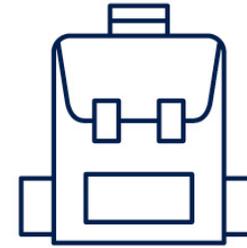
More than **\$1 BILLION**
earmarked for
student support in
U of T endowment



\$406 MILLION
raised for student
scholarships
and programs



3,969
scholarships
established
or funded



220
student-focused
initiatives created
or enhanced
through Boundless



36%
increase in the number of
undergraduate scholarships
and bursaries awarded
annually since the start
of the campaign

FINAL CAMPAIGN REPORT: ACCELERATING RESEARCH BREAKTHROUGHS



\$856 MILLION

raised for innovative
programs and leading-
edge research



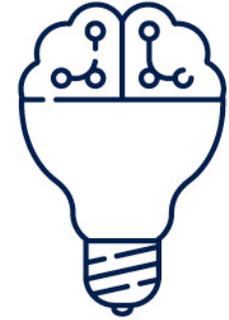
\$264 MILLION

raised in
faculty support



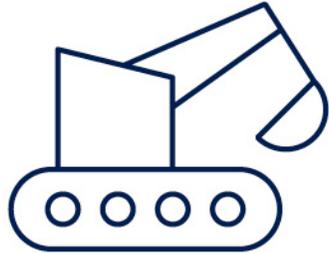
82

chairs and
professorships
supported or
established



More than **600**
groundbreaking
research centres,
initiatives
and programs

FINAL CAMPAIGN REPORT: TRANSFORMING OUR CAMPUS



\$600 MILLION

raised for
capital projects



41

critical infrastructure
initiatives supported

FINAL CAMPAIGN REPORT: ALUMNI ENGAGEMENT



Since the public launch of Boundless in 2011, alumni event registrations have **TRIPLED**



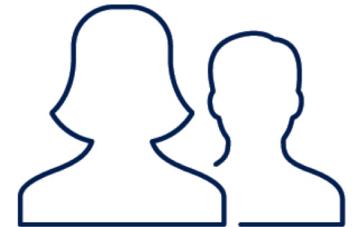
U of T now has **75** alumni networks in **30** countries around the world



More than **30,000** young alumni and students engaged during the campaign

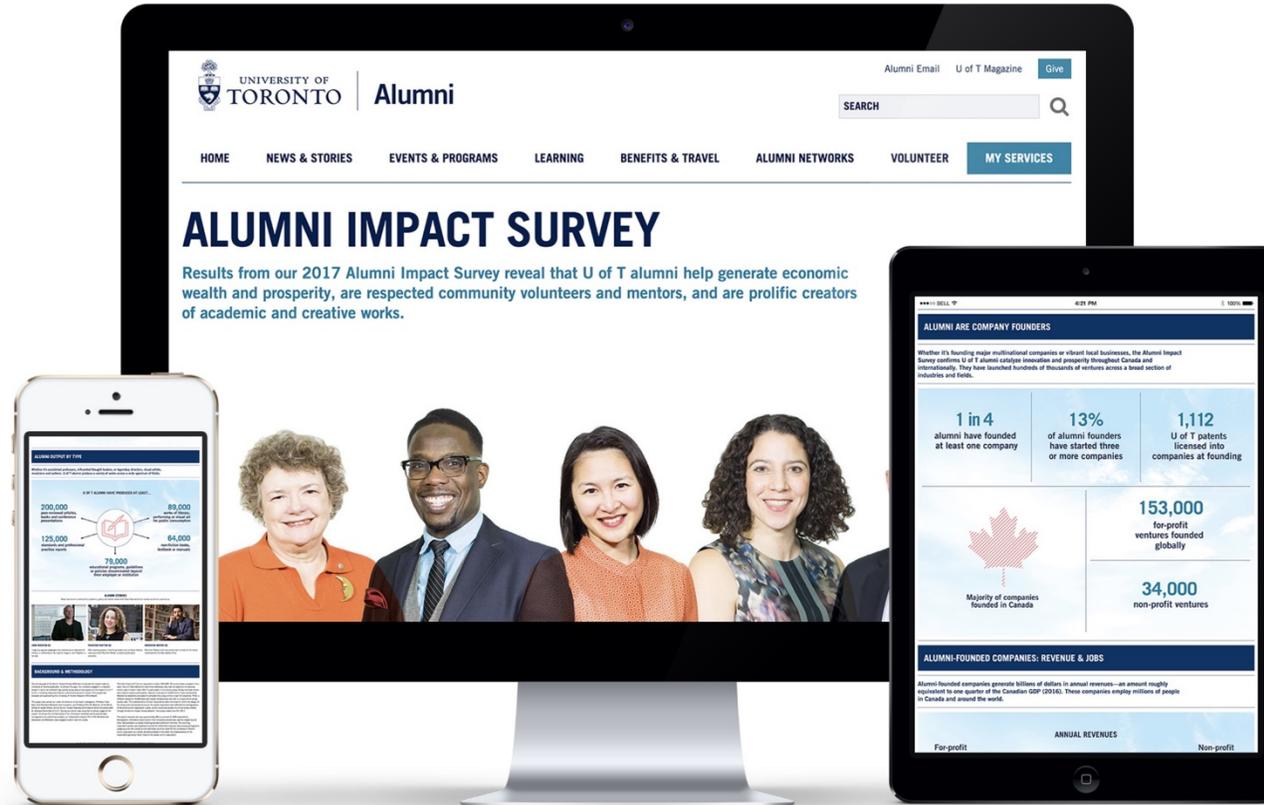


More than **8,800** alumni and friends serve as volunteers at U of T, an eightfold increase since the campaign's public launch

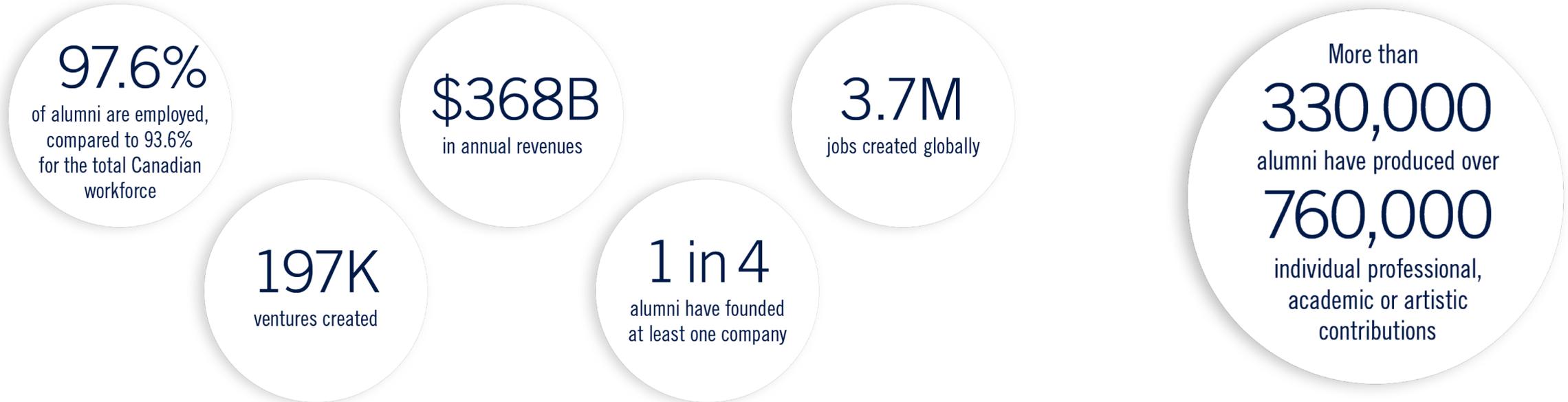


More than **2,600** people serve as mentors at the University of Toronto, a remarkable trove of expert advice and guidance for students.

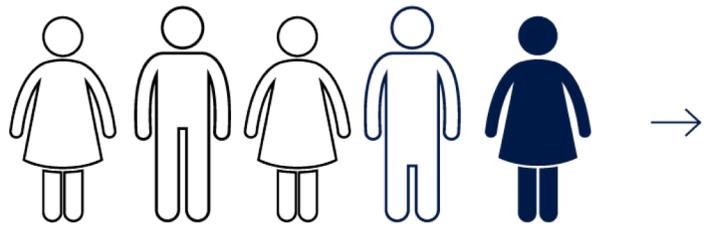
ALUMNI IMPACT SURVEY



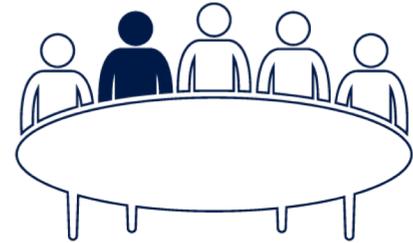
ALUMNI IMPACT SURVEY



ALUMNI IMPACT SURVEY



1 in 5 alumni
sit on boards

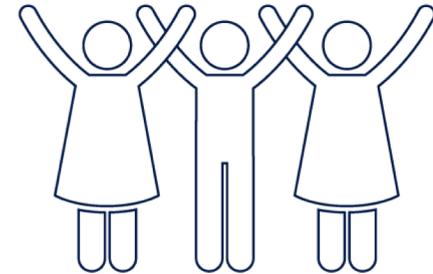


1.16 million total years
of non-profit board service



2.8 million hours of volunteer
service per month

330,000 alumni have
served as mentors



2. CELEBRATING AN HISTORIC ACHIEVEMENT



KEY OBJECTIVES

- Celebrate success
- Thank donors with a multi-layered, segmented strategy
- Clearly signal the end of the Boundless campaign
- Maintain momentum through end of Boundless and into next phase

MOMENTUM

BOUNDLESS THROUGH DECEMBER 31 | POST-BOUNDLESS BEGINNING JANUARY 1

◆
DECEMBER:
Labatt Network
for Research on
Biology of Depression

\$20 million

◆
MARCH:
Edwin Leong
Centre for
Healthy Children

\$25 million

◆
MARCH:
Schwartz Reisman Innovation Centre
and Schwartz Reisman Institute for
Technology and Society

\$100 million

BRIGHT NEW HOPE FOR DEFEATING DEPRESSION

Thanks to a visionary \$20 million gift from the Labatt family, researchers will explore the biology of depression and discover the underlying causes of this debilitating illness.

The University of Toronto is proud to announce this transformational support from Arthur and Sonia Labatt and their children to establish the **Labatt Family Network for Research on the Biology of Depression**. This powerful new initiative builds upon the Labatt family's extraordinary legacy of philanthropy dedicated to health care and higher education in Canada.

Based at U of T, a multi-disciplinary group of top researchers within the Labatt Family Network will collaborate across platforms in institutes, hospitals and academic departments throughout the Toronto region. This dynamic research hub will drive pioneering approaches, train future leaders, and fuel discoveries that uncover the fundamental biology of depression.

The World Health Organization identifies depression as the leading cause of disability on the planet. Through the Labatt Family Network, scientists will close the gap in understanding its root causes—a vital step in developing novel prevention and treatment methods that will help millions of people.

"We are proud to lend our support to this initiative, one that we believe will help countless individuals and their families in Canada and around the world. Investing today in Canada's talented research community is critical to improving future outcomes for all those who courageously struggle with depression."

Arthur and Sonia, Sheila, Jacque, and John Labatt

The Edwin S. H. Leong Centre for Healthy Children A Bold Vision to Improve Child Health through Precision Prevention



BOUNDLESS

BOUNDLESS

A NEW POWERHOUSE FOR RESPONSIBLE INNOVATION

With a historic gift of \$100 million, Gerald Schwartz and Heather Reisman—two of Canada's most renowned entrepreneurs—are turbocharging the next wave of innovation in AI and biomedicine and helping researchers explore the social impact of emerging technologies.

The University of Toronto is pleased to announce a landmark gift to establish the Schwartz Reisman Innovation Centre and the Schwartz Reisman Institute for Technology and Society.

The Schwartz Reisman Innovation Centre—a 750,000-square-foot complex in the heart of Toronto—will anchor U of T's cluster of world-leading artificial intelligence scientists and biomedical experts and one of the world's largest concentration of research-based startups, advancing U of T's standing as a global innovation powerhouse.

The Schwartz Reisman Institute for Technology and Society will address the ethical and societal implications of AI and other emerging technologies, drawing on U of T's unique cross-disciplinary strengths to explore the benefits and challenges that these and other technological advances present for our economy, our society and our day-to-day lives.

This investment builds on U of T's storied history of innovation, which includes Banting and Best's discovery of insulin, Marshall McLuhan's groundbreaking insights on media and society, Till and McCulloch's discovery of transplantable stem cells, and now Geoffrey Hinton's pioneering work in AI and deep learning that is revolutionizing technology, industry and society.

"U of T is a global leader in artificial intelligence, biomedicine and exploring the intersections of society and technology. We're immensely proud to be part of an initiative that will spark innovation, and illuminate the importance of socially responsible technology."

Gerald Schwartz and Heather Reisman

To learn more:
uoft.me/SRIC

The Schwartz Reisman
Innovation Centre
University Ave. and College St.



Architectural Rendering

BOUNDLESS

SCHWARTZ REISMAN INNOVATION CENTRE

SCHWARTZ REISMAN INSTITUTE FOR TECHNOLOGY AND SOCIETY



TOGETHER, THE FUTURE IS BOUNDLESS

To celebrate the close of the Boundless campaign, Advancement developed a marketing campaign featuring emotionally compelling stories and visuals.

The concept “Together, the future is Boundless,” recognizes the campaign’s extraordinary impact across U of T and society at large.

INTEGRATED MULTIMEDIA CAMPAIGN: BOUNDLESS.UTORONTO.CA/THE-CAMPAIGN/



INTEGRATED MULTIMEDIA CAMPAIGN: EXPERIENTIAL



BOUNDLESS GRATITUDE

Thank you events for key donor segments:

- January 24: Principal benefactors and lead volunteers
- March 19: Presidents' Circle event for campaign donors and final announcement
- May 10: University faculty and staff donors
- June: Advancement staff campaign thank you celebration
- Loyal donors
- Young alumni donors
- Other donor segments

...ED THE
...IN COUNTLESS WAYS

ATION HALL DONORS AND UNIVERSITY OF TORONTO ALUMNI ASSOCIATION
A FERGUSON • SIGMUND SAMUEL • THE R. SAMUEL MCLAUGHLIN FOUNDATION
OUS • ANNE TANENBAUM • ANONYMOUS • DONNER CANADIAN FOUNDATION
• ISABEL AND ALFRED BADER • JOHN AND MARGARET BAHEN • RBC
ATION • RUSSELL AND KATHERINE MORRISON • MARCEL DESAUTELS
MOUNFIELD • WILLIAM AND PHYLLIS WATERS • BMO FINANCIAL GROUP
FRANCES BLOOMBERG • LYNN FACTOR AND SHELDON INWENTASH • SHAFTESBURY
2010 TD BANK GROUP • JACK H. AND MARY E. CLARK • DAVID ASPER
UR AND SUSAN SCACE • UNIVERSITY OF TORONTO ENGINEERING SOCIETY
EL LEE - CHIN AND FAMILY • CIBC • THE LAW FOUNDATION OF ONTARIO
ATHERINE GRAHAM • MICHAEL AND AMIRA DAN • THE ROGERS FOUNDATION
NDRA DALLA LANA • IBM CANADA LTD • THE SCHULICH FOUNDATION • ITSOS
D. STEWART • FRANCES AND EDMUND CLARK • GEORGE AND RAHILA MYHAL





BOUND

CAMPUS IMPACT TOURS

- Breakthrough Medical Research at MaRS
- Private rehearsal with the U of T Symphony Orchestra
- The Daniels Building: Iconic One Spadina
- High-Performance Athletics at the Goldring Centre
- Child-Centred Education and Research at the JICS
- Using AI to Understand Body Language at Rotman
- Mapping Old English in the 21st Century
- U of T Law: Past and Present
- Treasures from the Fisher Rare Book Library
- A Grand Tour of the Cosmos with the Dunlap Institute
- The Evolution of Engineering Education

3. WHAT'S AHEAD



CONTEXT

BOUNDLESS GOALS

Raise **\$2 billion**

Double annual fundraising results to **\$200 million per year**

Significantly increase the number of **meaningfully engaged alumni** on an annual basis

CURRENT STATUS

\$2.641 billion raised, substantially beyond goal

Last 6 consecutive years averaged **\$238 million**

Tripled alumni engagement during Boundless; set record levels for alumni engagement and participation

CURRENT CHALLENGE

Prepare for next campaign
From 2019-2029, including bicentennial

Chart a path to raising **\$300 million** and ultimately \$400 million annually

Double number and increase frequency of engaged alumni

WHAT'S AHEAD

EXCELLENCE FOR THE UNIVERSITY'S 3RD CENTURY

- Keeping donors and volunteers engaged
- Laying groundwork for growth and excellence in preparation for the University's 3rd century
- Encouraging academic leaders to bring forward marquee initiatives for immediate needs and to serve as major platforms for future campaign
- Building capacity for success with large scale, cross-divisional, excellence-driven, interdisciplinary initiatives (LXD)
- Maintaining high momentum for new gifts and volunteer recruitment even as we begin framing next campaign

WHAT'S AHEAD

THE NEW CAMPAIGN

- We anticipate that the next campaign—framed around the University's bicentennial—will cover the period from Jan 1, 2019 to 2029 with a public launch as early as 2022 or as late as 2024.
- Planning for this campaign began in the fall of 2018 to signal that the University will continue to prioritize philanthropy, alumni engagement and volunteerism.
- We anticipate that the bicentennial campaign will encompass both a financial goal and a non-financial alumni engagement goal.



UNIVERSITY OF
TORONTO

UNIVERSITY ADVANCEMENT ANNUAL REPORT AND BOUNDLESS CAMPAIGN CLOSE REPORT

TUESDAY, APRIL 23, 2019
PREPARED FOR BUSINESS BOARD



BOUNDLESS

UTAM 2018 ANNUAL REPORT AND PERFORMANCE REVIEW

Daren M. Smith, CFA
President and Chief Investment Officer, UTAM

April 23, 2019

Presentation to Business Board

Annual Report

- Theme: Highlighting the “building blocks” that we use in our management of the university’s assets.
- Continued focus on our processes and responsible investing activities.

Portfolio Market Values

At December 31 in \$Billions

	2017	2018
LTCAP	\$2.9	\$2.8
Pension	\$5.0	\$4.9
EFIP	\$2.0	\$2.2
Total	\$9.9	\$10.0

Performance: LTCAP, Pension and EFIP

Periods ending Dec 31, 2018

	1 Year	5 Years	10 Years
LTCAP	-1.5%	7.6%	7.9%
Pension	-1.6%	7.5%	7.8%
EFIP	2.1%	1.7%	1.7%

Note: Returns in this presentation are annualized and are net of all investment fees and expenses, including UTAM costs.

Performance Evaluation

1. Did the returns meet the university's target return?
2. Did UTAM's active management approach add or detract value?

Performance: Actual vs Target

Periods ending Dec 31, 2018

	1 Year	5 Years	10 Years
Actual Portfolio Returns			
LTCAP	-1.5%	7.6%	7.9%
Pension	-1.6%	7.5%	7.8%
EFIP	2.1%	1.7%	1.7%
University Target Returns			
LTCAP & Pension: CPI + 4%	6.0%	5.7%	5.7%
EFIP: 365 day T-bill + 0.5%	2.3%	1.4%	1.6%
Actual minus Target			
LTCAP	-7.5%	1.9%	2.2%
Pension	-7.5%	1.8%	2.1%
EFIP	-0.2%	0.3%	0.1%

Performance: Reference vs Target

Periods ending Dec 31, 2018

	1 Year	5 Years	10 Years
Reference Portfolio Returns			
LTCAP	-2.3%	5.7%	6.7%
Pension	-2.3%	5.7%	6.7%
University Target Returns			
LTCAP & Pension: CPI + 4%	6.0%	5.7%	5.7%
Reference minus Target			
LTCAP	-8.3%	0.0%	1.0%
Pension	-8.3%	0.0%	1.0%

Performance: Actual vs Reference

Periods ending Dec 31, 2018

	1 Year	5 Years	10 Years
Actual Portfolio Returns			
LTCAP	-1.5%	7.6%	7.9%
Pension	-1.6%	7.5%	7.8%
Reference Portfolio Returns			
LTCAP	-2.3%	5.7%	6.7%
Pension	-2.3%	5.7%	6.7%
Actual minus Reference (UTAM value-add)			
LTCAP	0.8%	1.9%	1.2%
Pension	0.7%	1.8%	1.1%

Performance: UTAM Value Added in Dollars

Periods ending Dec 31, 2018

	1 Year	5 Years	10 Years
UTAM Value Add (%)			
LTCAP	0.8%	1.9%	1.2%
Pension	0.7%	1.8%	1.1%
UTAM Value Added (\$ millions)			
LTCAP	23.1	217.2	265.3
Pension	35.7	336.6	403.3
LTCAP + Pension	58.8	553.8	668.5

Asset Allocation and Limits

December 31, 2018

	Reference Portfolio	Actual Portfolio	Outside Band?	----- Bands -----	
				Min.	Max.
Equity:					
Canadian	10.0	10.3	N	5.0	15.0
US	20.0	20.1	N	15.0	25.0
Europe, Australia, Far East	15.0	15.1	N	10.0	20.0
Emerging Markets	10.0	9.8	N	5.0	15.0
Global	5.0	5.0	N	0.0	10.0
Total Equity	60.0	60.4	N	50.0	70.0
Fixed Income:					
Credit (Corporate Credit)	20.0	19.8	N	10.0	30.0
Rates (Government Bonds)	20.0	11.8	N	10.0	30.0
Total Fixed Income	40.0	31.6	N	25.0	50.0
Other:					
Absolute Return		8.1			
Cash		0.0			
Total Other	0.0	8.0	N	0.0	15.0
Total:	100.0	100.0			
Currency Exposure:	32.4	32.4	N	25.0	40.0

Active Risk: Actual Risk minus Reference Risk

December 31, 2018

Active Risk Zone	Active Risk
Normal	$-0.50\% \leq \text{Active Risk} \leq 1.50\%$
Watch	$1.50\% < \text{Active Risk} \leq 1.75\%$
Alert	$\text{Active Risk} > 1.75\%$

	Risk (Volatility %)
LTCAP (A)	8.3
Pension (B)	8.2
Reference Portfolio (C)	7.3
LTCAP Active Risk (A – C)	1% or 96 bps
Pension Active Risk (B – C)	0.9% or 95 bps

Responsible Investing

1. Continuing to enhance our processes
2. Assuming leadership roles
3. Published the carbon footprints of the Pension and LTCAP equity portfolios
4. Received our first Principles for Responsible Investing (PRI) scorecard