REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Investment Manager Updates

Date: March 1, 2026
To: Toronto Investment Board
From: Director, Capital Markets
Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report involves the security of property belonging to the City of Toronto and the Toronto Investment Board.

SUMMARY

This report provides the Toronto Investment Board (Board) with a general update regarding investment managers and other related activities. It includes changes to the investment manager mandates, contracts, and most recent up-to-date fund balances.

Following a presentation from CBRE at the previous Board meeting regarding the proposed modernization of the CBRE Global Alpha Fund documentation, the investment consultant (Aon) has provided a review of these changes as described in Confidential Attachment 1. In addition, city staff received a positive external legal review of these changes. Subsequently, the changes proposed by CBRE have now been adopted and have been filed with the regulatory authorities.

The investment consultant (Aon) has also provided three additional Flash Reports regarding personnel changes at the external investment management firms of Legal & General Investment Management (LGIM), UBS Asset Management (UBS), and Addenda. These three reports are contained in Attachment 1, Attachment 2, and Attachment 3 respectively.

The report also provides the most recent fund balances and asset mix for the Long-Term Fund and Sinking Fund as at January 31, 2026 (Attachment 4).

RECOMMENDATIONS

The Director, Capital Markets recommends that:

1. The Toronto Investment Board direct that the confidential information contained in Confidential Attachment 1 to this report (March 1, 2026) remain confidential in its entirety, as it contains information that involves the security of property belonging to the City or one of its agencies or corporations.

FINANCIAL IMPACT

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

DECISION HISTORY

At its meeting on December 12, 2025, the Toronto Investment Board received the report (November 27, 2025) from the Director, Capital Markets, Office of the Chief Financial Officer and Treasurer for information that also contained a Confidential Attachment regarding the proposed documentation changes to the CBRE Global Alpha Fund.
https://secure.toronto.ca/council/agenda-item.do?item=2025.IB14.5

At its meeting on September 26, 2025, the Toronto Investment Board received the report (September 7, 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.IB12.3

At its meeting on June 24, 2025, the Toronto Investment Board received the report (June 4, 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.IB11.6

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

COMMENTS

CBRE Global Alpha Fund - Changes to Documentation

Following a presentation from CBRE at the previous Board meeting regarding the proposed modernization of the CBRE Global Alpha Fund documentation, the investment consultant (Aon) has provided a review of these changes as described in Confidential Attachment 1.

When documentation to any of the investment mandates are proposed, an external legal review is requested to ensure the integrity of the original agreement remains intact. City staff received a positive opinion from the external legal counsel (Koskie Minsky) indicating there would be no impact to the agreement previously established. There are several main points to all City of Toronto investment mandate agreements:

- Insurance Requirements
- Standard of Care
- Confidentiality
- Liability and Indemnification of the Manager
- Right to Audit and Reporting Requirements
- Taxation

Subsequently, the changes proposed by CBRE have now been adopted and have been filed with the regulatory authorities.

Investment Manager Research and Monitoring Updates

The investment consultant (Aon) has provided three additional Flash Reports regarding personnel changes at the external investment management firms of Legal & General Investment Management (LGIM), UBS Asset Management (UBS), and Addenda Capital (Addenda). These three reports are contained in Attachment 1, Attachment 2, and Attachment 3 respectively.

LGIM announced that its Chief Investment Officer will be departing in Q1 2026, as outlined in Attachment 1. No action is recommended at this time.

UBS announced a series of senior leadership changes as part of a broader integration of its global real assets and investment businesses into a single platform, as described in Attachment 2. These developments are not expected to result in any immediate impact on current ratings or recommendations.

Addenda announced the departure of a senior research leader within its corporate bond team, as detailed in Attachment 3. As a result, two fixed income strategies have been moved from “Buy” to “In Review” status pending further due diligence. Follow-up discussions are underway, and any future rating changes will be communicated once the review is complete.

Current Asset Mix

The Current Funding Status of Long-Term Fund (LTF) and Sinking Fund (SF) as at January 31, 2026 is shown in Attachment 4. 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

Confidential Attachment 1 - Aon Flash Report - CBRE Global Alpha Fund
Attachment 1 - Aon Flash Report - Sonja Laud (CIO) Departure form L&G
Attachment 2 - Aon Flash Report - UBS - Senior Management Appointments
Attachment 3 - Aon Flash Report - Addenda Fixed Income Strategies "In Review"
Attachment 4 - Current Funding Status of the LTF and the SF (January 31, 2026)