

THE UNIVERSITY OF TORONTO ENDOWMENT: STRENGTHENING OUR FUTURE

2017 - 2018



UNIVERSITY OF
TORONTO

BOUNDLESS

2	Boundless Promise
10	Q&A with David Palmer
12	Supporting Elite Athletes
14	Removing Barriers to Care
16	Fostering Student Engagement
18	Endowment Performance to April 30, 2018



Endowed giving invigorates every aspect of U of T's mission—from ensuring the University is accessible to all qualified students, regardless of financial need, to supporting research excellence and innovation across our campuses, to providing the best possible environment for students and professors to pursue their love of knowledge and discovery.

Thanks to your support, the University can provide permanent and stable sources of funding for vital scholarships, research and programs. This report summarizes the performance of our endowment over the past fiscal year and captures the stories of students and faculty members who have directly benefited from endowed giving.

BOUNDLESS PROMISE

For six years, U of T's visionary matching program has boosted our commitment to accessibility and inspired our generous donor community.

Since 2012, the Boundless Promise program has attracted talented undergraduate students to U of T.

\$23.8 million

Total endowed funds pledged to date

\$3.6 million

Funds disbursed to students from the inception of the program

1,594

Number of students supported

As a computer science student at New College in the early 2000s, Chris Woodford experienced financial challenges. "My mom was on her own, so tuition was a struggle," he says. "Scholarships gave me a helping hand." After graduating in 2006, Woodford promised himself that if he achieved some success in life, he would give back to students who needed an extra boost like him. "I knew what a difference scholarships made to me," he says. As head of engineering at Palo Alto-based meal kit startup Gobble, Woodford came through on that promise earlier than he thought. At just age 30, he created a Boundless Promise Scholarship for New College students.

Woodford's inspiring story of generosity is just one example of the incredible impact of U of T's Boundless Promise program. Established in 2012, Boundless Promise is a matching initiative for needs-based awards aimed at nurturing the potential of our most talented students. Under the program, the University draws from operating funds to match the annual payout from endowed donations of \$25,000 or more. To date, the program has been a tremendous success, raising more than \$23 million in scholarship funding across 18 faculties and divisions.

"Twenty years ago, U of T developed a groundbreaking policy that no student admitted to the University would ever have to withdraw for lack of funds," says David Palmer, Vice-

President, Advancement. "Our donors have made it possible to honour that commitment with generous gifts through the Boundless Promise program. They are making a significant impact on the lives of U of T students."

The program's impact is even more significant considering that, at the time of its creation, five-year projections for growth in demand for needs-based awards were greater than 30 per cent. "Boundless Promise has been instrumental in meeting that demand," says Palmer. "But in this highly competitive landscape for the best students, that demand continues to grow swiftly. Our generous donors recognize that need and continue to help U of T attract the very best scholars to our global university."

Nghia Truong and Kim Lien understand the financial pressure that comes with higher education. They came to U of T's Leslie Dan Faculty of Pharmacy from Vietnam in the 1970s to obtain the equivalency of a BS pharmacy degree. Truong recalls how some of his classmates struggled to pay tuition and keep up with the demanding course load. "Regrettably, some of them had to drop out of the program as a result of financial pressure," he says. "It was not only heartbreaking for them personally, but a real loss to the profession." After wrapping up a successful career owning two busy pharmacies in Ottawa, Truong and Lien created two Boundless Promise scholarships, one in their name and the other in their daughters', Kalena (BPharm 2011) and Alyssa (BPharm 2014),



“ I always promised myself that if I achieved some success, I would give back to students who needed an extra boost like I did.”

—Chris Woodford
(BA 2006 NEW)



“ We want to make it easier for pharmacy students and ensure that the profession does not lose these scholars because they can’t afford tuition.”

— Nghia Truong



“ I’m thrilled to be able to give students a chance to study at a place which has played a significant role in my life.”

— Andrew Cumming
(BA 1984 WDW)

both graduates of the Leslie Dan Faculty of Pharmacy. “We want to make it easier for pharmacy students and ensure that the profession does not lose these promising young scholars because they can’t afford tuition.”

Similarly, Andrew Cumming (BA 1984 WDW) looks back on his student days to understand the pressure today’s scholars face. He credits Woodsworth College with giving him the guidance he needed when he returned to university after surviving a near-fatal bout with cancer that forced him to drop out of his program at Queen’s University. “If it weren’t for Woodsworth, I would have been lost. The registrar really steered me onto the academic path that helped me build my career,” says Cumming. That career took him to MIT where he completed a doctorate and to the University of Florida where he taught physics, then back to Canada for a successful banking career.

Andrew established a Boundless Promise scholarship at Woodsworth to help students facing uphill challenges. “I was paying for my degree on my own and had to work while studying and recovering from cancer,” he says. “It wasn’t easy, to say the least, so I’m thrilled to be able to give students a chance to study at a place which has played a significant role in my life.”

Boundless Promise Scholarship Recipient

MAGNUS JORGENSEN

Magnus Jorgensen is pursuing a double major in biochemistry and physiology, minoring in Latin. His favourite part of his studies is his biochemistry classes and he plans to pursue graduate studies in the subject. Volunteering at SickKids Hospital in the molecular medicine department gives him valuable exposure to the field. “Without the Boundless Promise scholarship, I would have had to work more and perhaps not have had time to do this amazing volunteer work and be exposed to the biochemistry field,” he says. “The scholarship also offered some relief to my stresses, both financial and mental. It made such a difference.” Magnus is deeply thankful for the donors who have contributed to the program. “I am moved by their acts and hope to have the means to give back one day.”

“ Without the Boundless Promise scholarship, I would not have had time to do amazing volunteer work that exposed me to the biochemistry field.”

Biochemistry and physiology student Magnus Jorgensen in the Leslie L. Dan Faculty of Pharmacy Building.



Boundless Promise Scholarship Recipient

TRISTIAN LEE-HYMAN

Tristian Lee-Hyman is studying literature and critical theory, minoring in Italian. This fall, he will begin a master's degree in comparative literature. Receiving a Boundless Promise scholarship made a major impact on his life both inside and outside the classroom. Like it has for many other recipients, it reduced his need to work part time to make ends meet. "I was able to focus more on school and I can directly attribute the vast improvement in my GPA to the scholarship," he says. "I want donors to know how this program made a positive impact on my life. It made all the difference." For Tristian, the scholarship also gave him room to pursue other interests, such as a master class on fiction writing. "I could take the time to pursue this course fully, doing things like participating in writing circles, going to readings and engaging with other writers."

"I was able to focus more on school and I can directly attribute the vast improvement in my GPA to the scholarship."

Literature and critical theory student Tristian Lee-Hyman in the stacks at Roberts Library.





• Boundless Promise Scholarship Recipient

EMILY COMRIE

Emily Comrie is a fourth-year student in human biology and physiology. She hopes to pursue a career that combines her passion for science with human health in a way that helps others live full and healthy lives. Without the pressure to take on a part-time job, Emily was able to participate in an intense research project at Sunnybrook Hospital, studying the genetic determinants of sleep fragmentation. “I wouldn’t have been able to participate in the project if I had to work,” she says. The scholarship also gave her time to volunteer at Mount Sinai Hospital, working with elderly patients. “Volunteering not only enhanced my learning, it helped me build important connections within the U of T community,” she says. The award has inspired her to set a goal to give back when she is in a position to do so. “The Boundless Promise scholarship reminds me that there is a kind and generous community out there, helping dreams like mine come true. I am so very thankful.”



“ The scholarship reminds me that there is a kind and generous community out there, helping dreams like mine come true.”



Human biology and physiology student Emily Comrie in the Donnelly Centre for Cellular and Biomolecular Research.



David Palmer, Vice-President, Advancement, shares his thoughts on the impact of endowed giving at the University of Toronto.



Q: Why do some donors choose to make an endowed gift to U of T?

A: The University's motto, *velut arbor ævo*—may it grow as a tree through the ages—is an elegant distillation of the power of endowments. For such donors, endowments allow their current donations to multiply in both value and impact over time. Like our motto, they envision the University as a community with an evergreen teaching and research mission that spans generations.

Q: What is the day-to-day impact of endowed funding for our students and faculty?

A: I can think of no other university among the world's best that has such a strong commitment to both excellence and accessibility, as does U of T. And this commitment is one that is felt every day at a scale that is quite remarkable. Fully \$1 billion of the University's \$2.5 billion endowment is devoted to student support and financial aid.

Given the University's size, with some 90,000 students, and the fact that at least 50 per cent of first-year Canadian undergraduates come from families with incomes of less than \$50,000 per year, our endowments have an extraordinary, life-changing impact for tens of thousands of students each year. With their

gifts, scholarship donors are opening countless doors of opportunity for young people to pursue their talents, interests, and dreams, very much for the betterment of society broadly.

Q: Where do endowed gifts have the most significant impact?

A: Perhaps the biggest impact is felt by the ultimate beneficiaries of endowments—the students. Whether supporting chairs and professorships, scholarships or bursaries, new research and teaching programs, or other purposes, the cumulative impact of endowment giving is an environment of exceptional opportunity for our most promising young people to develop as learners and leaders.

Q: How has endowed giving shaped the history of U of T?

A: Sir John and Lady Eaton created the first endowed chair in medicine in the British Empire at the University of Toronto 99 years ago. The Sir John and Lady Eaton Chair in Medicine ushered in a new era for medicine at U of T, one based on evidence-based research arising from the scientific method rather than reliance on a tradition of patient observation. It was transformational at the time and continues today by supporting life-changing scientific research.

The Eaton Chair reminds us that simply because endowments create a lasting legacy, they are anything but static. They have a dynamic energy tied to the ever-creative talent they support, whether for young students at a watershed moment of personal growth, for faculty members expanding the boundaries of knowledge, or for programs that bring the best and brightest together to consider new

ways of looking at the world. Today, U of T has the third most prolific research faculty in the world, behind only Harvard and Stanford, which accounts for our rise in global rankings over the past 20 years. The growth in endowed chairs, beginning in the 1990s, for instance, has figured strongly in this rise. Indeed, the University's global reputation for excellence owes much to the vision and generosity of endowment donors.

Q: What do you see as the future for endowed giving to higher education in Canada?

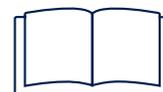
A: In my experience, most donors give to create positive change in the world, to support the issues, challenges, and solutions they care about most. And many donors recognize that not all such challenges are subject to a quick fix. Endowments sustain innovation, creativity and leadership with horizons that are measured in years and decades, rather than months.

Today, we are seeing many donors of large gifts combine endowment giving and expendable giving (gifts spent within a one-year to 10-year time frame) in interesting ways that achieve both immediate impact and sustainable change. I have no doubt we will see this trend continue; it is a mark of how thoughtful, strategic, and creative our donors are in maximizing the impact of their giving.

**THE U OF T
ENDOWMENT
AT A GLANCE:**



74,325
contributors to
U of T's endowment



\$1.077 billion
in endowments for
student support



\$1.035 billion
in endowments for faculty
support and research



\$656 million
paid out from
the endowment over
the past 10 years

SUPPORTING ELITE ATHLETES

The power of endowments helped Michael Guinness lead 225 students to academic and athletic success.



As Michael Guinness's endowments have grown, so have the students he's helped. The emergency physician created three scholarships between 1998 and 2010, and has so far supported 225 students in achieving academic excellence paired with athletic success.

Guinness first made a \$10 gift in 1981, and went on to set up endowments now valued at nearly \$1 million. "I didn't realize the numbers were that high," says Guinness, a U of T alumnus who earned a BPHE in 1972 and an MD in 1977. "It is most thrilling to learn that." He often receives notes from the award winners, calling them "lifelong treasures."

"Endowments are intriguing to me," he adds, "because endowments are gifts that keep on giving. I hope they will intrigue others." While earning his degrees, Guinness was a top-ranked Canadian swimmer who set Varsity Blues records and swam for Canada at the 1970 World University Games. The Guinness awards are for similar all-rounders: winners must demonstrate top scholarship, athleticism and leadership.

Sidney Abou Sawan is a current holder of the Guinness Fellowship in High Performance Sport and a PhD student in the Department

of Exercise Sciences. His research has the potential to improve both recovery after exercise and athletic performance. While athletes are routinely told to eat protein to support recovery after resistance exercise, he says, they're not told how or when. Abou Sawan's cohort study will test how much and how often athletes consume dietary protein and how this relates to muscle.

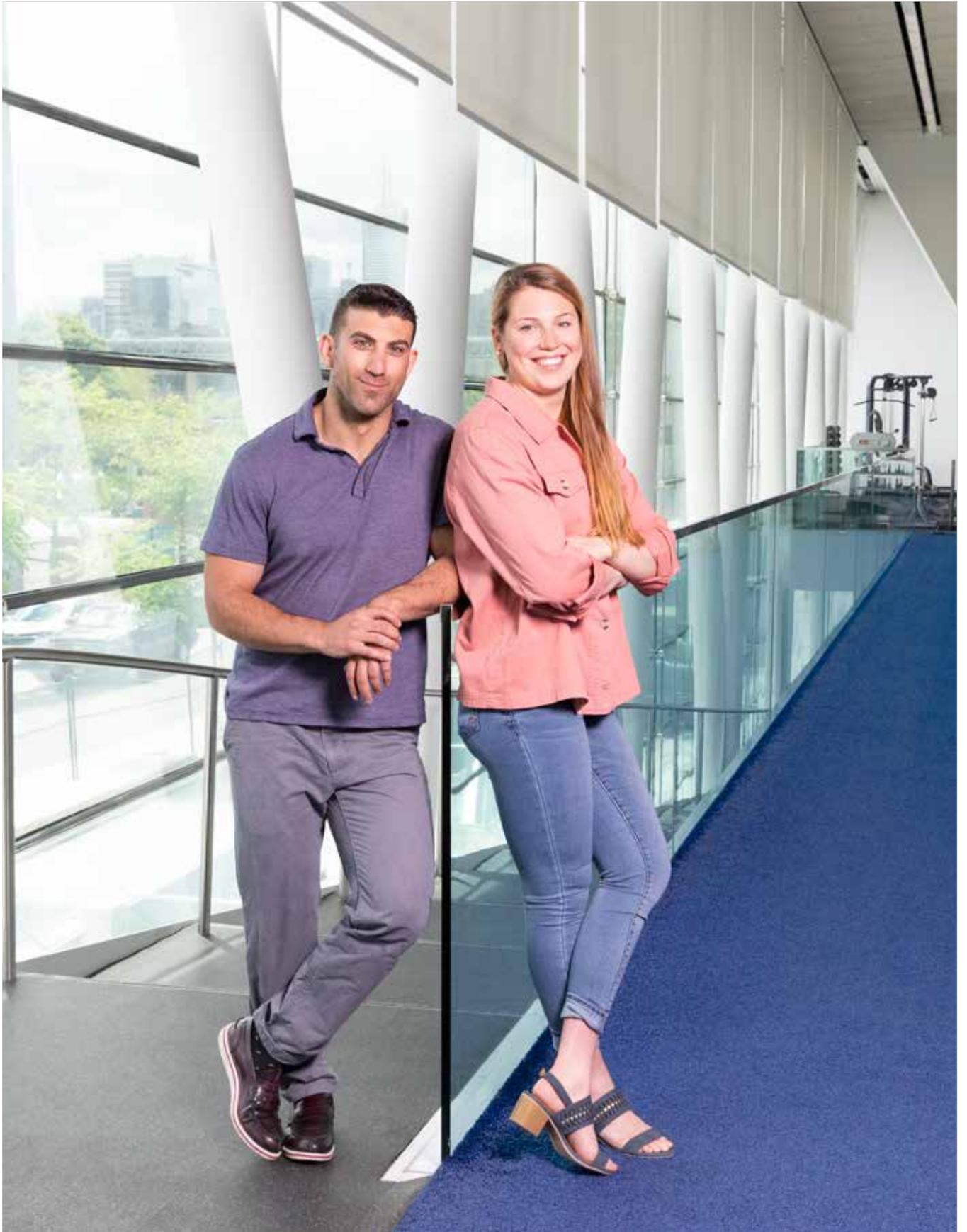
"The financial support will help me accelerate my PhD program," Sawan says, "because I can spend more time on my research. I appreciate that I was fortunate enough to get it, and I hope that I can pay for it by doing some good research for athletes."

The Guinness awards inspire students as well as offering practical help. Victoria Radounski, a provincial champ in the 200-metre freestyle who just completed her fourth year studying kinesiology, used her Guinness Award of Excellence to attend specialty swim training camps. But her wins are also due to intangible support, she says. "It helped boost my confidence to win this award. It's important to be confident in swimming, to be in the right mindset in a race."

Just as the Guinness endowment is reaching new milestones, so these students are creating new benchmarks for sport in Canada.

Above: Michael Guinness (BPHE 1972, MD 1977).

Right: Sidney Abou Sawan and Victoria Radounski in the Goldring Centre for High Performance Sport.



REMOVING BARRIERS TO CARE

For more than a decade, the Margaret and Clifford Zettle Award has given dentistry students vital skills to treat the most vulnerable dental patients.



Access to dental care poses a significant challenge for many people with special needs. Patients with intellectual challenges, such as a developmental delay or Alzheimer's disease, for example, may be unable to follow a dentist's instructions. Others require a clinic that can accommodate wheelchairs or a dentist who has experience dealing with aggression or other behavioural issues.

The Margaret and Clifford Zettle Award, established in 2008 by a generous donation from Dr. Katherine Zettle (DDS 1987), enables two dentistry students per year to spend a month working with people with disabilities at one of the Faculty of Dentistry's affiliated teaching hospitals.

"In a month, students see a range of patients who have special health-care conditions and get a sense of the need for dentists who can provide this kind of care," Zettle says. "In my practice, for example, I have patients who come from as far away as Timmins and Sault Ste. Marie just to get their dental treatment completed. If every dentist were able to welcome a few high-needs individuals into their practice, it would go a long way to removing barriers to care."

For Zettle Award recipient Ayala Rubin (DDS 2017), the month she spent at Holland Bloorview Kids Rehabilitation Hospital was a life-changing experience. "My placement made a huge difference to me—personally and professionally," she says. "My placement taught me creative ways to approach dental care to meet the unique needs and abilities of patients and their families." Rubin completed her general practice residency at SickKids in 2018 and plans to treat patients of all needs in her future practice.

Lauren Lin (BSc 2013 VIC, MSc 2014, DDS 2018) says her placement taught her how to "think outside the box" when it comes to treating patients, especially those with special needs. "I spent a month at Toronto Rehab learning how to interact with a wide range of patients," says Lin. "With the guidance of amazing mentors, I performed fillings, extractions, cleanings, denture work and bedside checkups. This experience kindled my confidence, and helped to shape a compassionate, inclusive practice philosophy that I will carry forward the rest of my career."

"The Margaret and Clifford Zettle Award provides an invaluable opportunity for tomorrow's dentists to treat the most vulnerable patients," says Dr. Daniel Haas, Dean of the Faculty of Dentistry. "We are grateful for Dr. Zettle's commitment to this area of study and its impact on our students and our community."

Above: Dr. Katherine Zettle (DDS 1987).

Right: Lauren Lin (BSc 2013 VIC, MSc 2014) with Dr. Katherine Zettle in the Faculty of Dentistry.



FOSTERING STUDENT ENGAGEMENT

The Rubina Khawaja Endowment Fund fosters diverse interfaith and intercultural dialogue among U of T students.



Above: Prof. Nouman Ashraf (BCom 2002 SMC, MBA 2006).

Right foreground: Muslim Students' Association Volunteers Somaia Youssef, Moynah Nofal and Sanja Siddqui with student participants (**background**) Run Bo Liu, Adel Halawa and Kaleb Nguyen.

“Instead of barking at the darkness you can light a candle,” says Rotman School of Management professor Nouman Ashraf (BCom 2002 SMC, MBA 2006). When Ashraf lost his wife to cancer, he decided to honour her memory by creating the Rubina Khawaja Endowment Fund at Hart House.

“It’s a modest endowment but an important gesture for our family,” says Ashraf, who met his wife Rubina (BSc 1988 UC, MSc 1991, BEd 1992) when they were both students at the University of Toronto. “When I was thinking about where to make a donation I considered Princess Margaret Hospital, because Rubina received excellent care there, but we didn’t meet at the hospital. We met at U of T. That’s where our story began.”

The Rubina Khawaja Endowment Fund is part of the Hart House Good Ideas Fund, which provides support to students and student groups that have an idea, project or event that addresses an issue, builds community or positively affects student life.

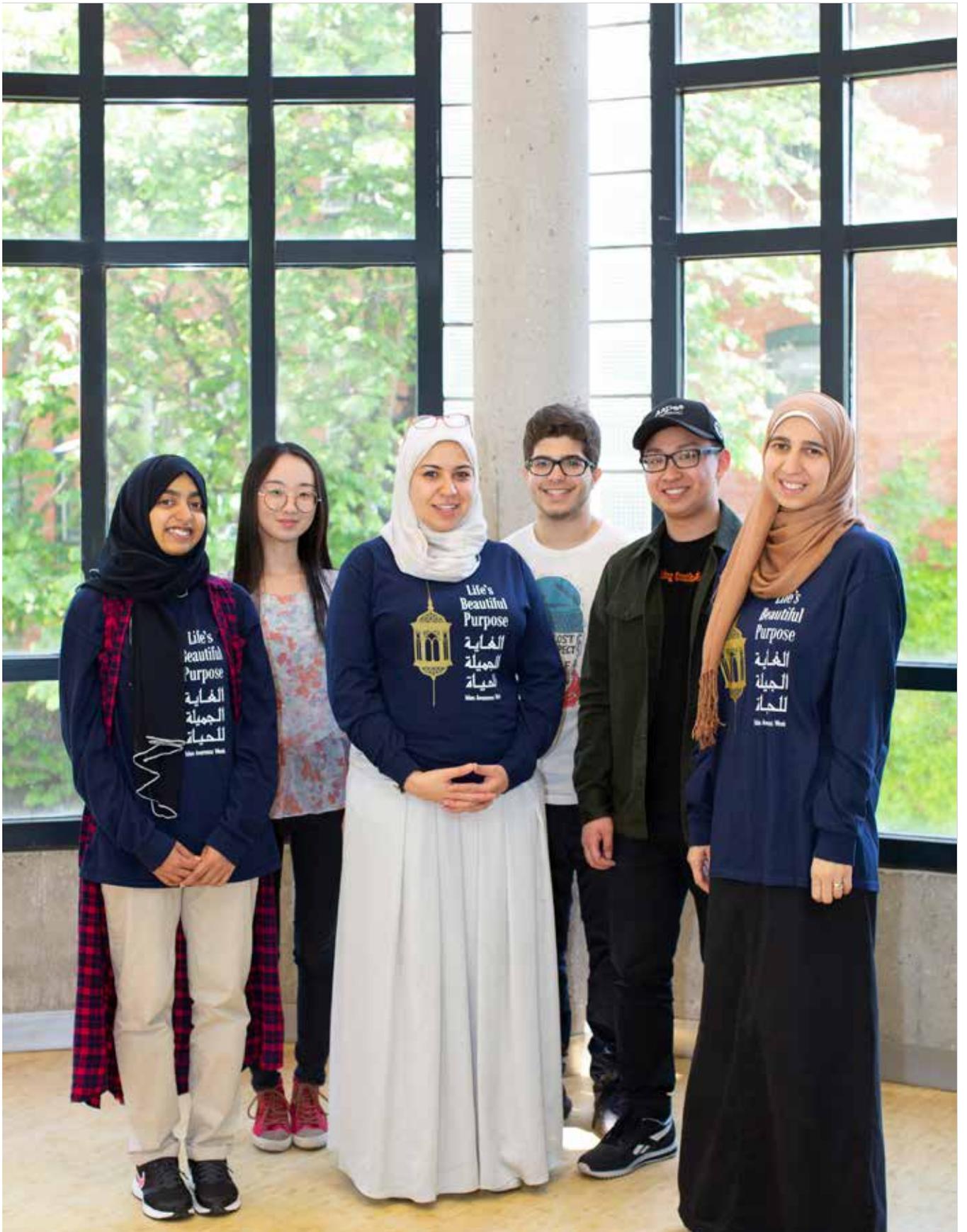
“Hart House is a place where happy encounters can happen,” says Ashraf. “It was a big part of Rubina’s community on campus. The fund encourages students to use dialogue, communication and education to tackle big issues. What brought my wife and I together

was student engagement; what better way to honour her memory than to enable a future generation of students to have that experience.”

The Muslim Students Association (MSA) was the inaugural recipient of the Rubina Khawaja Endowment Fund. This past March, the MSA organized Islam Awareness Week, a week-long series of events that encouraged conversations about faith and the Muslim-Canadian identity.

“We need to counter the rise of fascism, xenophobia and Islamophobia worldwide on the local scale,” says Moynah Nofal, a first-year OISE PhD student who served as MSA’s head of education this year. “Islam Awareness Week was an opportunity to raise awareness of the Muslim community on campus, and to facilitate meaningful discussion regarding real issues of faith in the multicultural Canadian fabric.”

For Ashraf, the ability to empathize with people from different cultures and backgrounds is one of life’s most important skills. “I hope that through Rubina’s fund, we can create spaces where relationships are born, and bridges to understanding are built,” he says. “Knowing that the endowment will help to do that in perpetuity is gratifying. I think we underestimate the impact that even a small amount of support can make in people’s lives.”



ENDOWMENT PERFORMANCE TO APRIL 30, 2018

Sheila Brown
Chief Financial Officer

Thanks to the collective generosity of our alumni and friends, the University of Toronto is a globally recognized leader in research, teaching, discovery and innovation. Endowed gifts are indispensable to our pursuit of excellence, equity and global impact as they provide a permanent and stable source of funding for scholarships, chairs and other vital priorities. The following is a summary of the endowment's performance in fiscal year 2017–2018.

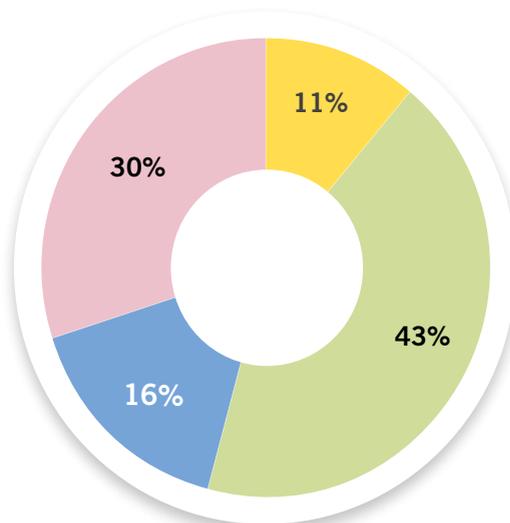

STUDENT SUPPORT
(\$1.077 BILLION)


RESEARCH
(\$276 MILLION)


CHAIRS &
PROFESSORSHIPS
(\$759 MILLION)


ACADEMIC PROGRAMS
(\$392 MILLION)

**PURPOSES OF ENDOWMENTS
AT APRIL 30, 2018**



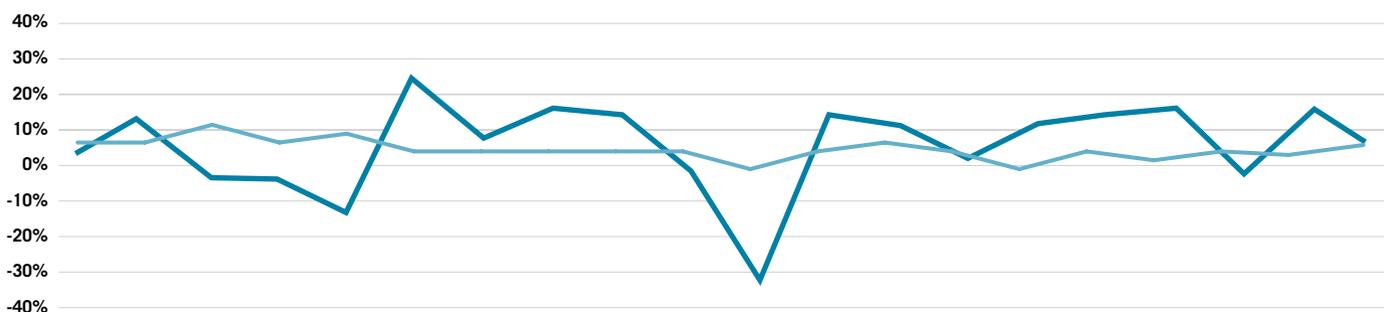
PERFORMANCE SUMMARY

- Investment return net of fees and expenses for 2017-2018: 6.7%
- Five-year average: 10.3%
- Endowment payout: 3.6%*
- Fees and expenses: 1.05%*

*Based on opening balance market value

The University of Toronto Endowments totalled \$2.5 billion at April 30, 2018 and included over 6,260 individual endowment funds.

LONG-TERM CAPITAL APPRECIATION POOL (LTCAP): ONE-YEAR ANNUAL RATES OF RETURN



● Annual Investment Return ● Target Return*

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
3.4%	14.0%	-0.4%	-0.6%	-13.0%	23.1%	7.4%	15.8%	13.7%	-2.0%	-31.0%	14.7%	9.9%	1.0%	11.4%	14.6%	15.0%	-0.3%	15.4%	6.7%
6.6%	7.2%	8.5%	6.7%	7.9%	5.6%	6.4%	6.4%	6.2%	5.7%	4.4%	5.8%	7.3%	6.0%	4.4%	6.0%	4.8%	5.7%	5.6%	6.2%

Thanks to the support of our generous donor community, and despite the severe global financial crisis of 2009, endowments grew from \$1.3 billion to \$2.5 billion over the last ten years and provided \$656 million of spending for much needed student aid, chairs and professorships, research and other academic programs.

To ensure the endowment will provide the same level of economic support to future generations as it does today, the University adopted a policy that grows the capital value of the endowment while allowing spending to increase over time as a percentage of original donations. To this end, our strategy is not to spend everything earned through the investment of funds in years when investment markets are good. In favourable years, funds in excess of the spending allocation are set aside and reinvested. This protects against inflation and builds up a reserve for years when investment markets are weak.

The target spending allocation is three to five per cent of opening balance market value and the actual endowment spending allocation for 2017-18 was 3.6 per cent. To fund the spending allocation and to preserve capital against inflation over time, the University has established an investment target of a real return of at least four per cent over 10-year periods, net of all investment fees and expenses, while taking an appropriate amount of risk to achieve this target, but without undue risk of loss.

Prior to June 2017, the investment return and risk targets for LTCAP were a four per cent investment return plus inflation, net of investment fees, and a 10 per cent return volatility risk target (representing one standard deviation),

over a 10-year period. The actual return in 2018 was 6.7 per cent, which exceeds the 10-year rolling average target return of 5.6 per cent. The University of Toronto Asset Management Corporation (UTAM), under the direction of the University, manages the investments. Endowments are managed in a unitized pool. Almost all of the University's endowments hold units in this unitized investment pool, entitled the Long-Term Capital Appreciation Pool (LTCAP).

Each endowment account holds units in LTCAP that reflect the number of dollars contributed and the unit value on the dates of contribution. The market value of each unit changed as follows:

Unit market value at May 1, 2017	\$225.42
Investment earnings per unit	\$17.25
Fees and expenses	(\$2.36)
Endowment spending allocation	(\$8.02)
Unit market value at April 30, 2018	\$232.29

To obtain the amounts pertaining to particular endowment accounts, we multiply the value per unit by the number of units in individual endowment accounts. For example, if an endowment account holds 750 units, the market value of the endowment at April 30, 2018 was 750 times \$232.29 or \$174,218.

A detailed review of last year's investment performance, which is managed and measured on a calendar year basis by UTAM, is available in UTAM's 2017 Annual Report on UTAM's web site at www.utam.utoronto.ca. More information on endowments is also available at www.finance.utoronto.ca/alerts/endowrpts.htm

“By making endowed gifts, our donors are securing U of T’s future and ensuring we have the resources to attract the best students, conduct groundbreaking research and reach new levels of innovation, excellence and accessibility.”

—Cheryl Regehr, Vice-President and Provost







UNIVERSITY OF
TORONTO

BOUNDLESS