Scenario Study

Prescribed List vs. Prudent Investor

TORONTO

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TOTAL FUND

Comparison:

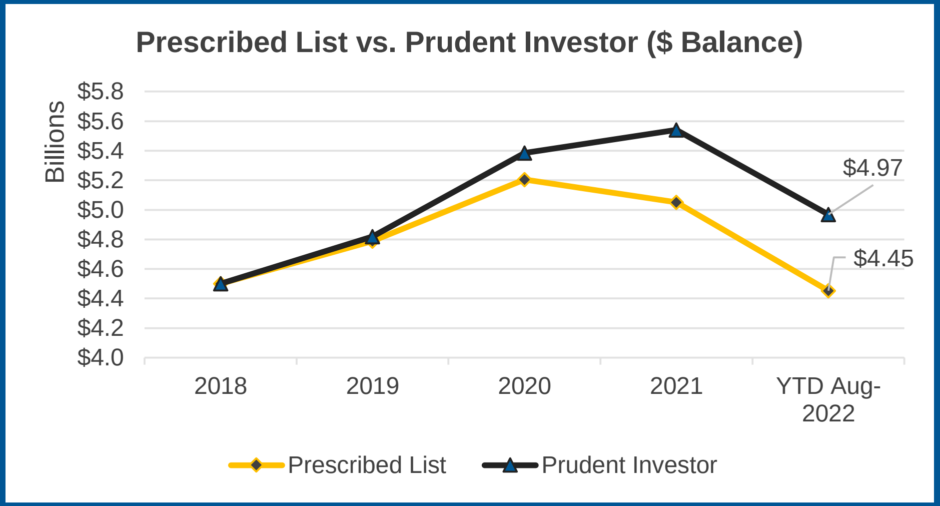
Prescribed List Returns

Year End	Return %	Fund Balance ($ Billions)
2018	-	$4.50
2019	6.42%	$4.79
2020	8.69%	$5.21
2021	-2.97%	$5.05
YTD Aug-2022	-11.83%	$4.45
4-Year Return %		- 1.04%
Compounded Annual Growth %		- 0.26%

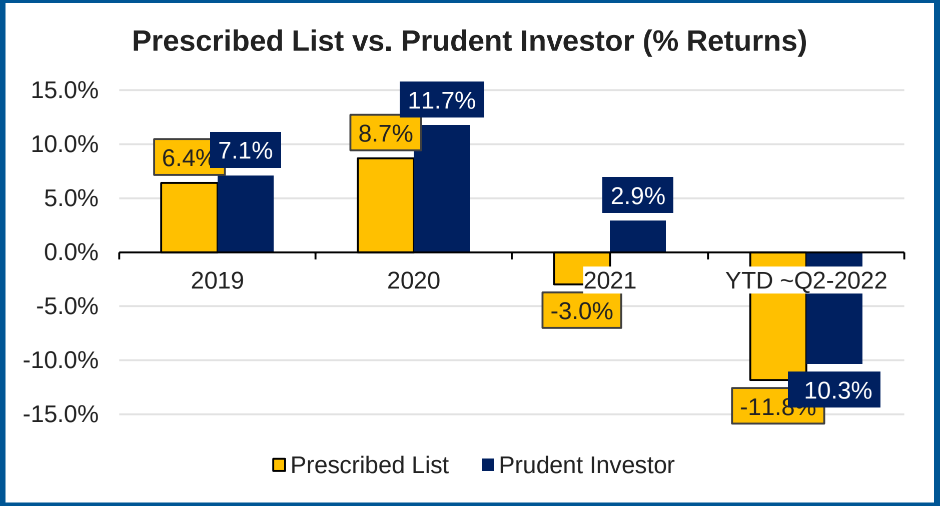
Prudent Investor Returns

Year End	Return %	Fund Balance ($ Billions)
2018	-	$4.50
2019	7.09%	$4.82
2020	11.74%	$5.38
2021	2.91%	$5.54
YTD Aug-2022	-10.32%	$4.97
4 Year Return %		10.43%
Compounded Annual Growth %		2.51%

BALANCES



RETURNS



LONG TERM FUND (LTF)

Prescribed List Returns (LTF)

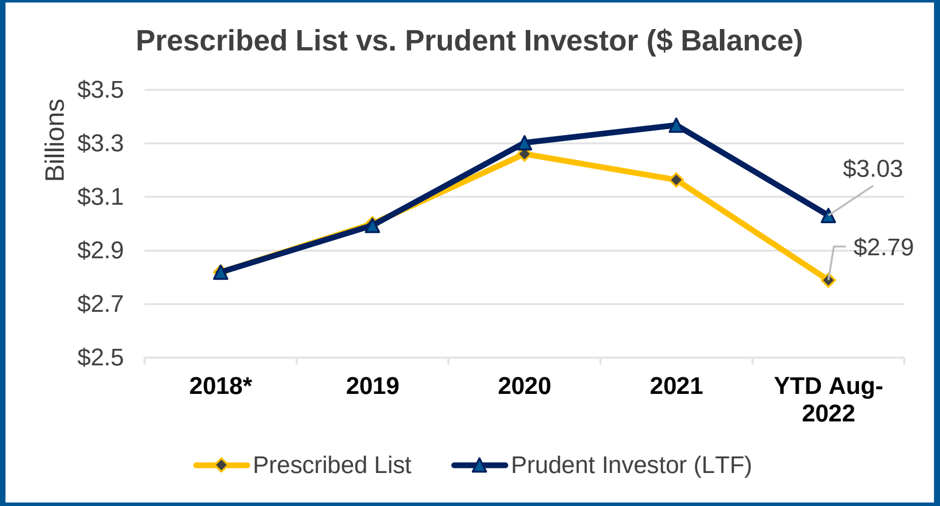
Year End	Return %	Fund Balance ($ Billions)
2018	-	$2.82
2019	6.42%	$3.00
2020	8.69%	$3.26
2021	-2.97%	$3.16
YTD Aug-2022	-11.83%	$2.79
4-Year Return %		- 1.04%
Compounded Annual Growth %		- 0.26%

Prudent Investor Returns (LTF)

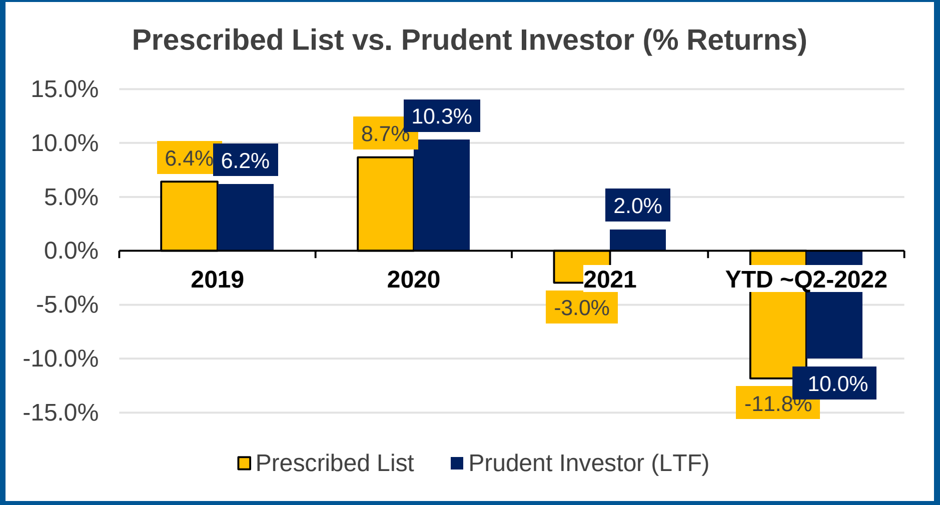
Year End	Return %	Fund Balance ($ Billions)
2018	-	$2.82
2019	6.20%	$2.99
2020	10.30%	$3.30
2021	2.00%	$3.37
YTD Aug-2022	-10.00%	$3.03
4 Year Return %		7.53%
Compounded Annual Growth %		1.83%

Comparison:

BALANCES



RETURNS



SINKING FUND (SF)

Prescribed List Returns (SF)

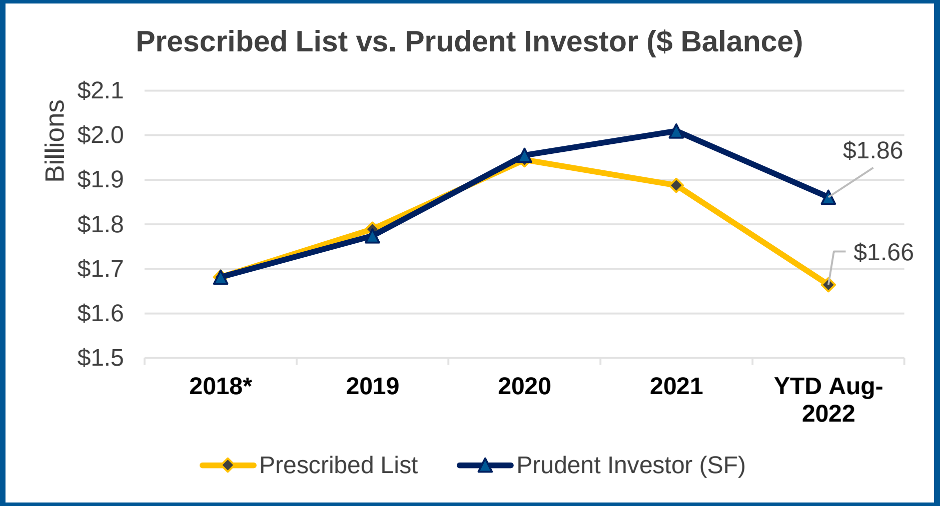
Year End	Return %	Fund Balance ($ Billions)
2018	-	$1.68
2019	6.42%	$1.79
2020	8.69%	$1.95
2021	-2.97%	$1.89
YTD Aug-2022	-11.83%	$1.66
	4-Year Return %	- 1.04%
	Compounded Annual Growth %	- 0.26%

Prudent Investor Returns (SF)

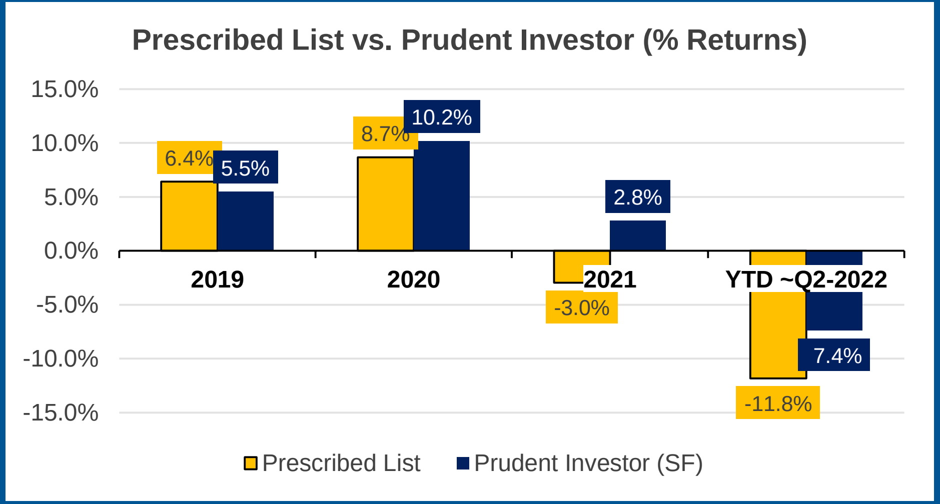
Year End	Return %	Fund Balance ($ Billions)
2018	-	$1.68
2019	5.50%	$1.77
2020	10.20%	$1.96
2021	2.80%	$2.01
YTD Aug-2022	-7.40%	$1.86
	4 Year Return %	10.67%
	Compounded Annual Growth %	2.57%

Comparison:

BALANCES



RETURNS



Assumptions and Notes

- The "Prescribed List" is defined as a specified set of Fixed-Income investments allowed for Municipal long-term investment
- Investment following the “Prescribed List” is assumed to closely follow the FTSE Canada Universe Bond Index Total Return – Broad, which is the investment policy strategy prior to adopting “Prudent Investor”
- The study begins at the end of 2018; fund balances are as follows at the end of 2018:

Year Ending	Total Fund (LTF + SF)	Long Term Fund (LTF)	Sinking Fund (SF)
2018	$4.5 B	$2.82 B	$1.68 B

- The FTSE Canada Universe Bond Index Total Return – Broad returns is taken as per reported periodically by BMO
- LTF and SF portfolio returns as per reported in City Council and Toronto Investment Board reports
- Fund balance shown do not incorporate intra-period in/out flows of cash
- Fund balances shown do not include the Short-Term fund
- Note: “Prudent Investor” standard implementation was ~70% complete at end of 2020, and ~90% at end of 2021