

Direct Investment Request: Built Environment Venture Capital Limited Partnership (DI.2026.L)

Date: October 20, 2026
To: Board of Directors of the Toronto Atmospheric Fund
From: Vice President, Impact Investing

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains 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

The Direct Investment Committee (DC) recommends that the Board of Directors approve an investment commitment of US\$1.1M in a residential technology venture capital fund (the "Fund"). The Fund makes direct equity investments into early-stage housing technology companies aligned with TAF's accelerating retrofits and net zero new construction focus areas.

RECOMMENDATIONS

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

1. Approve a commitment by TAF to invest US\$1.1M in the Fund, through the purchase of limited partnership (LP) units, subject to:
 - A. Completion of all required documentation to effect TAF's commitment to the Fund, on terms satisfactory to the Vice President, Impact Investing; and
 - B. Satisfactory review of all legal documentation by TAF's legal counsel, as determined by the Vice President, Impact Investing and the Chief Executive Officer.
2. 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 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.

FINANCIAL IMPACT

There is no financial impact to the City of Toronto resulting from the adoption of the recommendations in this report.

DECISION HISTORY

At its meeting held on October 15, 2026, the DC recommended that TAF's Board of Directors approve the investment described in Confidential Attachment 1.

COMMENTS

Investment Profile

An investment commitment of US\$1.1M represents approximately 1.5% of TAF's net asset value (NAV) and moves private equity exposure closer to its 7% target allocation. The Fund invests in housing technologies that can reduce greenhouse gas emissions, aligning with TAF's accelerating retrofits and net zero new construction focus areas, and will use commercial best efforts to invest at least 50% in Canada.

Due Diligence

Due diligence validated the Fund's investment thesis, financial model, governance and impact framework, including a review of the manager's first fund. TAF also consulted the likely lead investor, which shared its findings and LP-favourable negotiated terms.

Deal Terms

The investment is in the form of LP units with a fund term of 10+1+1 years. The Fund targets a first close of US\$25M in Q1 2027 and may raise up to US\$85M. Its terms are consistent with customary institutional venture fund provisions.

CONTACT

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SIGNATURE

Kristian Knibutat
Vice President, Impact Investing

ATTACHMENTS

Confidential Attachment #1 – Direct Investment Request: Built Environment Venture Capital Limited Partnership (DI.2026.L)

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