



February 14, 2022

TO: Principals, Deans, Academic Directors and Chairs
Divisional Business and Financial Officers via AMS listserv

SUBJECT: Endowment Payout Rate for fiscal 2022, to be distributed in April 2022

The endowment payout for 2022 will be \$9.36 per unit, an increase of 10% over last year's payout rate. This increase is higher than the regular annual 2% inflationary increase due to the following factors:

- The ten-year rolling average investment return of endowments in the long-term capital appreciation pool (LTCAP) was 9.2% (2019), 7.6% (2020), and 8.9% (2021), well in excess of the target return.
- The investment return of LTCAP for the first six months of fiscal 2022 was also slightly above the target return.
- These positive returns have resulted in a cumulative preservation of capital above inflation of \$503 million across all endowed funds at April 30, 2021, providing flexibility for a larger increase in the payout rate for this year.

With this 10% increase, the payout of \$9.36 per unit for fiscal 2022 will represent 3.94% of the 5-year average market value of the endowments. This falls within the target 3% to 5% corridor for endowment spending that is currently in place. The distribution will provide a total of \$110 million to beneficiaries.

More information on endowments is available in the endowment annual financial report, which is accessible at <http://finance.utoronto.ca/reports/endowment/>. If you have any questions about the payout for this year, please contact Helen Choy, Manager Accounting Services via email: helen.choy@utoronto.ca. The annual payout for 2022 will be distributed by Tuesday April 19, 2022.

Trevor Rodgers
Chief Financial Officer