Leith Wheeler INVESTMENT COUNSEL LTD. | Quiet Money.

June 19, 2023

Toronto Investment Board

Presented by:

Ben Homsy, CFA
Principal, Portfolio Manager

Our Organization

- Founded in 1982
- Fully Independent
- 100% employee-owned
- 109 employees / 88 employee-shareholders
- Value-based investment style
- Over $22.9 billion assets under management
- Nationwide firm with offices in Vancouver, Calgary and Toronto

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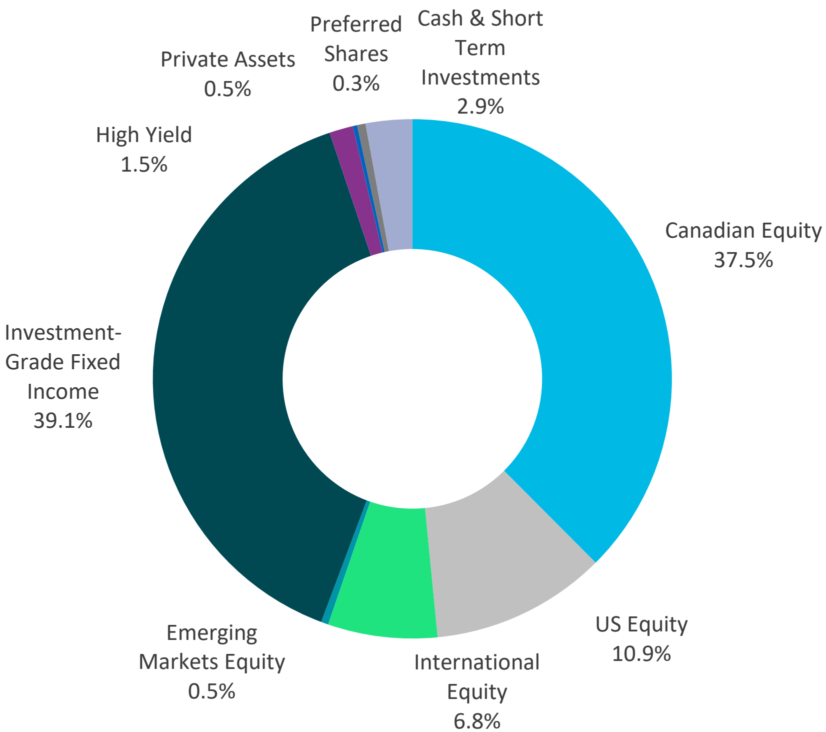
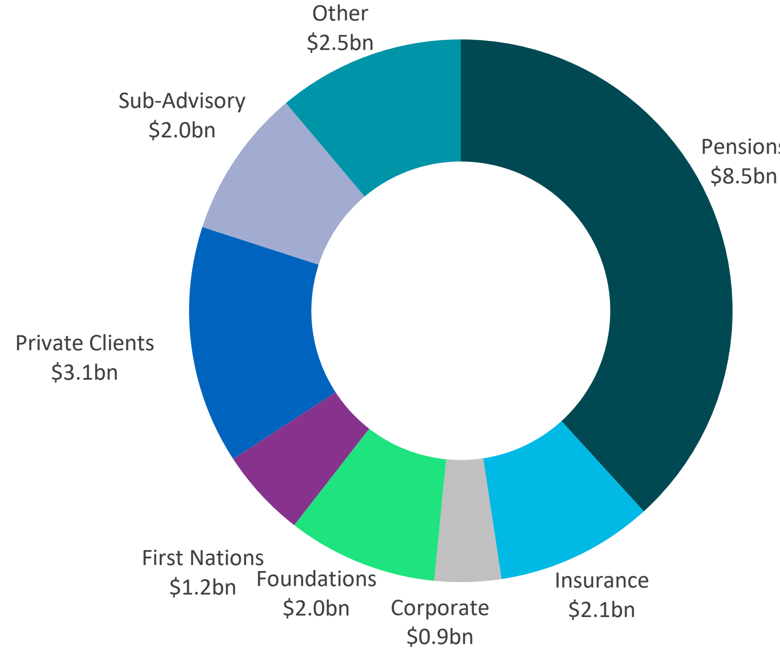
Quiet Money.®

Assets Under Management

As of March 31, 2023





Canadian Equity and Fixed Income assets under management continue to represent approximately equal shares of our Institutional assets under management

Source: Leith Wheeler Investment Counsel Ltd

Fixed Income Investment Team

Jim Gilliland, CFA
President & CEO, Head of Fixed Income
Prior Experience: Barclays Global Investors (BGI), HSBC Asset Management
Years in Industry: 30
Years at Firm: 14

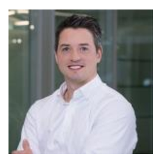
Eric Lam, CFA
Financials
Prior Experience: TD, RBC
Years in Industry: 31
Years at Firm: 14

Dhruv Mallick, CFA
Crossover & Non-IG Credit
Prior Experience: CQS, Barclays Global Investors (BGI), PIMCO
Years in Industry: 23
Years at Firm: 8

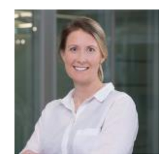
Alexei Konopkine, CFA
Consumers
Prior Experience: Leith Wheeler
Years in Industry: 18
Years at Firm: 18

Ryan Goulding, CFA
Government Strategies
Prior Experience: PH&N, Merrill Lynch
Years in Industry: 16
Years at Firm: 7

Ben Homsy, CFA
Institutional Portfolio Mgt
Prior Experience: Goldman Sachs, JP Morgan
Years in Industry: 25
Years at Firm: 9



Sean Greenhalgh, CFA
Pipelines, Distribution
Prior Experience: RBC, Scotia Bank
Years in Industry: 15
Years at Firm: 8



Tamsin Wilding, CFA
Government Strategies
Prior Experience: Bank New Zealand, National Australia Bank
Years in Industry: 13
Years at Firm: 7

Catherine Heath, CFA
Prior Experience: Leith Wheeler Investment Counsel
Years in Industry: 23
Years at Firm: 23

Michelle Zuliani, CFA
Infrastructure, Real Estate, CMBS
Prior Experience: HSBC, RBC
Years in Industry: 11
Years at Firm: 4

Colin Boese, CFA
Crossover & Non-IG Credit
Prior Experience: CC&L, Marret
Years in Industry: 9
Years at Firm: 7

Investment Philosophy & Process

Philosophy

Capital Preservation
- Focus on return OF capital
- Be different from the market
- Quality compounding returns

Diversification
- Multiple sources of value-add
- No single risk-factor dominates
- More than just issuer exposure

Focus On Risk
- Understand and quantify risk
- Benchmark AND absolute risk
- Deliver high-quality returns

Fixed Income Investment Process

Top Down Macroeconomic Analysis

Interest Rate Outlook & Credit Cycle

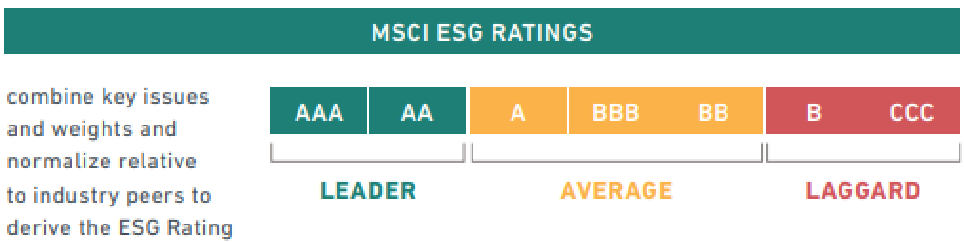
Portfolio Construction & Active Risk Management
- Interest Rate Risk Management
- Sector Allocation
- Security Selection

Issuer Specific Credit Risk

Bottom Up Independent, Fundamental Credit Analysis

Responsible Investing at Leith Wheeler

- ESG factors – particularly governance – have always been at the core of our investment culture
- Formalized process for assessing corporate bond issuers for ESG factors, augmented using third-party assessment



PRI Principles for Responsible Investment

SHARE SHAREHOLDER ASSOCIATION *for* RESEARCH & EDUCATION

Canadian Coalition for GOOD GOVERNANCE

- History supporting key organizations that promote responsible investing, advocate for sound policy and provide education to stakeholders

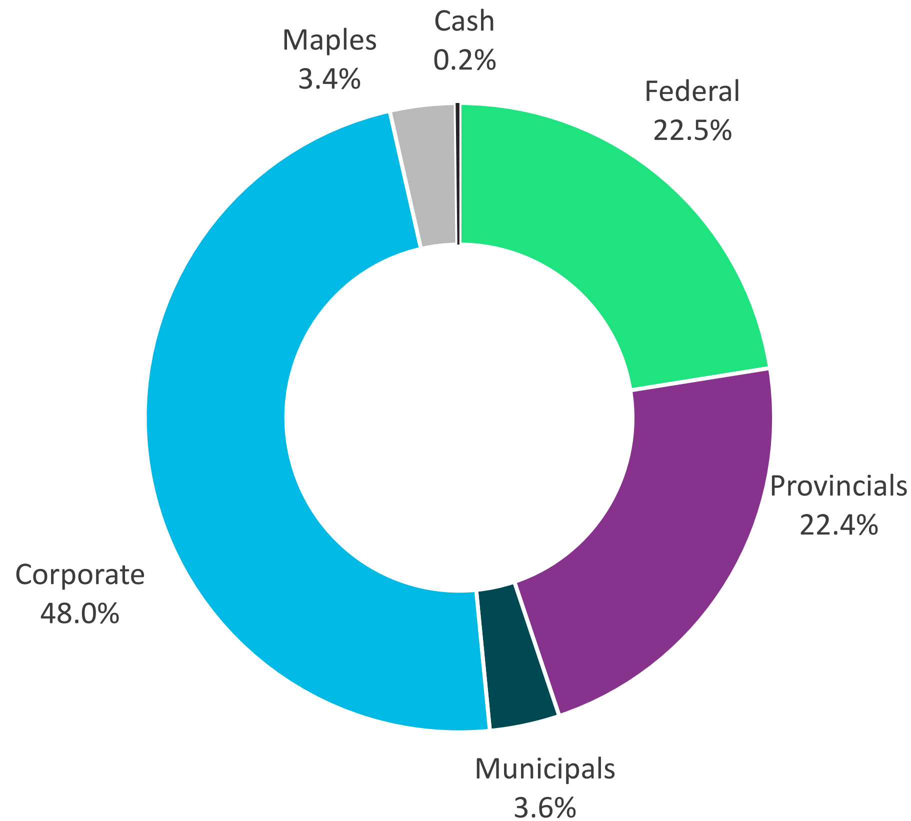
CANADIAN PENSION & BENEFITS INSTITUTE · INSTITUT CANADIEN DE LA RETRAITE ET DES AVANTAGES SOCIAUX

International Foundation OF EMPLOYEE BENEFIT PLANS *Education | Research | Leadership*

ACPM | ACARR The Association of Canadian Pension Management L'Association canadienne des administrateurs de régimes de retraite

Portfolio Overview

Portfolio Characteristics As of March 31, 2023	**Active Portfolio**	**Benchmark**	**Difference**
Yield	4.40%	3.95%	**+0.45%**
Duration (Years)	7.10	7.31	***-0.21***



Portfolio Overview

Assets Under Management (C$ millions) As of March 31, 2023	**Active**	**Inactive**
Opening Balance (May 31, 2022)	1,151.7	48.2
Net Deposits & Withdrawals	+31.4	-31.3
Investment Returns	29.7	0.7
Closing Balance	**1,212.8**	**17.6**

Performance

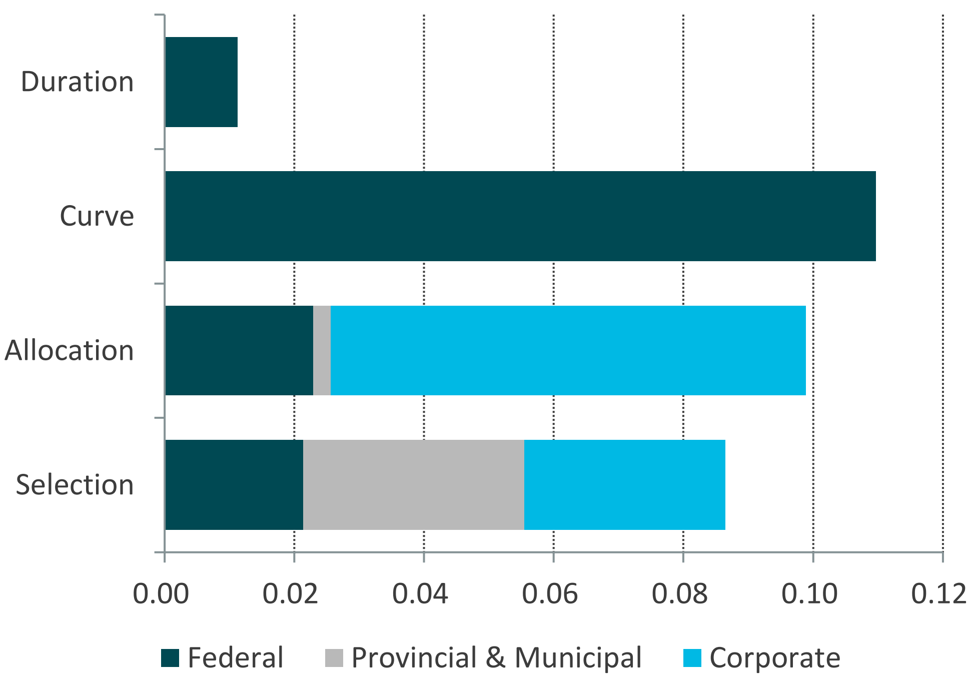
Annualized Performance As of March 31, 2023	**Year to Date**	**1 Year**	**Since Inception (1)**
Active Portfolio	3.46%	-1.17%	-0.32%
Benchmark	3.22%	-2.01%	-0.84%
Value Added	**+0.24%**	**+0.84%**	**+0.52%**

Inactive Portfolio	4.68%	1.05%	0.91%

(1) Inception dates for the portfolios were June 29, 2019. There was a portfolio transition period from April 29, 2019 to June 29, 2019 which is not included in the above performance.

Attribution

Toronto Investment Board – Active Portfolio
3 Months Ending March 31, 2023



Source: Bloomberg PORT, Leith Wheeler Investment Counsel, FTSE Russell

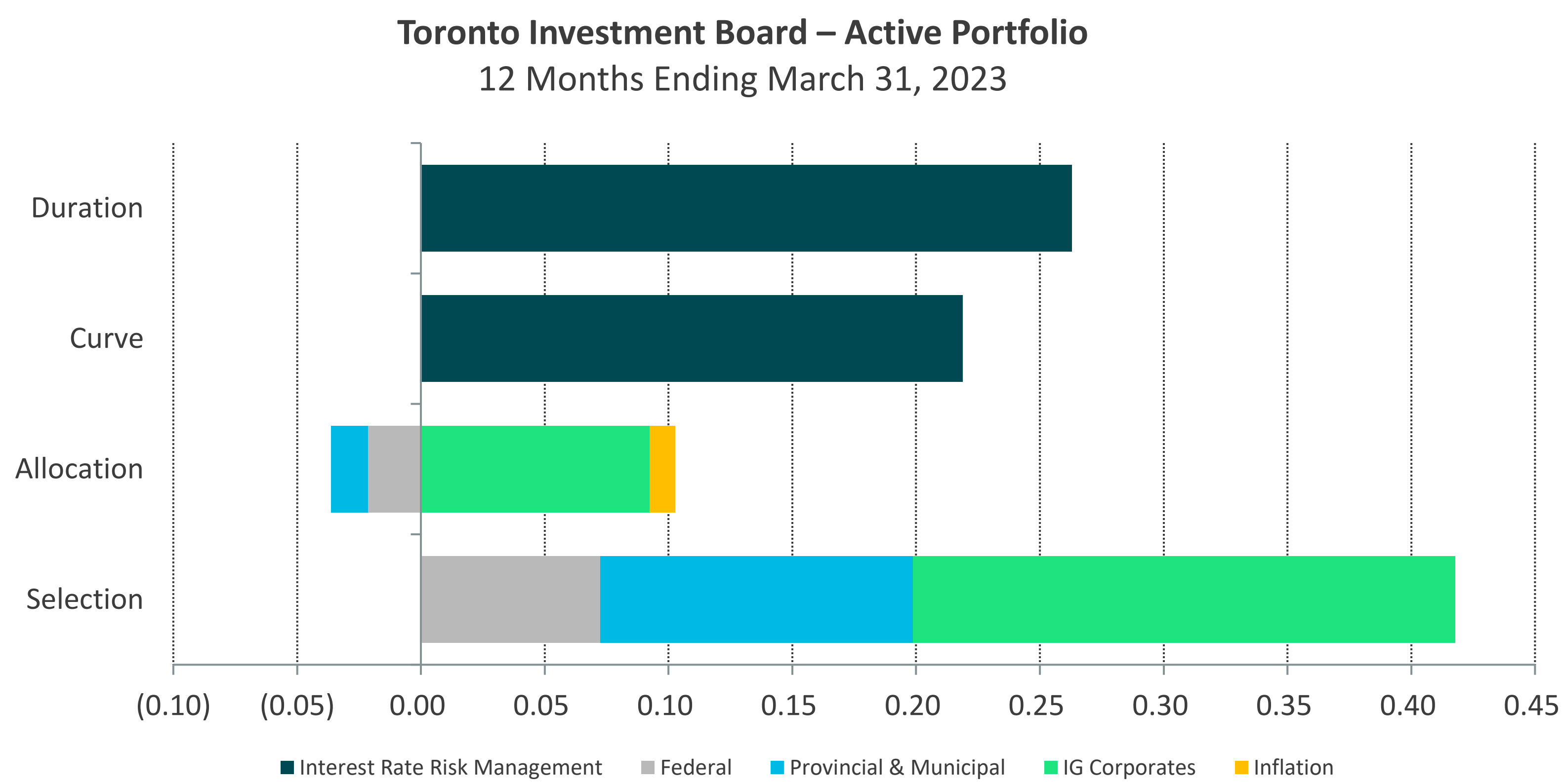
What Worked?

- ✓ Tactical duration trading intra-quarter, specifically adding to duration underweight following rally in rates in late Jan 2023
- ✓ Curve steepener positions, particularly in long-end of yield curve
- ✓ Overweight corporate credit in market value, which added to the portfolio's yield advantage to the benchmark

What Didn't Work?

- X Overweight financials including banks which underperformed other corporate sectors due to US regional bank crisis

12 Months Ending Attribution



Source: Bloomberg PORT, Leith Wheeler Investment Counsel, FTSE Russell

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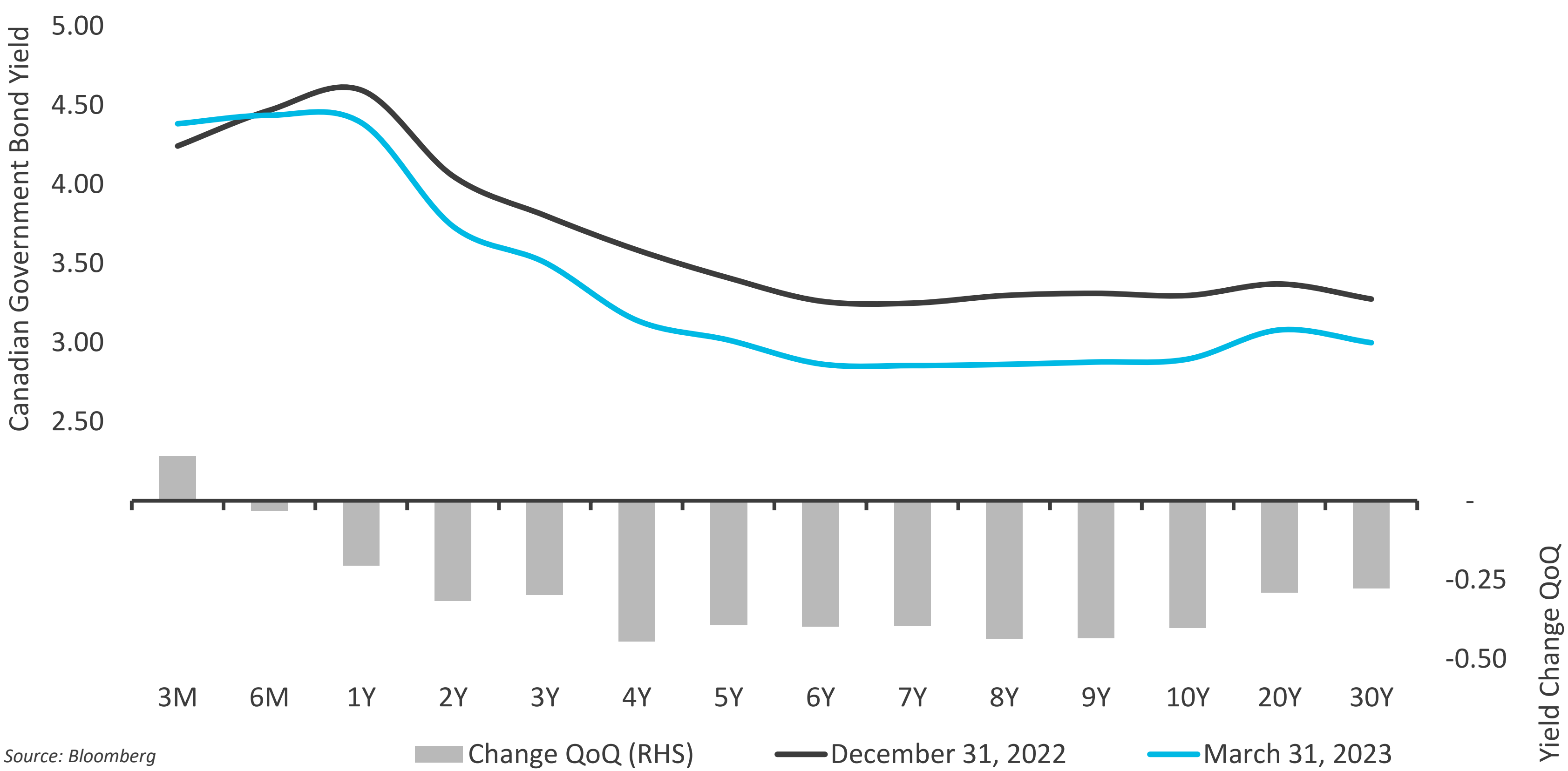
Interest Rates Q1 2023



Source: Bloomberg

Yields declined sharply across the curve in response to the tightening in financial conditions caused by the US regional banking crisis.

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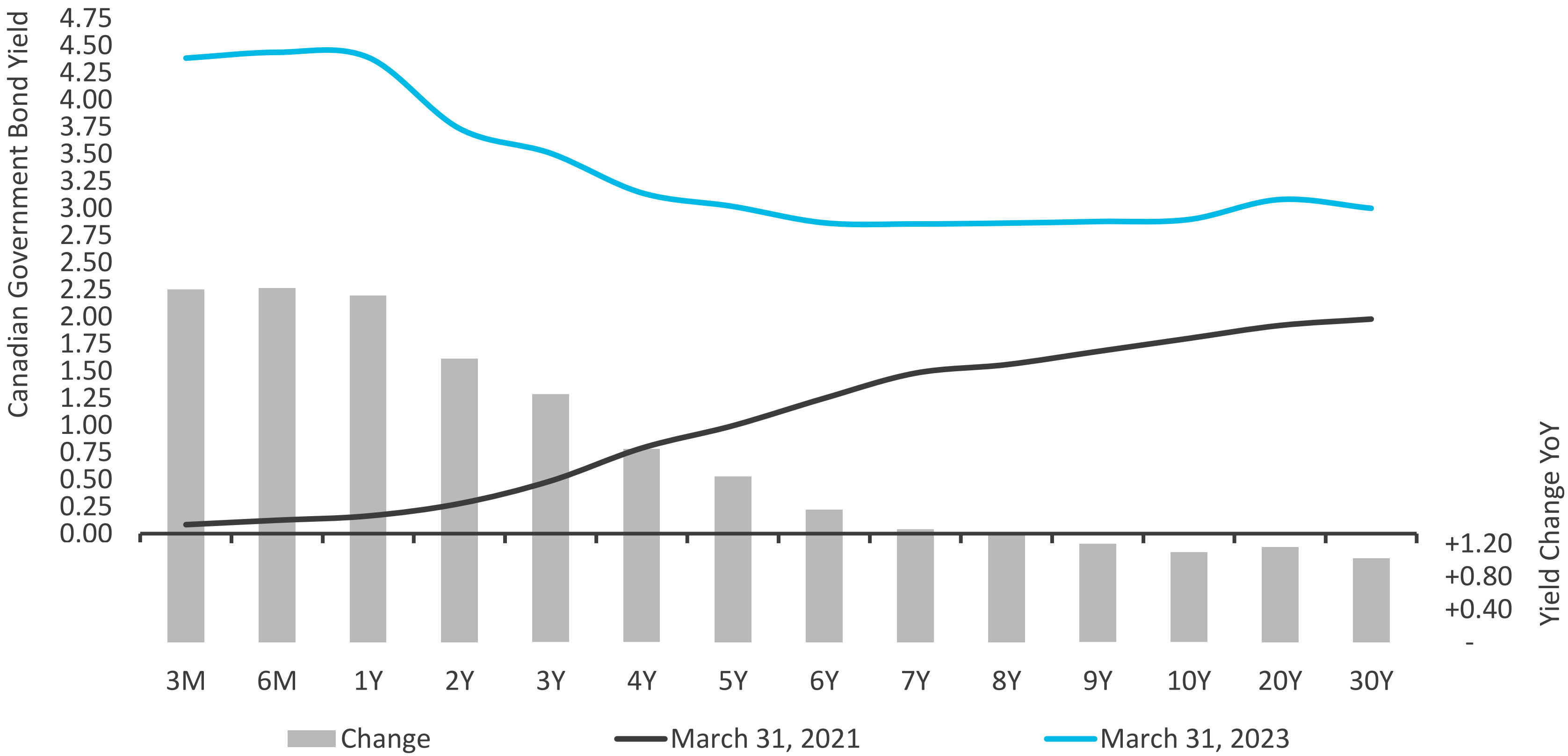
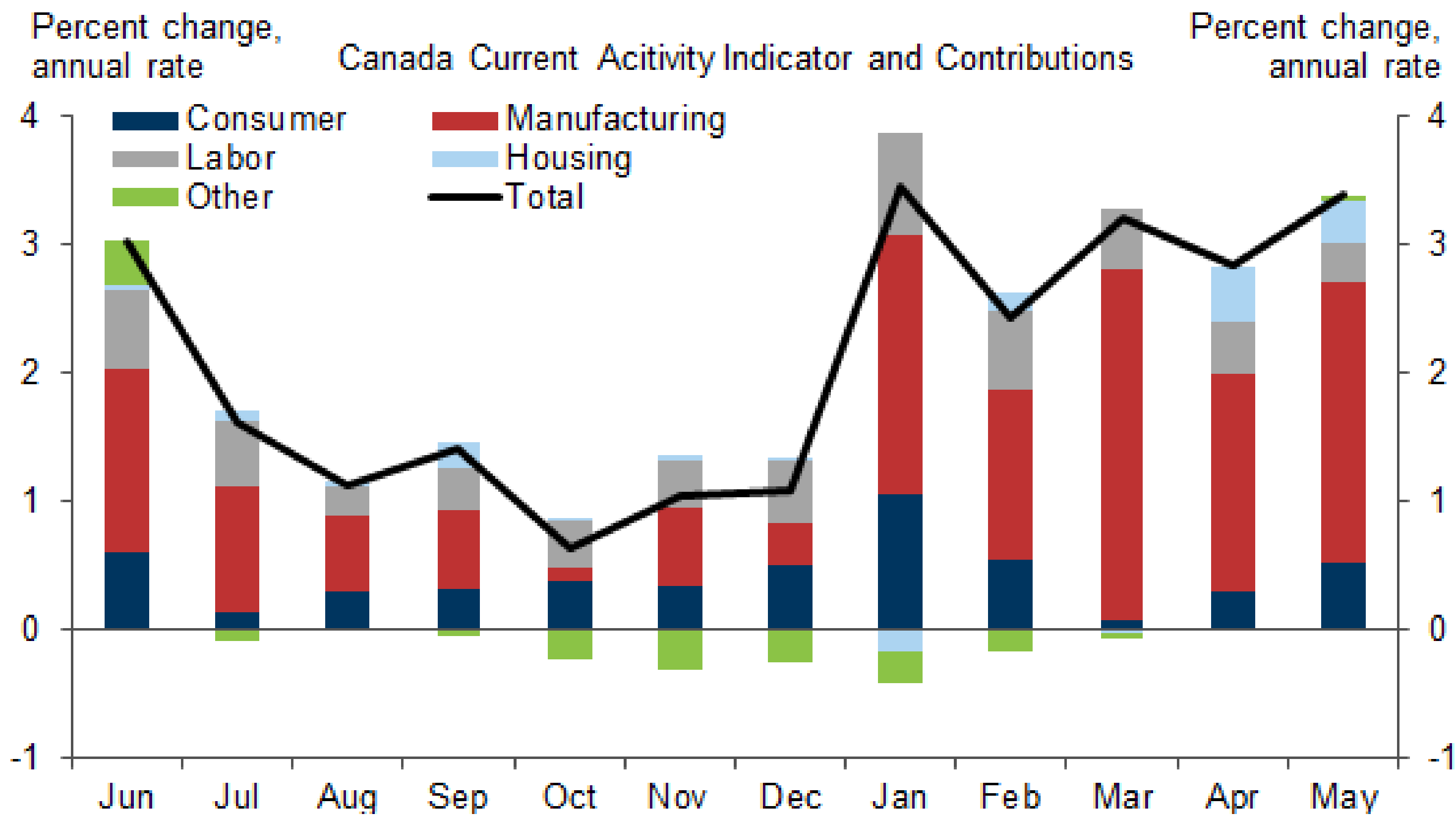
Interest Rates Changes



Economic Activity in Canada



Source: Goldman Sachs Global Investment Research

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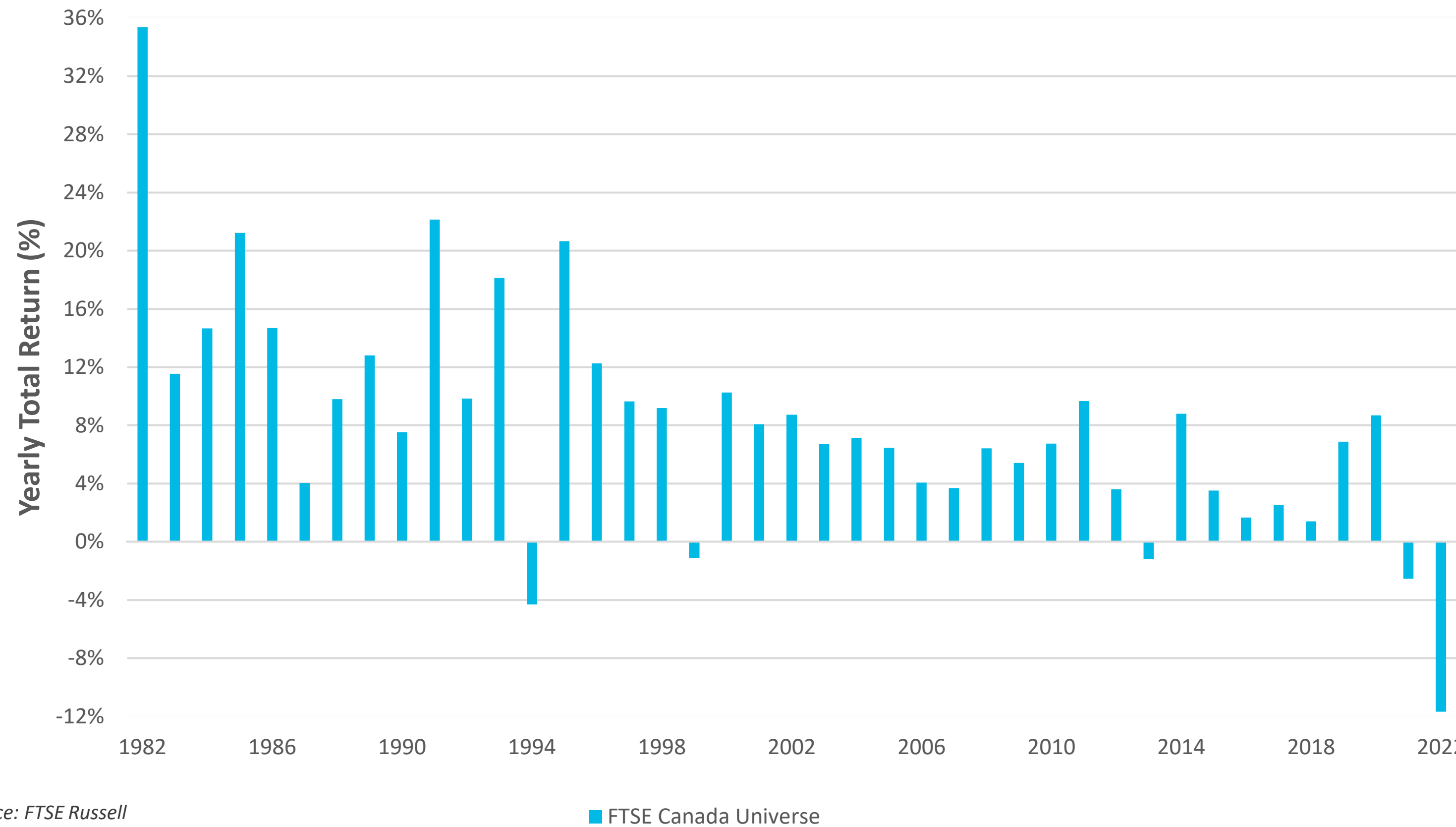
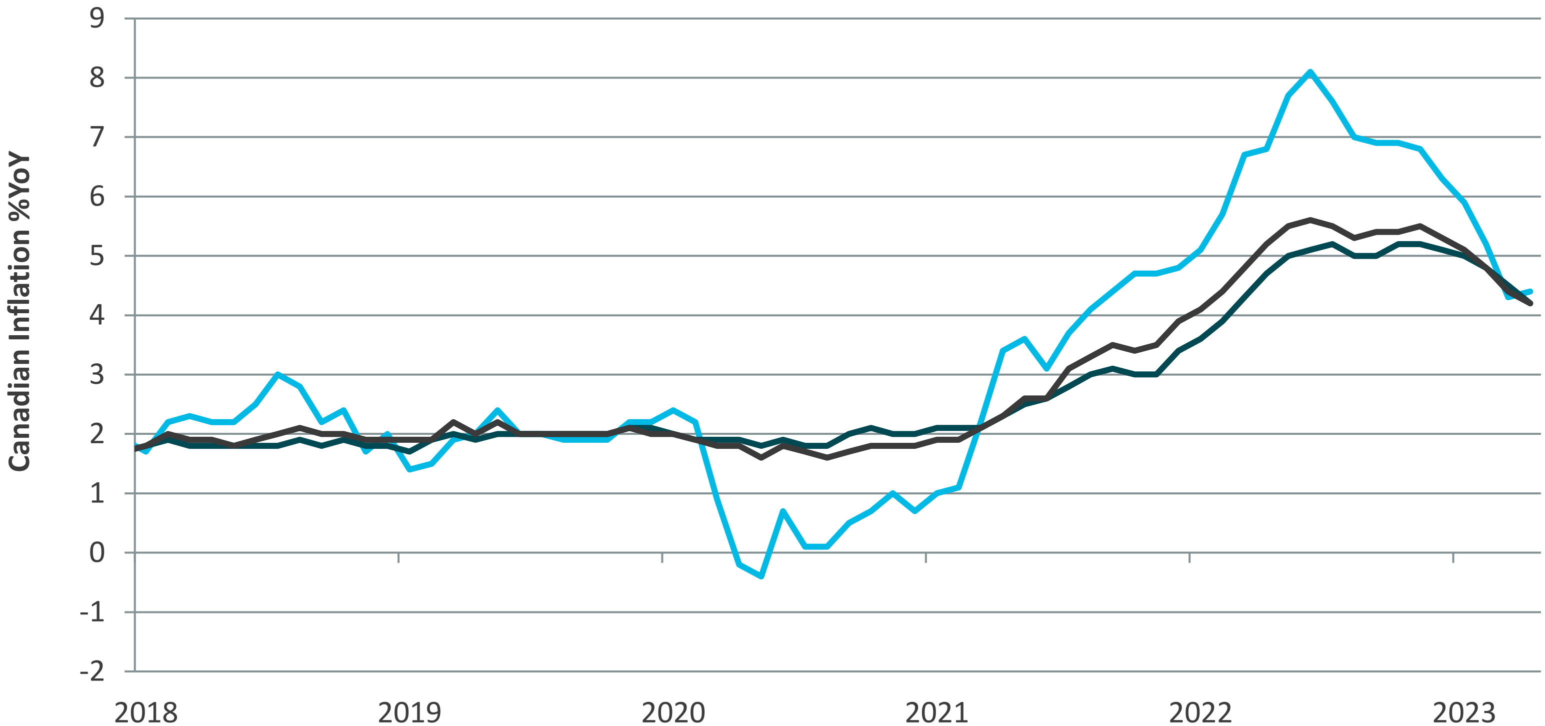
Universe Bond Returns



Source: FTSE Russell

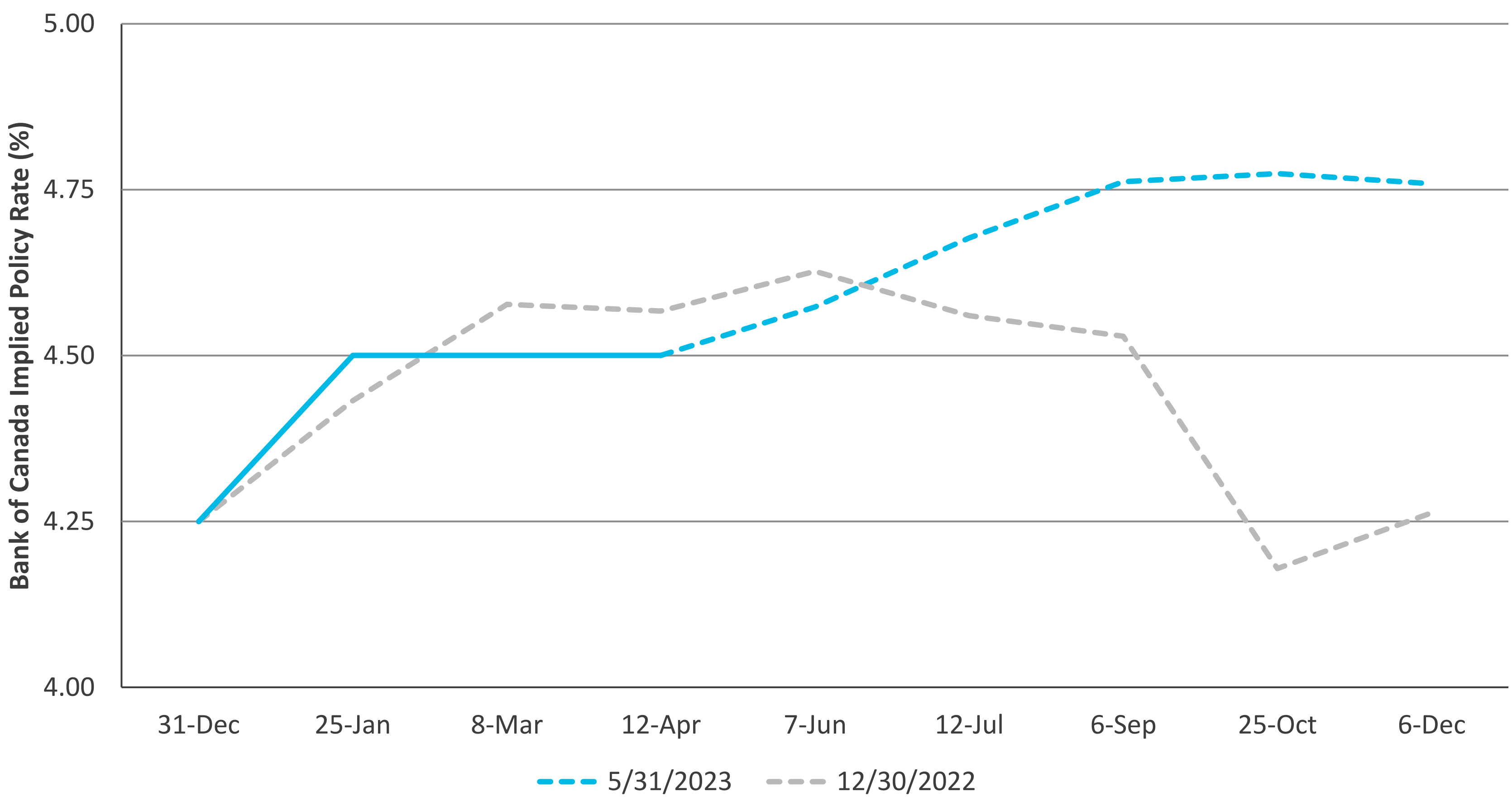
Inflation



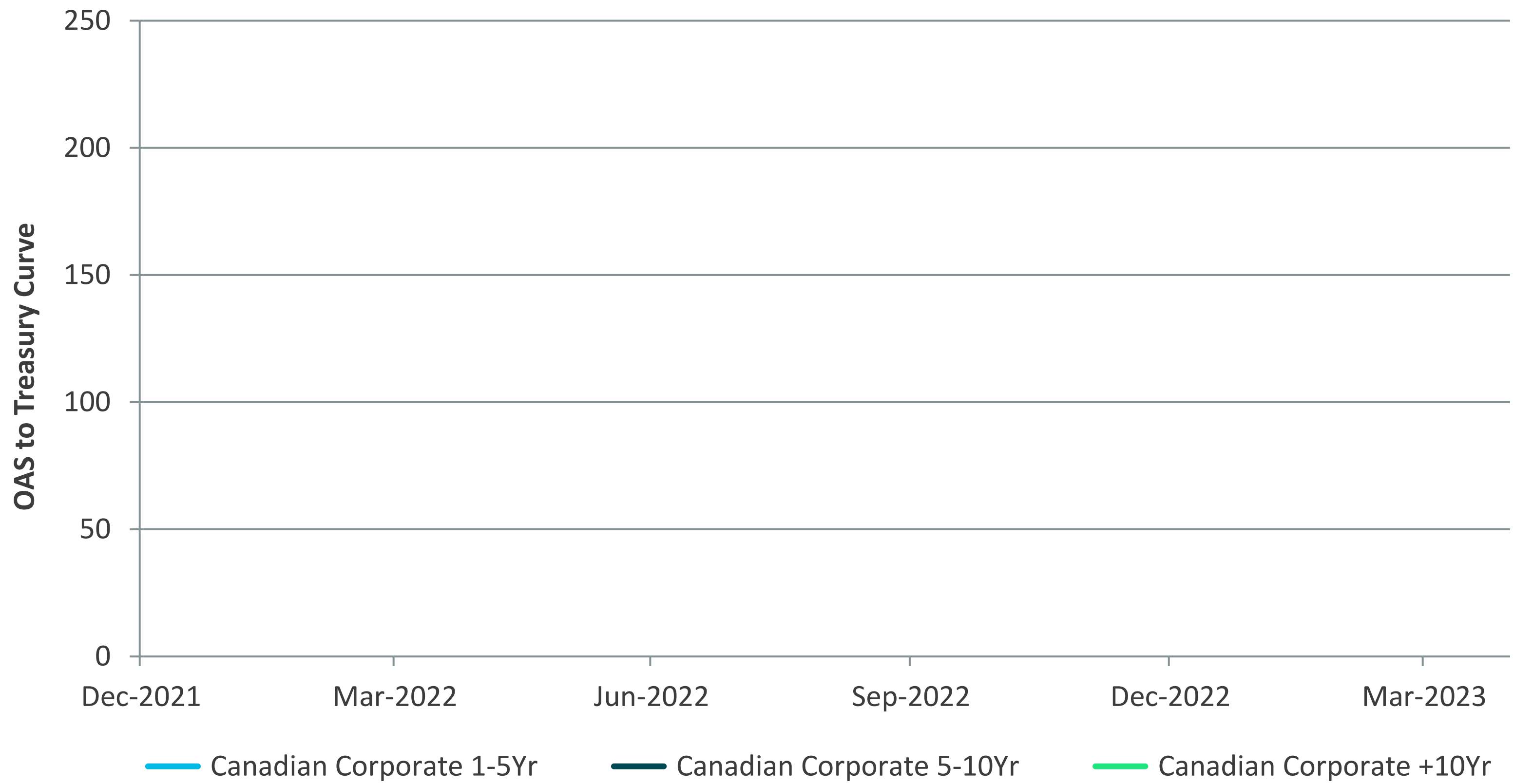
Source: Statistics Canada

While headline inflation continues to fall, helped lower by softer commodity markets, core inflation measures in Canada remain elevated.

Bank of Canada Implied Policy Rate



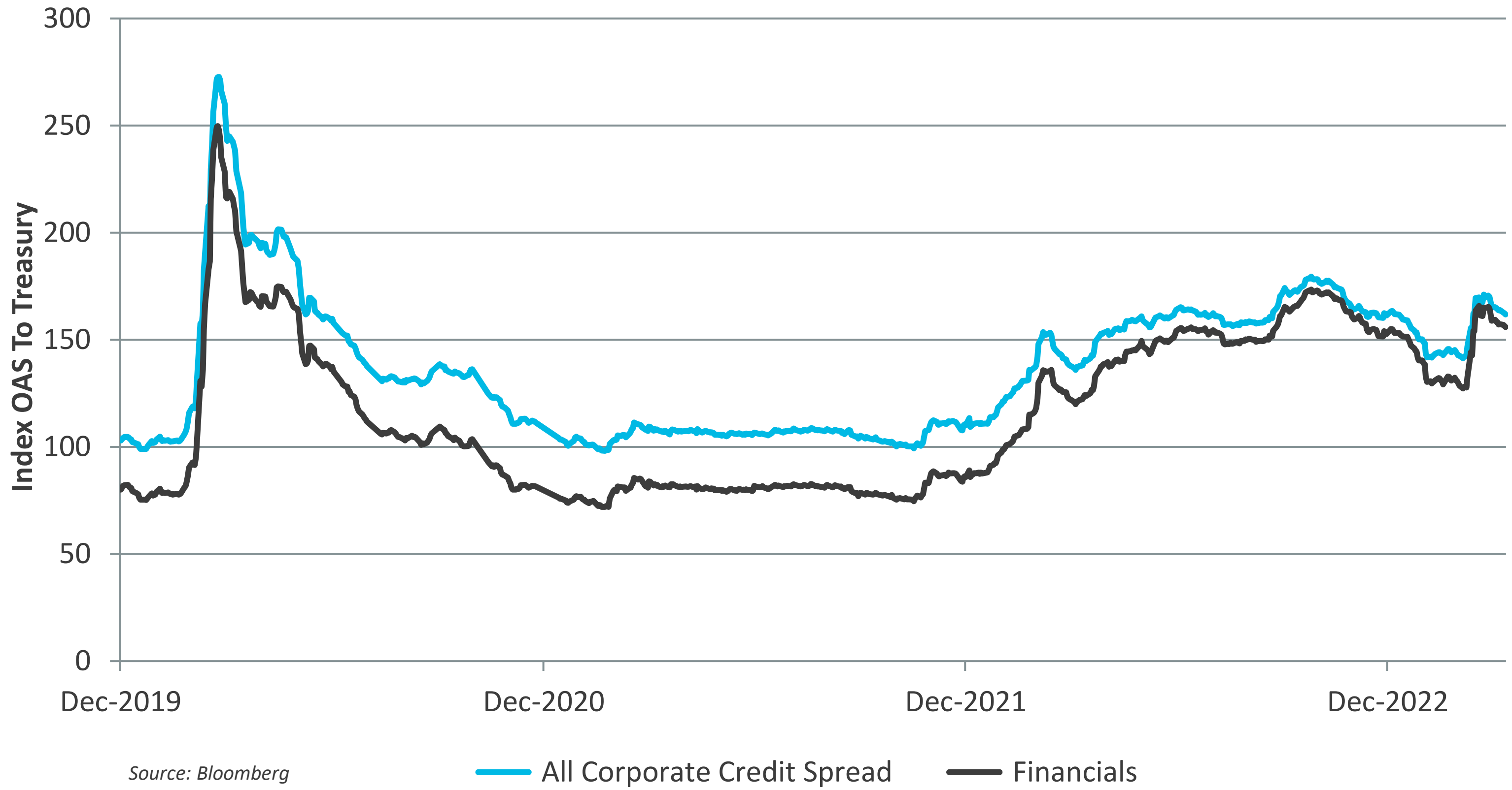
Corporate Credit Spreads



Source: Bloomberg

Despite widening as a result of market volatility in March 2023, credit spreads ended the quarter only slightly wider than levels at the end of 2022.

Credit Spreads – Canadian Financials

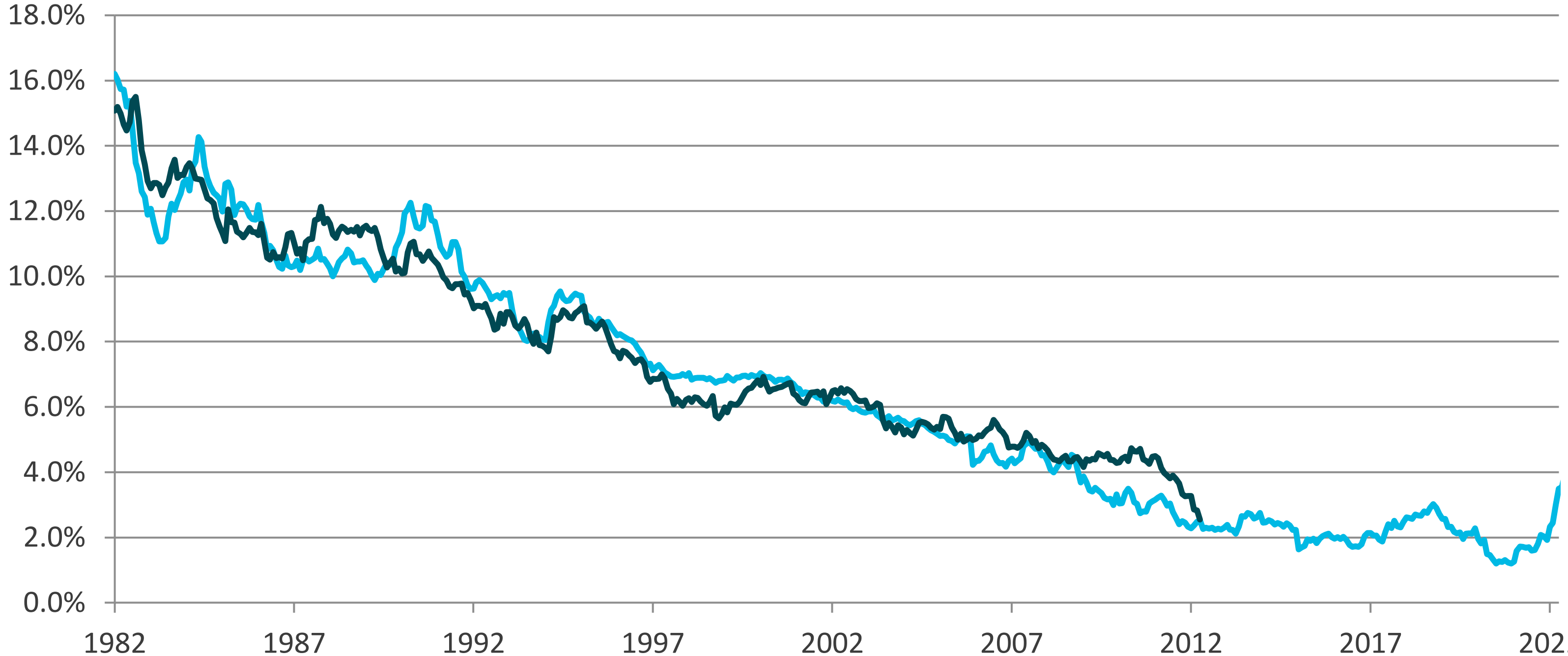


Source: Bloomberg

Canadian financials underperformed but by a relatively modest amount to broad credit markets. Financials are now near their 10-year wides ex-COVID.

Expected Forward Returns From Bonds

FTSE Canada Universe Index, Starting Yield and 10-Year Annualized Index Total Return



Source: FTSE Russell, Bloomberg, PC Bond

Starting Index Yield (%) — Annualized Index Total Return Over Subsequent 10 Years (%)

For bond investors, the starting yield of a portfolio is the most important determinant for long-term expected portfolio returns.

Market Outlook

- Inflation has peaked in the current cycle. Policy rates in Canada are now sufficiently restrictive to bring inflation back to target with the passage of time
- Banking concerns in late Q1 have further tightened financial conditions, however we do not expect this liquidity-based event to turn into a broader credit event for Canadian markets
- Expectations for rate cuts in H2 2023 are likely premature. Inflation is not yet on a sustainable declining path consistent with returning to their 2% inflation targets. Fiscal policy is also working counter to the BoC efforts to cool the economy
- Weak productivity gains, geopolitical disruptions, deglobalization and labour demographics should all work to keep inflation higher than the past decade
- Economic activity has remained surprisingly firm and supportive of a strong labour market. However, we expect tighter financial conditions to ultimately trigger a mild recession over the next 6-12 months

Important Information

Examples of specific holdings are intended to demonstrate our investment process and should not be construed as representative of investment performance. Do not assume that investments made in the future will be profitable or will equal any results presented. Any indicated holdings may change due to ongoing portfolio transactions. Weightings may not total 100% due to rounding.

Any portfolio data is “as of” the date indicated and should not be relied upon as a complete or current listing of holdings (or top holdings) of the portfolio. The holdings are subject to change without notice, and may not represent current or future portfolio composition.

Past performance is no guarantee of future results. Performance data is presented on a total return basis, and in Canadian dollars, unless otherwise indicated. Performance is shown before investment management fees and other fees that may be charged, which will reduce a portfolio’s return.

Index information is provided for illustrative purposes only and is not intended to imply past or future performance. An investor cannot invest directly in an index. Unless otherwise noted, index returns reflect the reinvestment of income and dividends, if any, but do not reflect fees, brokerage commissions or other investing expenses.

Graphs and charts, if any, are used for illustrative purposes only and do not reflect actual future values or future performance of any investment. Graphs used to illustrate the effects of compound growth rates do not reflect future values of any fund or returns on investment of any fund.

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