REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Direct Investment Request

Date: 30 January 2020
To: Toronto Atmospheric Fund Board of Directors
From: Vice President, Impact Investing

REASON FOR CONFIDENTIAL INFORMATION

The attachments to this report contain commercial and financial information, supplied in confidence to the Toronto Atmospheric Fund, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

SUMMARY

Based on due diligence demonstrating the potential for appropriate risk-adjusted return and strong alignment with TAF's mandate, the Investment Committee is recommending one (1) investment. The proposed investment is in compliance with the asset allocation range for Direct Investments (maximum 60%).

RECOMMENDATIONS

The Vice President, Impact Investing recommends that the Toronto Atmospheric Fund Board of Directors:

1. Approve an investment of up to $1,500,000 subject to the terms and conditions outlined by the Investment Committee at its meeting of 30 January 2020 and as set out in Confidential Attachment 1;
2. Direct Vice President, Impact Investing to implement the investment to the satisfaction of TAF's Solicitor; and
3. Direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it contains commercial and financial information, supplied in confidence to The Atmospheric Fund, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

FINANCIAL IMPACT

None.

DECISION HISTORY

At its meeting of 30 January 2020, the Investment Committee recommended that TAF's Board of Directors approve an investment described in Confidential Attachment 1.

BACKGROUND

This investment is being proposed using secured working capital lines.

The proposed investment is in compliance with the Asset Allocation specified in the Statement of Investment Objectives and Principles (SIOP), Section 5.2. The Direct Investment maximum allocation is 60 percent of the NAV or ~$29 million. Currently ~$9 million is invested and ~$15 million is approved or committed. This proposed investment will bring the total to ~$26 million, or ~53 percent. A remaining ~$4 million is available for Direct Investment, prior to the Government of Canada endowment contribution, and ~$27 million post the Government of Canada endowment contribution.

CONTACT

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SIGNATURE

Tim Stoate
Vice President, Impact Investing

ATTACHMENTS

Confidential Attachment #1