



UNIVERSITY OF
TORONTO

Endowment Report

2018–2019



For close to two centuries, endowed gifts from our alumni and friends have provided essential support to the University of Toronto, funding a vast array of scholarships and bursaries, chairs and professorships, as well as research and teaching programs. U of T is deeply grateful for these investments, which allow us to educate future leaders and spark ideas and solutions for improving our city and the greater world.



76,146
contributors to
U of T's endowment



\$1.116 BILLION
in endowments for
student support



\$1.064 BILLION
in endowments for
faculty support
and research



\$748 MILLION
paid out from the
endowment over
the past 10 years



Opening Doors

Endowed gifts generate permanent funding for students, faculty and programs across the University. More than \$1 billion of the University's \$2.6-billion endowment is devoted to student support and financial aid in the form of both needs- and merit-based awards for undergraduate and graduate students.

Our donors create these opportunities through consistent and generous giving. 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. In the following pages, you will read about some of the thousands of students who have benefited from endowed gifts.

“The University’s global reputation for excellence and accessibility owes much to the vision and generosity of endowment donors. Their gifts sustain innovation, creativity and leadership with horizons measured in years and decades, rather than months. These visionary philanthropists are creating a lasting legacy over time, offering the enduring stability to empower generations of students and shape the future.”

David Palmer

Vice-President, University Advancement

Levelling the Playing Field

Kia Dunn

JD 2019, Faculty of Law

“It’s important to remember that you’re here because other people believed in you,” says Kia Dunn, a recent graduate of the Faculty of Law who received a **Newton Rowell Bursary** in his first year.

“It’s incumbent upon you as a future professional to offer those same kinds of opportunities to future students.”

Dunn stresses both the societal and personal impact of student financial support. “It levels the playing field,” he says. Dunn believes that in a country as diverse as Canada, a legal education must be accessible to individuals of all socio-economic backgrounds: “What kinds of lawyers and judges do you want deciding issues for you and your children? Financial support helps to ensure a fair and representative portion of Canadian society can attain those positions.”



Paying It Forward

A pioneering engineer funds scholarships that help international students fulfil their promise



When the Hungarian Revolution broke out in 1956, **Judith Schurek** (BASc 1958) had one year left to complete her mechanical engineering degree. She fled from the violence with her then-fiancé, Robert Schurek. After learning of a scholarship at the University of Toronto that Schurek could apply for to complete her degree, they decided to immigrate to Canada.

She graduated in 1958 as one of the first women to earn a degree in mechanical engineering at U of T. After a career as an engineer and entrepreneur, Schurek says, “I feel lucky that with my husband, we were successful enough that I can give back to others.” Her desire to help international students inspired her to create two Lester B. Pearson International Scholarships with a gift of more than \$1 million.

Awarded annually, the Pearson Scholarships are U of T’s most prestigious and competitive scholarships for international students. The first recipient of the **Judith Schurek Pearson Scholarship** was Katharina Vrolijk, a Swiss national who studies architecture and design at U of T. Katie Kwang from Singapore is the first recipient of the **Robert Schurek Pearson Scholarship**. She is pursuing a specialist degree in psychology, with a focus on prejudice and cultural variations in mental illness.

“This scholarship has directly helped me learn to tackle research problems in more creative ways.”



Collaboration is Key

Karan Grewal

BSc 2018 UC, master’s student,
Computer Science

Karan Grewal, a master’s student in computer science, received a \$20,000 **Bell Graduate Scholarship**, which helps him collaborate and network while he pursues research in artificial intelligence and human language.

Grewal is researching ways to help computers use languages the same ways humans do. “I’m interested in the intersection of linguistics and computer science. It can lead to technology that can solve real-world problems, like those in health care,” he says. Grewal says the Bell Scholarship allows him to attend conferences where he can network and learn from like-minded professors, researchers and students. One of these conferences led him to a post this past summer as a visiting researcher in the Computational Cognitive Science Lab at Princeton University. “This scholarship has directly helped me learn to tackle research problems in more creative ways.”

A Helping Hand

Saiba Chowdhury, fourth-year student, Rotman Commerce

Halfway through her program, Rotman Commerce student Saiba Chowdhury realized she needed a change in focus and direction, making the bold decision to switch from economics and finance to the management specialist stream. This, however, would mean taking additional courses at extra cost. “I didn’t have the funding to do that,” she says. In her second year, however, Chowdhury learned she had received a scholarship from the **Lawrason Foundation**.

“I was over the moon when I heard!” says Chowdhury. “It gave me financial relief and provided a jump-start.”

Chowdhury says the scholarship allowed her to take the complex Capital Market Theory course during the summer rather than add it to her heavy course load during the school year. “It lessened the stress and will allow me to finish my program on time,” she says. “I am so thankful for this funding. It has made all the difference.”



“Having less financial pressure meant I could spend time on doing things for career development.”



Opening Doors to More Diversity in Medicine

Stephanie Zhou, MSc 2018, MD 2018

As a medical student, Stephanie Zhou wrote a column in the *Journal of the American Medical Association* titled “Underprivilege as Privilege.” In it, she writes that she grew up in poverty—and hid her background to feel included at medical school.

“I studied hard and worked two part-time jobs during university to fund my medical school applications, but throughout the whole process, it was clear that one had to come from

privilege to easily apply and assimilate into the medical culture,” Zhou writes.

Despite this, Zhou felt she “did fit into medicine” when she left the classroom and saw patients who shared her socioeconomic background. Now, as she completes a family medicine residency at Sunnybrook Health Sciences Centre, Zhou says that having family members who’ve experienced financial stress reminds her just how hard it can be.

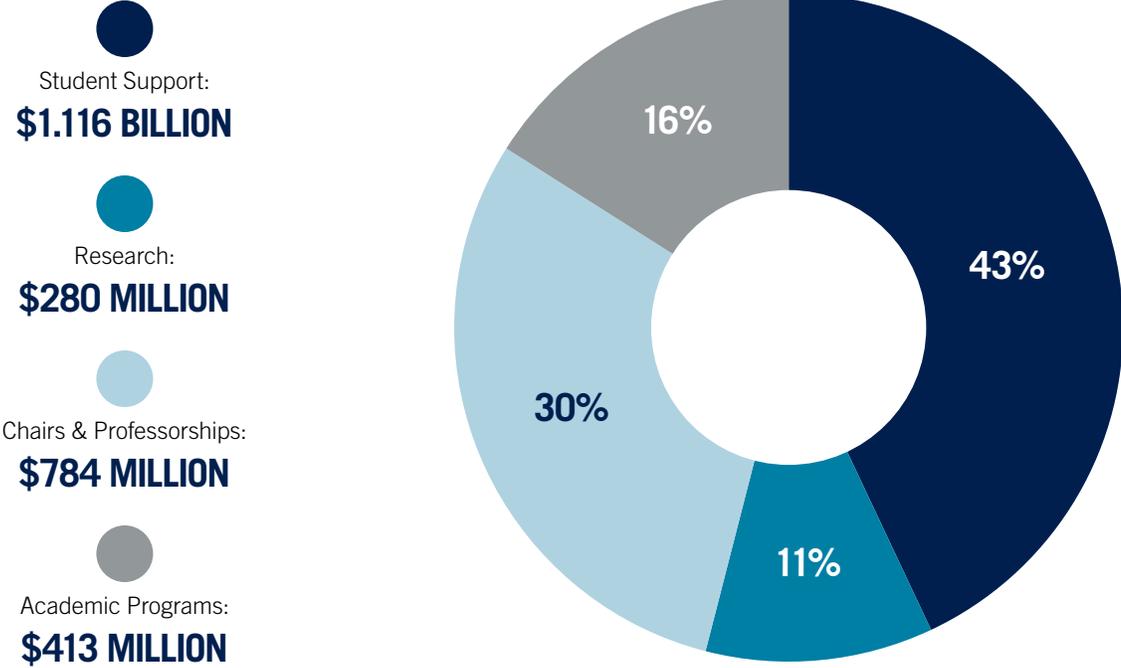
While at medical school, Zhou benefited from receiving the **Lum Family Medical Alumni Association (MAA) Undergraduate Medical Student Award**, the **Albert and Rose Jong MAA Student Award**, and the **Dr. Miriam Rossi Admission Scholarship**, reducing her financial burden. “I believe that when donors give bursaries to medical students like me, they open the door to a more diverse physician population, ultimately improving patient care.”

Endowment Performance to April 30, 2019

Sheila Brown
Chief Financial Officer

Endowed gifts are indispensable to our pursuit of excellence, accessibility 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 2018–2019.

Purposes of Endowments at April 30, 2019



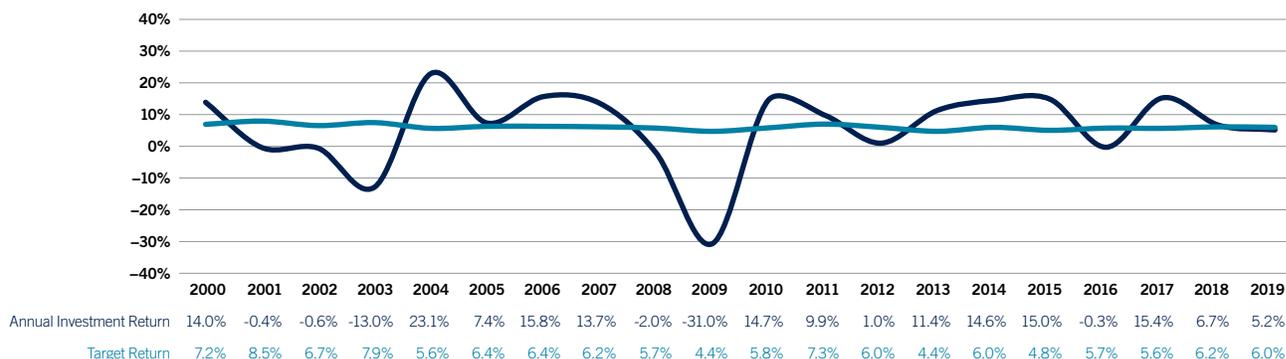
Performance Summary

One-year return*	Five-year average*	Endowment payout
5.2%	8.4%	3.5%

U of T Endowments totaled **\$2.6 BILLION** at April 30, 2019 and included over **6,400** individual endowment funds.

*Based on average balance, net of fees and expenses

Long-Term Capital Appreciation Pool (LTCAP): One-Year Annual Rates of Return



Thanks to the support of our generous donor community, endowments grew from \$1.4 billion to \$2.6 billion over the last ten years and provided \$748 million of spending for much-needed student aid, chairs and professorships, research and other academic programs.

To ensure your endowment will provide the same level of economic support to future generations, the University adopted a policy that grows the capital value of the endowment while allowing spending to increase over time as a percentage of your original donation. Our strategy is to not 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 reinvested, and reflected in the closing balance of the fund.

The target spending allocation is three to five per cent of opening balance market value and the actual endowment spending allocation for 2018-19 was 3.5 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 2019 was 5.2 per cent, below the target return of 6.0 per cent.

The investment to meet those targets is managed by the University of Toronto Asset Management Corporation (UTAM) under the direction of the University. 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, 2018	\$232.29
Investment earnings per unit	\$14.18
Fees and expenses	(\$2.33)
Endowment spending allocation	(\$8.18)
Unit market value at April 30, 2019	\$235.96

The amounts pertaining to your particular endowment account are obtained by multiplying the value per unit by the number of units in your endowment accounts. For example, if an endowment account holds 750 units, the market value of the endowment at April 30, 2019 was 750 times \$235.96 or \$176,970.

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 2018 Annual Report that may be found on UTAM's web site at www.utam.utoronto.ca. Also, more information on endowments is available at:

www.finance.utoronto.ca/alerts/endowrpts.htm.



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BOUNDLESS