REPORT FOR ACTION

Investing in Infrastructure

Date: November 28, 2025
To: Toronto Investment Board
From: Director, Capital Markets
Wards: All

SUMMARY

The purpose of this report is to further the discussion of the Toronto Investment Board's ("Board") potential investment in the infrastructure asset class as part of the Real Assets category of the asset mix established in the Council adopted Investment Policy (Attachment 1).

The investment consultation (Aon) will provide a presentation (Attachment 2) that provides further information in relation to investing in Infrastructure.

RECOMMENDATIONS

Director, Capital Markets recommends that:

1. The Toronto Investment Board receive this report for information.

FINANCIAL IMPACT

There are no financial impacts on the City's operating or capital budgets as a result of this report.

DECISION HISTORY

At its meeting on June 29 and 30, 2020, City Council adopted the report EX14.2 "Investment Policy Update" that amended Asset Mix Guidelines (Section 2.4 (b)) and Real Asset Portfolio Constraints (Section 3.2 (b)(iii)) such that references in the Real Assets sub-category to "Canadian Core" and "Global Core" be replaced with "North American/Global Core".
https://secure.toronto.ca/council/agenda-item.do?item=2020.EX14.2

At its meeting on December 4, 2019, the Toronto Investment Board received a report entitled "Real Assets Allocation Update" (November 15, 2019) from the Executive Director, Corporate Finance that provided an update to the Toronto Investment Board ("Board") regarding the transition of the portfolio to the real assets category of the new asset mix established in the Council-approved Investment Policy. The Real assets category is included in both the Long-Term Fund (LTF) and the Sinking Fund (SF) and comprised of two sub-categories: Real Estate and Infrastructure. The investment consultant, Aon has provided a memorandum entitled "Real Assets Roadmap" in an attachment 2 to the report. During this meeting, a request was made by the Board to amend the Council-approved Investment Policy to change the geographical scope of both Real Estate and Infrastructure sub-categories to North American/Global Core (from Canadian Core and Global Core respectively).
https://secure.toronto.ca/council/agenda-item.do?item=2019.IB5.6

At its meeting on June 25, 2018, the Toronto Investment Board received a report entitled "Investing in Infrastructure - Examples for the Toronto Investment Board" (June 11, 2018) from the Acting Executive Director, Corporate Finance, in which the Infrastructure Specialist, Aon included a presentation and several specific examples of actual investments in the infrastructure sector with timelines that might be considered by the Toronto Investment Board. The presentation entitled "Infrastructure Allocation Build-out" was provided in attachment 2 of the report and the specific examples, which were considered confidential, was provided in Confidential Appendix A to Attachment 2 of the report.
https://secure.toronto.ca/council/agenda-item.do?item=2018.IB6.1

At its meeting on May 31, 2018, the Toronto Investment Board received a presentation from the Infrastructure Specialist, Aon entitled "Infrastructure Education and Portfolio Build-Out" that explains Infrastructure as an asset class, such as, various characteristics of the sectors, revenue models, diversification considerations, and various ways to invest (portfolio build-out). The Toronto Investment Board referred the item to the Acting Executive Director, Corporate Finance to work with Aon and report back to the next meeting of the Board with specific examples on investing in the infrastructure sector including timelines.
https://secure.toronto.ca/council/agenda-item.do?item=2018.IB5.3

COMMENTS

The investment consultant (Aon) has provided a presentation (Attachment 2) as a basis for further discussion in relation to the Board's potential investment in the infrastructure asset class as part of the Real Assets category of the asset mix established in the Council adopted Investment Policy (Attachment 1).

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1 - City of Toronto Statement of Investment Policy and Procedures
Attachment 2 - Infrastructure Education Presentation 2025 (Aon)