



UNIVERSITY OF TORONTO

University of Toronto
Governing Council

Long-Term Capital Appreciation Pool Policy

June 20, 2023

To request an official copy of this policy, contact:

The Office of the Governing Council
Room 106, Simcoe Hall
27 King's College Circle
University of Toronto
Toronto, Ontario
M5S 1A1

Phone: 416-978-6576

Fax: 416-978-8182

E-mail: governing.council@utoronto.ca

Website: <http://www.governingcouncil.utoronto.ca/>

Long-Term Capital Appreciation Pool Policy

All endowment funds must be invested in the Long-Term Capital Appreciation Pool (LTCAP) except those which by contract or agreement are precluded from being pooled for investment purposes. Other university funds may be invested in the LTCAP, such as i) a portion of expendable funds, and ii) the Supplementary Retirement Arrangement (SRA) fund and other funds of a similar nature at the discretion of the Chief Financial Officer. Non-university funds, where the University is a beneficiary or has some interest in or relationship with such funds, may be invested in the LTCAP.

The pool will:

1. be invested in accordance with the [University Funds Investment Policy](#);
2. be managed and invested by the University of Toronto Asset Management Corporation (UTAM);
3. be overseen by the UTAM Board in accordance with the by-law of this corporation and the service agreement between the University of Toronto and UTAM;
4. be subject to the [Policy for the Preservation of Capital of Endowment Funds](#);
5. be unitized. The assets of each participant fund will be determined by units in the pool. Each unit represents an equal part of the assets of the pool. Investment in the pool will be made on the first working day of each month, by purchasing units at the current market value;
6. provide participants with an annual payout from pool earnings;
7. levy uniform administration fees on participant funds based on: a) the cost of managing and administering the portfolio of assets, and b) any fees as the University determines are appropriate from time to time to support the costs of the University-wide advancement program.

Special situations may arise which warrant a temporary exemption from the application of this policy. In such cases the Chief Financial Officer will determine if such exemption is to be allowed and will provide an annual report to the Business Board for information on such exemptions.

Trevor Rodgers
Chief Financial Officer

Approved: June 22, 2000
Revised: November 20, 2000
Revised: June 20, 2023

Regulations for the Long-Term Capital Appreciation Pool

Policy

These regulations are issued pursuant to the policy approved by the Business Board on November 20, 2000.

Administrative Approvals

The annual payout from the pool of earnings will be determined, according to a prescribed formula, by the Chief Financial Officer expressed in dollars per unit. The underlying formula which serves as a basis for calculating the annual payout rate is determined by the Chief Financial Officer and approved by the President in accordance with the Policy on the Preservation of Capital of Endowment Funds.

The Chief Financial Officer determines the administrative fees to be charged to participants in the LTCAP with approval of the President.

Trevor Rodgers
Chief Financial Officer