TORONTO

REPORT FOR ACTION

Real Assets Update

Date: November 17, 2020
To: Toronto Investment Board
From: Director, Capital Markets
Wards: All

SUMMARY

The purpose of this report is to update the Toronto Investment Board ("Board") on the progress to date regarding the search for external investment managers and current market conditions in the Real Assets category.

RECOMMENDATIONS

Director, Capital Markets recommends that:

1. The Toronto Investment Board receive this report for information.

FINANCIAL IMPACT

There are no financial impacts on the City's operating or capital budgets as a result of this report.

DECISION HISTORY

At its meeting on October 7, 2020, the Toronto Investment Board received a report entitled "Real Assets Update" which provided an update to the Board on the progress regarding the search for external investment managers for the Real Estate portion of the Real Assets category.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.IB9.4

At its meeting on July 8, 2020, the Toronto Investment Board received a report entitled "Real Assets Update" which provided an update to the Board on the progress regarding the search for external investment managers for the Real Estate portion of the Real Assets category.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.IB7.5

At its meeting on December 4, 2019, the Toronto Investment Board received a memorandum from the investment consultant entitled "Real Assets Roadmap" which outlined the rationale to consider Real Estate and Infrastructure investments in both core and open-ended funds with a North American/Global focus. The Board also adopted a report which recommended the Investment Policy be amended to change the geographical scope of the both Real Estate and Infrastructure sub-categories to North American/Global Core (from Canadian Core and Global Core respectively).
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.IB5.6

At its meeting on November 13, 2018, the Toronto Investment Board requested the Executive Director, Corporate Finance and the Investment Consultant, Aon Hewitt take the necessary steps to implement City Council's Investment Policy in regards to Real Assets.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.IB8.3

At its meeting on September 6, 2018, the Toronto Investment Board directed staff to invest the 10 percent of the overall portfolio allocated to Real Assets in other liquid asset categories in order to maintain future flexibility to invest in Real Assets, provided the guidelines of the Council-approved Investment Policy are maintained.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.IB7.5

At its meeting held April 5, 2018, the Toronto Investment Board approved their Investment Plan which included the asset categories and transition plan to several investment managers.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.IB4.5

COMMENTS

The Board is approaching this asset class with caution and will continue to monitor developments in the overall market for a period of time before committing funds.

The review and evaluation of investment managers for this asset class is temporarily been put on hold until further market and industry information can be collected and reviewed. The investment consultant to the Board (Aon) provides further information in Attachment 1.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1 - Townsend View of the World 2020 - Accelerating Trends in Real Estate October 2020