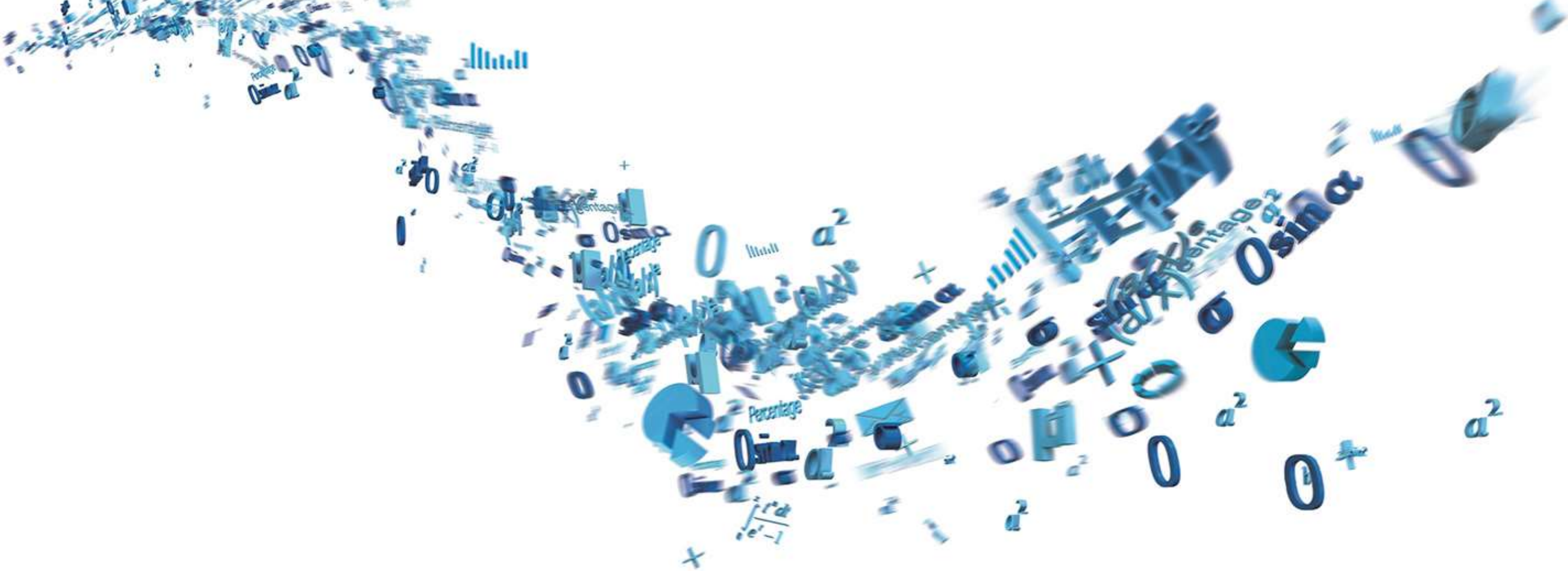
Attachment 2



City of Toronto (Toronto Investment Board) Period Ending 30 September 2019

Performance Review and Investment

Visit the Aon Hewitt Retirement and Investment Website *(https://retirement-investment-insights.aon.com/canada); sharing our best thinking.*

Empower Results®

Table Of Contents

AON
Empower Results®

Executive Summary

Trailing Period Performance

As of 30 September 2019

	Allocation		Performance (%)							
	Market Value ($000)	%	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Total Sinking Fund	1,000,488		1.8	-	-	-	-	-	1.8	1/07/2019
Addenda Sinking Fund Aggregate*	494,033		1.4	-	-	-	-	-	1.4	1/07/2019
Addenda LDI Benchmark			1.4	-	-	-	-	-	1.4	
Value Added			0.0	-	-	-	-	-	0.0	
Fiera Sinking Fund Aggregate*	506,455		2.1	-	-	-	-	-	2.1	1/07/2019
Fiera LDI Benchmark			2.1	-	-	-	-	-	2.1	
Value Added			0.0	-	-	-	-	-	0.0	

*Addenda and Fiera are using different methodology for managing their LDI mandate. Addenda matches the interest rate exposure of the sinking funds at the sub fund levels. Fiera matches it at an overall level by aggregating the sinking fund liabilities.

Trailing Period Performance

As of 30 September 2019

	Allocation		Performance (%)							
	Market Value ($000)	%	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Total Long Term Fund (Active)	1,708,025		1.1 (66)	-	-	-	-	-	1.1 (66)	1/07/2019
FTSE Canada Universe Bond			1.2 (58)	-	-	-	-	-	1.2 (58)	
Value Added			-0.1	-	-	-	-	-	-0.1	
CC&L Long Term Fund (Active)	852,603		1.1 (72)	-	-	-	-	-	1.1 (72)	1/07/2019
FTSE Canada Universe Bond			1.2 (58)	-	-	-	-	-	1.2 (58)	
Value Added			-0.1	-	-	-	-	-	-0.1	
Leith Wheeler Long Term Fund (Active)	855,422		1.2 (57)	-	-	-	-	-	1.2 (57)	1/07/2019
FTSE Canada Universe Bond			1.2 (58)	-	-	-	-	-	1.2 (58)	
Value Added			0.0	-	-	-	-	-	0.0	
Total Long Term Fund (Inactive)	462,011									
CC&L Long Term Fund (Inactive)	230,209									
Leith Wheeler Long Term Fund (Inactive)	231,802									

Parentheses contain percentile rankings.

Commentary and Recommendations

As of 30 September 2019

Mandate	Comments	Recommendations
Sinking Fund	▪ The market value of total sinking fund assets as of 30 September 2019 was approximately $1.0 billion. ▪ The total sinking fund returned 1.8% over the quarter and since inception.	▪ Continue to monitor.
Addenda	▪ The market value of total Addenda sinking fund assets as of 30 September 2019 was approximately $494 million. ▪ The fund returned 1.4% over the quarter, matching it's custom LDI benchmark. – Returns were driven by the fund's longer duration in the sub funds and decline in yields at the mid to long-term maturities. Overweight in credit detracted from performance as credit spreads widened over the quarter.	▪ No action required.
Fiera	▪ The market value of total Fiera sinking fund assets as of 30 September 2019 was approximately $506 million. ▪ The fund returned 2.1% over the quarter, matching it's custom LDI benchmark. – Returns were driven by portfolios' higher allocation to mid to long-term maturities as the yields for short-term maturities rose and yields for mid to long-term maturities declined.	▪ No action required.

Commentary and Recommendations

As of 30 September 2019

Mandate	Comments	Recommendations
Long Term Fund	▪ The market value of total long-term fund assets as of 30 September 2019 was approximately $1.7 billion. ▪ The total long-term fund returned 1.1% over the quarter and since inception.	▪ Continue to monitor.
CC&L	▪ The market value of CC&L long term fund (active account) assets as of 30 September 2019 was approximately $852 million. ▪ The fund returned 1.1% over the quarter, underperforming the FTSE Canada Universe Bond Index by 10 bps. – Underperformance was mainly due to duration, yield curve and sector allocation decisions. ▪ The market value of CC&L long tern fund (inactive account) assets as of 30 September 2019 was approximately $230 million.	▪ No action required.
Leith Wheeler	▪ The market value of Leith Wheeler long term fund (active account) assets as of 30 September 2019 was approximately $855 million. ▪ The fund returned 1.2% over the quarter, matching the FTSE Canada Universe Bond Index return. – Returns were driven by overweight allocation to short-term corporate bonds and interest rate curve strategies. ▪ The market value of Leith Wheeler long tern fund (inactive account) assets as of 30 September 2019 was approximately $231 million.	▪ No action required.

Capital Market Performance

Major Capital Markets' Returns

As of 30 September 2019

	1 Quarter	Year To Date	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years
Equity								
S&P/TSX Composite	2.5	19.1	7.1	6.5	7.4	9.0	5.3	7.0
S&P 500	2.9	17.0	6.8	14.1	13.7	13.5	14.7	15.6
S&P 500 (USD)	1.7	20.6	4.3	10.9	13.4	13.9	10.8	13.2
MSCI EAFE (Net)	0.1	9.4	1.0	3.6	6.7	6.2	6.8	7.1
MSCI World (Net)	1.8	14.1	4.3	9.5	10.5	10.1	10.9	11.3
MSCI ACWI (Net)	1.3	12.6	3.8	8.5	10.0	9.9	10.3	10.6
MSCI Emerging Markets (Net)	-3.0	2.7	0.4	1.4	6.2	8.2	5.9	5.6
Real Estate								
MSCI/REALPAC Canada Annual Property	1.4	4.4	7.2	7.6	7.4	7.4	7.3	9.0
MSCI/REALPAC Canada Quarterly Property Fund	2.1	6.0	7.7	7.9	7.6	7.1	6.9	8.4
Fixed Income								
FTSE Canada Universe Bond	1.2	7.8	9.7	5.6	2.7	3.6	3.9	4.4
FTSE Canada Long Term Overall Bond	2.5	14.9	17.1	10.1	4.5	6.5	6.7	7.2
FTSE Canada 91 Day TBill	0.4	1.2	1.7	1.4	1.1	0.9	0.9	0.9
Consumer Price Index								
Canadian CPI, unadjusted	-0.1	2.1	1.9	2.0	1.9	1.7	1.6	1.7

Canadian Equities

The S&P/TSX Composite Index returned +2.5% in the third quarter of 2019. Performance was mixed across sectors. Utilities (+10.1%) was the best performing sector, followed by Real Estate (+8.5%) and Consumer Staples (+5.8%). Only two sectors delivered negative returns in the quarter: Health Care (-30.0%) and Industrials (-1.5%). Growth stocks underperformed value stocks over the past quarter (+0.9% vs.+3.0% respectively). Year-to-date growth stocks outperformed value stocks (+19.4% vs.+17.7% respectively). The S&P/TSX Composite Index returned +19.1% year-to-date. The best performing sectors year-to-date were Information Technology (+48.8%), Utilities (+34.8%) and Real Estate (+25.7%) while Health Care (-5.4%) was the worst performer.

U.S. Equities

The S&P 500 Index returned +2.9% in the quarter in Canadian dollar terms. Performance was positive across most sectors. Utilities (+10.8%) was the best performing sector while Energy (-5.1%) was the worst performing sector. The S&P 500 Index returned +16.9% year-to-date in Canadian dollar terms. The best performing sectors year-to-date were Information Technology (+27.4%) and Real Estate (+25.7%) while Health Care (+2.4%) was the worst performer.

Non-North American Equities

The MSCI EAFE Index returned +0.1% in the quarter in Canadian dollar terms. Sector returns were mixed with the best performer being Health Care (+3.8%) and the worst being Energy (-5.3%). Year-to-date, the Index returned +9.4% in Canadian dollar terms. Year-to-date, the best performing sector was Information Technology (+18.5%) while the worst performer was Energy (+0.5%).

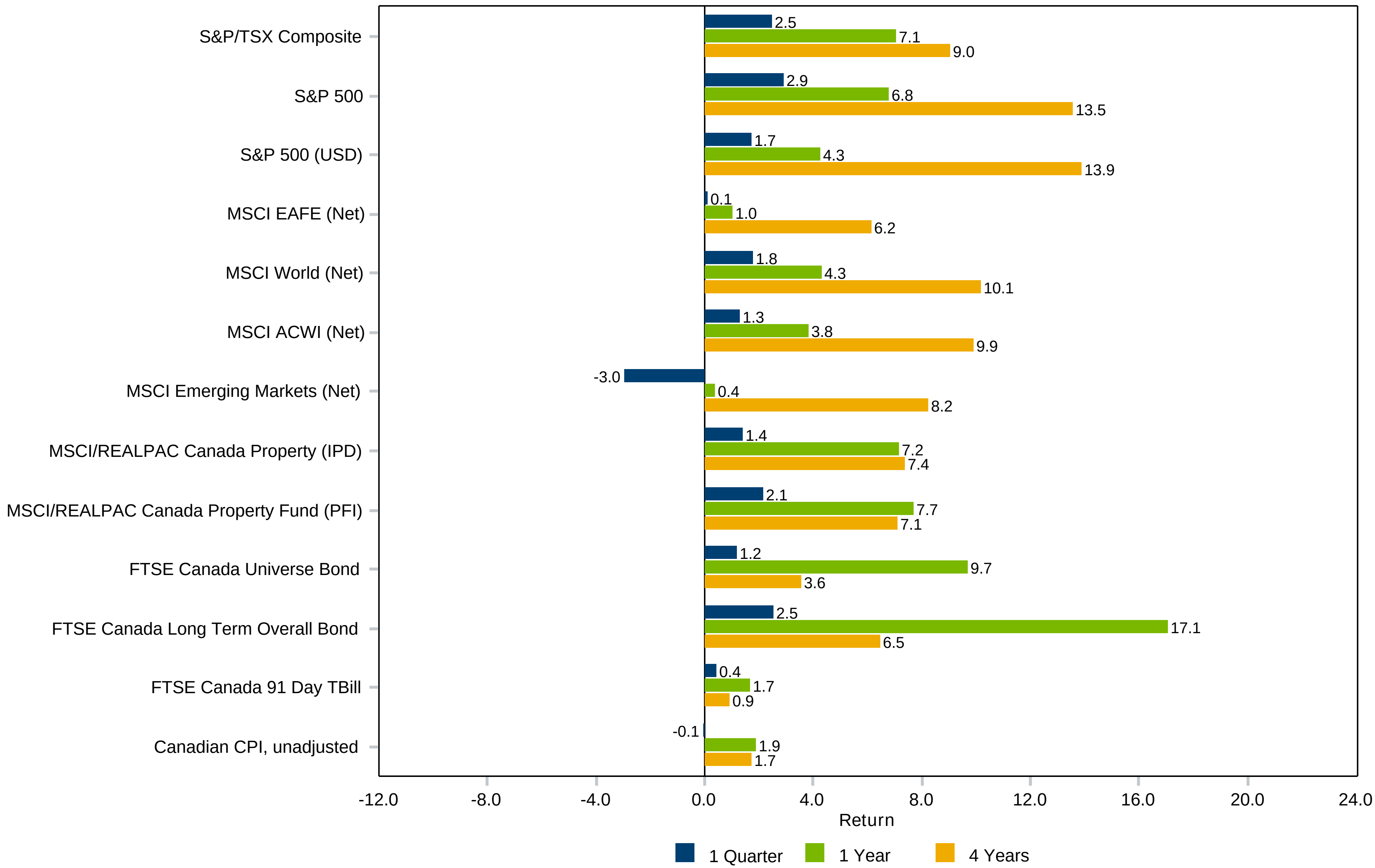
Fixed Income

The Canadian bond market, as measured by the FTSE Canada Universe Bond Index, returned +1.2% over the last quarter. Bond market performance was led by Provincial bonds (+1.6%) which outperformed both Corporate bonds (+1.1%) and Federal bonds (+0.8%). From a term perspective, long duration bonds (+2.5%) outperformed both medium duration (+0.9%) and short duration (+0.3%) bonds in the quarter. Year-to-date, the FTSE Canada Universe Bond Index returned +7.8%. Year-to-date, bond market performance was led by Provincial bonds (+10.5%), outperforming both Corporate bonds (+8.0%) and Federal bonds (+4.9%) while from a term perspective, long duration bonds (+14.9%) outperformed both medium duration (+6.9%) and short duration (+3.0%) bonds.

Returns for periods greater than one year are annualized. Sector returns are sourced from MSCI.

Comparative Performance

As of 30 September 2019



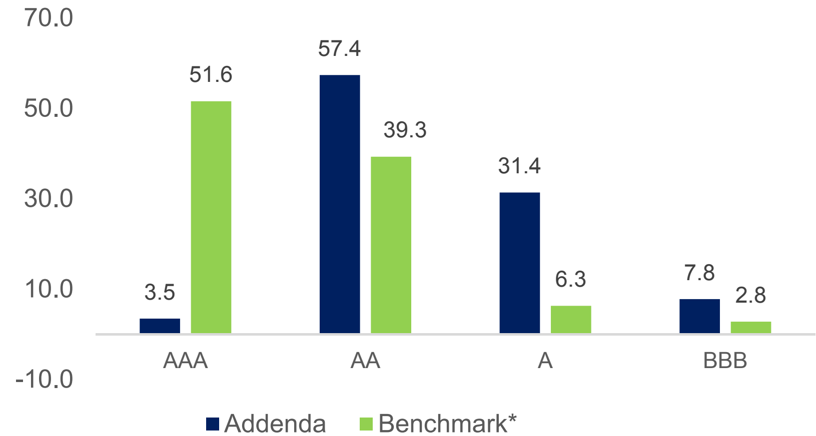
Sinking Fund

Fixed Income - Liability Driven Investment

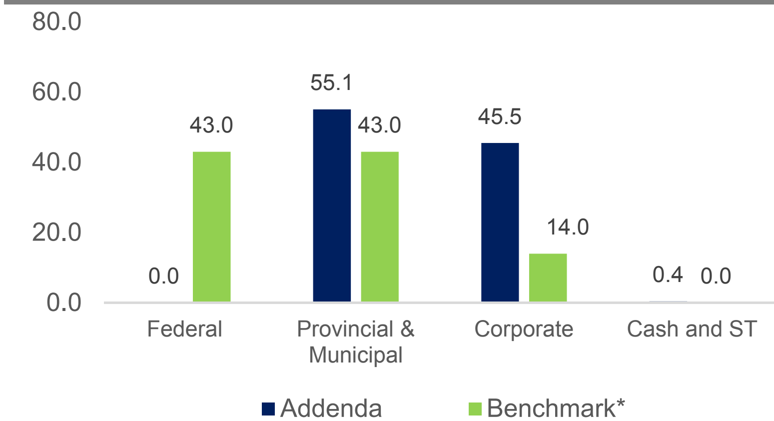
Addenda Sinking Fund Characteristics and Performance Attribution

As of 30 September 2019

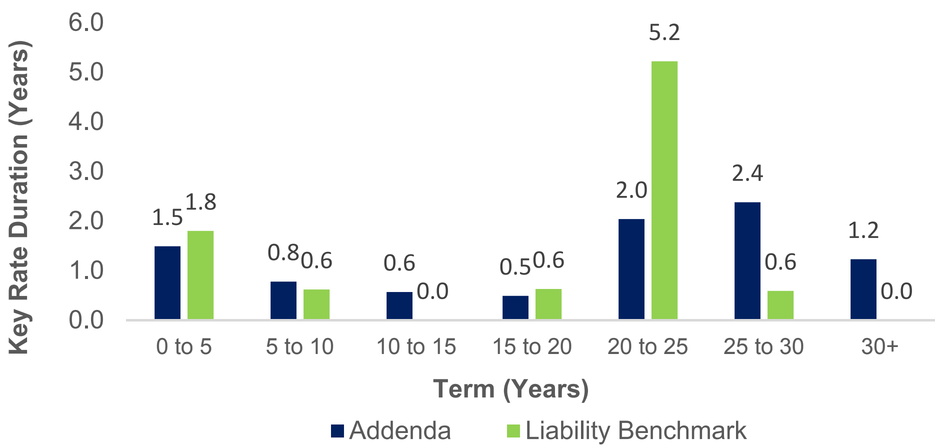
Credit Quality



Sector Distribution (%)



Key Rate Duration



Performance Attribution (vs Liability Benchmark) (%)

Curve effect	0.1
Carry	0.1
Provincial Spread Change	-0.1
Corporate Spread Change	-0.2
Roll Down/Carry Spread	0.1
Total	**0.0**

Portfolio Duration **8.98**

Liability Duration **8.85**

*Benchmark specified in LDI mandate with target weights of 43% Federal, 43% Provincial and Municipal and 14% Corporate

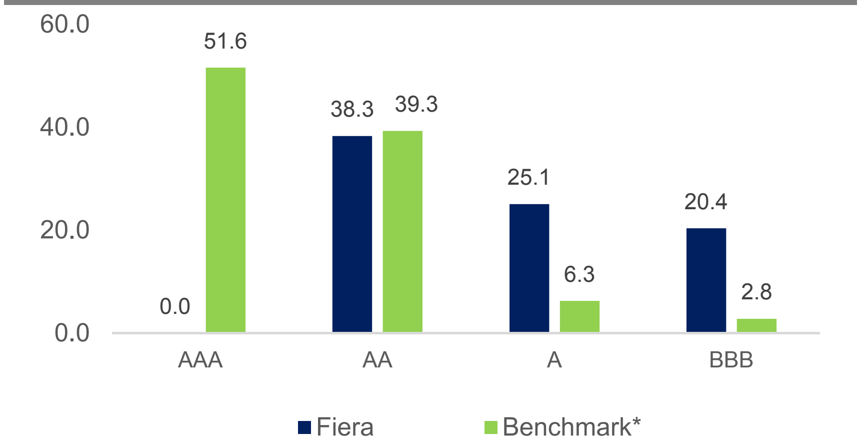
Empower Results®

Characteristics and Performance Attribution

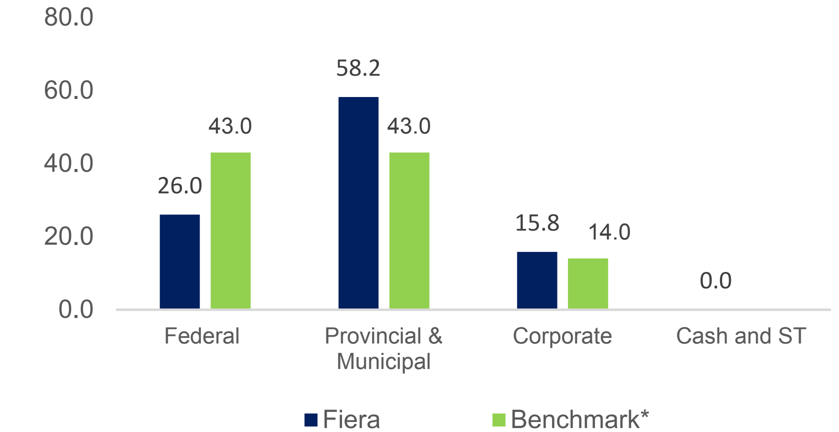
Fiera Sinking Fund Characteristics and Performance Attribution

As of 30 September 2019

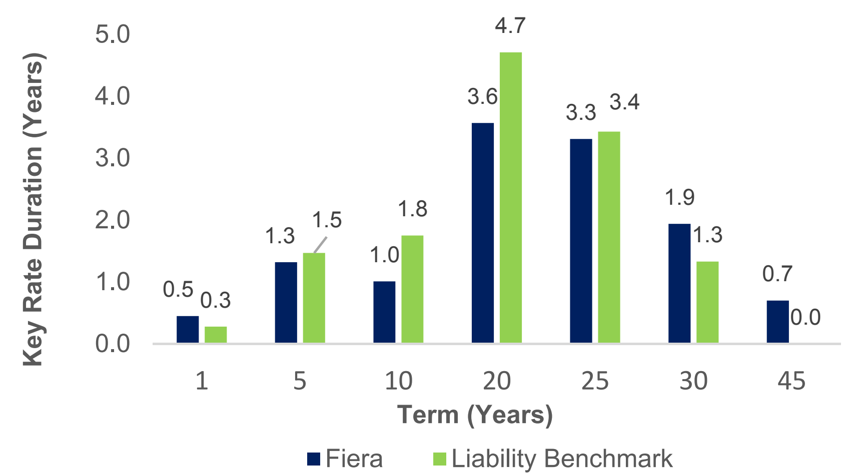
Credit Quality



Sector Distribution (%)



Key Rate Duration



Performance Attribution (vs Liability Benchmark) (%)

Curve effect	-0.0
Carry	0.0
Provincial & Municipal Spread	-0.0
Corporate Spread	-0.0
Residual	0.0
Total	**0.0**

Portfolio Duration **12.3**

Liability Duration **13.0**

*Benchmark specified in LDI mandate with target weights of 43% Federal, 43% Provincial and Municipal and 14% Corporate

Empower Results®

Long Term Fund

Fixed Income - Core

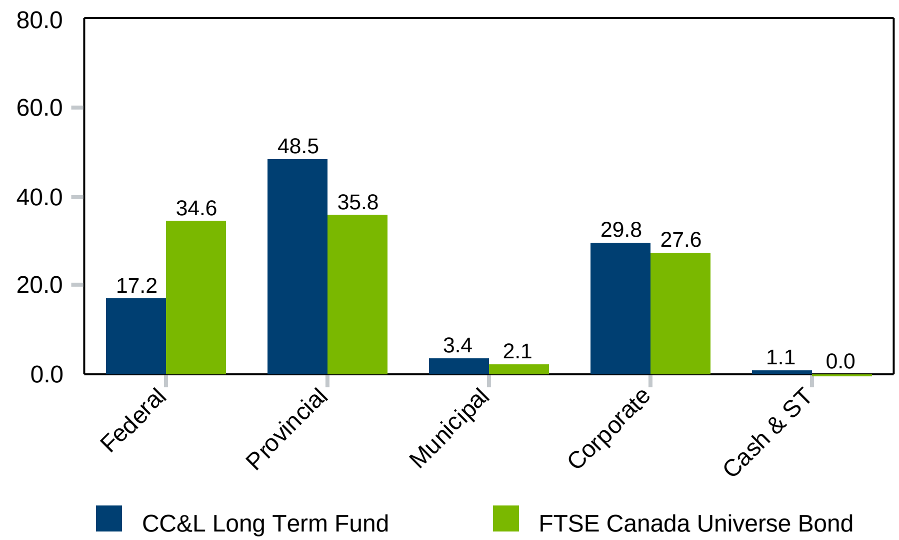
CC&L Long Term Fund Characteristics

As of 30 September 2019

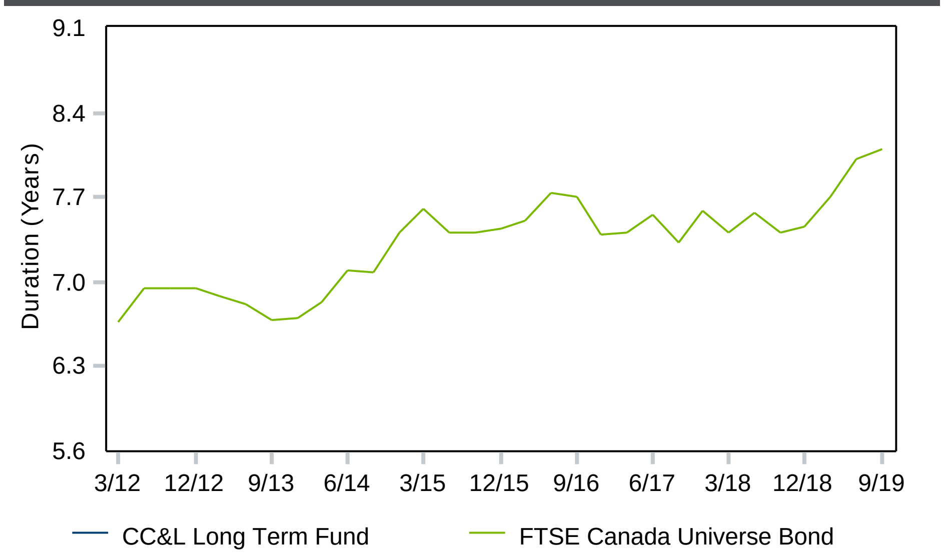
Portfolio Characteristics

	Portfolio	Benchmark
Modified Duration	8.3	8.1
Avg. Maturity	11.1	10.8
Avg. Quality	AA	AA
Yield To Maturity (%)	2.1	2.1

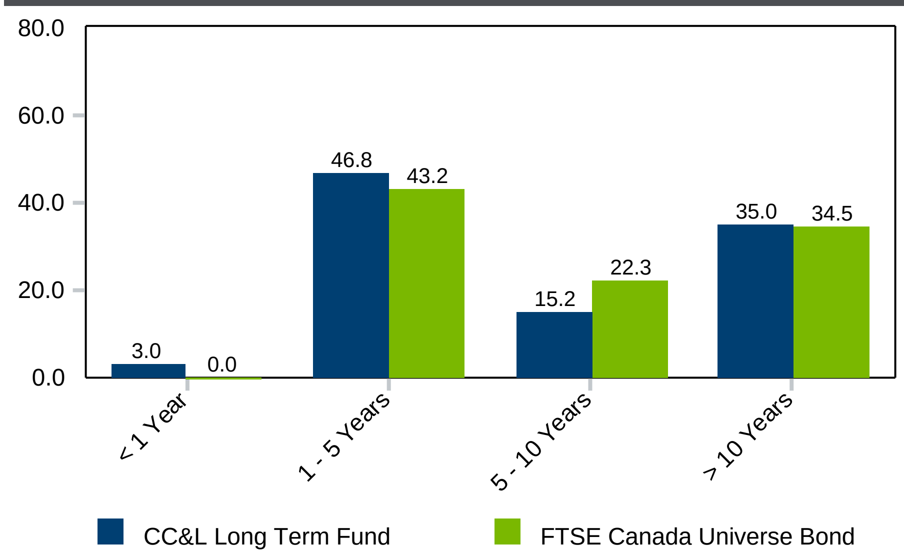
Sector Distribution (%)



Changes in Duration



Maturity Distribution (%)



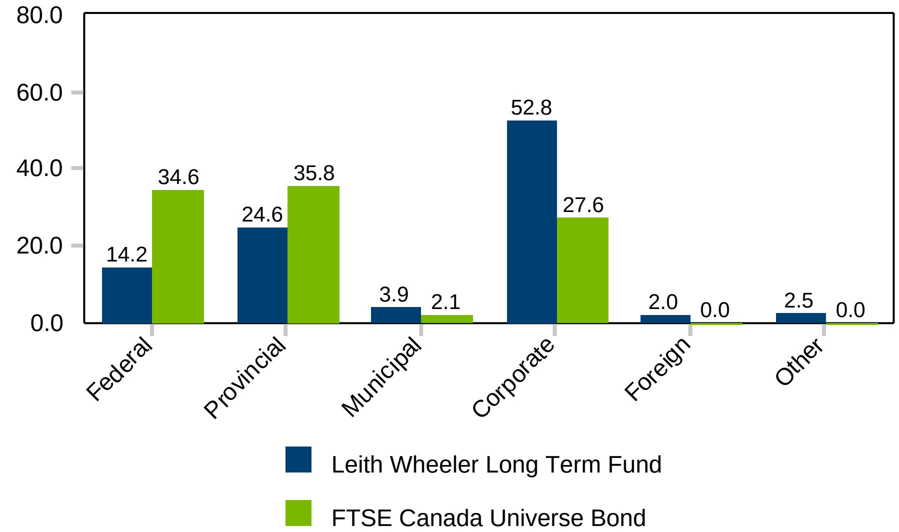
Leith Wheeler Long Term Fund Characteristics

As of 30 September 2019

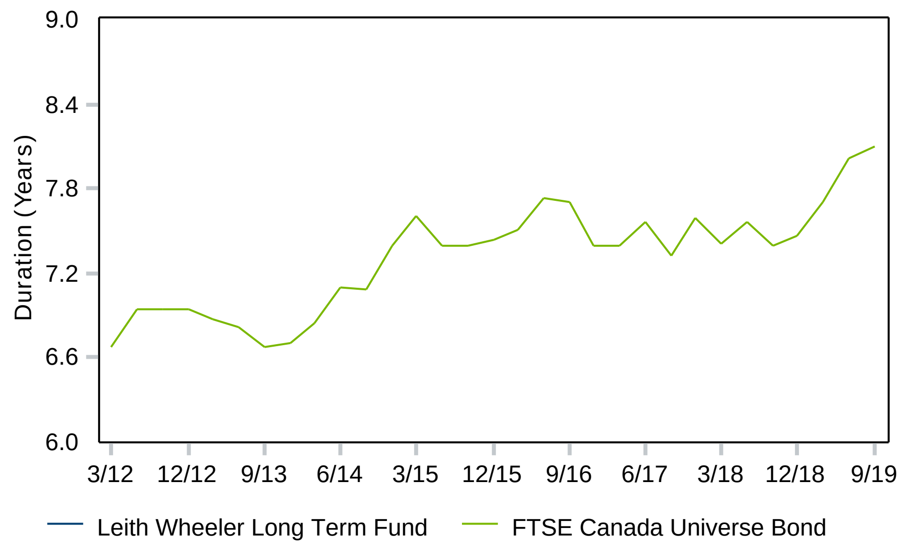
Portfolio Characteristics

	Portfolio	Benchmark
Modified Duration	8.0	8.1
Avg. Maturity	10.7	10.8
Avg. Quality	AA	AA
Yield To Maturity (%)	2.3	2.1

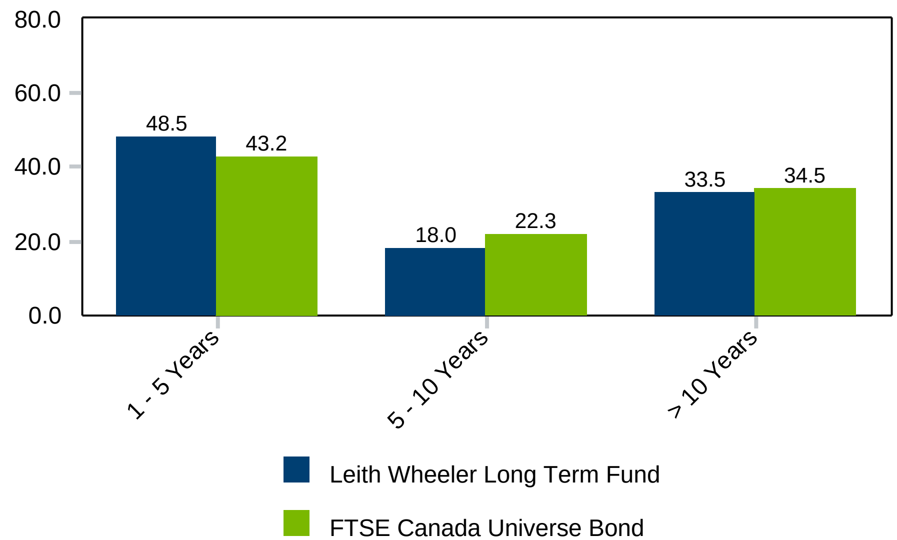
Sector Distribution (%)



Changes in Duration



Maturity Distribution (%)



Appendix A - Sub Sinking Funds Performance

Sub-Sinking Funds Performance

Trailing Period Performance

As of 30 September 2019

	Allocation		Performance (%)							
	Market Value ($000)	%	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Addenda Sinking Fund Aggregate*	494,033		1.4	-	-	-	-	-	1.4	1/07/2019
Addenda LDI Benchmark			1.4	-	-	-	-	-	1.4	
Value Added			0.0	-	-	-	-	-	0.0	
Addenda 2%	45,571		1.2	-	-	-	-	-	1.2	1/07/2019
Addenda 2.5%	30,363		3.2	-	-	-	-	-	3.2	1/07/2019
Addenda 3.5%	235,247		0.6	-	-	-	-	-	0.6	1/07/2019
Addenda 4%	110,393		3.2	-	-	-	-	-	3.2	1/07/2019
Addenda 5%	72,459		0.5	-	-	-	-	-	0.5	1/07/2019
Fiera Sinking Fund Aggregate*	506,455		2.1	-	-	-	-	-	2.1	1/07/2019
Fiera LDI Benchmark			2.1	-	-	-	-	-	2.1	
Value Added			0.0	-	-	-	-	-	0.0	
Fiera 2%	45,942		1.6	-	-	-	-	-	1.6	1/07/2019
Fiera 2.5%	30,908		3.3	-	-	-	-	-	3.3	1/07/2019
Fiera 3.5%	237,952		1.5	-	-	-	-	-	1.5	1/07/2019
Fiera 4%	118,283		3.5	-	-	-	-	-	3.5	1/07/2019
Fiera 5%	73,370		1.3	-	-	-	-	-	1.3	1/07/2019

*Addenda and Fiera are using different methodology for managing their LDI mandate. Addenda matches the interest rate exposure of the sinking funds at the sub fund levels. Fiera matches it at an overall level by aggregating the sinking fund liabilities.

Appendix B - Plan Information

Plan Information

Summary of Investment Objective

The investment policy contains specific performance objectives for the fund and the investment managers.
All investment rates of return are measured over moving four-year periods.

Returns will be calculated on a time-weighted basis, before investment fees, and compared to the benchmarks described below.

Asset Class	Benchmark	Target Weights
Global Equity	MSCI ACWI (CAD)	20.00%
Real Estate	Canadian CPI + 5%	10.00%
Fixed Income	FTSE Canada Universe Bond Index / Custom LDI Benchmark	70.00%

The table above applies to Long Term Fund and Sinking Fund. However, due to the nature of the liabilities for Sinking Fund, a custom LDI benchmark is required for assessing performance of the Investment Managers.

Empower Results®

Appendix C - Manager Update

Manager Updates

As of 30 September 2019

Addenda

Q3 2019

Business

Over the last quarter, the Addenda EAFE Equity Pooled Fund was renamed Addenda International Equity Pooled Fund.

Staff

There were no significant events.

Fiera Capital

Q3 2019

Business

Fiera Capital announced the creation of Fiera Investments, a wholly-owned subsidiary resulting from the acquisition of Natixis' Canadian Operations and Funds. The acquisition announced in May 2019 as part of a long-term strategic partnership between Fiera Capital and Natixis was completed in July 2019. In May 2019, Fiera Capital had announced that it entered into a long-term strategic partnership with Natixis Investment Managers, one of the world's largest asset managers, operating in 38 countries and with approximately $1.2 trillion in assets under management.

Fiera Capital's ownership continues to be divided between its employees (18%), the public (58%), Natixis (11%), the National Bank of Canada (7%) and the Desjardins Group (7%).

Staff

Michael Quigley joined the firm as Executive Vice President and Head of Institutional Markets. Before joining Fiera Capital, Quigley led the institutional business development team across Canada for Phillips, Hager & North.

Nessim Mansoor was promoted to Head of Canadian Large Capitalization Equities. Elena Gorbakova was promoted to Assistant Portfolio Manager and will assist in the management of the Fiera CGOV Global Equity Impact strategy.

Manager Updates

As of 30 September 2019

Connor, Clark & Lunn ("CC&L")

Q3 2019

Business

There were no significant events.

Staff

Effective September 2019, Chris Kalbfleisch, Fixed Income Director and Portfolio Manager, left the firm.

Leith Wheeler Investment Counsel Ltd. ("Leith Wheeler")

Q3 2019

Business

The firm launched the Leith Wheeler Infrastructure Fund II (Pension) Limited Partnership in the third quarter of 2019. The fund is a vehicle for qualified investors via the Brookfield Super-Core Infrastructure Partners Fund (BSIP). The fund invests primarily in the mature, cash-generating core infrastructure assets located in the OECD markets with the main focus on utility, energy, power and transportation sectors.

Staff

There were no significant events.

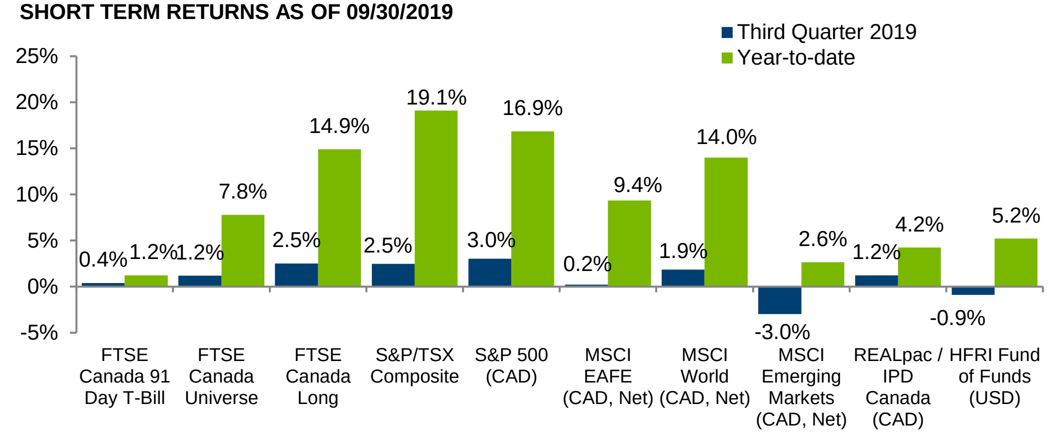
Appendix D - Capital Market Environment

Capital Markets Environment

As of 30 September 2019

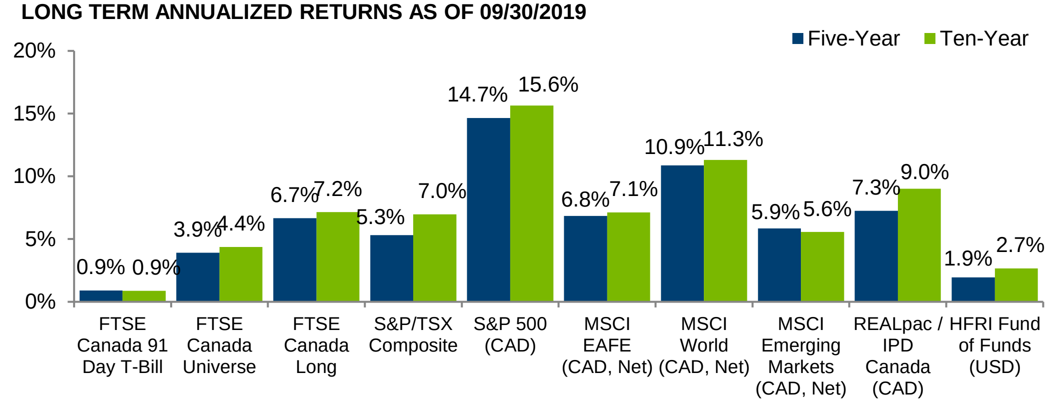
- The momentum which drove equity markets higher in the first half of the year slowed over the third quarter. Low single-digit returns were common among developed markets, as concerns over slowing global growth and trade wars ramped up significantly.
- Accommodative steps taken by central banks alongside signs of thawing U.S.-China trade relations provided a late quarter revival for risk appetite and equity markets. Global equities (MSCI World) rose by 1.9% in Q3 2019 while Canadian equities rose by 2.5%.
- While not committing to an aggressive and sustained monetary easing cycle, the U.S. Federal Reserve lowered the target Federal Funds rate twice over the quarter to 1.75%-2.00%. Meanwhile, the European Central Bank (ECB) cut its deposit rate by 10 basis points (bps) to -0.5% and announced a resumption of its bond purchasing program in November 2019.
- The Bank of Canada (BOC) kept its benchmark interest rate on hold at 1.75% over the quarter. The BOC was more hawkish than expected in its statement, reiterating its view that the Canadian economy is continuing to grow at a steady rate despite escalating trade conflicts.
- The Canadian economy grew at an annualized rate of 3.7% in the second quarter, growing at the fastest rate in two years. Following two quarters of exports contraction, the economy was boosted by a strong rebound in exports growth over the quarter. In addition, Canadian employment numbers remain robust and inflation is near the 2.0% BOC target.

SHORT TERM RETURNS AS OF 09/30/2019



Sources: S&P, MSCI, IPD, FTSE. Unless it's otherwise stated, gross CAD returns are shown in this

LONG TERM ANNUALIZED RETURNS AS OF 09/30/2019



Sources: S&P, MSCI, IPD, FTSE. Unless it's otherwise stated, gross CAD returns are shown in this report.

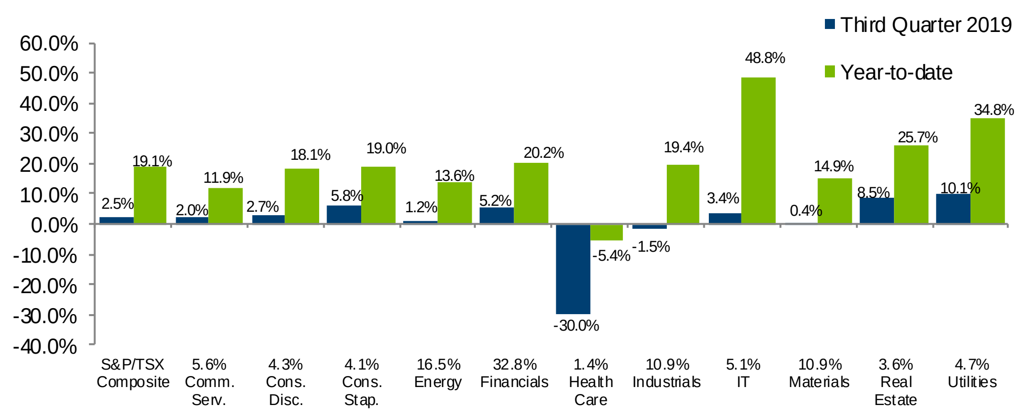
Empower Results®

Capital Markets Environment

As of 30 September 2019

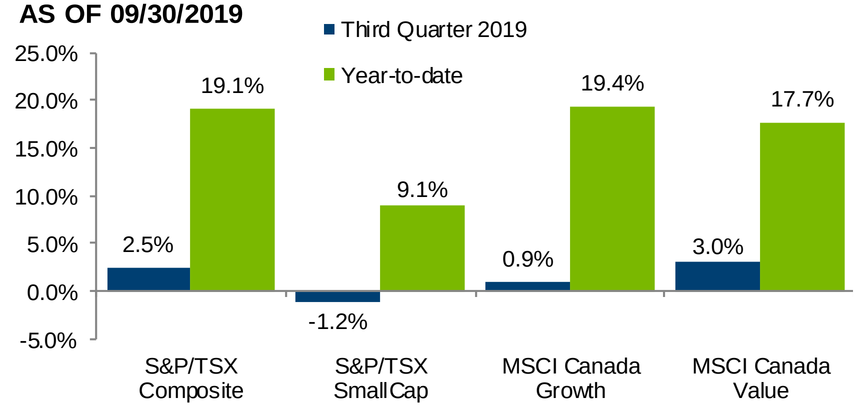
Canadian Equity Markets

S&P/TSX COMPOSITE SECTOR RETURNS (CAD) AS OF 09/30/2019



Source: S&P

CANADIAN EQUITY STYLE/SIZE RETURNS (CAD) AS OF 09/30/2019



Source: S&P, MSCI

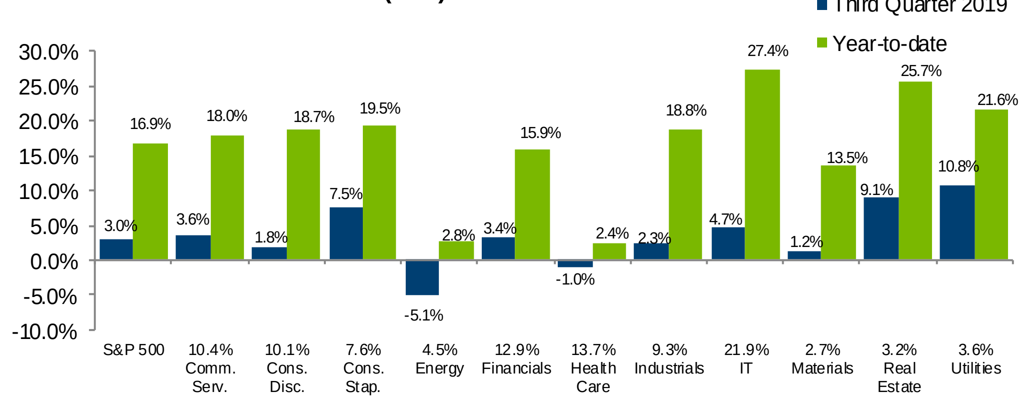
- The S&P/TSX Composite Index rose by 2.5% over the quarter. On a year-to-date basis, Canadian equities rose by 19.1%, outperforming other major developed equity markets in Canadian Dollar (CAD) terms. The Index reached an all-time high in September, helped by strong performance of its sizeable financial sector. Financials were boosted by generally encouraging earnings reports of large Canadian banks, as well as signs of a stabilizing housing market.
- All sectors, except Health Care and Industrials, posted positive returns over the quarter. Utilities (+10.1%) and Real Estate (+8.5%) were the best performing sectors over the quarter while Health Care and Industrials were the worst performing sectors, falling by 30.0% and 1.5% respectively.
- In Q3 2019, Canadian Value stocks rose by 3.0%, outperforming Growth stocks, which rose by 0.9%.
- Large cap stocks (+2.5%) outperformed small cap stocks (-1.2%) in Q3 2019.

Capital Markets Environment

As of 30 September 2019

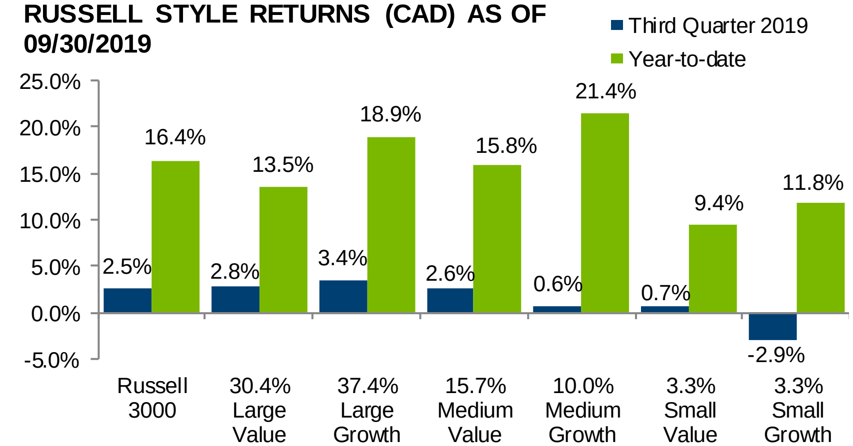
U.S. Equity Markets

S&P 500 GICS SECTOR RETURNS (CAD) AS OF 09/30/2019



Source: S&P

RUSSELL STYLE RETURNS (CAD) AS OF 09/30/2019



Source: Russell Indexes

- With expectations of corporate earnings turning lower, the positive return for U.S. equities was driven by an expansion in valuation multiples. U.S. stocks broadly outperformed their international peers with particularly strong outperformance coming from the Financials sector. In general, less economically-sensitive sectors outperformed which is not surprising given the deteriorating global economic outlook.
- The Russell 3000 Index rose by 2.5% during the third quarter and 16.4% on a year-to-date basis. Meanwhile, the S&P 500 rose by 1.7% in USD terms, while the Canadian dollar's depreciation relative to the U.S. dollar pushed returns up to 3.0%.
- All sectors (except Energy and Health Care) posted positive returns over the quarter in CAD terms. The Utilities (+10.8%) and Real Estate (+9.1%) sectors were the best performers over the quarter, while the two declining sectors, Energy and Health Care, returned -5.1% and -1.0% respectively.
- Performance was mixed across the market capitalization spectrum over the quarter. In general, small cap stocks underperformed both large and medium cap stocks over the quarter. Growth stocks generally underperformed their Value counterparts in Q3 2019. However, on a year-to-date basis, Growth stocks have outperformed Value stocks.

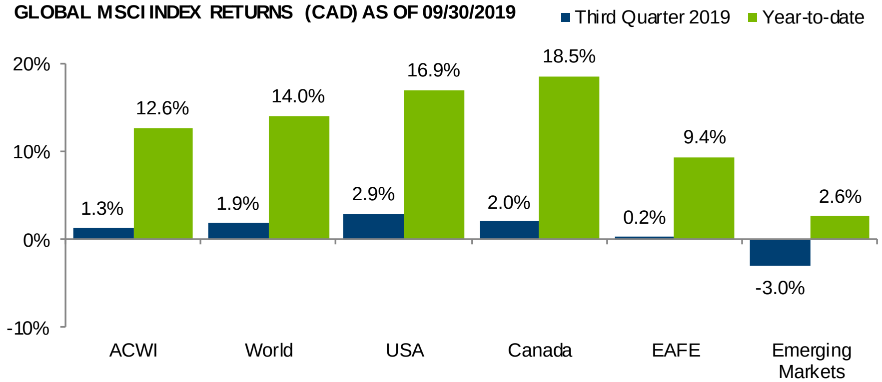
Empower Results®

Capital Markets Environment

As of 30 September 2019

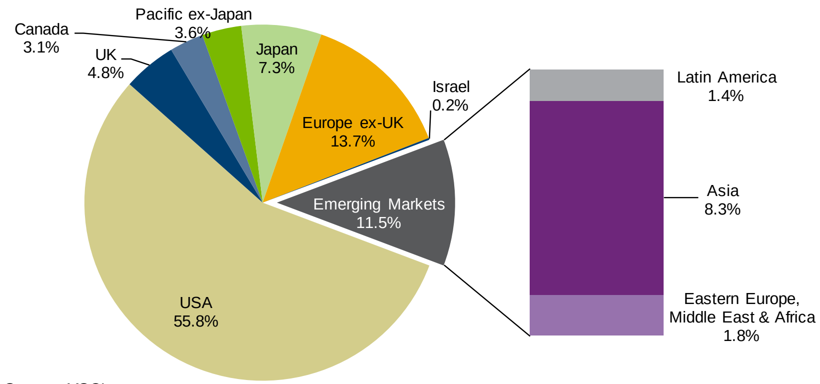
Global Equity Markets

GLOBAL MSCI INDEX RETURNS (CAD) AS OF 09/30/2019



Source: MSCI. Gross returns shown for the MSCI Canada and USA indices, whilst net returns are shown for the other indices.

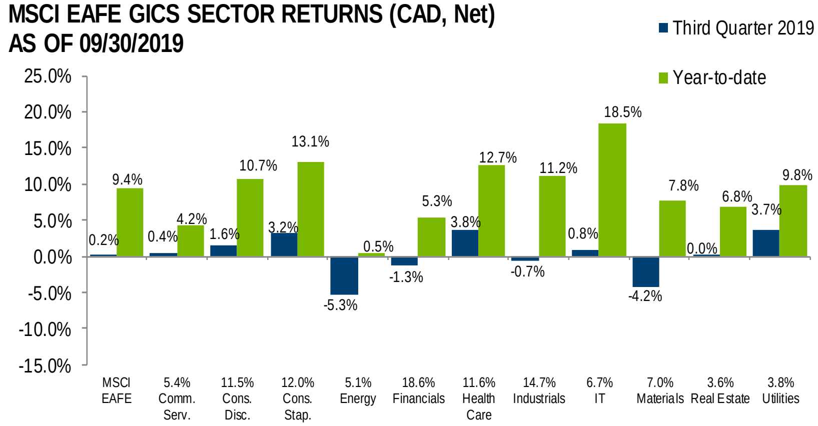
MSCI ALL COUNTRY WORLD INDEX GEOGRAPHIC ALLOCATION AS OF 09/30/2019



Source: MSCI

- MSCI ACWI rose by 1.3% in Canadian dollar terms over the quarter.
- EAFE equities rose by 1.8% in local currency terms over the quarter. UK equities edged higher (+0.7%), as the market trended sideways as Brexit uncertainty continued. Eurozone equities rose by 2.5%, supported by a new round of monetary stimulus from the ECB. However, economic data continues to be lackluster with the Eurozone Manufacturing PMI falling to its lowest level in nearly seven years. Japanese stocks were the strongest performers (+3.5%) as better than expected economic releases helped fuel positive returns of more cyclical stocks.
- Emerging Markets (EM) equities fell by 2.1% in local currency terms. Chinese equities were the main driver of EM losses as a new round of tariffs in the U.S.-China trade war and signs of slowing growth weighed on returns. Appreciation of the Canadian dollar dragged down returns in CAD terms to -3.0%.

MSCI EAFE GICS SECTOR RETURNS (CAD, Net) AS OF 09/30/2019



Source: MSCI

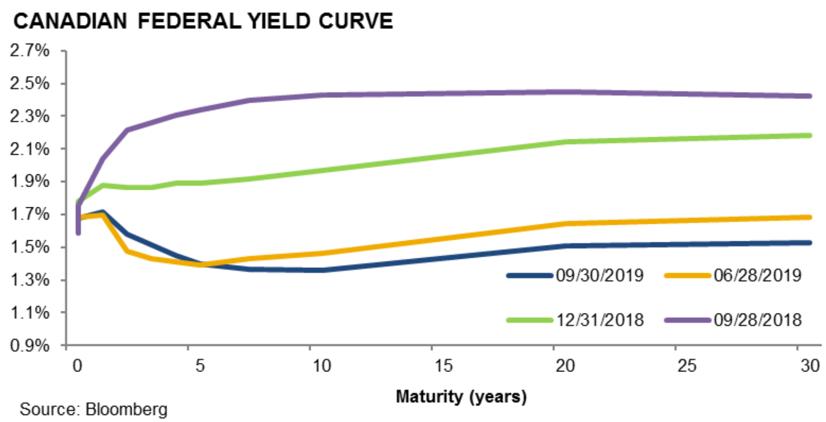
- Within the MSCI EAFE Index, Health Care (+3.8%) and Utilities (+3.7%) were the best performers while Energy and Materials sectors underperformed, returning -5.3% and -4.2%, respectively.

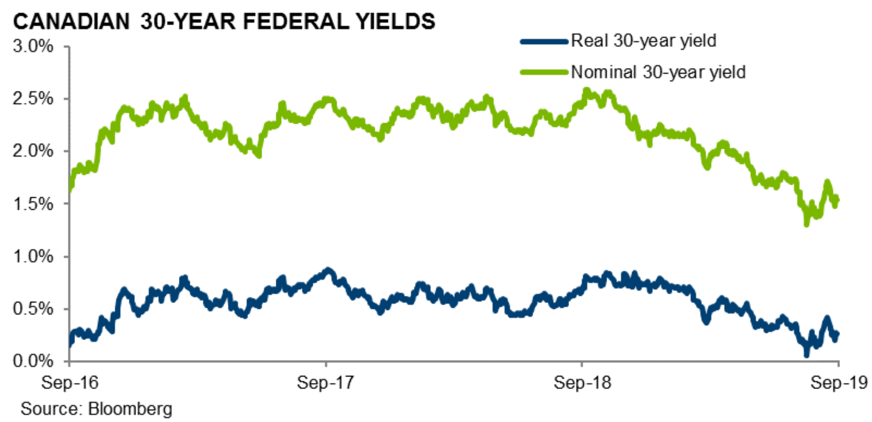
Empower Results®

Capital Markets Environment

As of 30 September 2019

Canada Fixed Income Markets





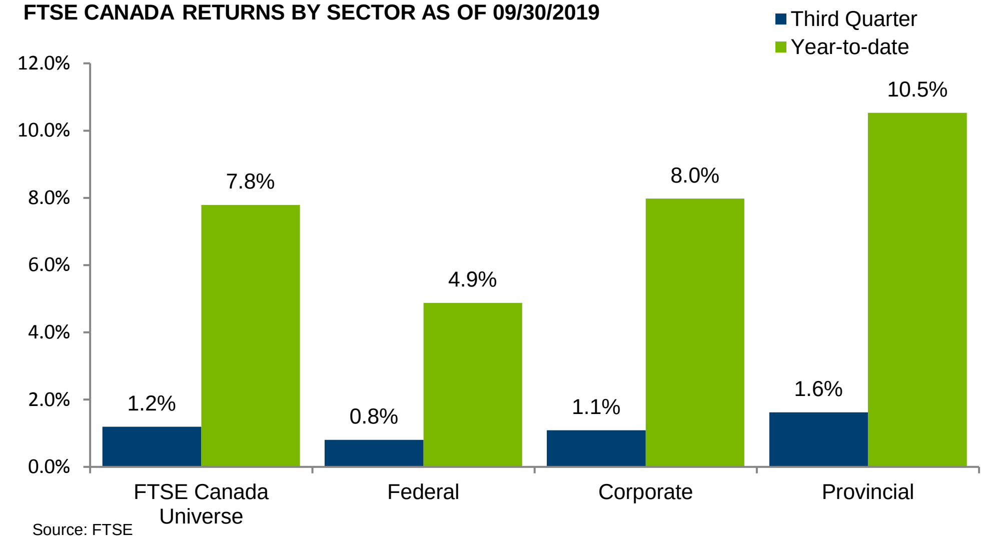
- The Canadian yield curve became more inverted over the quarter, as yields fell sharply at longer maturities while rising at the shorter end of the curve.
- Long maturity Canadian yields tracked the downward movements of major developed market bond yields over the quarter. Heightened global growth concerns and expectations of further monetary easing drove 10-year yields in the US and the Eurozone to record lows over the quarter.
- Meanwhile, short-dated Canadian yields rebounded on reducing expectations of a rate cut following a more hawkish than expected statement at the September Bank of Canada meeting.
- In Canada, the 30-year nominal yield fell by 16 bps to 1.53% and the 30-year real yield fell by 6 bps to 0.26%.

Empower Results®

Capital Markets Environment

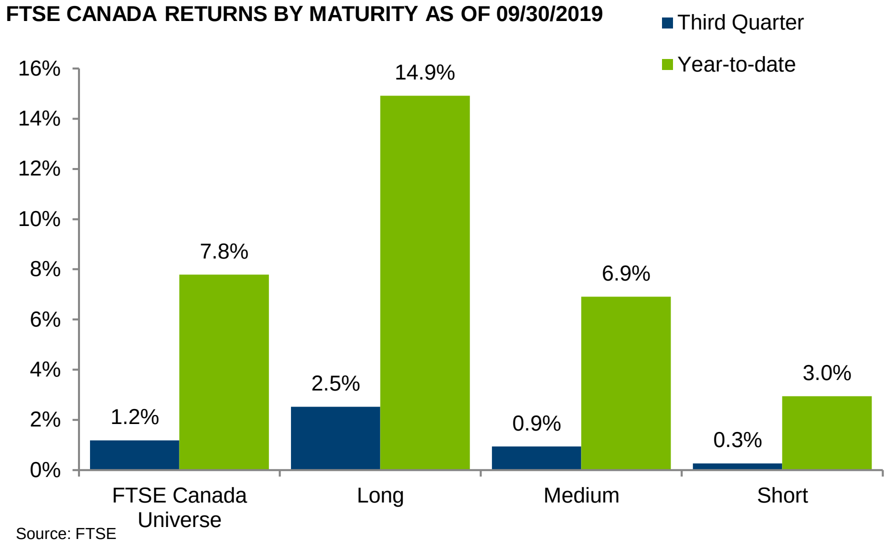
As of 30 September 2019

FTSE CANADA RETURNS BY SECTOR AS OF 09/30/2019



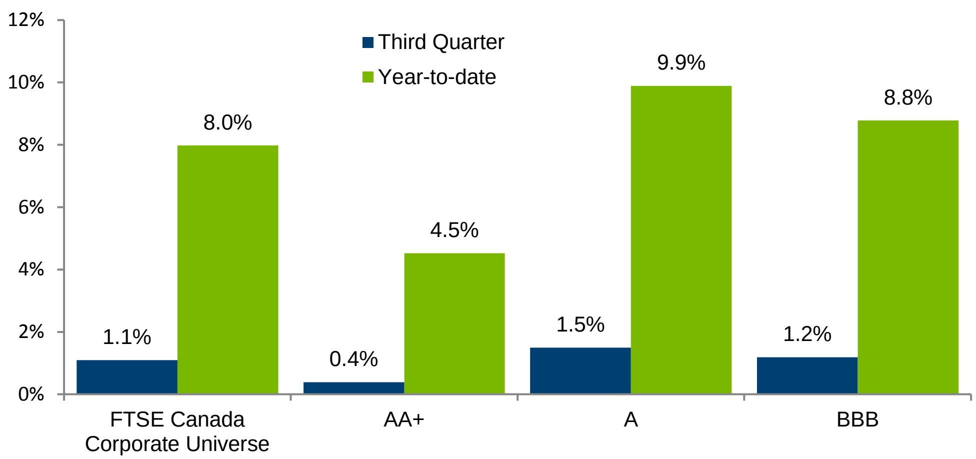
Source: FTSE

FTSE CANADA RETURNS BY MATURITY AS OF 09/30/2019



Source: FTSE

FTSE CANADA RETURNS BY CREDIT QUALITY AS OF 09/30/2019



Source: FTSE

- Canadian bond market performance was positive over the quarter. Canadian Provincial bonds outperformed both Federal and Corporate issues.
- In the investment grade corporate market, returns were generally positive across all credit quality grades. 'A' grade bond returns outperformed both 'AA' grade and 'BBB' grade bonds over the quarter.
- Long maturity bonds outperformed both Medium and Short maturity bonds over the quarter.

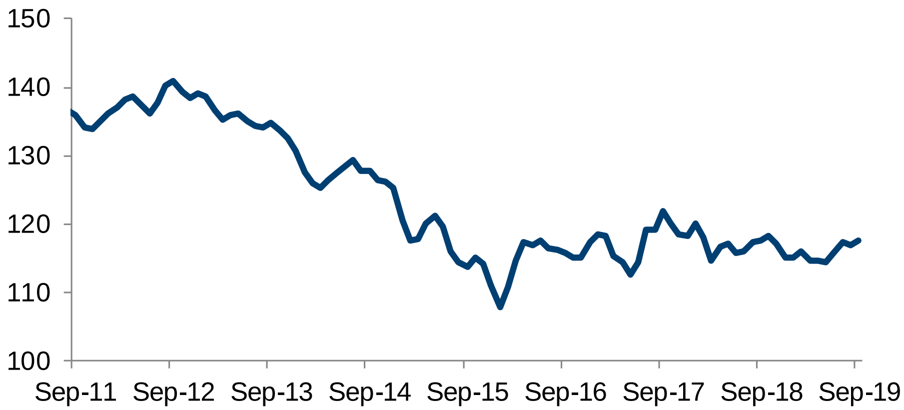
Empower Results®

Capital Markets Environment

As of 30 September 2019

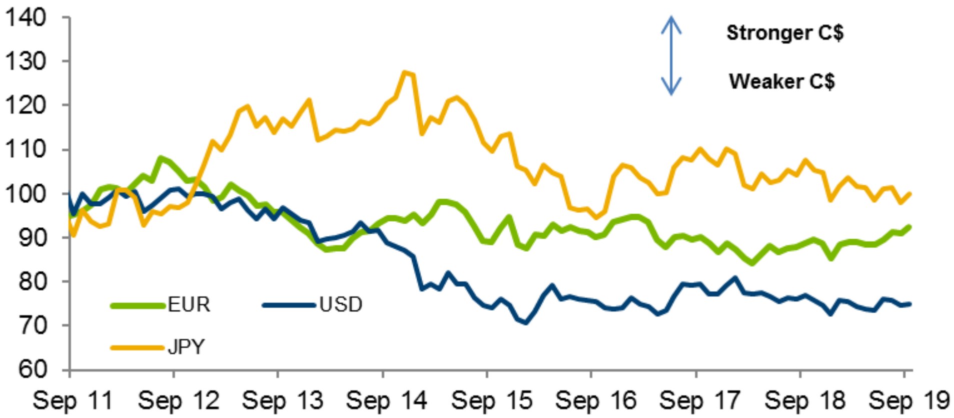
Currency

TRADE WEIGHTED CANADIAN DOLLAR INDEX (1999 = 100)



Source: Bank of Canada

CANADIAN DOLLAR RELATIVE TO EUR, USD AND JPY REBASED TO 100 AT 31/12/2010



Source: Factset

- As measured by the broad trade-weighted Canadian dollar (CAD) index, the CAD appreciated by 1.5% over the quarter. The CAD had mixed performance against major currencies in Q3 2019. It appreciated against the euro but depreciated against the U.S. dollar and Japanese yen.
- As measured by the U.S. dollar index (DXY), the U.S. dollar strengthened against major currencies in Q3 2019, rising by 3.4% on a trade-weighted basis over the quarter and appreciated by 1.3% against the CAD over the quarter.
- The euro weakened by 1.1% on a trade-weighted basis, dragged down by poor economic data releases and further monetary easing measures by the European Central Bank. The euro fell by 3.1% against the CAD.
- The yen appreciated by 1.0% against the CAD.

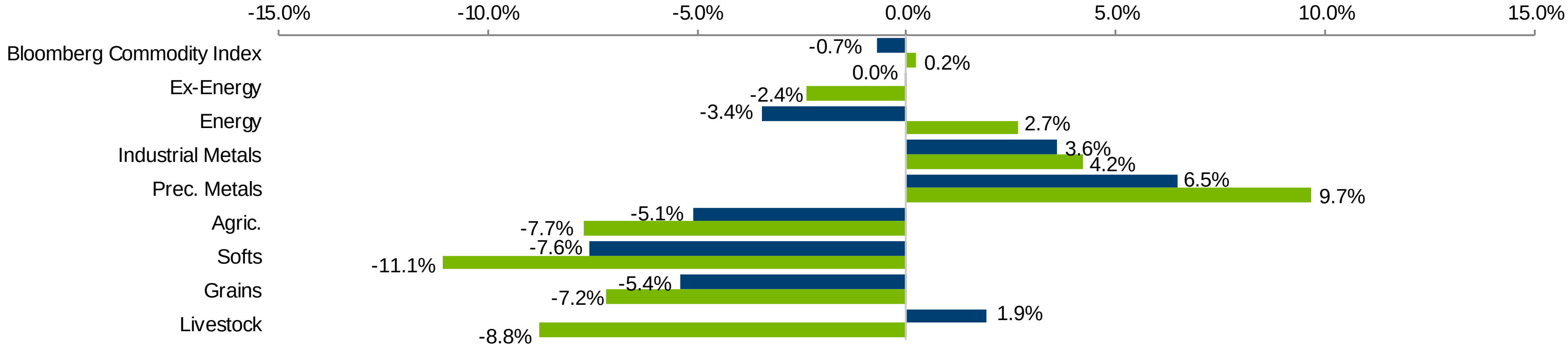
Empower Results®

Capital Markets Environment

As of 30 September 2019

Commodities

COMMODITY RETURNS (CAD) AS OF 09/30/2019



Source: Bloomberg
Note: Softs and Grains are part of the wider Agriculture sector

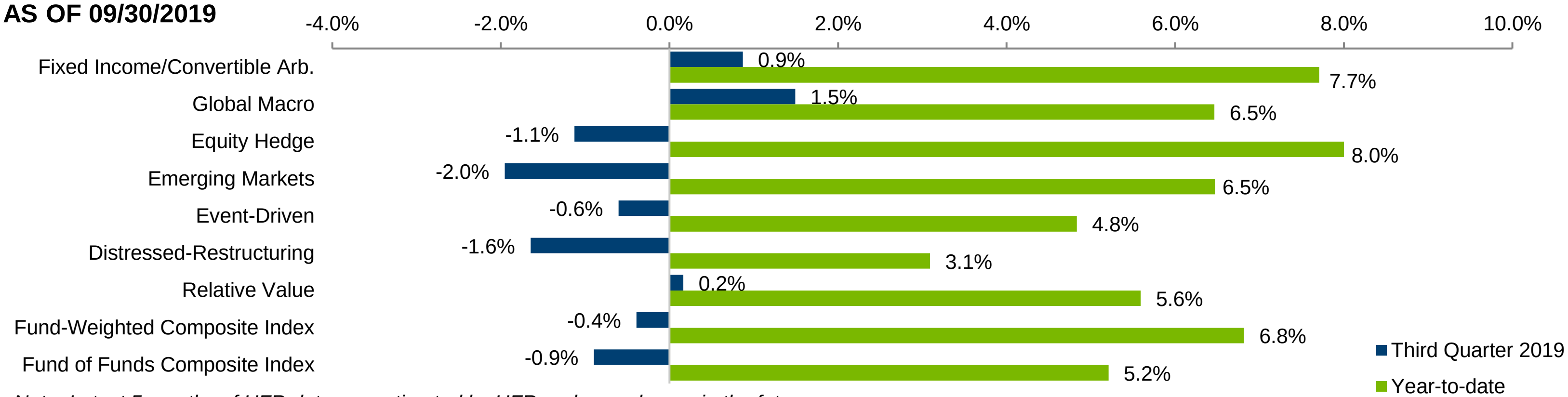
- The Bloomberg Commodity Index fell by 0.7% over the quarter.
- Oil prices ended the quarter lower despite supply shocks, such as the drone attacks on Saudi Arabian oil infrastructure that shut down nearly half of the Kingdom's oil production, which caused a brief spike in crude oil prices mid-September. Weakening demand amidst a worsening global economic outlook and deteriorating manufacturing activities worldwide drove oil prices downwards. The price of Brent crude oil fell by 8.7% to US$61/bbl and the price of WTI crude oil fell by 7.5% to US$54/bbl. The Energy sector delivered an overall return of -3.4%.
- Precious Metals was the best performing sector over the quarter with a return of +6.5%.
- Agriculture (-5.1%) was the worst performing sector in Q3 2019. Within the Agriculture sector, Softs fell by 7.6% while Grains fell by 5.4%.

Capital Markets Environment

As of 30 September 2019

Hedge Fund Markets Overview

HEDGE FUND PERFORMANCE (USD)
AS OF 09/30/2019



Note: Latest 5 months of HFR data are estimated by HFR and may change in the future.
Source: HFR

- Hedge fund performance was mixed across all strategies in the third quarter.
- Over the quarter, Global Macro and Fixed Income/Convertible Arbitrage strategies were the best performers with returns of 1.5% and 0.9% respectively. Conversely, Emerging Markets and Distressed-Restructuring were the worst performers, returning -2.0% and -1.6% respectively.
- HFRI Fund-Weighted Composite Index and the HFRI Fund of Funds Composite Index produced returns of -0.4% and -0.9% respectively.

Appendix E - Description Of Market Indecis & Statistics

Index Definitions

As of 30 September 2019

S&P/TSX Composite

S&P/TSX Composite Index comprises approximately 71 percent of market capitalization for Canadian-based, Toronto Stock Exchange listed companies. It is calculated on a float market capitalization and is the broadest Canadian equity index available. The index also serves as the premier benchmark for Canadian pension funds and mutual market funds.

S&P 500

Standard and Poor's 500 Composite Stock Index consists of 500 large companies in the United States chosen for market size, liquidity and industry group representation. It is a market-value weighted index, with each stock's weight in the index proportionate to its market value. For the purposes of this report, the S&P 500 Index returns are converted from U.S. dollars into Canadian dollars, and therefore reflect currency gains or losses.

MSCI EAFE

The MSCI Europe, Australasia and Far East (EAFE) Index is a widely recognized benchmark of non-North American stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 21 European and Pacific Basin Countries and includes reinvestment of all dividends. This index aims to capture 85% of the free float adjusted market capitalization in each industry group in each country.

MSCI World

MSCI World Index consists of more than 1,600 stocks in 23 of the world's largest industrialized countries globally and represents approximately 85% of the total market capitalization in those countries. The index is computed on a float-based capitalization.

FTSE Canada Universe Bond

The FTSE Canada Universe Bond Index covers all marketable Canadian bonds with term to maturity of more than one year. The Index contains approximately one thousand marketable Canadian bonds with an average term of approximately 10.5 years and an average duration of approximately 7.5 years. The purpose of the Index is to reflect the performance of the broad "Canadian Bond Market" in a similar manner to the S&P/TSX Capped Composite Index in the Canadian Equity Market.

FTSE Canada Long Term Overall Bond

The FTSE Canada Long Term Overall Bond Index is a capitalization-weighted index containing bonds with a term to maturity of greater than 10 years. It includes approximately 300 marketable Canadian bonds. The average term is approximately 23 years and the average duration is approximately 15 years.

FTSE Canada Real Return Bond

The FTSE Canada Real Return Bond Index measures the daily performance of Canadian real return bonds. It currently contains the outstanding real return bonds in the market.

CPI

Consumer Price Index is used to gauge Canada's inflation rate. The series used is the all items, not seasonally adjusted, 2002 base, widely known as the headline inflation.

Statistic Definitions

As of 30 September 2019

Active Return

Arithmetic difference between the portfolio return and the benchmark return over a specified time period.

Active Weight

The difference between the portfolio weight and the benchmark weight, where the weight is based on the beginning of period weights for the sector/region/asset class for a certain periodicity (monthly or quarterly, depending upon the reporting frequency), adjusted by the relative return for the sector/region/asset class.

Annualized Value Added

A portfolio's excess return over a benchmark, annualized as it is recorded.

Asset Allocation

The value added or subtracted by under or over weighting sectors/regions/asset classes versus the benchmark weights. Asset allocation measures the impact on performance attributed only to the sector/region/asset class weighting decisions by the manager. It assumes that the manager holds the same securities in each sector/region/asset class and in the same proportion as in the benchmark. Any differences in return can be attributed to differences in sector weights between the manager's fund and the benchmark.

Batting Average

The frequency, expressed in percentage terms, of the portfolio's return equaling or exceeding the benchmark's return.

Beta

A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.

Correlation

Also called coefficient of correlation, it is a measure of the co-movements of two sets of returns. Indicates the degree in which two sets of returns move in tandem.

Cumulative Added Value

The geometrically linked excess return of a portfolio over a benchmark.

Down Market Capture

The portfolio's average return as a percentage of the benchmark return, during periods of negative benchmark return. Lower values indicate better portfolio performance.

Downside Risk

A measure similar to standard deviation, but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the portfolio.

Statistic Definitions

As of 30 September 2019

Duration

A measure of a bond portfolio's sensitivity to movements in interest rates.

EPS

Earnings Per Share

Excess Return

Arithmetic difference between the managers return and the risk-free return over a specified time period.

Excess Risk

A measure of the standard deviation of a portfolio's performance relative to the risk free return.

Information Ratio

Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.

Return

Compounded rate of return for the period.

R-Squared

The percentage of a portfolio's performance explained by the behaviour of the appropriate benchmark. High R-Square means a higher correlation of the portfolio's performance to the appropriate benchmark.

Security Selection

The value added or subtracted by holding securities at weights which differ from those in the benchmark, including securities not in the benchmark or a zero weight. The security selection return assumes the manager weights for each sector/region/asset class in the portfolio are in the same proportion as in the overall benchmark, and excess returns are due to security selection. That is, differences in returns between the manager's fund and the benchmark are attributed to the securities the manager has chosen.

Sharpe Ratio

Represents the excess rate of return over the risk free return divided by the standard deviation of the return. The result is the absolute rate of return per unit of risk. The higher the value, the better the portfolio’s historical risk-adjusted performance.

Simple Alpha

The difference between the portfolio's return and the benchmark's return.

Statistic Definitions

As of 30 September 2019

Sortino Ratio

Represents the excess return over the risk-free rate divided by the downside deviation (i.e. the standard deviation of negative asset returns). Therefore, the Sortino Ratio differentiates harmful volatility from general volatility. A large Sortino Ratio indicates there is a low probability of a large loss.

Standard Deviation

A statistical measure of the range of a portfolio's performance, the variability of a return around its average return over a specified time period.

Tracking Error

A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate benchmark.

Treynor Ratio

Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Represents the excess rate of return over the risk free rate divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better the portfolio’s historical risk-adjusted performance.

Up Market Capture

The portfolio's average return as a percentage of the benchmark return, during periods of positive benchmark return. Higher values indicate better portfolio performance.

Appendix F - Disclosure

Statement of Disclosure

As of 30 September 2019

Aon Hewitt Inc. reconciles the rates of return with each investment manager quarterly. Aon Hewitt Inc. calculates returns from the custodian/trustee statements while the managers use different data sources. Occasionally discrepancies occur because of differences in computational procedures, security prices, "trade date" versus "settlement date" accounting, etc. We monitor these discrepancies closely and find that they generally do not tend to persist over time. However, if a material discrepancy arises or persists, we will bring the matter to your attention after discussion with your money manager.

This report may contain slight discrepancies due to rounding in some of the calculations. All data presented is in Canadian dollars unless otherwise stated.

Empower Results®