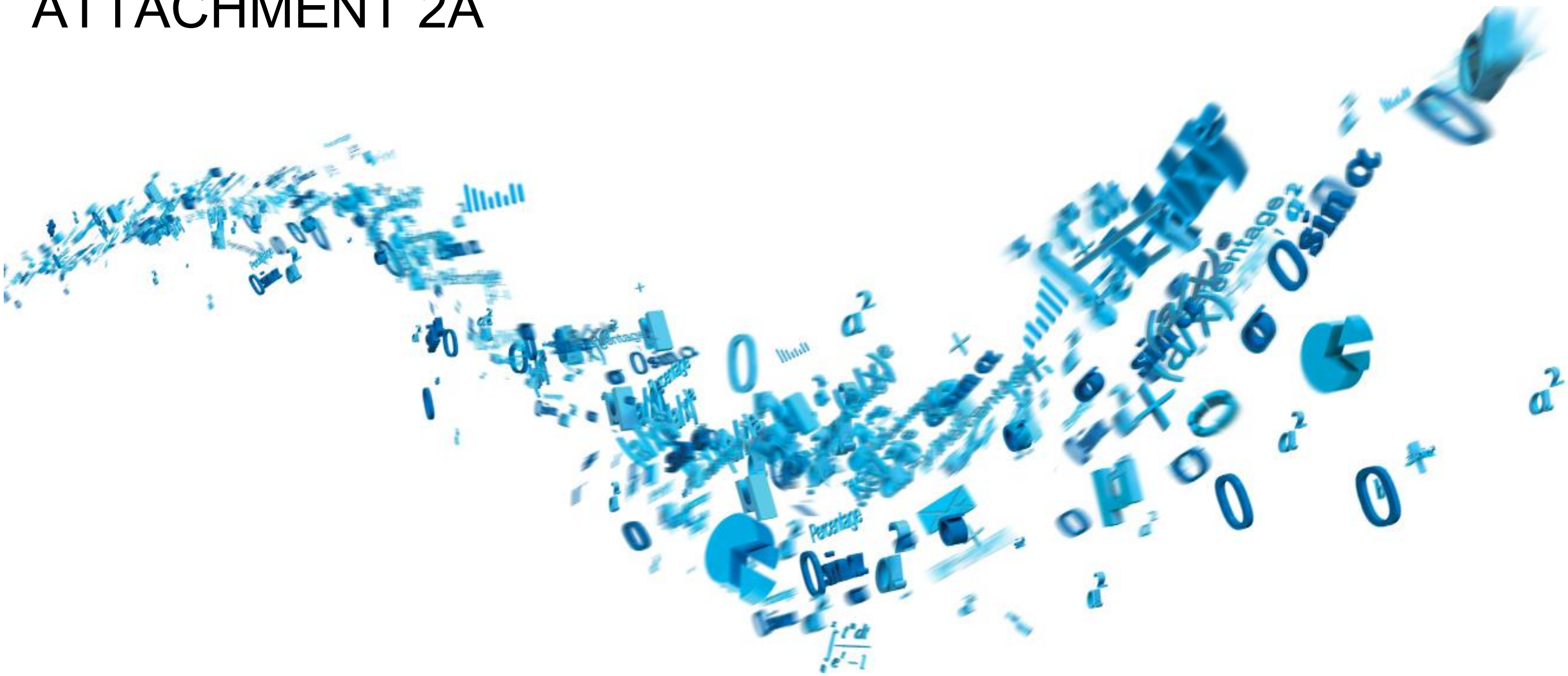
ATTACHMENT 2A



Toronto Investment Board - Discussion Guide

Q1 2021

Prepared by Aon

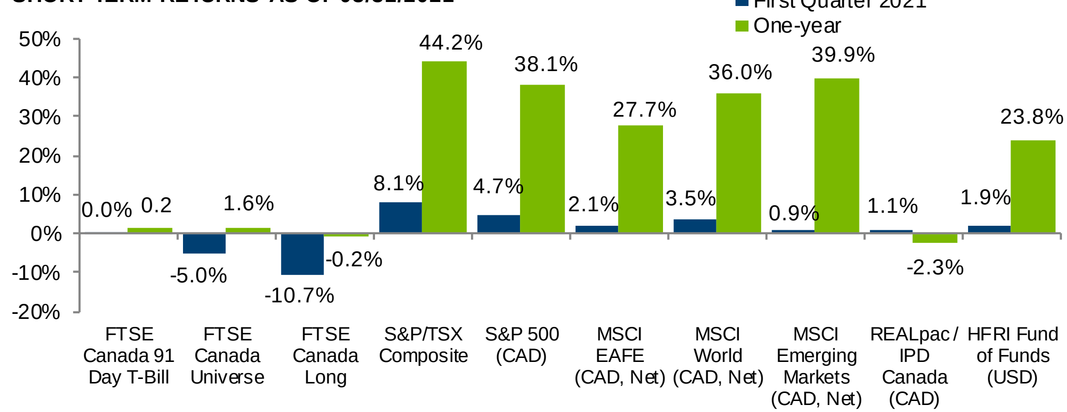
Empower Results®

Table of Contents

Capital Markets Overview

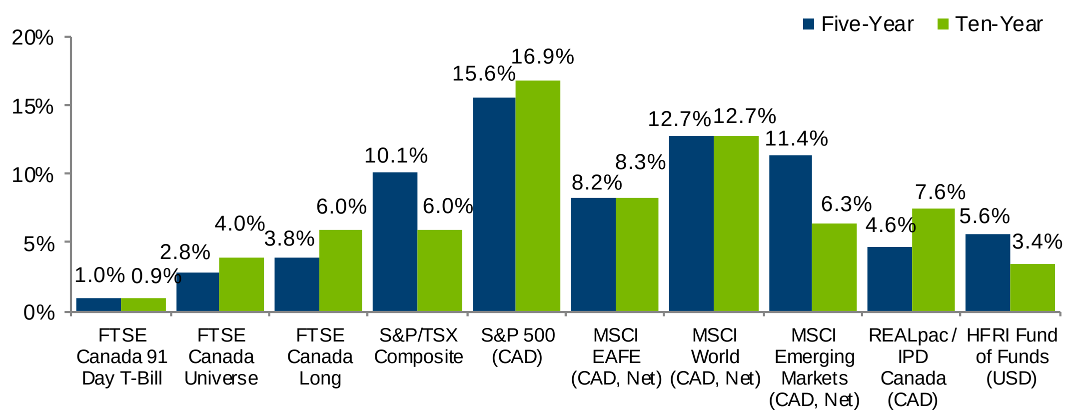
- Global equities ended the quarter higher, backed by further stimulus and positive vaccine developments. The MSCI World Index rose by 6.1% in local currency terms over Q1, but the gains were limited to 3.5% in Canadian dollar (CAD) terms. Canadian equities rose by 8.1%.
- The Bank of Canada (BoC) kept its policy rate unchanged at the effective lower bound of 0.25% and pledged to keep it near zero until 2023. The BoC has cited that there are no plans to change the benchmark interest rate until inflation is expected to persistently stay at or above 2%.
- The Canadian economy grew at an annualized rate of 9.6% in Q4 2020, exceeding the consensus estimate of 7.5%.
- The US Federal Reserve signaled that it would keep interest rates near zero until at least 2024 while upgrading its 2021 growth forecast to 6.5% from 4.2%.
- The European Central Bank (ECB) pledged to speed up its bond-buying program under its €1.9 trillion pandemic emergency purchase program (PEPP) citing rising concerns over the surge in eurozone bond yields. The ECB also raised the eurozone growth forecast for 2021 to 4.0% from 3.9%.
- The Bank of England kept its overnight interest rate unchanged at a historic low of 0.1% and downgraded its growth forecasts for 2021 to 5% from 7.25%. The Monetary Policy Committee also expects the economy to contract by 4% in Q1 2021 but recover rapidly in the second half of the year.

SHORT TERM RETURNS AS OF 03/31/2021



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

LONG TERM ANNUALIZED RETURNS AS OF 03/31/2021



Sources: S&P, MSCI, IPD, FTSE

Executive Summary – Sinking Fund and Long-Term Fund

	Performance (%)			Market Value ($000s)	Estimated Annual Fee (bps.)	Performance Objective Met	Action Required
	Quarter	1 Year	5 Year				
Sinking Fund Return	-5.9	5.9	-	1,818,632	13.2	n/a	No
Benchmark Return [1]	-5.5	5.9	-				
Total Fund Value Added	-0.4	0.0	-				
Long Term Fund Return	-2.8	8.8	-	3,165,398 [2]	14.2	n/a	No
Benchmark Return [1]	-2.6	8.6	-				
Value Added	-0.2	0.2	-				

Events

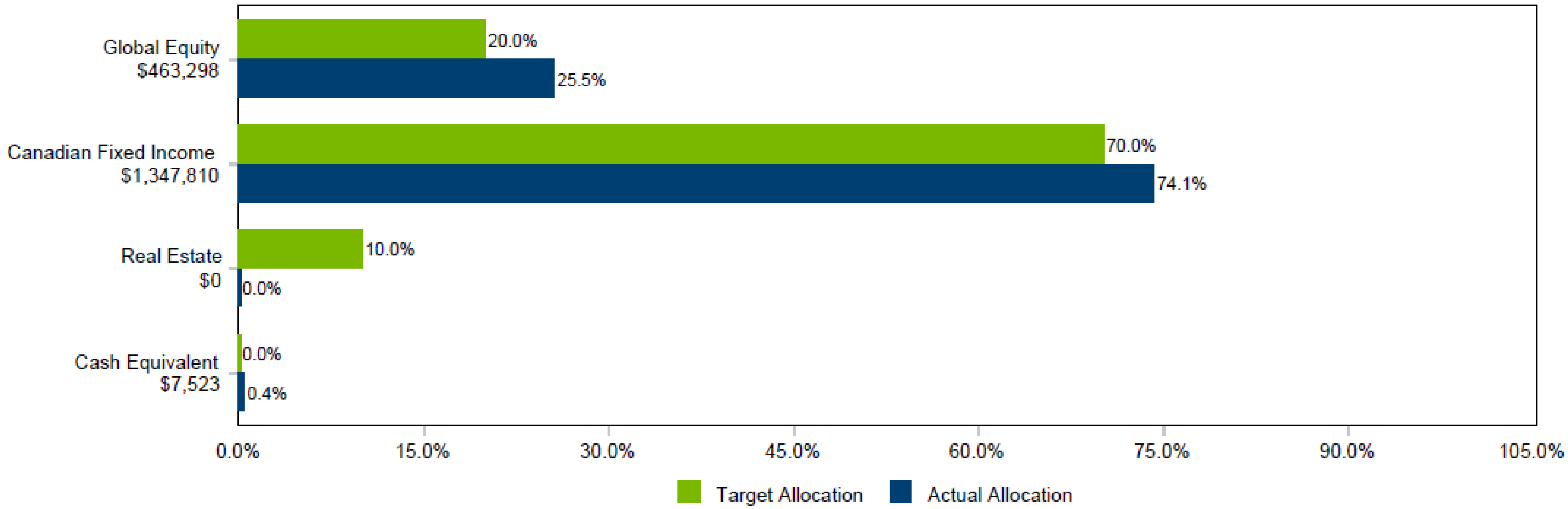
- LGIM Multi-Factor Global Equity fund (LGIM) was added to the Long-Term Fund on December 14, 2020 with investment of $376 million. LGIM was also added to the Sinking Fund on January 6, 2021 with investment of $210 million.

Recommendations

- Continue to monitor updates provided by Aon on real estate asset class and consider implementing a real estate strategy to complete the target asset allocation for both Sinking Fund and Long Term Fund.

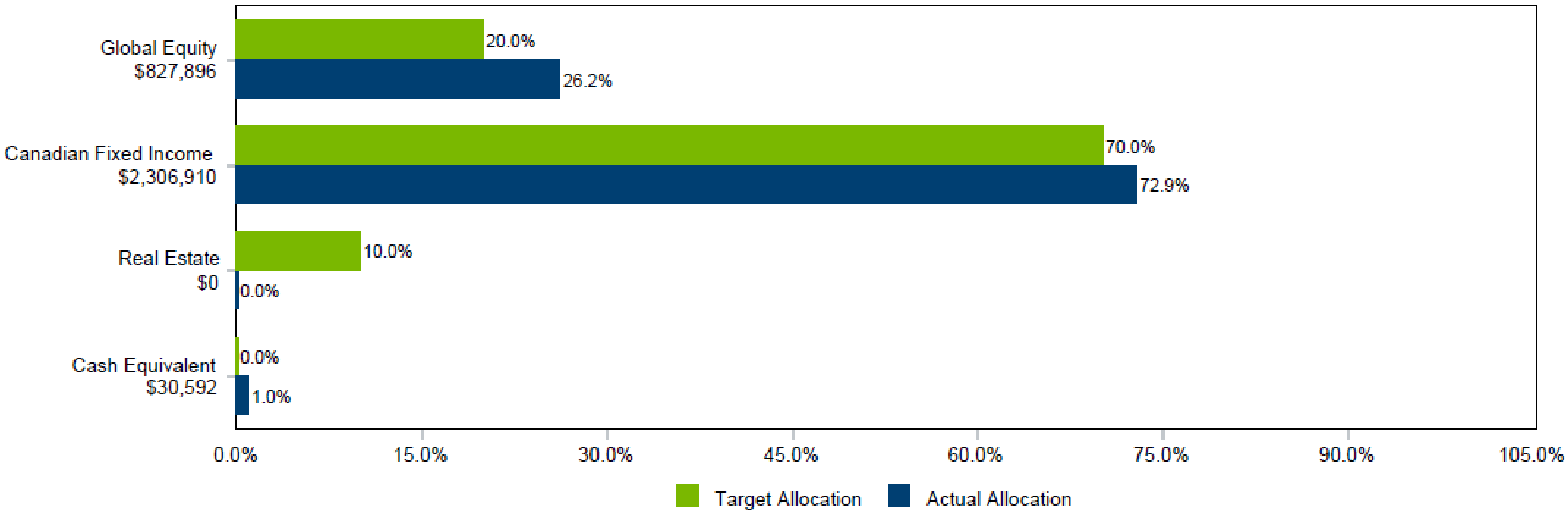
[1]The benchmark return is calculated based on the weighted average return of the target asset mix of respective Sinking and Long-Term Fund as specified in the SIPP. The plan is currently transitioning towards the target asset mix and is not fully allocated as per the target asset mix specified in the SIPP.
[2]Market Value of Long-Term Fund excludes inactive accounts with Leith Wheeler and CC&L for the fixed income component

Asset Mix Compliance – Sinking Fund



	Market Value ($000)	Market Value (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)	Within Range
Global Equity	463,298	25.5	20.0	5.5	0.0	30.0	Yes
Canadian Fixed Income	1,347,810	74.1	70.0	4.1	50.0	100.0	Yes
Real Estate	-	0.0	10.0	-10.0	0.0	10.0	Yes
Cash Equivalent	7,523	0.4	0.0	0.4	0.0	5.0	Yes
Total Fund	**1,818,632**	**100.0**	**100.0**	**0.0**			

Asset Mix Compliance – Long Term Fund



	Market Value ($000)	Market Value (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)	Within Range
Global Equity	827,896	26.2	20.0	6.2	0.0	30.0	Yes
Canadian Fixed Income	2,306,910	72.9	70.0	2.9	50.0	100.0	Yes
Real Estate	-	0.0	10.0	-10.0	0.0	10.0	Yes
Cash Equivalent	30,592	1.0	0.0	1.0	0.0	5.0	Yes
Total Fund	**3,165,398**	**100.0**	**100.0**	**0.0**			

Strategy Performance

Strategy	Rating	Value Added (%) Quarter	Value Added (%) SI*	Objective Met	Above Median 5 Year	Action Required
Addenda LDI	**Buy**	0.2	-0.6	n/a	n/a	No
Fiera LDI	**Buy**	0.3	0.0	n/a	n/a	No
CC&L Core Fixed Income	**Buy**	0.2	0.9	n/a	n/a	No
Leith Wheeler Core Fixed Income	**Buy**	0.1	0.3	n/a	n/a	No
Pier 21 Global Equity	**Buy**	-2.4	3.0	n/a	n/a	No
Oakmark Global Equity	**Buy**	6.3	-2.4	n/a	n/a	No
Fiera Global Focused Equity	**Buy**	-4.8	-9.0	n/a	n/a	No
LGIM Multi-Factor Global Equity	**Buy**	0.8	0.6	n/a	n/a	No

*Since Inception Dates:
- Addenda LDI: 7/1/2019
- Fiera LDI: 7/1/2019
- CC&L Core Fixed Income: 7/1/2019
- Leith Wheeler Core Fixed Income: 7/1/2019
- Pier 21 Global Equity: 11/1/2019
- Oakmark Global Equity: 11/1/2019
- Fiera Global Focused Equity: 2/19/2020
- LGIM Multi-Factor Global Equity: 12/14/2020

Manager Updates

Manager Name	Quarterly Update	ESG Rating
Addenda	No significant updates impacting City of Toronto	3
CC&L	No significant updates impacting City of Toronto	2
Fiera	No significant updates impacting City of Toronto	3
Oakmark		2
Leith Wheeler	No significant updates impacting City of Toronto	3
Pier 21 (C Worldwide)	No significant updates impacting City of Toronto	2
LGIM	No significant updates impacting City of Toronto	2*

*The LGIM Multi-Factor Equity Fund is a passive strategy that tracks the SciBeta Developed Low-Carbon & ESG High-Factor-Intensity Multi-Beta Maximum Deconcentration Index provided by Scientific Beta. The LGIM Multi-Factor Equity Fund's investment universe is tilted to reduce exposure in companies that score poorly on various ESG and carbon intensity criteria. This fund does not have a formal ESG rating. The ESG score above applies to the LGIM's passive equity platform which has a broader target universe which does not take into consideration various ESG components.

Aon Happenings

Aon Launching New Infrastructure Strategy

- Aon will be launching a strategy later this year that provides access to a diversified portfolio of infrastructure investments.
- The strategy will include Aon's best ideas in the space, offer geographical and sector diversification and benefit from advantageous fee arrangements due to our scale.
- For more details on this strategy please contact Ciarán Lynch.

Now Available: Aon and eVestment offer Operational Due Diligence (ODD) Data and Research

- This framework provides new ways of examining operational risks across managers and the potential to uncover emerging compliance risks.
- For more information on ODD IQ solutions and how Aon approaches ODD you can access a podcast recording here: The Source Podcast: How Aon approaches operational due diligence.

Now Available: Environmental, Social and Governance (ESG) Reporting Dashboard

- Aon launched an electronic reporting tool that examines ESG integration for your current investment managers.
- For an online demo and further details please contact your consultant.

Aon and J.P. Morgan Asset Management Webinar: Guide to China: Considerations for Investment Portfolios

This webinar demystifies China and raises top of mind questions for global investors. Additional discussion covered topics presented in the newly created Guide to China and Aon's views on portfolio positioning. Access the webinar recording here: Guide to China: Considerations for Investment Portfolios.

Videos

Market Outlook Q2 2021
Aon's Market Outlook for Q2 2021.

Value Underperformance
Perspectives on a weak decade for the value style factor.

Maritime Credit Investments
An overview of maritime credit investing. This is an uncorrelated illiquid investment strategy with a typical 8-10 year time horizon.

Note: The password to view the videos is "aon!"

Appendix A: Asset Allocation Views

Medium Term Views

Total Return Cross Asset Class Views

---	--	-	=	+	++	+++
		Core fixed income	Equities	Alternatives		
		Credit	Cash			

Equity view remains neutral and downside risks persist

We still favor uncorrelated sources of returns from a risk-mitigation view

Relative Asset Class Views

Equity Regions

---	--	-	=	+	++	+++
			USA	Emerging		
			Canada			
			EAFE			

Stronger economic growth and earnings outlook has prompted a US view upgrade

Better virus containment and growth story is supportive for EM Asia

Equity Styles

---	--	-	=	+	++	+++
		Low Vol.	Quality			
		Growth	Value			

Pro-cyclical stance maintained. Value preferred to growth

Alternatives

---	--	-	=	+	++	+++
		Dir. Hedge Funds	Commodities	Non-Dir. Hedge Funds		
			Real Estate	Global Infra.		
				Private Credit		

Non-correlated alternatives still generally preferred

Credit Views

---	--	-	=	+	++	+++
		USD EMD	Bank Loans	Selected ABS		
		Local EMD	High Yield			

Risk of further USD strength and better US outlook have prompted the view change

Core Fixed Income Duration Views

---	--	-	=	+	++	+++
			Federal			
			Corporate			
			Provincial			

Large yield rises have prompted an upgrade to neutral

Preference for the Universe index only mild now

Currencies versus CAD

---	--	-	=	+	++	+++
			EUR			
			USD			
			JPY			
			EM			

US dollar likely to be supported near-term by stimulus

Appendix B: Thought Leadership

Thought Leadership Papers

During the last quarter, we produced papers on the following topics. Although these topics may not be directly applicable to your fund, they may be of general interest and provide some insight into Aon's global research.

For more details, please contact your Aon Investment Consultant.

- Do China A-Shares Present a Good Investment Opportunity? – China's handling of the coronavirus, the swift monetary and fiscal policy response and ensuing sharp economic recovery provide strong support for the Chinese equity market now. In this piece, the Global Asset Allocation team expands upon a prior research note and evaluates the case for investing in China A-shares. The team believes China A-shares do not appear that unreasonably valued compared to developed markets, although they look expensive relative to Hong Kong-listed stocks. The team believes that China A-shares will outperform other markets over the next two to three years. Rising international tensions are a key risk to China, however, A-shares are more protected than offshore shares from disputes and we think that investors will continue to focus on the investment opportunity.
- Is Bitcoin the New Digital Gold? – Bitcoin's stratospheric rise in recent years has put it in the front of many investors' minds. In this paper, the Global Asset Allocation team provides initial thoughts on the crypto currency. Many see a parallel with gold, believing that Bitcoin is poised to become a digital 'store of value' but extreme volatility is a key barrier to wider institutional adoption. The potential for government and central bank intervention to limit Bitcoin's circulation and its poor ESG footprint act as further barriers. The evolution of the crypto currency and the implications for institutional investors are outlined further in this paper.
- Inflation Protecting Assets: Three Questions with the Aon Asset Allocation Team – We think concerns about inflation are a bit premature, as of late March 2021, but that doesn't mean markets do not move based on expectations around inflation. Since 2008, Canadian inflation has averaged 1.5%, which is below the Bank of Canada's inflation target mid-point of 2% - inflation has fallen further during the pandemic and is currently hovering around 1%. In this paper, the Global Asset Allocation team addresses questions around the outlook for inflation, the different assets investors can use to protect against inflation and how investors should think about inflation risk as they create their long-term portfolio allocation.

Appendix C: ESG Ratings

ESG Ratings

ESG Rating	Description
1	The Fund Management Team appears unaware or unconcerned with ESG risks in the investment strategy and has not taken any material steps to address ESG considerations in the portfolio.
2	The Fund Management Team is aware of potential ESG risks in the investment strategy and has taken some steps to identify, evaluate and potentially mitigate these risks.
3	The Fund Management Team demonstrates an above average awareness of potential ESG risks in the investment strategy and has taken essential steps to identify, evaluate and potentially mitigate these risks.
4	The Fund Management Team demonstrates high awareness of all known and potentially financially material ESG risks in the investment strategy and, at present, has incorporated appropriate processes to identify , evaluate and potentially mitigate these risks across the entire portfolio.
N/A (Not Applicable)	An evaluation of ESG risks is not directly applicable to this strategy and therefore an ESG rating has not been assessed.
NR (Not Rated)	An evaluation of ESG risks is not yet available for this strategy

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