

FIRST QUARTER 2022 REVIEW

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June 23, 2022

CITY OF TORONTO INVESTMENT BOARD

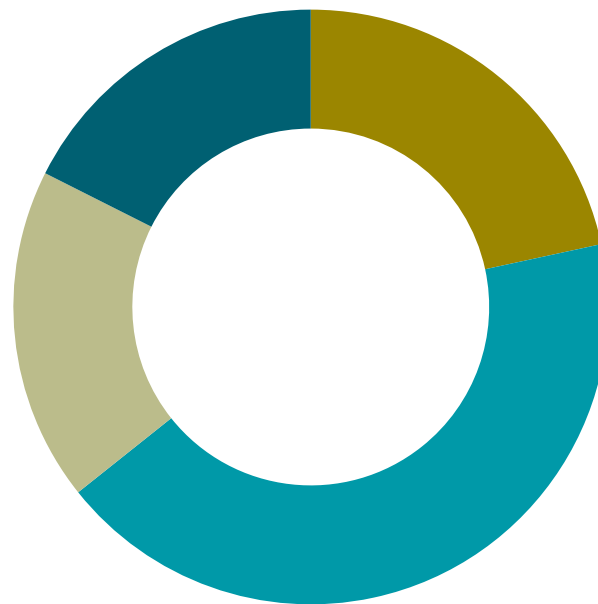
CC&L ORGANIZATIONAL UPDATE

March 31, 2022

CC&L AUM Breakdown by Strategy

OWNERSHIP

- No changes to structure
- Employee-owned
- Succession Plan



- Fundamental Equities
- Quantitative Equities
- Fixed Income
- Multi-Strategy

AUM breakdown may not add up to 100% due to rounding.
AUM numbers are preliminary and may be subject to change.
Source: Connor, Clark & Lunn Financial Group Ltd.



STABILITY & DEPTH OF EXPERTISE



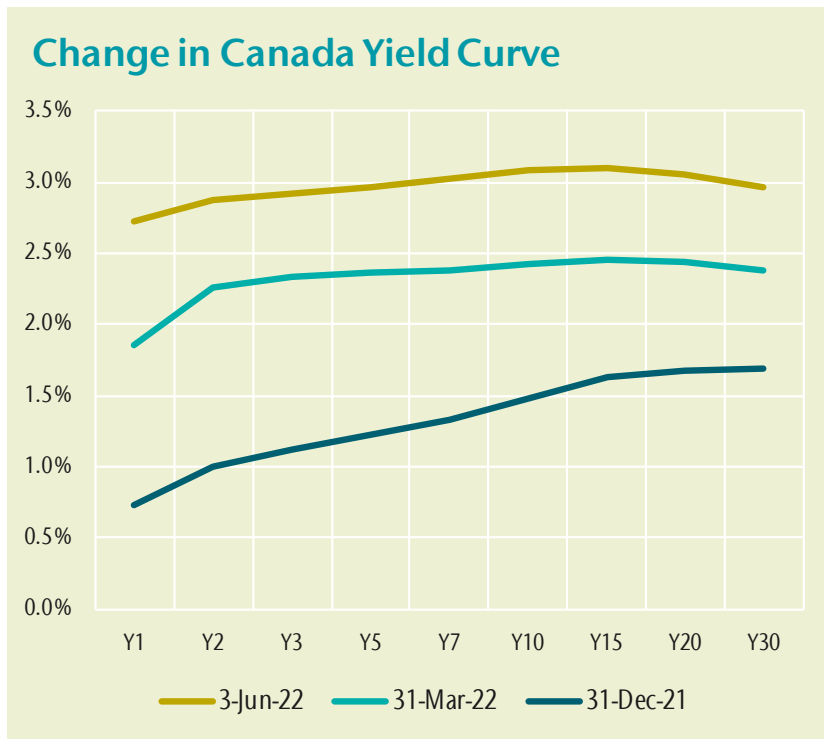
* Years of investment industry experience as of January 1, 2022

** Represent analysts' years of industry experience and years' experience at CC&L



BOND MARKET REVIEW

As of June 3, 2022



Shaded area represents YTD as of June 03, 2022
 Source: FTSE Global Debt Capital Markets Inc.



PERFORMANCE AND ATTRIBUTION

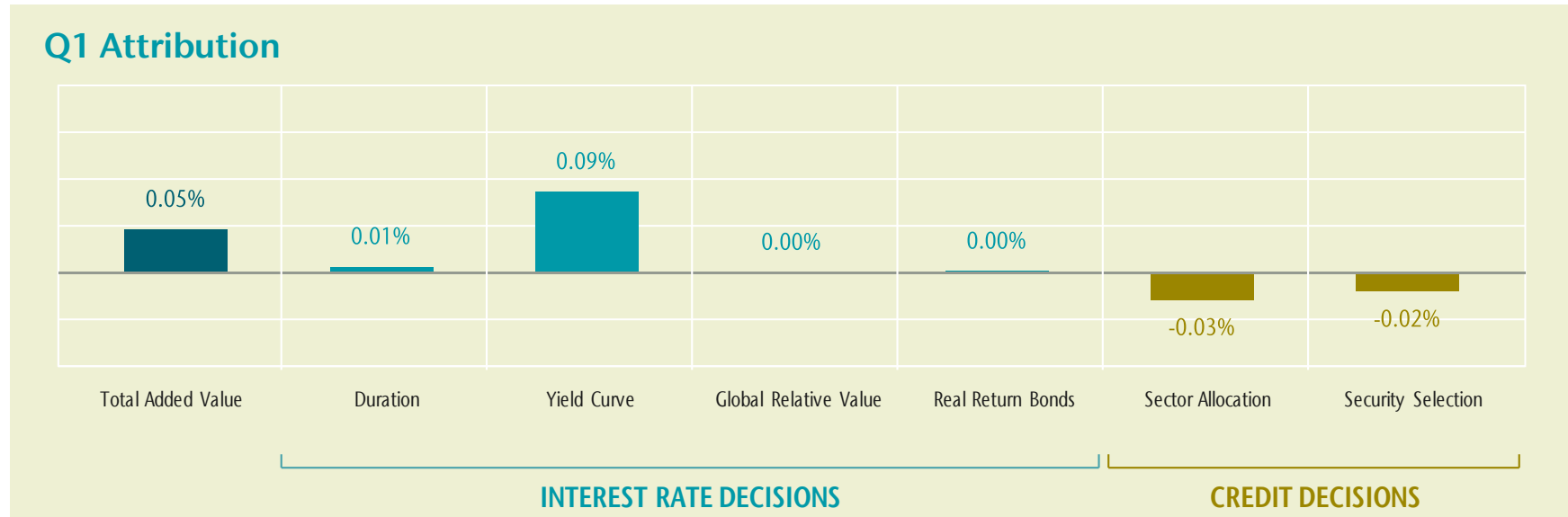
	2022 (%)	Annualized Returns to March 31, 2022 (%)		
	QTD	1 YR	2 YR	Since Inception
City of Toronto	-6.92	-4.30	-0.51	0.24
Benchmark *	-6.97	-4.52	-1.50	-0.41
Added Value	0.05	0.22	0.99	0.65

* FTSE Canada Universe Bond Index

Inception Date: June 28, 2019

All returns are gross of fees except where noted. Added value may differ due to rounding.

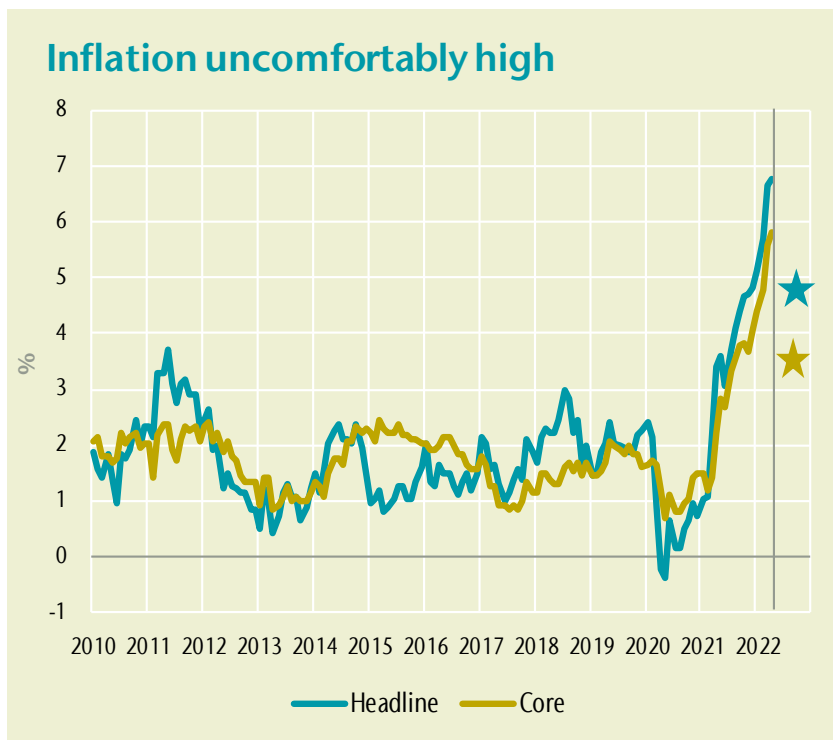
Source: Connor, Clark & Lunn Financial Group Ltd.



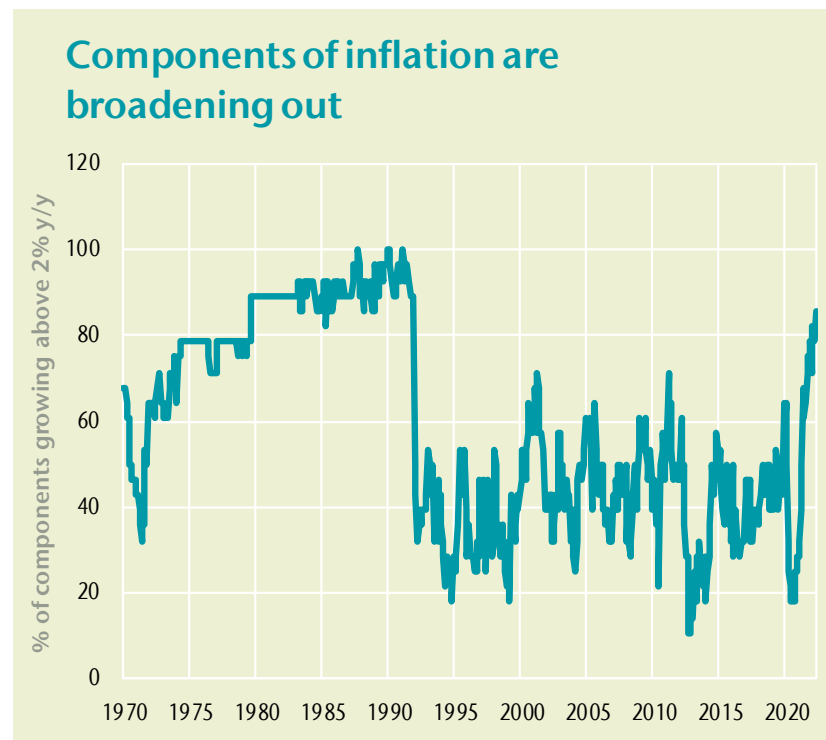
Source: Connor, Clark & Lunn Financial Group Ltd.



INFLATION IS THE KEY CONCERN



Source: StatsCan, Macrobond



Source: StatsCan, Macrobond

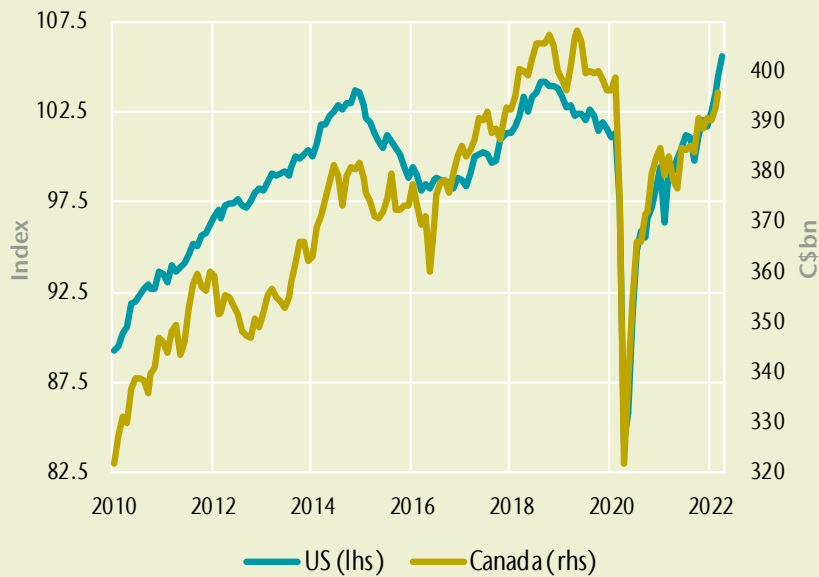
Inflation is broadening across most categories



CENTRAL BANKS WILL WORK TO BRING DEMAND DOWN

Supply has been part of the problem...

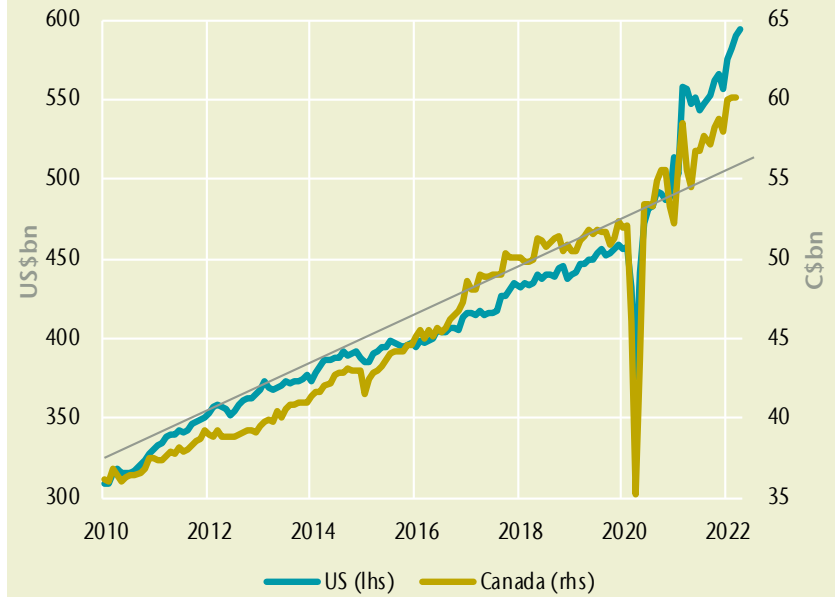
Industrial production



Source: StatsCan US Federal Reserve, Macrobond

... but demand is as much to blame

Retail sales

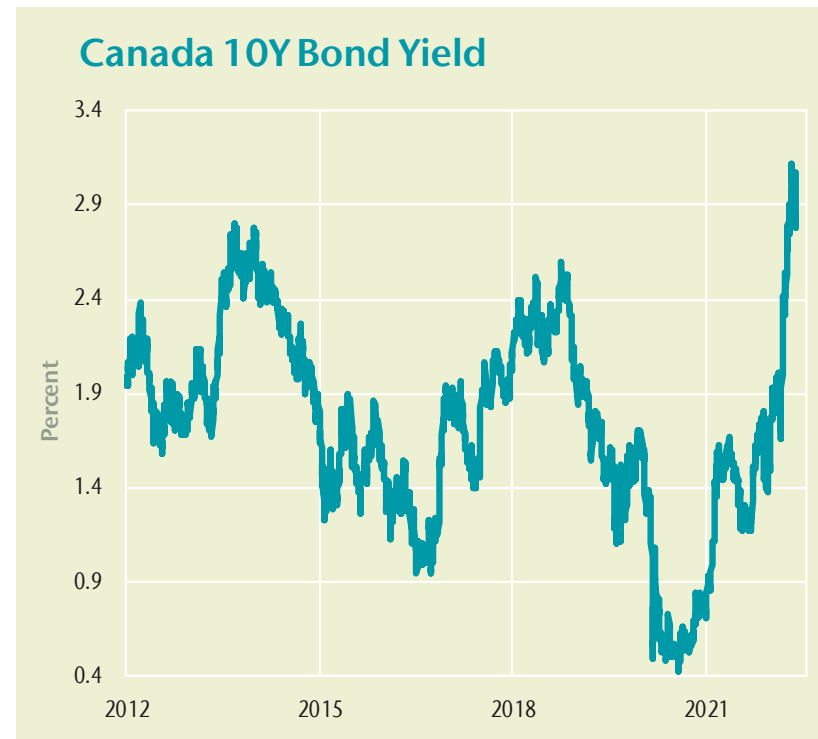
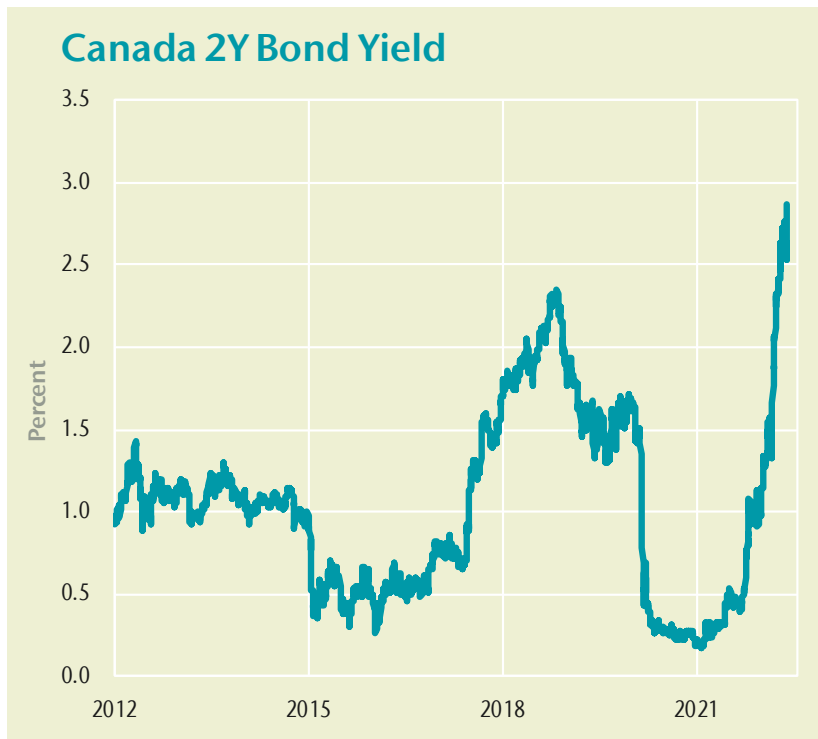


Source: StatsCan, US Census Bureau, Macrobond

The demand supply imbalance is not just because of supply



LIMITED UPSIDE FOR LONGER-TERM BOND YIELDS



Source: Bank of Canada, Macrobond

Deteriorating economic fundamentals, geopolitical risks, and technicals prevent further rise in 10Y



ECONOMIC SUMMARY

Cyclical Summary

- Global economic growth to be hampered by war, inflation, supply issues, pandemic
 - Canada likely to do better in short term
 - Financially strong balance sheets to buffer difficulties
- Growing inflation expectations the key concern at central banks
 - Policy is too accommodative; deliberate desire to slow the economy now



FIXED INCOME PORTFOLIO STRATEGY

Investment themes

Interest rates

- Policy becoming restrictive as central banks fight inflation
 - » Yield curve
 - » Real return bonds
 - » Duration

Credit

- Corporate and provincial credit: negative environment for credit
 - » Credit spreads
 - » More defensive



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