



**INVESTMENT COMMITTEE
TERMS OF REFERENCE
February 2017**

1. Endowment Administration

Responsibility for the Toronto Atmospheric Fund's ("TAF") endowment rests jointly with the City of Toronto's Chief Financial Officer ("the CFO") and TAF's Board of Directors ("the Board"). City Council, through the TAF Act, has the sole power to amend or terminate the Toronto Fund. The Ontario Government has the sole power to amend or terminate the Ontario Fund.

2. Delegation

The Board shall delegate their responsibilities with respect to the investment of the endowment to agents and advisors who will act as fiduciaries. In particular, the Board may establish an Investment Committee to guide and oversee the activities of the Fund. The duties of the Board and the Investment Committee are as follows.

2. The Board of Directors will:

- a. Appoint members of the Investment Committee;
- b. Consider and approve the Investment Committee's recommendations regarding TAF'S Statement of Investment Objectives and Policies (the "SIOP"); and
- c. Consider and approve the Investment Committee's recommendations regarding engaging and terminating any agents or advisors that will assist in the management of the endowment and making direct investments.

3. Investment Committee

The Investment Committee is responsible for:

- a. Formulating, and recommending for approval by the Board, changes to the SIOP and the Mandates and communicating changes to the SIOP and Mandates to the Manager(s) and any other relevant parties, via staff;

- b. Reviewing the SIOP and the Mandates at least once per year for continued alignment with TAF's mandate;
- c. Monitoring the progress and performance of the Manager(s) and other investments and providing quarterly reports to the Board on the performance of the total Fund and any other aspects of investment management that the Investment Committee deems appropriate or as requested by the Board;
- d. Advising the Board on the selection of the Manager(s), the Custodian, and any other agents or advisors that may be necessary to prudently manage the Fund;
- e. Recommending individual direct investments, including financial partners, legal agreements and any other terms; and
- f. Recommending actions which TAF should pursue as an investor to influence policies and investment conditions in the interest of TAF's mandate.

5. Composition of the Investment Committee

- a. Members of the Investment Committee shall be appointed by the Board on the recommendation of the Investment Committee;
- b. The Investment Committee shall be composed of not fewer than six (6) and not more than thirteen (13) members.
- c. Membership of the Committee shall include at least one City of Toronto councillor and one citizen who are both members of the Board, and at least two qualified investment professionals;
- d. The CEO of the Toronto Atmospheric Fund will be an *ex officio*, non-voting Member of the Investment Committee;
- e. Members of the Investment Committee are appointed for a four-year term and may be reappointed by the TAF Board for a maximum of two additional four-year terms;
- f. A Chair of the Investment Committee will be selected by members of the Investment Committee. The Chair must be a member of the Board.

5. Conduct of the Investment Committee

- a. The Investment Committee meets at least quarterly. Meetings are convened by the Chair, and a minimum three days' notice must be provided (unless waived by all Investment Committee Members). Distribution of meeting materials by e-mail is permitted. The open meeting requirements and exceptions under Section 190 of the *City of Toronto Act, 2006* apply.

- b. The Investment Committee will meet with each investment Manager at least once a year to review the portfolio structure and performance and be apprised of any developments that may affect either the investment returns or the service from the Manager.
- c. The quorum for the meeting is a majority of the appointed members of the Committee. Decisions are carried by a simple majority vote. Tied motions fail.
- d. Members of the Investment Committee are reimbursed by TAF for reasonable out-of-pocket expenses, such as travel costs, but are not otherwise entitled to any remuneration in connection with TAF-related activities.

6. Conflict of Interest

- a. Members of the Investment Committee will familiarize themselves with the *Municipal Conflict of Interest Act* and undertake to comply with its requirements.

7. Confidentiality

- a. Member shall not reveal or make known to any person any information disclosed to the member through his or her involvement in the Investment Committee.
 - i. A Member shall not reveal or make known to any person any part of a discussion that took place during the Committee's proceedings, results or decisions made during those proceedings. TAF will make public final results following the official approval process.
 - ii. A Member shall keep confidential any information except as is required for the purposes of assessment or determination of any matter relating to Investment Committee deliberations; and
 - iii. A Member shall not distribute any of the material provided to Investment Committee members that is not generally available to the public.
- b. Firms and advisors providing services to the Fund are expected to comply with the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute.

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