



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Direct Investment Risk Analysis Approach and Stress Test

Date: 4 May 2020

To: Toronto Atmospheric Board of Directors

From: Vice President, Impact Investing

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report is about a plan to be applied to any negotiations carried on or to be carried on by or on behalf of the Board of Directors of the Toronto Atmospheric Fund.

SUMMARY

TAF currently has twelve investments in its Direct Investment portfolio and two investments in Private (pooled) Equities, totalling approximately \$8M. TAF also operates two financing lines for ESPAs, totalling \$8M. An additional \$8.8M has been approved but not advanced for five Direct Investments and one Private (pooled) Equity Fund.

Given the change in business circumstances due to the COVID-19 crisis, staff stress tested each of these using risk weighting matrix and identified reserve percentages for each risk category (Confidential Attachment 1). This will be improved as appropriate in consultation with the Investment Committee and used to continue monitoring the portfolio. There are no areas of immediate concern.

Staff will update and present the analysis in advance of each quarterly Investment Committee meeting, and any negative change will be brought immediately to the attention of the Investment Committee (or Direct Investment Subcommittee once that is established). Any new investment proposed for approval will include analysis of the COVID-19 implications.

RECOMMENDATIONS

The Vice President, Impact Investing, recommends that the Toronto Atmospheric Fund Board of Directors direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it is about a plan to be applied to any

negotiations carried on or to be carried on by or on behalf of the Board of Directors of the Toronto Atmospheric Fund.

FINANCIAL IMPACT

None.

DECISION HISTORY

The information in the Confidential Attachment has been shared with members of the Investment Committee.

COMMENTS

None.

CONTACT

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SIGNATURE

Tim Stoate
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ATTACHMENTS

Confidential Attachment 1 - Direct Investment Risk Weight Matrix and Stress Test