

A large, stylized graphic of the Toronto skyline, including the CN Tower and various skyscrapers, rendered in a blue and white color scheme with a diamond-shaped cutout effect.

September 26, 2024

The Toronto Investment Board

SARAH AVES, CFA

Co-Head of Canadian Institutional Clients

NADIM RIZK, MBA, CFA

CEO & CIO, PineStone Asset Management

LAURA COHEN, CFA

Investment Specialist, PineStone Asset Management

PineStone Investment Team



Nadim Rizk, MBA, CFA
CEO & CIO

Team: 15 Years, Industry: 27 Years



Andrew Chan, CIM, M.Sc.
Head of Research
Industrials | Information Technology

Team: 15 Years, Industry: 23 Years



Thomas Horvath, MBA, CFA, CAIA
Small Cap: Lead Portfolio Manager
Consumer | Health Care | Tech

Team: 14 years, Industry: 16 Years



Nick Cileli, CFA
Senior Analyst
Financials

Team: 15 Years, Industry: 27 Years



Dominic Tremblay, M.Sc., CFA
Senior Analyst
Health Care | Financials

Team: 14 Years, Industry: 20 Years



Juhua Shi, MBA, CFA
Senior Analyst
Information Technology | Comm. Services

Team: 11 Years, Industry: 17 Years



Ivana Miladinovic, CFA
Small Cap: Lead Analyst
Industrials, Financials, IT

Team: 9 Years, Industry: 14 Years



Wen Qing Xu, CFA
Senior Analyst
Consumers

Team: 8 Years, Industry: 8 Years



Ayssar Fernandez, CFA
Senior Analyst
Information Technology | Consumers

Team: 7 Years, Industry: 7 Years



Stephano Pascali
Junior Analyst
Industrials | Materials, Energy

Team: 1 year, Industry: 1 year



Jackson Roy
Small Cap: Junior Analyst
Generalist

Team: <1 year, Industry: <1 Year

Investment Philosophy



One can achieve superior and sustainable returns by investing in a concentrated portfolio of high quality companies and holding them for the very long run.

- *Nadim Rizk*



We seek to identify companies that:

- ▶ Generate high return on invested capital (ROIC)
- ▶ Provide ample long-term growth potential at incrementally higher ROIC
- ▶ Generate strong and predictable free cash flow
- ▶ Consistently compound shareholder wealth over the long term
- ▶ Preserve capital

Investment Philosophy

Statement of Edge

- ▶ We seek to buy high quality companies which we believe have sustainable competitive advantages that:
 - In our view, create more economic value over time with lower probability of permanent value destruction.
 - The market will often misprice those assets, enabling us to buy them at attractive valuations.
- ▶ We have high conviction strategies and strive to own only the best of the best.

High conviction
+
Low turnover



More time to know our companies

More time to make decisions

- ▶ We have a strong process and alignment that enables us to identify and select what we believe to be best-of-breed companies.
 - Our team-based compensation structure aligns our incentives with our clients’.
 - Each member of the team has a vested interest in participating in the selection and construction of the portfolio.

Investment Process

Environmental, Social and Governance (ESG) Approach

- ▶ ESG consideration embedded in fundamental research approach of the Global Equity Team:
 - Corporate governance has long been a key area of focus in identifying high quality companies
 - Environmental and social risk evaluation in context of industry, positioning and competitive advantage
 - Poor scores in any of the three ESG areas trigger further analysis
- ▶ Engagement with companies:
 - As long term shareholders we hold regular meetings with company management and key board members
 - By raising ESG awareness and conveying our strong conviction on ESG matters, we have historically been successful in positively influencing management at these companies
- ▶ Proxy Voting:
 - Lead PM will vote in the best interest of public shareholder
 - Fiera Proxy Voting guidelines along with external expert service help guide the proxy decisions
 - We track all of our proxy votes in a documented proxy log

Investment Process

Target approximately 25-35 securities

- ▶ Small initial position gradually increased as investment thesis is realized and conviction solidifies
- ▶ Position size is based on confidence in quality, risk assessment and return expectations
- ▶ Expected long-term average annual name turnover rate below 10%
- ▶ Sector Exposure: +/- 20 percentage points relative to the benchmark, with minimum 6 of 11 GICS sectors
- ▶ Maximum exposure to Emerging Markets
 - 15% in the Global Fund

Sell Discipline:

- ▶ Investment thesis no longer valid
- ▶ Better opportunity

Portfolio Summary

As at June 30, 2024



	Q2-2024	Value Added	Year to date	Value Added	1 year	Value Added	2 years	Value Added	3 years	Value Added	4 years	Value Added	Since* Inception	Value Added
Total Portfolio	2.44	-1.34	14.45	-1.51	19.78	-4.51	21.42	-1.50	10.26	-0.22	13.33	-0.93	10.78	-0.61
MSCI World (Net) in \$ CAD	3.78		15.96		24.29		22.92		10.48		14.26		11.39	

Account	Market Value + Accrued Income	(%)
City of Toronto A/c COT TLT (Z305A)	\$ 187,572,000	72.9%
City of Toronto A/c COT 2.5 SF (Z305C)	\$ 27,936,341	10.9%
City of Toronto A/c COT 2 SF (Z305B)	\$ 22,226,324	8.6%
City of Toronto A/c COT 4 SF (Z305E)	\$ 19,714,253	7.7%
	\$ 257,448,919	100.0%

* Inception Date: February 19, 2020

Global Equity Focused

Sector Allocation and Contribution – 1 year as of June 30, 2024

Sector	Performance, 1 Year (%)		Weight Jun 30 (%)		Contribution to Value Added, 1 Year (%)	
	Portfolio	Index*	Portfolio	Index*	Sector	Security
Energy	0.0	15.6	0.0	4.3	0.20	0.00
Materials	13.8	8.0	3.7	3.7	0.03	0.20
Industrials	4.1	15.7	5.6	10.7	0.20	-0.65
Consumer Discretionary	12.4	9.4	24.7	10.2	-1.15	0.57
Consumer Staples	-18.4	1.9	7.2	6.3	-0.42	-2.01
Health Care	5.1	11.2	7.1	11.8	0.25	-0.63
Financials	14.5	23.7	19.2	14.8	0.20	-1.53
Information Technology	38.9	38.1	23.8	25.9	-0.32	0.07
Communication Services	52.8	37.2	8.7	7.8	0.00	0.85
Utilities	0.0	4.8	0.0	2.4	0.37	0.00
Real Estate	0.0	4.7	0.0	2.1	0.32	0.00
Total	16.1	20.2	100.0	100.0	-0.32	-3.12

*MSCI World (Net) in \$ USD

Performance attribution is calculated based on gross pooled fund returns (excluding cash and money market), which may be slightly different than the net performance presented elsewhere in this report.

Global Equity Focused

Main Sources of Value Added / Detracted – 1 year as of June 30, 2024



Security	Country	Sector	Average Weight - 1 Year (%)		Performance (%)	Value Added (%)	
			Portfolio	Index*	1 Year	1 Year	
1. Taiwan Semiconductor	Taiwan	Information Technology	6.7	0.0	75.4		3.09
2. Alphabet Inc	United States	Communication Services	7.4	1.4	52.8		1.50
3. Intercontl Hotels	United Kingdom	Consumer Discretionary	3.8	0.0	54.8		0.91
4. Microsoft Corp	United States	Information Technology	9.8	4.4	32.7		0.62
5. Apple Inc	United States	Information Technology	0.0	4.8	9.0		0.53

Security	Country	Sector	Average Weight - 1 Year (%)		Performance (%)	Detracted Value (%)	
			Portfolio	Index*	1 Year	1 Year	
1. Nvidia Corp	United States	Information Technology	0.0	2.7	192.1	-2.68	
2. LVMH Moet Hennessy	France	Consumer Discretionary	5.3	0.4	-17.8	-1.94	
3. Diageo	United Kingdom	Consumer Staples	3.7	0.1	-24.8	-1.61	
4. Nestle Sa	Switzerland	Consumer Staples	5.2	0.5	-13.4	-1.55	
5. Keyence Corp	Japan	Information Technology	3.7	0.1	-6.4	-0.90	

Note: Performance reflects the return of the security for the period during which it was held in the portfolio. For securities not held in the portfolio, performance reflects the market performance of the security for the entire period. If a position was newly added or entirely removed during the quarter, the security performance shown for the portfolio may be significantly different than the market performance for the entire period.

Global Equity Focused

Portfolio Composition by Region – June 30, 2024

Region	Weight (%) - Jun 30	
	Portfolio	Index*
Canada	0.0	2.9
United States	65.3	72.1
United Kingdom	6.8	3.7
Europe ex UK	14.0	12.9
Japan	3.9	5.7
Asia Pacific ex Japan	0.0	2.7
Emerging Countries	9.7	0.0
Cash	0.2	0.0
Total	100.0	100.0

Global Equity Focused

Top Holdings by Sector – June 30, 2024

	Portfolio (%)	Index* (%)
1. Energy	0.00	4.27
2. Materials	3.71	3.65
Sherwin Williams Co	3.72	0.11
3. Industrials	5.62	10.68
Otis Worldwide Corp	3.91	0.06
Graco Inc	1.71	0.02
4. Consumer Discretionary	24.73	10.17
Autozone Inc	6.60	0.08
LVMH Moet Hennessy	5.49	0.32
TJX Companies Inc	4.50	0.19
5. Consumer Staples	7.22	6.32
Nestle Sa	4.47	0.41
Diageo	2.75	0.11
6. Health Care	7.07	11.77
Unitedhealth Grp Inc	4.18	0.71
Mettler Toledo Intl	2.88	0.05

	Portfolio (%)	Index* (%)
7. Financials	19.16	14.84
Moodys Corp	6.66	0.10
Mastercard Inc	6.03	0.56
Cme Group Inc	3.51	0.11
8. Information Technology	23.80	25.95
Microsoft Corp	10.11	4.77
Taiwan Semiconductor	9.74	0.00
Keyence Corp	3.94	0.13
9. Communication Services	8.70	7.80
Alphabet Inc	8.70	1.62
10. Utilities	0.00	2.44
11. Real Estate	0.00	2.11

■ Securities which are part of the top ten holdings.
Top ten holdings represent 66.5% of the portfolio.

This page displays the top three holdings above 0.30% for each sector in the portfolio.

Global Equity Focused

Top-5 securities Added / Removed from Portfolio - 1 Year



Added Securities	Country	Sector
1. Richemont(cie Fin)	Switzerland	Consumer Discretionary

Removed Securities	Country	Sector
1. Nike Inc	United States	Consumer Discretionary

Added Securities are positions that were initiated during the period while Removed Securities are positions that were entirely sold.

Global Equity Focused

Composite performance as of June 30, 2024



Annualized

	QTD (%)	YTD (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	5 Years (%)	7 Years (%)	Since Inception Annualized (%)
Global Equity Focus in USD	1.37	10.37	15.97	18.07	6.82	13.33	11.90	12.83	12.16
MSCI WORLD Net in USD	2.63	11.75	20.19	19.35	6.86	14.13	11.78	10.88	9.26
VALUE ADDED	-1.26	-1.38	-4.22	-1.28	-0.04	-0.80	0.12	1.95	2.90

Annual

	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)
Global Equity Focus in USD	19.97	-17.92	25.11	17.22	35.06	-3.41	33.62	5.70
MSCI WORLD Net in USD	23.79	-18.14	21.82	15.90	27.67	-8.71	22.40	7.51
VALUE ADDED	-3.81	0.22	3.30	1.32	7.39	5.30	11.22	-1.81

*Returns gross of management fees.

¹Inception date: September 1st, 2014



Appendix

Biography



Sarah Aves, CFA

Co-Head of Institutional Canadian Clients

Sarah is a member of the Institutional Markets team and is responsible for client servicing for institutional clients.

Educational Background

- Chartered Financial Analyst (CFA) – 2007
- Honours Bachelor of Commerce (B.Com), Queen's University – 2004

Professional Experience

2014 – 2021 : Vice President, Institutional Client Relations, CIBC Asset Management

2011 – 2014 : Director, Institutional Client Relations, CIBC Asset Management

2009 – 2011 : Partner, Corporate Finance, Paradigm Capital

2005 – 2009 : Associate, Corporate Finance, Paradigm Capital



NADIM RIZK, MBA, CFA

Chief Executive Officer & Chief Investment Officer

Nadim Rizk founded PineStone Asset Management in 2021 and serves as the firm's CEO, CIO and Lead Portfolio Manager. Previously, Mr. Rizk was the head of the Global Equity team and the Lead Portfolio Manager of the U.S., International, and Global equity strategies at Fiera Capital. Prior to joining Fiera Capital, Mr. Rizk was a partner and lead portfolio manager for Global and US Equity Strategies at a privately held investment firm in Montreal. Mr. Rizk began his career as an equity research analyst for CN Investments.

Educational Background

- Chartered Financial Analyst (CFA) – 2001
- Master of Business Administration (MBA), McGill University – 1998
- Bachelor of Commerce (BCom), Finance, American University of Beirut – 1995

Professional Experience

- 2009 – 2022: Senior Vice President, Head of Global Equity Team & Lead Portfolio Manager at Fiera Capital
- 2000 – 2009: Senior Vice President & Portfolio Manager, Global Equities at Montrusco Bolton
- 1998 – 2000: Research Analyst at CN Investments



Laura Cohen, CFA

Investment Specialist

Laura Cohen serves as PineStone's Investment Specialist where she is responsible for communicating the details of the firm's strategies to clients and investment consultants. Laura also works with the investment team and client relations team to develop the firm's commentaries and collateral material. Prior to joining PineStone, Laura was a member of the Institutional Markets team at Fiera Capital where she was responsible for client servicing and business development activities for institutional clients across equity strategies. Laura has more than 10 years of industry experience. Prior to joining Fiera Capital, she worked for major consulting firms in both investment and pension advisory roles. Laura has a Bachelor of Science in Actuarial Science from Concordia University. She also holds the Chartered Financial Analyst (CFA) designation.

Educational Background

- Chartered Financial Analyst (CFA) – 2014
- Bachelor of Science (BSc), Actuarial Science, Concordia University – 2009

Professional Experience

- 2016 – 2022 : Global Equity Specialist at Fiera Capital
- 2015 – 2016 : Senior Analyst, Institutional Markets at Fiera Capital
- 2012 – 2015 : Senior Investment Analyst at Aon Hewitt
- 2011 – 2012 : Analyst, Pension Administration at Aon Hewitt
- 2009 – 2011 : Analyst, Pension Administration at Morneau Shepell



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