



April 3, 2024

The City of Toronto – Sinking Funds LDI Portfolio

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Senior Institutional Portfolio Manager

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Portfolio Manager, Fixed Income Solutions

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Firm Overview

ABOUT US

Publicly-traded, independent Canadian investment management firm

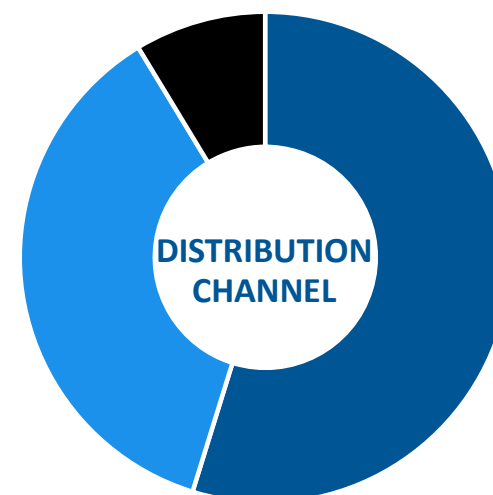
800+ employees including more than 200+ investment professionals

Depth and expertise in traditional and alternative strategies

Headquartered in Montreal with offices across Canada, the United States, Europe and Asia

ASSETS UNDER MANAGEMENT

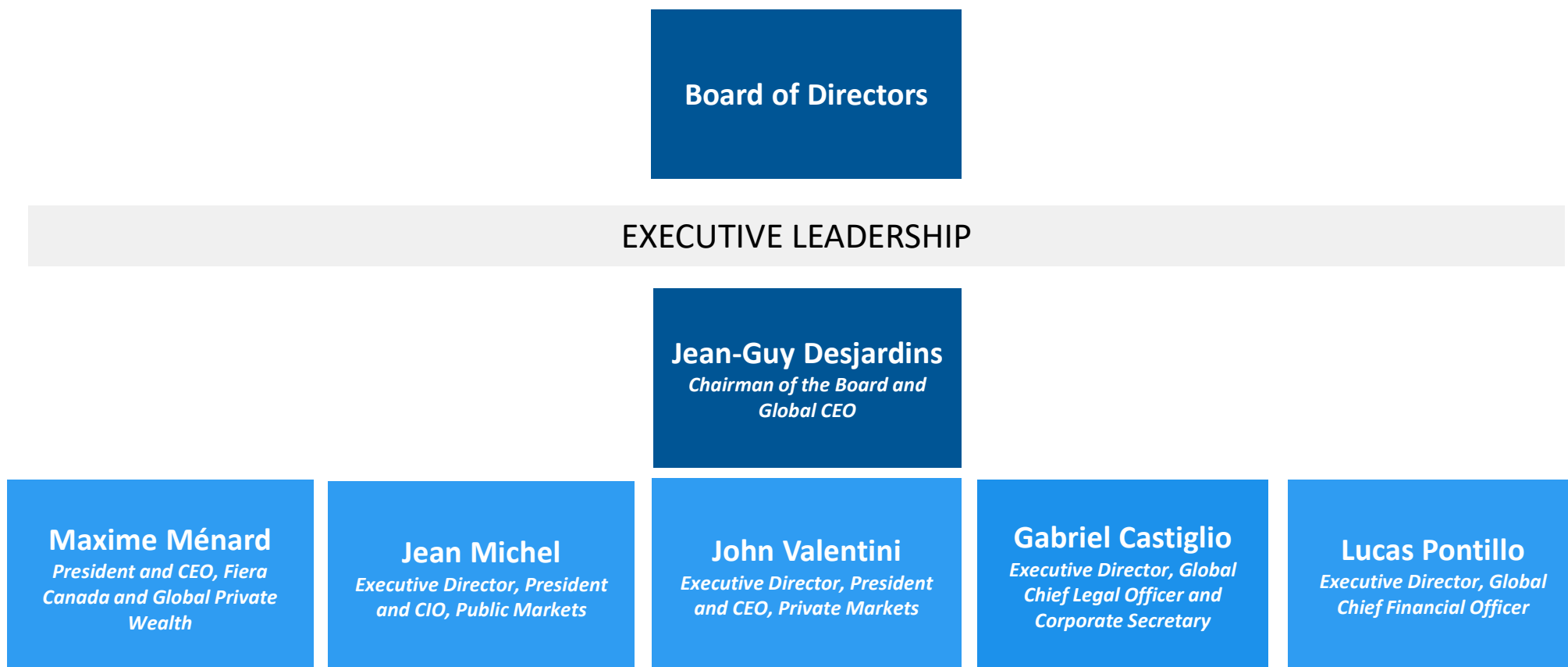
\$161.7B



Institutional Markets	\$88.6B	55%
Financial Intermediaries	\$59.1B	36%
Private Wealth	\$14.0B	9%
Total	\$161.7B	100%

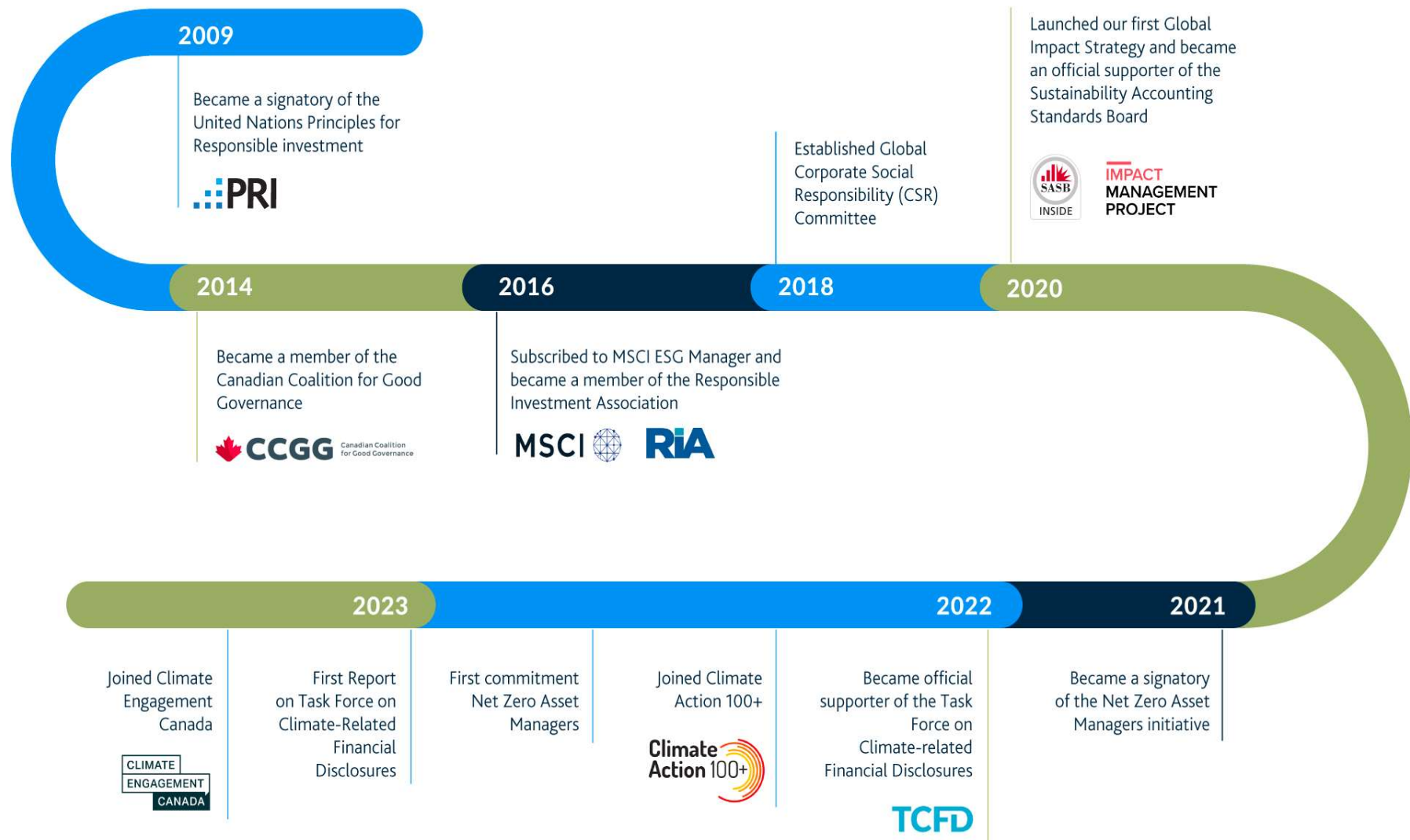
Total may not reconcile due to rounding.

Organizational Structure



Our Sustainable Investing Journey & Commitments

We recognize and adhere to several responsible business codes of conduct, along with internationally recognized standards for due diligence and reporting.



Fixed Income Solutions Team



CAROLINE GRANDOIT
CFA, CERA, FSA
Global Head of Total Portfolio
Solutions

17 years in the industry



MAXIME CARRIER
CFA, CAIA, FCIA, FSA, MBA
Senior Portfolio Manager

18 years in the industry



MARTIN DIONNE
CFA, FCIA, FSA
Portfolio Manager

19 years in the industry



LAURENT-OLIVIER VILLIARD
CFA, M.Sc.
Portfolio Manager

10 years in the industry



KATHARINE WELLS
CFA
Senior Analyst

7 years in the industry



ANAS KOUBAA
M.Sc.
Senior Analyst

5 years in the industry



SIMON-PIERRE GADOURY
CFA, MQF
Senior Analyst

5 years in the industry



IOANNIS VOLAKAKIS
Analyst

1 year in the industry



VINCENT LABELLE
CFA, ACIA, ASA
Quantitative Developer

4 years in the industry



Integrated Fixed Income Team (Credit Research Team)



Market Update

Canada Long Term Rates (10-Year and +)

December 2020 to February 2024



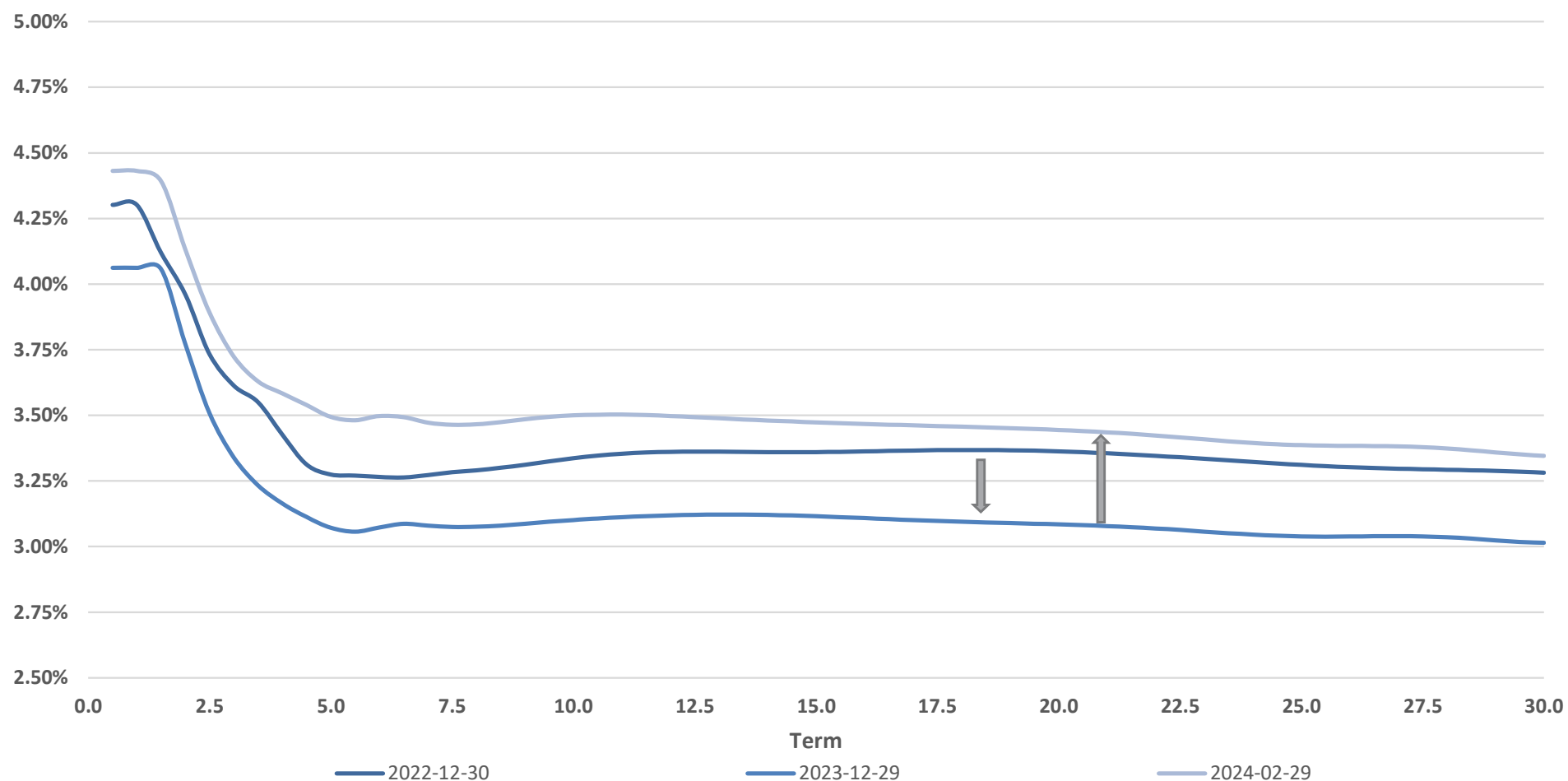
Government of Canada Long Term Bond Yields (10+ Years)



Source(s): FTSE Canada and Fiera Capital as of February 29, 2024.

Government of Canada Yield Curve

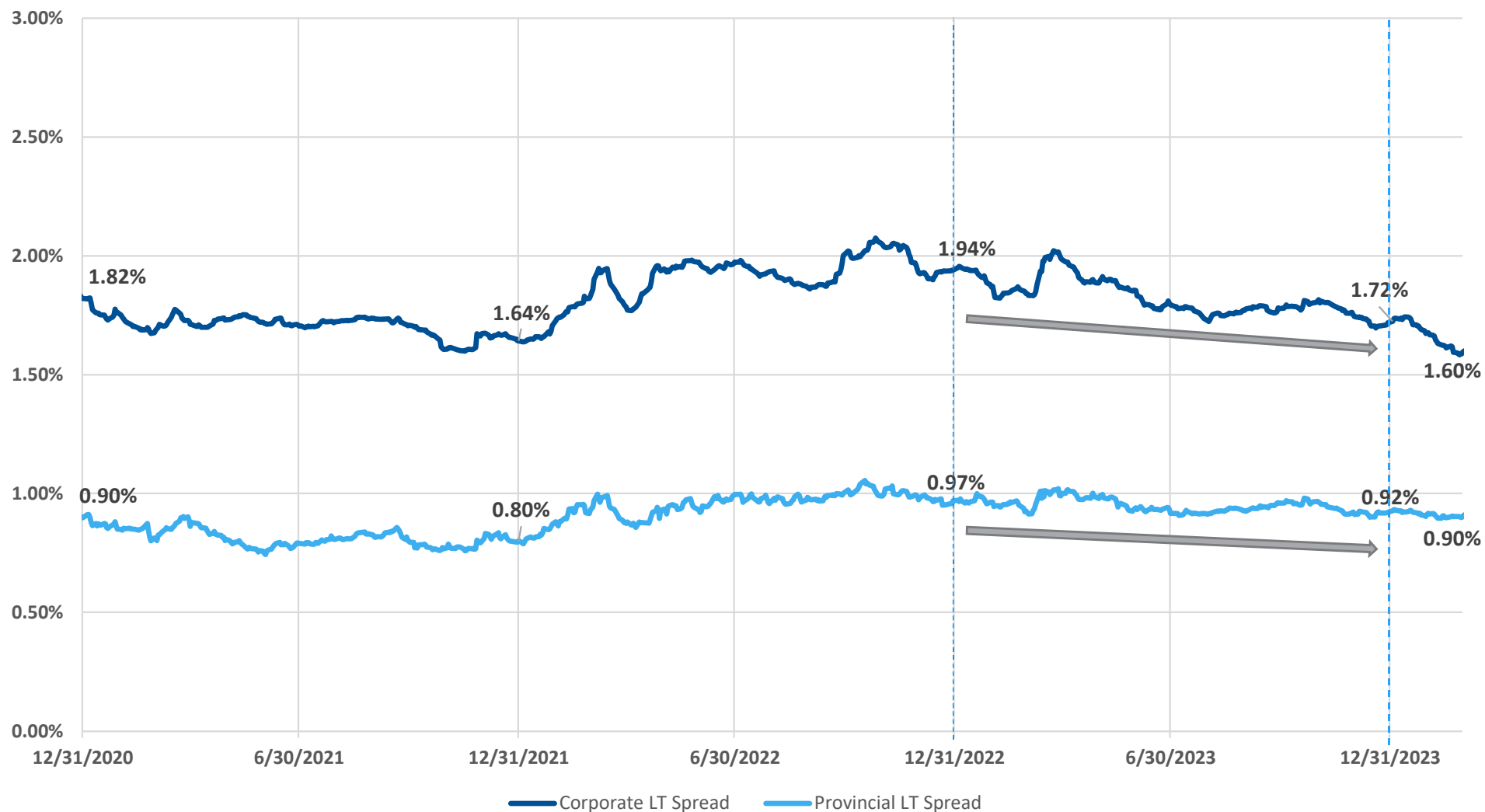
Government of Canada Nominal Yield Curve



Source(s): FTSE Canada and Fiera Capital as of February 29, 2024.

Provincial and Corporate Credit Spreads

Long Term Credit Spreads



Source(s): FTSE Canada and Fiera Capital as of February 29, 2024.



Strategy and Performance Overview

The City of Toronto – LDI Mandate Objectives

► Main objectives:

- Ensure orderly repayment of debt issued by the City of Toronto (4 sinking funds (SF))
- Manage and monitor the aggregate interest rate exposure:
 - The overall duration of the portfolios must match the duration of all future debt repayments

► Portfolio management sub-objectives:

- Maintain sufficient liquidity in the sub-accounts
- Align portfolio with key rate durations of future repayments
- Invest in new corporate debt issues on opportunity
- Build a well-diversified portfolio
- Avoid realized losses
- Minimize transaction costs

The City of Toronto – Portfolio Performance

► As of February 29, 2024

	Total Portfolio	Benchmark	Value Added
2024 YTD	-3.30%	-3.39%	+0.09%
2023 Calendar	8.88%	8.06%	+0.82%
Since Inception (July 1 st 2019)	-1.77%	-2.01%	+0.25%

Note: the Benchmark returns correspond to the future debt repayments discounted using a spot rate curve composed of 43% Federal, 43% Provincial and 14% Corporate Bonds.

Detailed Performance Attribution – Since Inception

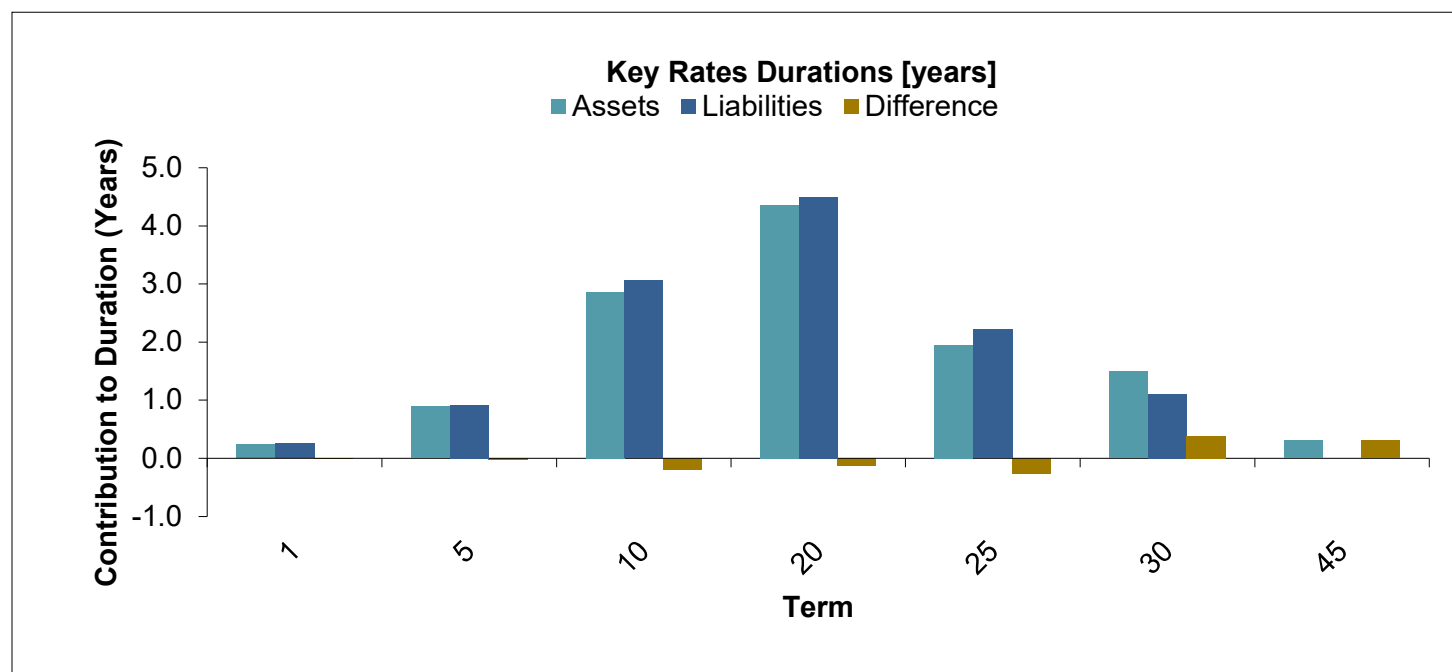
	Total Portfolio	Benchmark	Difference
Carry	+2.90%	+2.82%	+0.08%
Curve Exposure	-4.61%	-4.64%	+0.03%
Provincial Credit Spread	-0.04%	-0.14%	+0.10%
Corporate Credit Spread	+0.06%	+0.00%	+0.06%
Residual	-0.07%	-0.05%	-0.02%
Total	-1.77%	-2.01%	+0.25%

The City of Toronto – Portfolio Yield & Duration Metrics

► As of February 29, 2024

	Market Value	Yield-to-Maturity	Duration (Years)
Assets	\$784.1M	4.07%	12.11
Liabilities		4.03%	12.05

Guidelines:
between 90%
and 110% of
liability duration
(currently 100.5%)

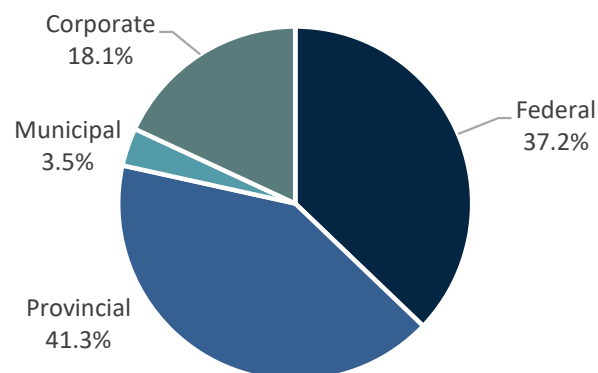


The City of Toronto – Portfolio Characteristics

► As of February 29, 2024

Portfolio Characteristics

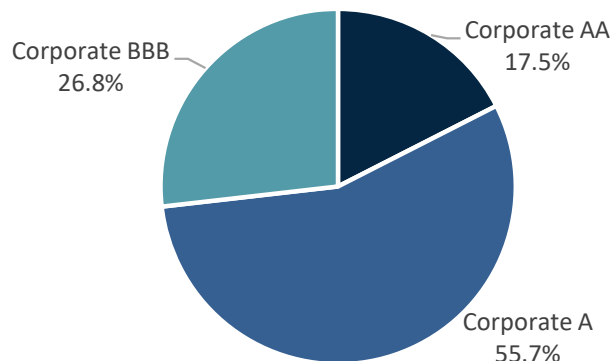
Sector Allocation



Benchmark

- 43% Federal
- 43% Provincial
- 14% Corporate

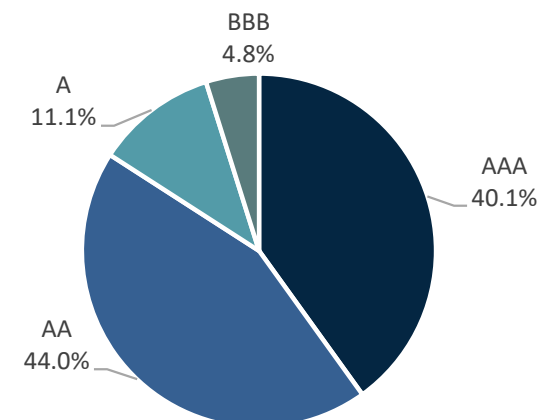
Corporate Credit Allocation



Benchmark

- 35% AA
- 45% A
- 20% BBB

Overall Credit Allocation





fiera.com

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