TORONTO

REPORT FOR ACTION

Investment Manager and Other Updates

Date: June 4, 2025
To: Toronto Investment Board
From: Director, Capital Markets
Wards: All

SUMMARY

This report provides the Toronto Investment Board (Board) with an update regarding activities involving investment managers and related parties. It includes investment manager staffing and management changes, funding and other related items.

There will be a executive level staff change at Fiera Capital. Jean Michel, Executive Director, President, and CIO of Fiera Public Markets, will be leaving the firm. There should be no material impact to the individual investment teams or their strategies. Further details can be found in Attachment 1 of this report.

City staff continue to re-balance the Sinking Funds as necessary to maintain the target asset mix. A summary of the transfers completed after February 28, 2025, is outlined in this report.

An update of the current funding status of Long-Term Fund (LTF) and Sinking Fund (SF) as at April 30, 2025, is provided in Attachment 2 of this report.

RECOMMENDATIONS

The Director, Capital Markets recommends that:

1. Toronto Investment Board receive this report for information.

FINANCIAL IMPACT

There is no financial impact to the City's operating or capital budgets as a result of this report.

DECISION HISTORY

At its meeting on March 17, 2025, the Toronto Investment Board received the report (February 27, 2025) from the Director, Capital Markets, Office of the Chief Financial Officer and Treasurer for information.
https://secure.toronto.ca/council/agenda-item.do?item=2025.IB10.4

At its meeting on December 12, 2024, the Toronto Investment Board received the report (November 25, 2024) with Confidential Attachment with details on the CBRE Global Alpha Fund from the Director, Capital Markets, Office of the Chief Financial Officer and Treasurer for information.
https://secure.toronto.ca/council/agenda-item.do?item=2024.IB9.5

At its meeting on September 26, 2024, the Toronto Investment Board received the report (September 8, 2024) from the Director, Capital Markets, Office of the Chief Financial Officer and Treasurer for information.
https://secure.toronto.ca/council/agenda-item.do?item=2024.IB8.5

At its meeting on June 20, 2024, the Toronto Investment Board authorized, after review by the external legal counsel and tax advisor, the Chair, or the Vice Chair of the Investment Board to execute the necessary documentation for the Fiera Capital Common Contractual Fund on behalf of the Investment Board.
https://secure.toronto.ca/council/agenda-item.do?item=2024.IB7.4

At its meeting on April 3, 2024, the Toronto Investment Board received the report (March 19, 2024) from the Director, Capital Markets, Office of the Chief Financial Officer and Treasurer for information.
https://secure.toronto.ca/council/agenda-item.do?item=2024.IB6.3

At its meeting on December 11, 2023, the Toronto Investment Board received the report (November 23, 2023) from the Director, Capital Markets, Office of the Chief Financial Officer and Treasurer for information.
https://secure.toronto.ca/council/agenda-item.do?item=2023.IB5.3

At its meeting on September 29, 2023, the Toronto Investment Board received the report (September 7, 2023) from the Director, Capital Markets, Office of the Chief Financial Officer and Treasurer for information.
https://secure.toronto.ca/council/agenda-item.do?item=2023.IB4.3

At its meeting on June 19, 2022, the Toronto Investment Board authorized the Chair or the Vice Chair of the Investment Board to execute amended agreements for the Oakmark Global Pooled Fund II on behalf of the Investment Board.
https://secure.toronto.ca/council/agenda-item.do?item=2023.IB3.3

At its meeting on March 16, 2022, the Toronto Investment Board received a report for information from the Director, Capital Markets with regards to various updates to the investment managers and other on-going negotiations.
https://secure.toronto.ca/council/agenda-item.do?item=2023.IB2.6

At its meeting on December 16, 2022, the Toronto Investment Board received a report for information from the Director, Capital Markets with regards to various updates to the investment managers and other on-going negotiations.
https://secure.toronto.ca/council/agenda-item.do?item=2023.IB1.3

At its meeting on September 23, 2022, the Toronto Investment Board received a report for information from the Director, Capital Markets with regards to various updates to the investment managers and other on-going negotiations.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.IB17.3

At its meeting on June 23, 2022, the Toronto Investment Board authorized the Chair or the Vice Chair of the Investment Board, to execute amended agreements for the Fiera Capital Common Contractual Fund on behalf of the Investment Board.
https://secure.toronto.ca/council/agenda-item.do?item=2022.IB16.3

At its meeting on December 13, 2021, the Toronto Investment Board awarded contracts for investment management services. The Board also authorized the Chief Financial Officer and Treasurer, in consultation with the City Solicitor, to negotiate agreements with the firms selected as investment managers, on terms satisfactory to City Solicitor and the Chief Financial Officer and Treasurer, and authorized the Chair or the Vice Chair of the Investment Board to execute such agreements on behalf of the Investment Board.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.IB14.4

COMMENTS

Fiera Capital - Executive Staff Changes

The Board's investment consultant, Aon, has provided a Flash Report (Attachment 1) regarding Fiera Capital executive staff changes in their public markets division. More specifically, Jean Michel, Executive Director, President, and CIO of Fiera Public Markets, along with a few colleagues within the department, will be leaving the firm.

Public market portfolio managers (equities, fixed income, and liquid alternatives) will revert towards the structure that used to be in place and report to Maxime Ménard (President & CEO, Fiera Canada) and Jean-Guy Desjardins (CEO, Fiera). There should be no material impact to the individual investment teams or their strategies. Portfolio management teams work independently at Fiera and are not beholden to a singular investment philosophy/approach or a top-down view. Further details can be found in Attachment 1 of this report.

Flow of Funds - Sinking Fund (SF)

The Sinking Fund is a sole-purpose portfolio that is used to retire the City of Toronto's public debt issues. The SF receives regular contributions and withdrawals according to by-laws set up when a debt issue is established. As cash contributions are received over time, the SF is re-balanced as necessary to maintain the target asset mix. In May

2025, a total of $186 million in cash was transferred to re-balance the Fixed Income portfolios. Table 1 further details the allocation of the transfers by investment manager.

Table 1: Transfers to rebalance the Sinking Fund in May 2025

Investment Manager	**Date**	**Amount**	**Purpose**
Addenda (Fixed Income)	May 2025	$93 million	Rebalancing
Fiera LDI (Fixed Income)	May 2025	$93 million	Rebalancing
Total		$186 million	

Current Asset Mix

The Current Funding Status of Long-Term Fund (LTF) and Sinking Fund (SF) as at April 30, 2025 is shown in Attachment 2. This document shows the market value of the current allocation by asset category and categorizes each of these by investment manager in each portfolio. This attachment also includes the available cash for each portfolio. All asset class weights are within the limits on the Council-approved Investment Policy.

CONTACT

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SIGNATURE

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Director, Capital Markets

ATTACHMENTS

Attachment 1 - Aon Flash Report - Fiera Capital Public Markets CIO Leadership Changes (May 2025)
Attachment 2 - Current Funding Status of the LTF and the SF (April 30, 2025)