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The City of Toronto – Sinking Funds LDI Portfolio

SARAH AVES, CFA

Senior Institutional Portfolio Manager

MAXIME CARRIER, CFA, FCIA, FSA, CAIA, MBA

Senior Portfolio Manager, Fixed Income Solutions

LAURENT-OLIVIER VILLIARD, CFA, M.Sc.

Portfolio Manager, Fixed Income Solutions

Firm Overview

ABOUT US

Publicly-traded, independent Canadian investment management firm

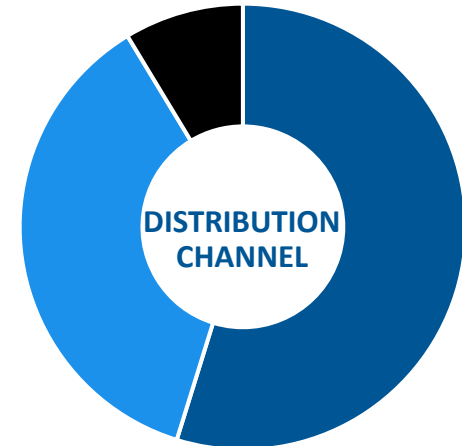
800+ employees including more than 200+ investment professionals

Depth and expertise in traditional and alternative strategies

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

ASSETS UNDER MANAGEMENT

\$168.3B

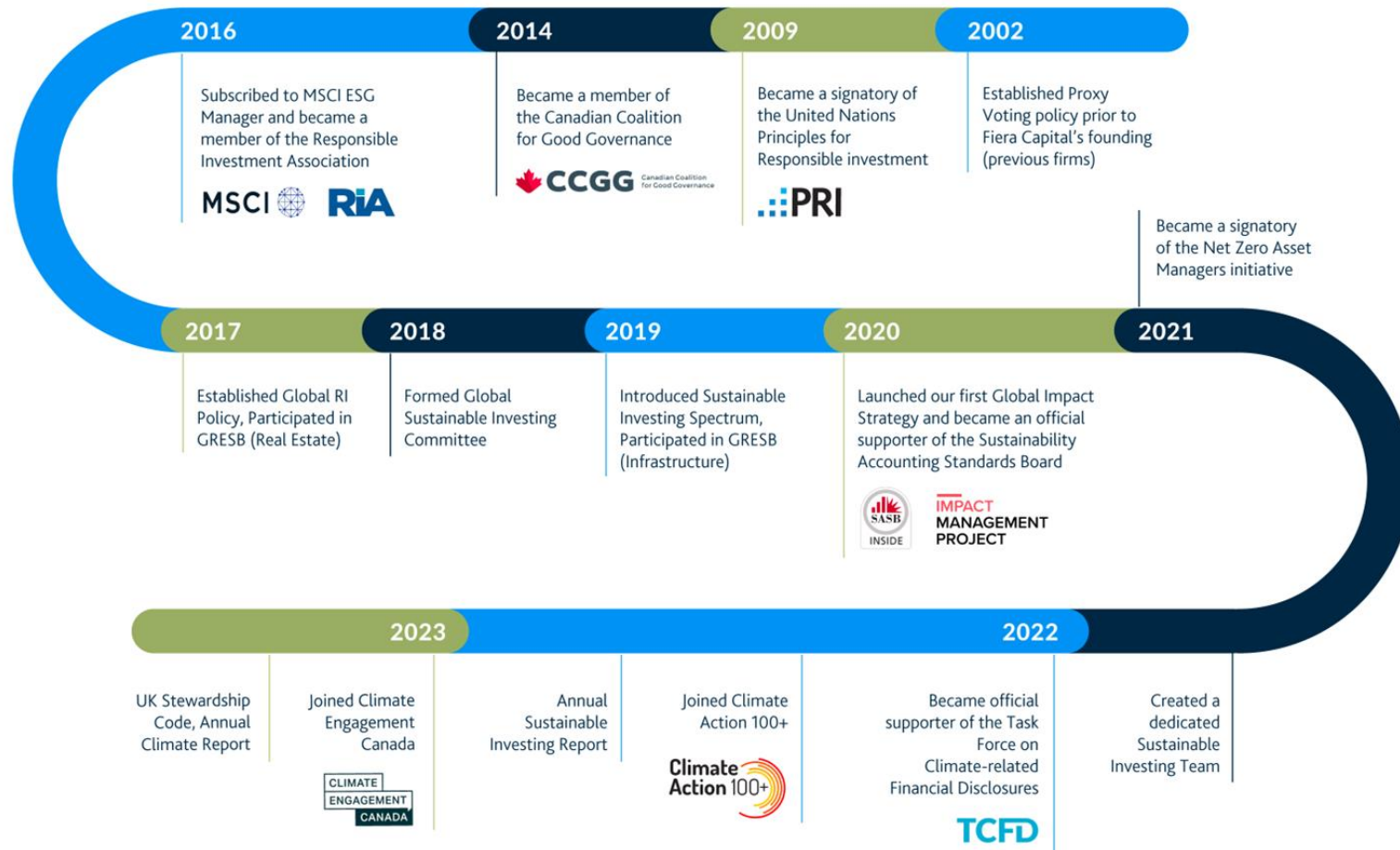


Institutional Markets	\$92.6B	55%
Financial Intermediaries	\$60.6B	36%
Private Wealth	\$15.1B	9%
Total	\$168.3B	100%

Total may not reconcile due to rounding.

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

19 years in the industry



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

21 years in the industry



MARTIN DIONNE
CFA, FCIA, FSA
Portfolio Manager

20 years in the industry



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

11 years in the industry



KATHARINE WELLS
CFA
Senior Analyst

7 years in the industry



SIMON-PIERRE GADOURY
CFA, MQF
Senior Analyst

6 years in the industry



IOANNIS VOLAKAKIS
M.Sc.
Analyst

2 years in the industry



Benjamin Hiscott
FSA, FCIA
Strategy Specialist

6 years in the industry



Integrated Fixed Income Team (Credit Research Team)



Market Update

Canada Long Term Rates (10-Year and +)

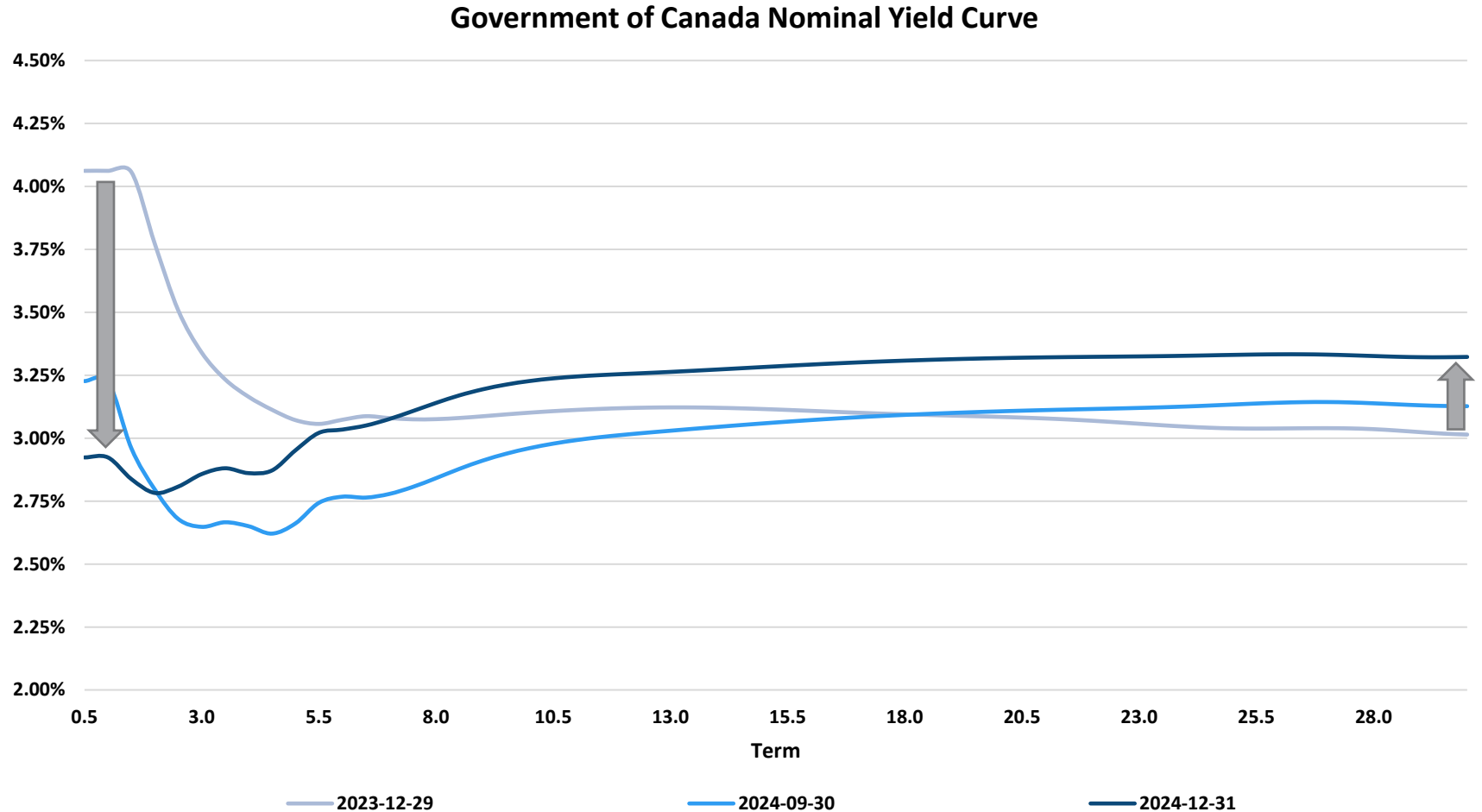
December 2020 to December 2024

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

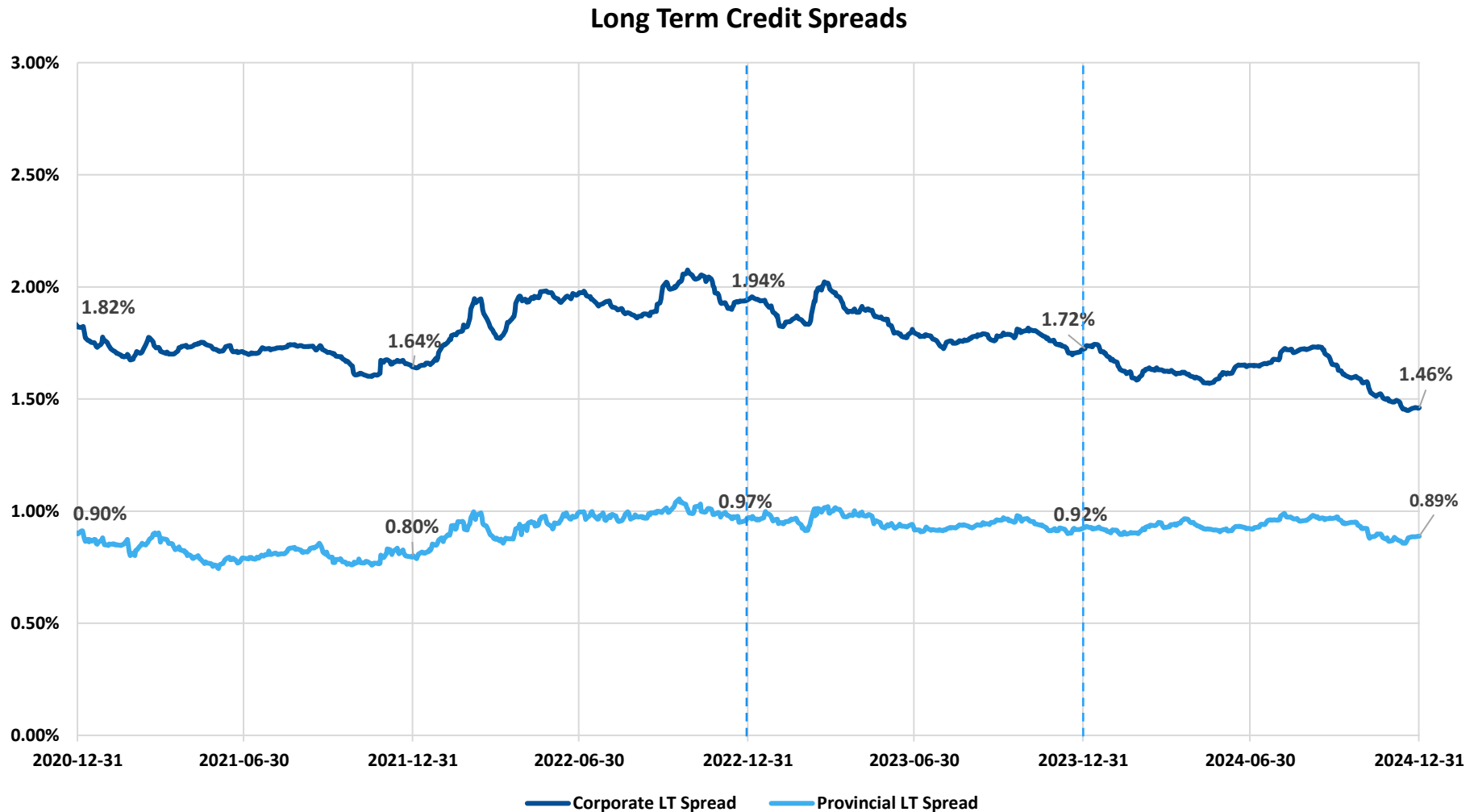


Source(s): FTSE Canada and Fiera Capital as of December 31, 2024.

Government of Canada Yield Curve



Provincial and Corporate 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)
- Manage and monitor the aggregate interest rate exposure:
 - The overall duration of the portfolios must match the duration of all future debt repayments
- In 2024, there were \$155M net contributions to the Fiera's LDI portfolio
 - \$65M in May, \$60M in July, \$30M in November

► 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
- Minimize transaction costs

The City of Toronto – Portfolio Performance

▶ As of December 31, 2024

	Total Portfolio	Benchmark	Value Added
2024 Calendar	2.07%	1.86%	+0.21%
Since Inception (July 1 st 2019)	-0.53%	-0.76%	+0.23%

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

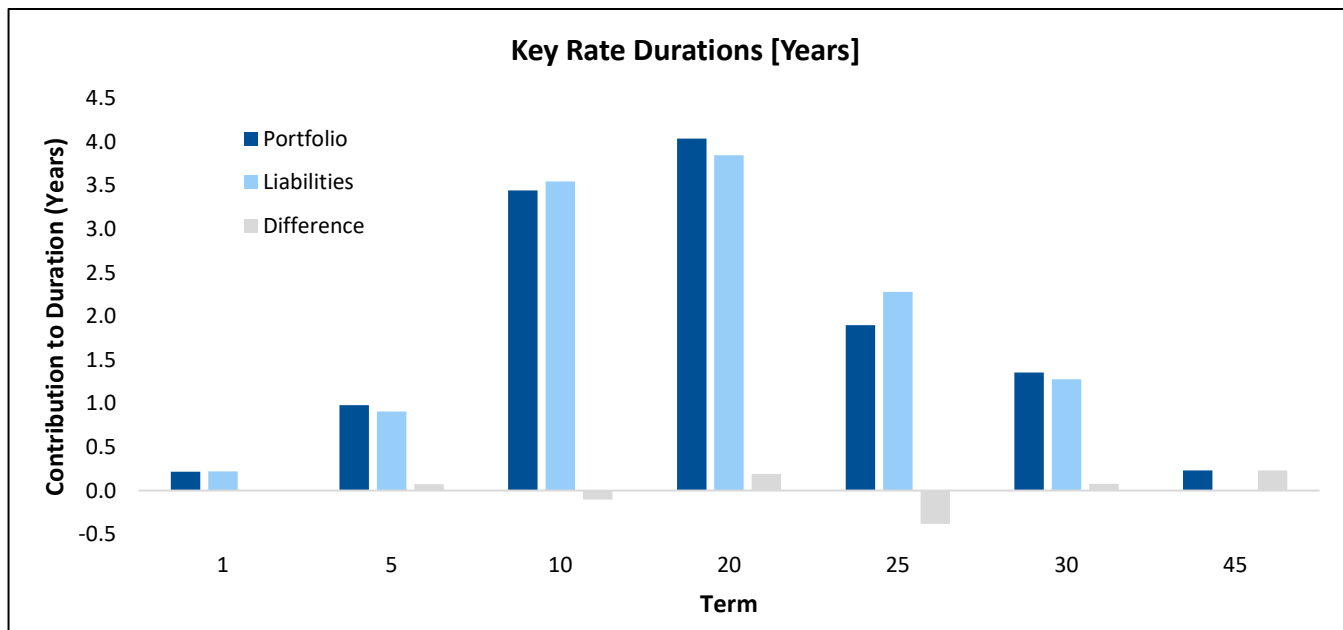
Difference (Total Portfolio vs Benchmark)		
	Year to Date	Since Inception
Carry	0.06%	0.07%
Curve Exposure	-0.20%	0.01%
Provincial Credit Spread	-0.03%	0.07%
Corporate Credit Spread	0.33%	0.09%
Residual	0.05%	0.00%
Total	0.21%	0.23%

The City of Toronto – Portfolio Yield & Duration Metrics

► As of December 31, 2024

	Market Value	Yield-to-Maturity	Duration (Years)
Assets	\$989.1M	3.90%	12.16
Liabilities		3.87%	12.07

Guidelines:
between 90%
and 110% of
liability duration
(currently 100.7%)

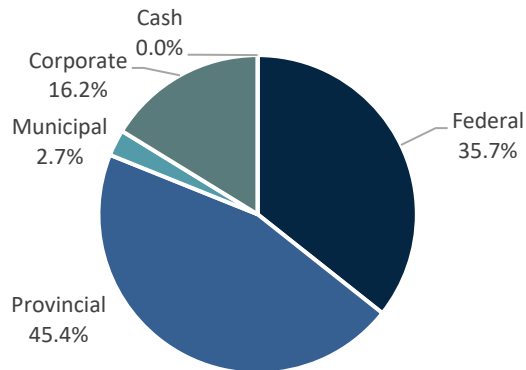


The City of Toronto – Portfolio Characteristics

▶ As of December 31, 2024

Portfolio Characteristics

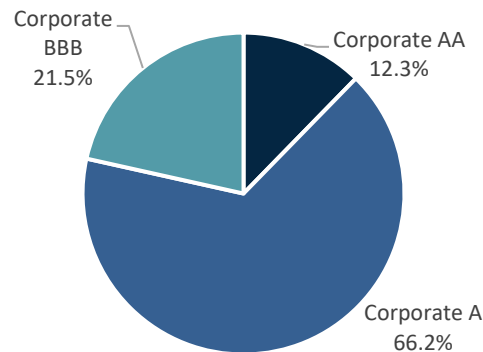
Sector Allocation



Benchmark

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

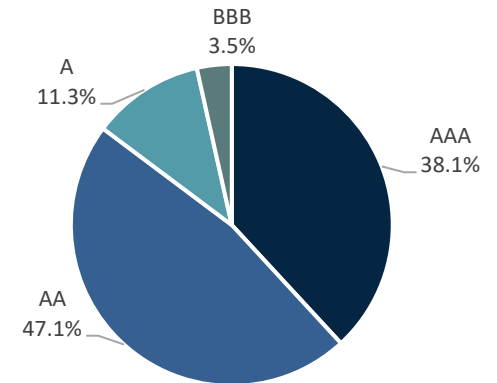
Corporate Credit Allocation



Benchmark

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

Overall Credit Allocation





fieracapital.com

Montreal

FIERA CAPITAL CORPORATION
1981 McGill College Avenue
Suite 1500
Montreal, Quebec H3A 0H5
T 514 954 3300 / 1 800 361 3499

Toronto

FIERA CAPITAL CORPORATION
200 Bay Street
Suite 3800, South Tower
Toronto, Ontario M5J 2J1
T 416 364 3711 / 1 800 994 9002

Calgary

FIERA CAPITAL CORPORATION
607 8th Avenue SW
Suite 300
Calgary, Alberta T2P 0A7
T 403 699 9000