Leith Wheeler INVESTMENT COUNSEL LTD. | Quiet Money.

September 25, 2019

The Investment Board On Behalf Of The City Of Toronto

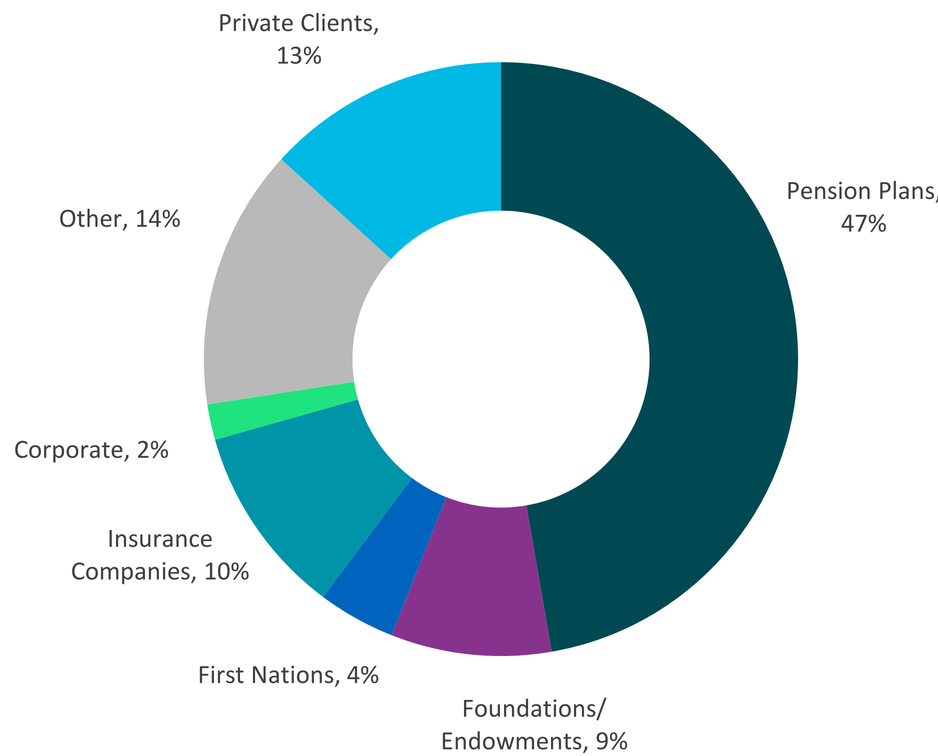
Presented by:

Ben Homsy, CFA
Portfolio Manager, Fixed Income

Catherine Heath, CFA
Portfolio Manager, Fixed Income

Who Is Leith Wheeler Investment Counsel?

- Independent investment manager
- 100% employee-owned since inception in 1982
- 94 Employees (of which 78 are shareholders)
- Nationwide firm with offices in Vancouver, Toronto and Calgary
- Stable, institutional-focused client base
- $21 billion assets under management



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Fixed Income Investment Team

Head Of Fixed Income

Jim Gilliland, CFA
President & CEO,
Head of Fixed Income

Prior Experience:
Barclays Global Investors,
HSBC Asset Management

Years in Industry: 26

Investment Analytics

Mark Taylor, PhD, CFA
Head of Investment Analytics

Prior Experience: Salomon Brothers, BGI / Blackrock
Years in Industry: 27

Minh Ha
Investment Analytics

Prior Experience: Salomon Brothers, Goldman Sachs, Merrill Lynch, BGI / Blackrock
Years in Industry: 32

Edwina Gu, CFA
Quantitative Analytics

Prior Experience: Just Energy, CPP Investment Board
Years in Industry: 7

Portfolio Management

Ben Homsy, CFA
Fixed Income

Prior Experience: JP Morgan, Goldman Sachs
Years in Industry: 21

Catherine Heath, CFA
Fixed Income

Years in Industry: 19

Tamsin Wilding
Fixed Income

Prior Experience: Bank of NZ, National Aust. Bank
Years in Industry: 9

Liability-Driven Solutions

Perry Teperson, CFA, FCIA
Institutional

Prior Experience: Hewitt
Years in Industry: 28

Marc Williams, CFA, FCIA
Institutional

Prior Experience: Towers Watson
Years in Industry: 24

Investment Grade Credit

Eric Lam, CFA
Financials

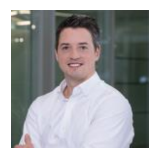
Prior Experience: TD Securities, RBC Dominion Securities
Years in Industry: 27

Ryan Goulding, CFA
Government Strategies

Prior Experience: PH&N, Merrill Lynch
Years in Industry: 12

Alexei Konopkine, CFA
Telecommunications, Retail

Years in Industry: 14



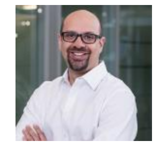
Sean Greenhalgh, CFA
Pipelines, Distribution

Prior Experience: RBC Capital Markets, Scotia Bank
Years in Industry: 11

Michelle Zuliani, CFA
Infrastructure, Real Estate, CMBS

Prior Experience: HSBC Asset Management, RBC Capital Markets
Years in Industry: 8

High Yield Credit



Dhruv Mallick, CFA
Crossover & Non-IG Credit

Prior Experience: CQS, BGI / Blackrock, PIMCO
Years in Industry: 18

Colin Boese, CFA
Fixed Income

Prior Experience: CCL, Marret Asset Management
Years in Industry: 5

Marco Tang, CFA
Analyst: Crossover

Years in Industry: 6

All data as at June 30, 2019

Fixed Income Investment Process

Top-Down Macroeconomic View

Interest Rate Outlook &
Credit Cycle

Portfolio Construction & Risk Budgeting

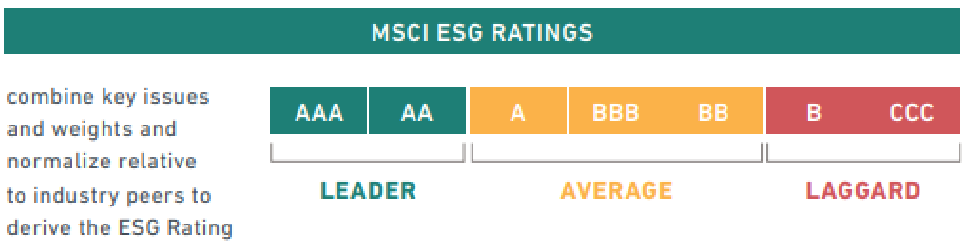
- Interest Rate Risk Management
- Sector Allocation
- Security Selection

Issuer-Specific
Credit Risk

Bottom-Up Independent, Fundamental Credit Analysis

Responsible Investing at Leith Wheeler

- ESG factors – particularly governance – have always been at the core of our investment culture
- Formalized process for assessing corporate bond issuers for ESG factors, augmented using third-party assessment



PRI Principles for Responsible Investment

SHARE SHAREHOLDER ASSOCIATION for RESEARCH & EDUCATION

Canadian Coalition for GOOD GOVERNANCE

- History supporting key organizations that promote responsible investing, advocate for sound policy and provide education to stakeholders

CANADIAN PENSION & BENEFITS INSTITUTE · INSTITUT CANADIEN DE LA RETRAITE ET DES AVANTAGES SOCIAUX

International Foundation OF EMPLOYEE BENEFIT PLANS Education | Research | Leadership

ACPM | ACARR The Association of Canadian Pension Management L'Association canadienne des administrateurs de régimes de retraite

Analysis Of Portfolio Change During Transition

	Incumbent Portfolio May 1, 2019	Current Portfolio June 30, 2019	Index June 30, 2019
Modified Duration (Years)	7.9	7.8	8.0
Yield	2.50%	2.30%	2.13%
Number of Holdings	139	165	
Portfolio Weight (%)			
Federal	5.4%	14.2%	34.8%
Provincial	27.9%	22.8%	35.5%
Municipal	52.4%	7.7%	2.04%
Corporate	14.3%	51.8%	27.7%
Maples	-	2.1%	-
Real Return Bonds	-	1.4%	-
Contribution to Duration (Years)			
Federal	0.4	1.5	2.2
Provincial	2.1	2.8	3.9
Municipal	5.0	0.9	0.2
Corporate	0.4	2.1	1.8
Maples	-	0.1	-
Real Return Bonds	-	0.4	-
	7.9	**7.8**	**8.0**

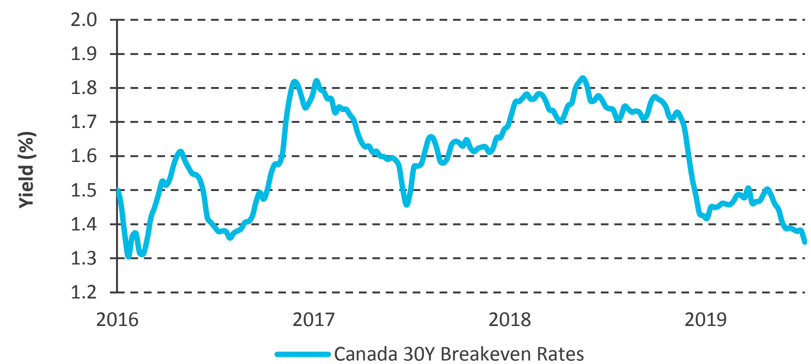
Performance

Performance As at August 31, 2019	**Transition Period** **May 2 – June 30, 2019**	**Post Transition** **July 1 – August 31, 2019**
Toronto Investment Board	2.46%	1.98%
Benchmark	2.49%	2.05%
Value Added	**-0.03%**	**-0.07%**

Market Outlook & Current Positioning

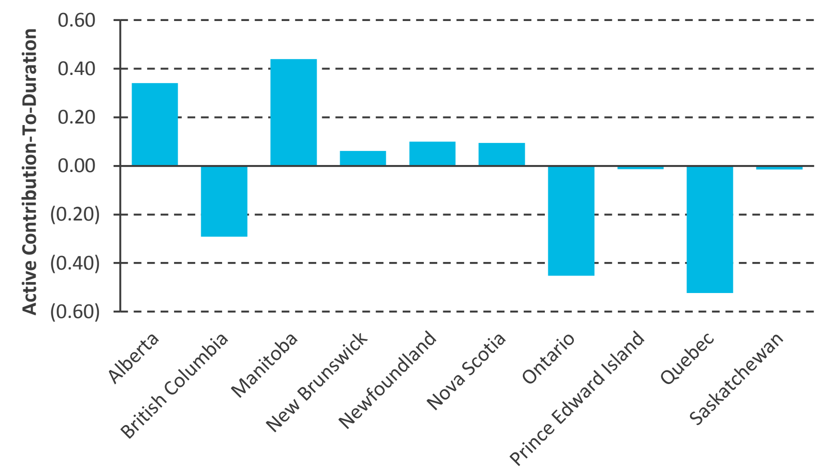
Interest Rates

- Modest underweight duration position
- Overweight Canadian inflation-linked bonds (out of benchmark position)



Provincial Credit

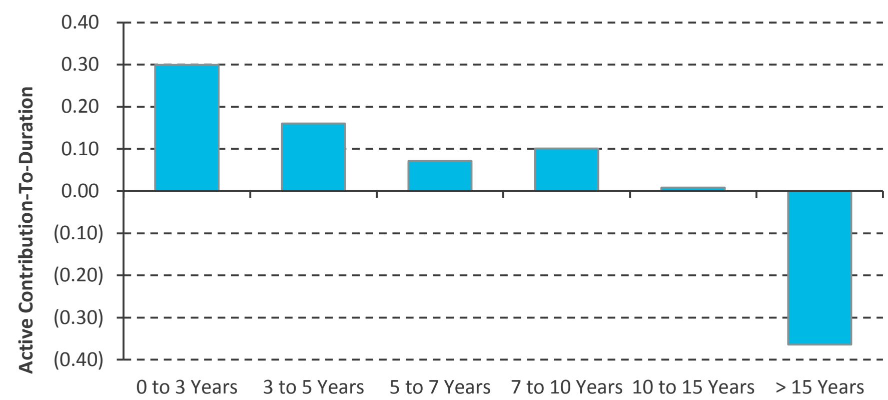
- Underweight provincial credit (offset to overweight corporate credit)
- Overweight Alberta, Manitoba on relative fundamentals and valuation



Market Outlook & Current Positioning

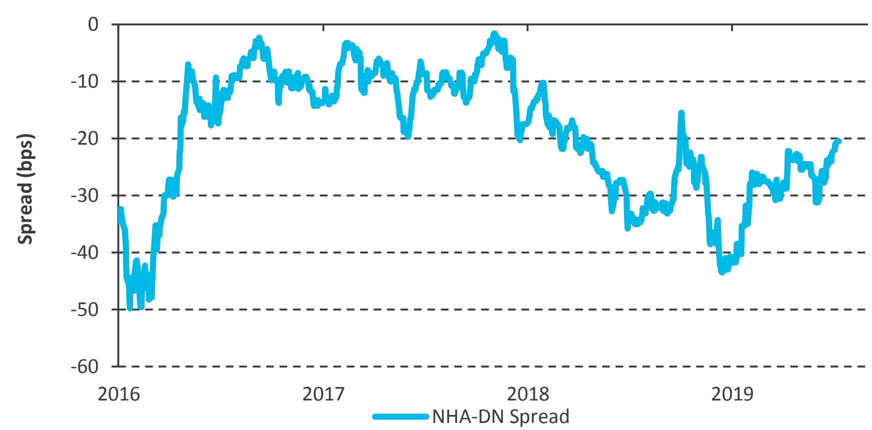
Corporate Credit

- Modest overweight spread duration in corporate credit
- Overweight high quality issuers
- Underweight long-dated corporate credit (credit curve steepener)



Other

- Overweight Agency NHA MBS (out of benchmark) based on valuation relative to bank deposit notes



Performance Disclaimer

Investment performance returns are presented before investment management fees, but after the deduction of brokerage commissions. Returns are calculated on a time weighted, total return basis which includes all dividends (except non-cash stock dividends), interest, and realized and unrealized gains and losses after the deduction of applicable withholding taxes. Past performance is not an indicator of future results.

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