City of Toronto

Investment Board Meeting 2026

David Barron, Global Head of Index, ETFs and Systematic Solutions

Ella Wild, Distribution Manager

L&G

Agenda

1. L&G update

2. Fund investment process and performance

3. Responsible investment and stewardship

4. Appendix

L&G

L&G update

A global asset manager of scale and substance

We’re the 18th largest asset manager in the world and the largest in the UK

Established in the UK in **1970**

CAD$ 2,086 billion total AUM[1]

CAD$ 782 billion in ESG strategies[4]

CAD$ 358 billion UK DC AUM

CAD$ 121 billion Private Markets AUM[2]

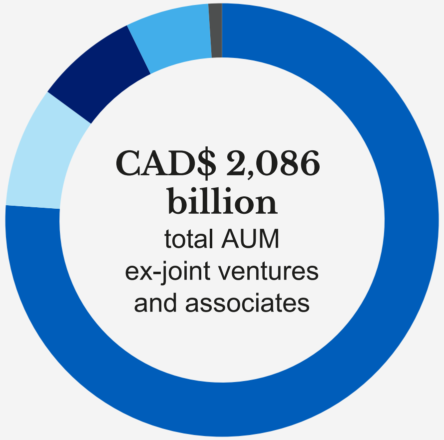
Largest manager of UK local government pension mandates, with **CAD$ 125 billion** AUM

Our global business has over **2,600** employees

~700 investment professionals[3]

16 years portfolio managers average industry experience

Assets under management by client type



Pension funds	CAD$ 1,588 billion
Internal	CAD$ 188 billion
Other Institutional	CAD$ 160 billion
Wholesale	CAD$ 129 billon
ETF	CAD$ 21 billion

Source for asset manager rankings: IPE 2025, Top 500 Asset Managers Report 2025. Data as at 31 December 2024.
All other data sources: L&G internal data as at 30 June 2025.
1 L&G, global AUM as at 30 June 2025. Excludes assets managed by associates (Pemberton, NTR, BTR). The AUM includes the value of securities and derivatives positions and may not total due to rounding. Historic AUM figures converted using the spot rate as at 30 June of that year. 2 Includes assets from associates and is based on Managed AUM, including $3.8bn from multi-asset strategies. 3 Reflects relevant L&G Asset Management business and former Legal & General Capital employees. 4 AUM in responsible investment strategies represents only the AUM from funds or client mandates that feature a deliberate and positive expression of responsible investing characteristics, in the fund documentation for pooled fund structures or in a client’s Investment Management Agreement. This expression could be exclusions; ESG outcome focus; impact; or a combination of these.

The value of an investment and any income taken from it is not guaranteed and can go down as well as up, and the investor may get back less than the original amount invested.

L&G

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Around the globe, we are where our clients need us to be

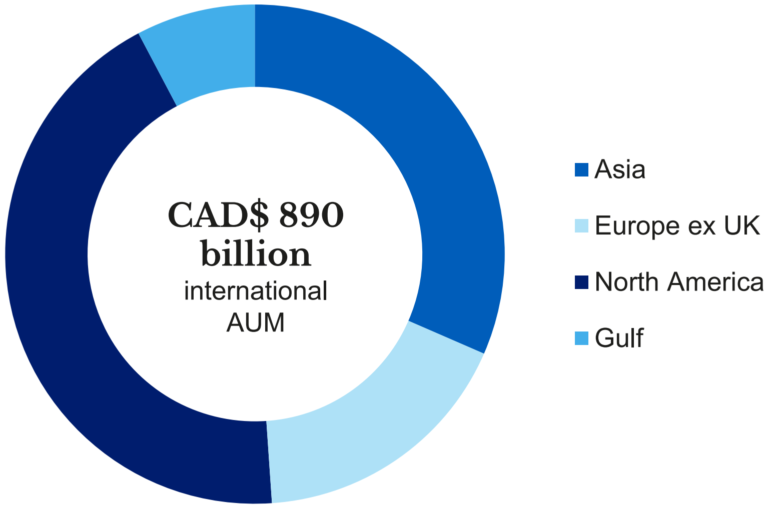
We're the 18th largest asset manager in the world, with a global footprint

Our global presence

85% growth in international AUM in sterling terms since 2018

43% of our total AUM represents international clients

52% of our growing international base is from global government entities and public sector clients



Source for asset manager rankings: IPE 2025, Top 500 Asset Managers Report 2025. Data as at 31 December 2024.
All other data: L&G internal data as at 30 June 2025, and https://am.landg.com/en-uk/institutional/capabilities/local-authorities/. The AUM disclosed is global AUM as at 30 June 2025.
The AUM includes the value of securities and derivatives positions but excludes joint ventures and associates and may not total due to rounding. The government institutions AUM figure is based on a 'managed view' of AUM (all assets managed by L&G). Therefore, we may not have access to specific data about underlying clients.

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L&G update

Factor based investing

A combination of active and traditional index

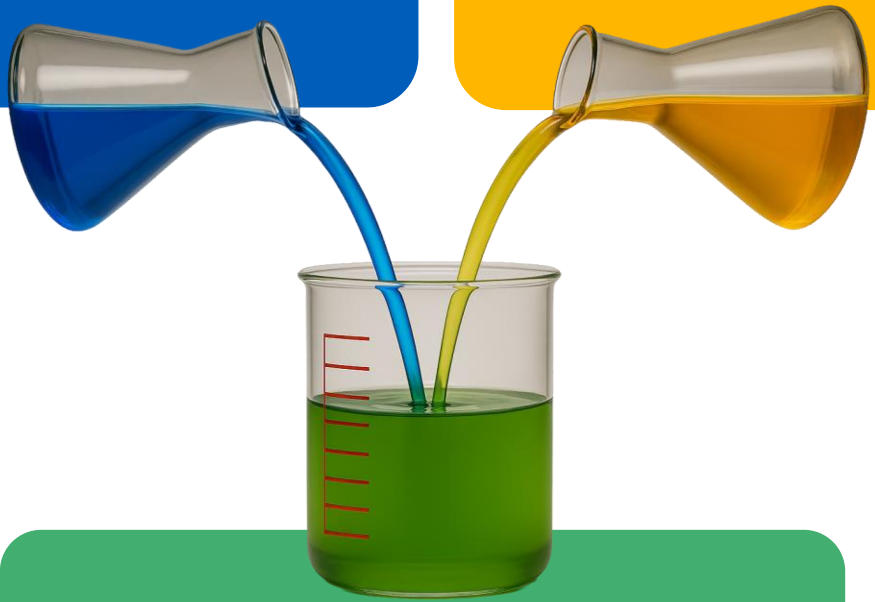
There are many names….

Alternative Risk Premia
Exotic Beta
Smart Beta
Risk Factor Investing
Quant Investing
Alternative Beta
Style Premia

…for the same thing

Active
- Belief in alpha generation strategies
- Discretionary approach

Traditional Index
- Belief in efficient markets
- Rule-based approach



Factor Based Investing
- Systematic investment approach
- Aims to harness market risk & capture factor premia

Source: L&G.

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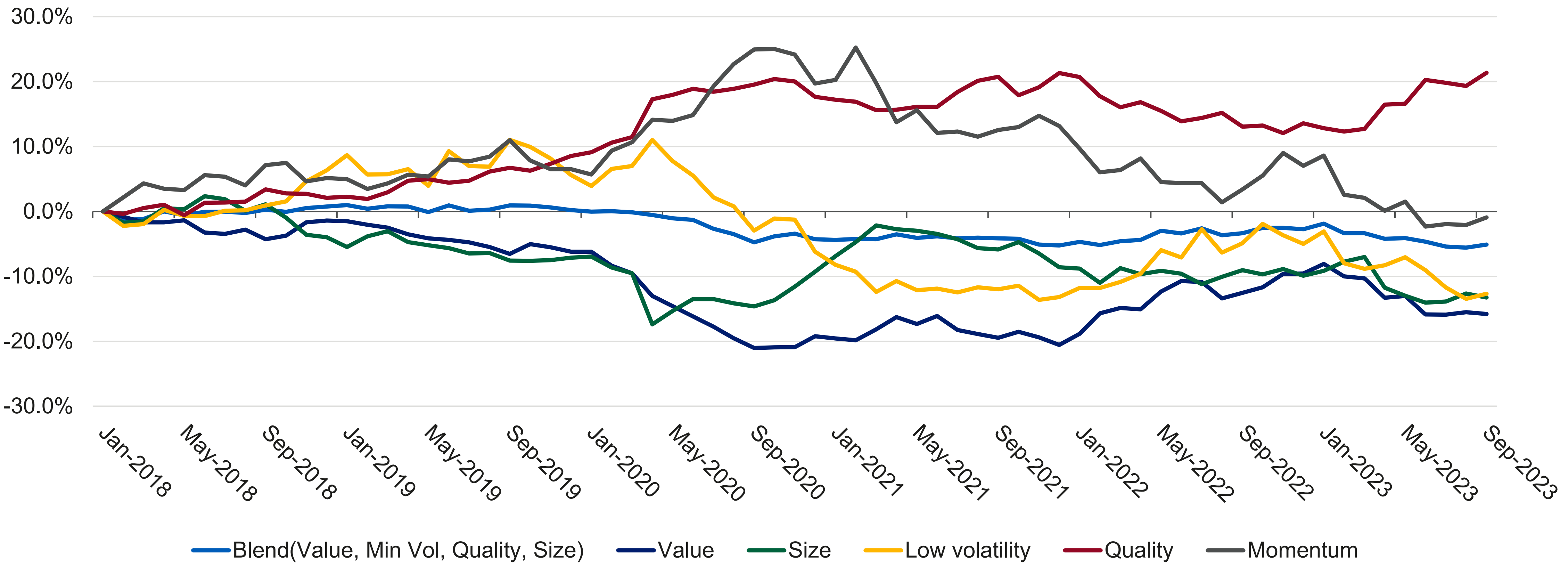
Multi-factor could provide a smooth investment journey

Single factors undergo periods of underperformance



Source: MSCI, L&G as at 30 September 2023.
1 The smooth investment journey is in relation to single-factors.
Blend of factor is equal weighting between Value, Minimum volatility, Quality and size factor. Returns in GBP.

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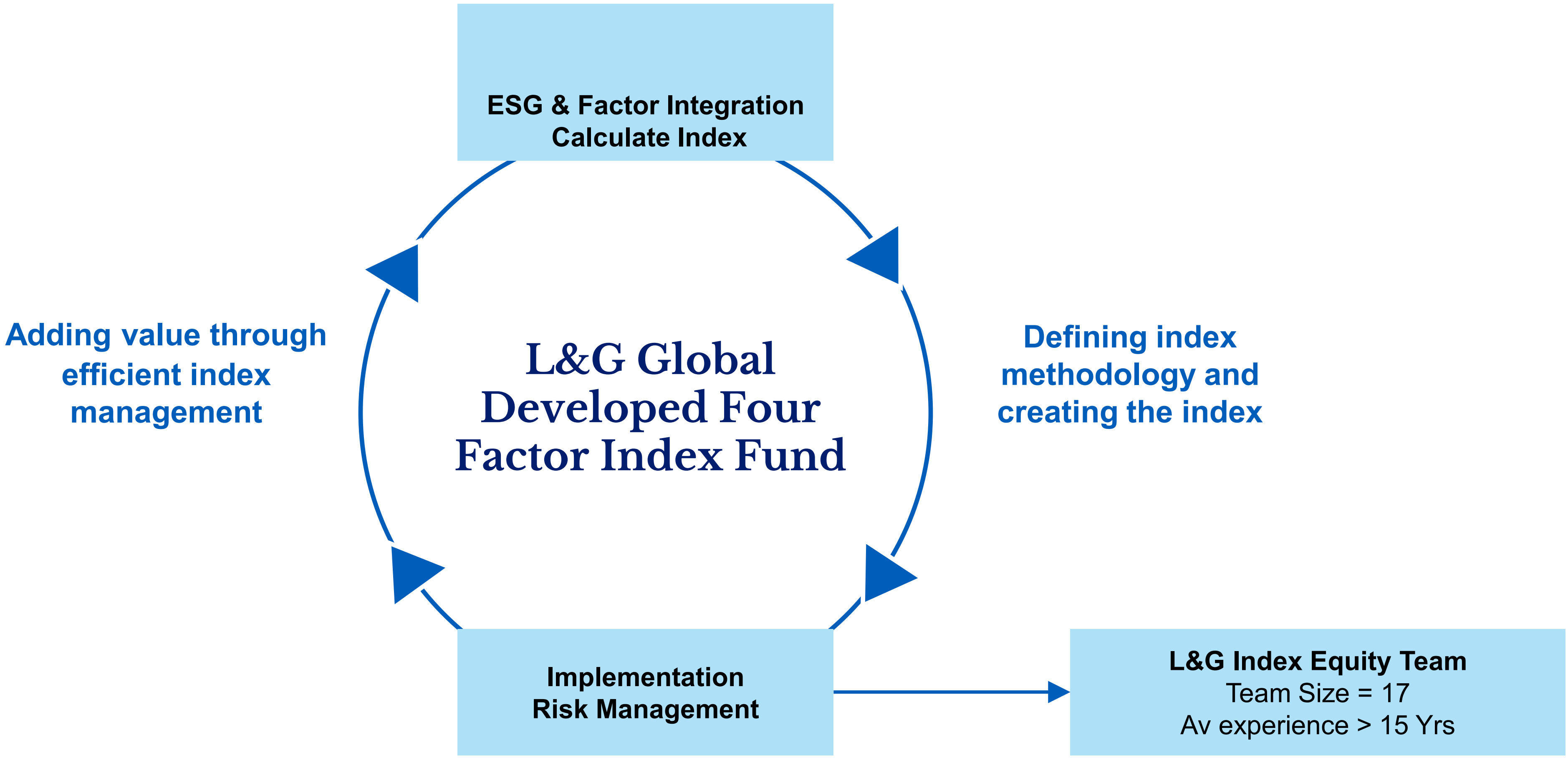
L&G Global Developed Four Factor Index Fund

How the fund is managed

Governance process



Source: L&G.

The value of an investment and any income taken from it is not guaranteed and can go down as well as up, you may not get back the amount you originally invested.

Risk management cannot fully eliminate the risk of investment loss. Whilst L&G has integrated Environmental, Social, and Governance (ESG) considerations into its investment decision-making and stewardship practices, this does not guarantee the achievement of responsible investing goals within funds that do not include specific ESG goals within their objectives.

The Fund is passively managed as it tracks the Benchmark Index.

L&G Global Developed Four Factor Index Fund

Balanced exposure to factors in a sustainable manner

1. **Carbon Footprint Filter**: Top 10% most carbon intensity stocks are removed subject to sector protection

   ESG Filter: Tobacco, Controversial Weapons, Coal & Tar sands are excluded

2. Rank stocks by each of the Value, Quality and Low Volatility factors factor

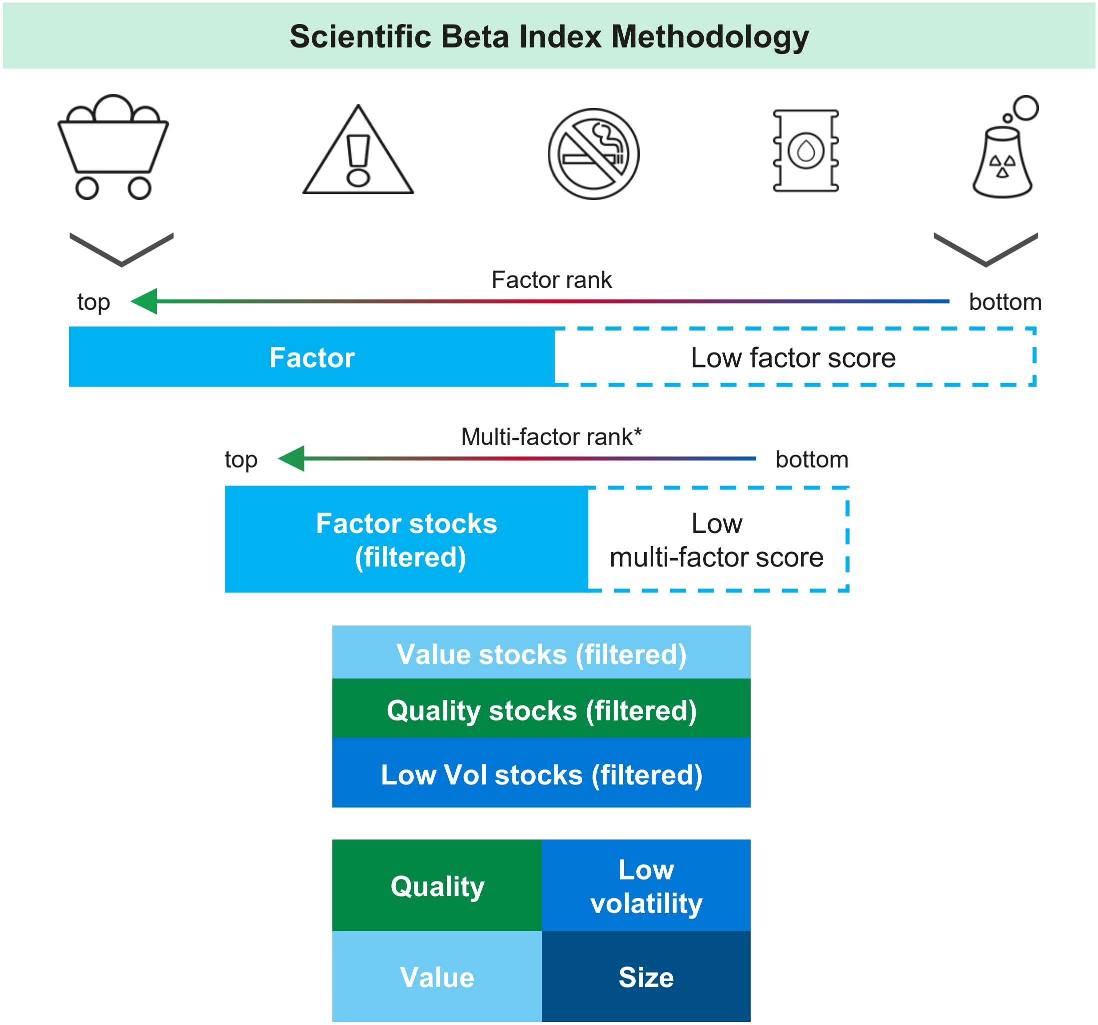
   Discard bottom 50% in each case

3. For each of the three stock sets, rank remaining stocks on a **multi-factor** basis

   Discard bottom 40% in each case and weight remaining stocks using diversified weighting scheme[1]

4. Combine resulting three stock sets with **equal weighting**. Size factor achieved implicitly through the mid-cap bias of the **diversified weighting scheme**

✓ Implementation and management



*Average rank on: value, momentum, low volatility, low investment and high profitability.

1 Diversified weighting scheme combines equal weighting with equal risk contribution.

Fund performance and holdings

Fund name	2025	2024	2023	2022	2021
L&G Global Developed Four Factor Index Fund (Ca Acc CAD)	11.59	22.06	12.93	(9.45)	19.52
Benchmark: SciBeta Developed Low-Carbon & ESG High-Factor-Intensity Multi-Beta (vol, val, mom, pro/inv) Maximum Deconcentration	11.43	22.14	12.84	(9.72)	19.17
Relative	0.16	(0.08)	0.09	0.27	0.35

Top 10 holdings	%
Alphabet A	1.1
Johnson & Johnson	0.9
TJX Cos	0.8
Cummins	0.8
Walmart	0.8
Bank of New York Mellon	0.8
Gilead Sciences	0.8
TE Connectivity	0.8
Merck & Co	0.7
Lam Research	0.7

Top 10 country	%
United States	70.4
Japan	6.3
United Kingdom	4.0
Canada	3.6
Germany	2.1
Switzerland	1.9
France	1.9
Australia	1.5
Netherlands	1.3
Other	7.0

Performance for the Ca CAD (Unhedged) Acc unit class in CAD, launched on 14 December 2020. Source: Lipper. Performance assumes all fund charges have been taken and that all income generated by the investments, after deduction of tax, remains in the fund.

Holdings and country breakdown are sourced from Sci-beta as at December 2025. Totals may not sum due to rounding. **For illustrative purposes only. Reference to a particular security is on a historic basis and does not mean that the security is currently held or will be held within the portfolio. The above information does not constitute a recommendation to buy or sell any security.**

Past performance is not a reliable indicator of future performance. Markets could develop very differently in the future. It can help you to assess how the fund has been managed in the past. The tables and charts above shows the fund's performance as the percentage loss or gain per year over the last 10 years. Whilst L&G has integrated Environmental, Social, and Governance (ESG) considerations into its investment decision-making and stewardship practices, this does not guarantee the achievement of responsible investing goals within funds that do not include specific ESG goals within their objectives.

Fund performance and holdings

	Market Cap	SciBeta Dev LCrb HFI Mbeta (VWMQ) Mdecon
No. of eligible constituents	1,464	777
2025 return	14.98%	11.43%
Annualised TE		6.22%
Historical Volatility3	14.90%	12.85%

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Carbon metrics	% vs market cap
Weighted Average Carbon Intensity	- 42.36
Carbon Footprint	- 42.51
Carbon Reserves Intensity	- 61.59

	Market Cap	SciBeta Dev LCrb HFI Mbeta (VWMQ) Mdecon	Difference
Energy	3.68%	2.10%	-1.58%
Basic Materials	3.36%	3.10%	-0.26%
Industrials	10.50%	9.90%	-0.60%
Cyclical Consumer	11.34%	14.80%	3.46%
Non-Cyclical Consumer	4.41%	8.70%	4.29%
Financials	17.08%	22.60%	5.52%
Healthcare	9.82%	12.80%	2.98%
Technology	35.95%	20.70%	-15.25%
Telecoms	1.22%	2.50%	1.28%
Utilities	2.65%	2.80%	0.15%

Source: SciBeta: 31 December 2025. Performance: Analytics are based on daily total returns (dividends reinvested) in CAD. Market cap is SciBeta Dev CW.
Environmental impact analysis is from ISS data and L&G. Sector Classification: Weighted Average Carbon Emission Intensity (tonnes CO2e/1mn USD Mn Revenue) is calculated based on Carbon Emissions Scope 1 and Scope 2. Carbon footprint (tonnes CO2e/1mn USD Invested) is calculated based on Carbon Emissions Scope 1 and Scope 2. Carbon Reserves intensity includes reserves from Coal, Oil & Gas.

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Stewardship and responsible investment

L&G

Our approach to responsible investment and sustainability

Responsible investment is a core aim for our business, underpinned by our proprietary tools and expertise

Over 25 years of experience working with companies and policymakers to contribute towards improving outcomes for our stakeholders

Sustainability is embedded into our culture, research, investment processes, and platform

Our proprietary responsible investment toolkit helps us tailor solutions to client objectives

We work collaboratively across L&G and with our partners, aiming to deliver improved social and environmental outcomes

F E- E E+ D- D D+ C- C C+ B- B B+ A- A A+

Recognised by InfluenceMap for climate stewardship practices[1]

L&G

Big Mac beef: takes aim at McDonald's for 'overuse' of antibiotics in meat production

L&G leads push for Nippon Steel to disclose its climate lobbying

Swedish AP7 and establish partnership to launch innovative climate transition strategy

UK fund giant L&G bets on Ecuador's Galápagos debt experiment

Thousands of rental homes to be built through new partnership between Nest, L&G and PGGM

1 InfluenceMap: Asset managers and climate change. FinanceMap's 2023 Asset Managers and Climate Change analysis assessed 45 of the world's largest asset managers. L&G received an 'A+' rating.

Whilst L&G has integrated Environmental, Social, and Governance (ESG) considerations into its investment decision-making and stewardship practices, this does not guarantee the achievement of responsible investing goals.

Our Investment Stewardship approach

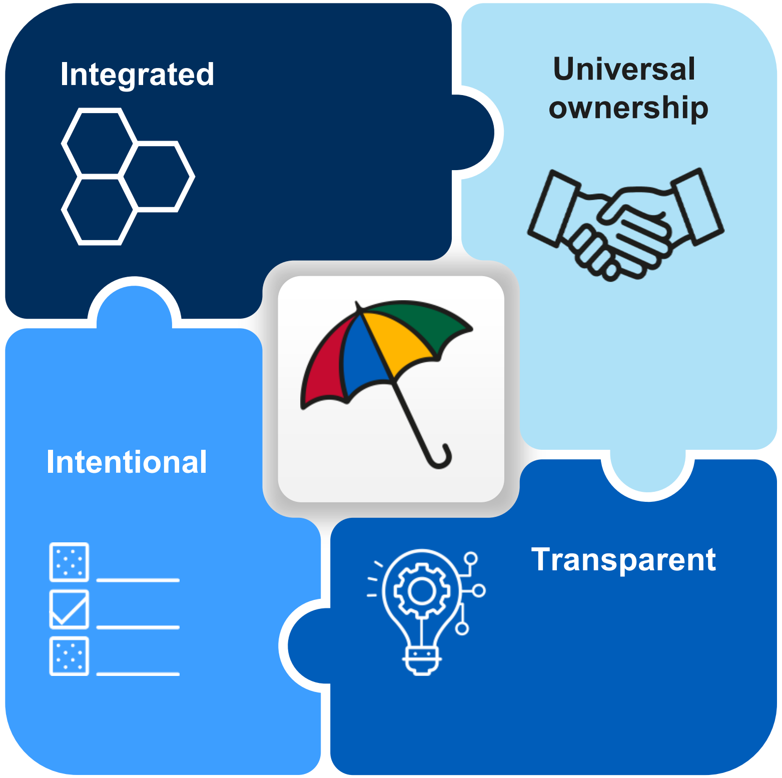
Aiming to support long-term value creation by addressing financially material and systemic risks & opportunities

Thematic and sector focus

- Alignment of stewardship and investment research through the Global Research & Engagement Groups ('GREGs')
- Combining 'top down' and 'bottom up' analysis, research and insights to manage risks and increase resilience of assets

Dedicated stewardship expertise

- Independent voting, maintaining link to engagement expectations
- Team structure supports sector and thematic objectives, across corporate and policy engagement



Long-term value creation

- Company and asset-level engagement focussed on partnership and accountability
- Policy and stakeholder engagement to support thematic objectives and establish industry standards

Global visibility

- We publish our ESG scores, Climate Impact Pledge scores and voting decisions, and Net Zero Roadmap
- Strategic use of public voice

Source: L&G; as at October 2025.
Risk management cannot fully eliminate the risk of investment loss.

Investment stewardship themes

Combining financially material themes with a sector-driven approach to focus engagement

Social resilience

- Human and social capital management
- Wellbeing resilience

Climate & nature

- Climate mitigation
- Climate adaptation
- Land management
- Water management
- Nexus of climate and nature

Corporate governance

- Audit, risk & controls
- Board quality
- Effective stewardship
- Investor rights
- Leadership & organisational performance

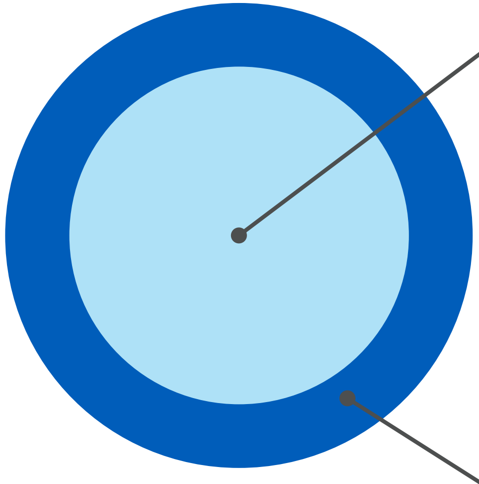
VALUE CREATION	INVESTMENT INTEGRATION	SECTOR FOCUS
Financial materiality	Scale and expertise	Alignment with GREGs

Source: L&G; as at October 2025.

Whilst L&G has integrated Environmental, Social, and Governance (ESG) considerations into its investment decision-making and stewardship practices, this does not guarantee the achievement of responsible investing goals within funds that do not include specific ESG goals within their objectives.

Our engagement approach

Using stewardship tools to drive change and support long-term value creation



Company-focused

Direct engagement, e.g. meetings

Collaborative engagement, e.g. CA100+

Disclosure, e.g. L&G ESG Score

Shareholder proposals, voting and co-filing

Public voice, e.g. blogs and pre-declarations

Voting with one voice

Capital allocation, e.g. the Climate Impact Pledge

Policy-focused

Policy & regulation engagement e.g. through working groups and consultations, with multiple stakeholders

Source: L&G, October 2025.

Create ESG scores based on key engagement topics

L&G ESG Score

L&G **E** score (Environmental)	L&G **S** score (Social)	L&G **G** score (Governance)	L&G **T** score (Transparency)

Emission & Transition
1. Carbon emissions intensity (S1&2)
2. Carbon reserves intensity
3. Green revenues
4. Value emissions intensity (S3)
5. Temperature alignment

Natural Capital
6. Biodiversity programme
7. Deforestation programme
8. Water risk management

Social diversity
9. Women on the board
10. Women at the executive level
11. Women in the workforce

Human capital
12. Bribery and corruption policy
13. Freedom of association policy
14. Discrimination policy
15. Supply chain policy
16. Human rights programme
17. Employee incidents
18. Business ethics incidents
19. Social supply chain incidents

Board composition
20. Independent chair
21. Independent directors on the board
22. Board tenure

Governance oversight
23. Non-audit fees paid to auditor
24. Audit committee expertise
25. Audit opinion
26. Policy advocacy
27. Audit committee independence

Investor rights
28. Free float
29. Equal voting rights

Transparency
30. Verification of ESG reporting
31. Scope of GHG emissions
32. Tax disclosure

1. Simple, rules based approach

2. Based on factors we believe to be most significant

3. Score translates into 0 100 for reporting purposes

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Source: L&G. S1, 2, 3 refer to scope of greenhouse gas emissions. Please refer to the ESG Score methodology on the L&G website for further details.

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Integrating ESG scores with engagement and voting

L&G publishes ESG scores, promoting transparency and increased disclosure in the market

17,000
companies

Good ESG score → **Positive capital allocation**

Bad ESG score → **Negative capital allocation**

L&G-wide engagement and voting

Takes action on poor performers and encourages elevation of ESG scores

Source: L&G, 2026.
For illustrative purposes only.

Climate Impact Pledge: 2025 results

Incremental improvement at scale helps drive market change

2025 Results

	Identify	Engage	Escalate	Change
Quantitative engagement	**20** climate-critical sectors **5,000+** companies **~80** data points	**2,900+** **companies engaged** through **our letter campaign**, out of the 5,000+	**245** companies identified for potential **vote against re-election of the chair**	**46% ↓** **decrease in votes against,** compared to 2024 AGM season -> **companies are improving**
Qualitative engagement	**100+** 'dial-mover' companies **targeted** for direct engagement due to their size and influence	**79%** Companies engaged with which at least one **meeting was held**	**28** companies identified for potential **votes against re-election of the chair** **15** **companies remain on Divestment list:** Air China*, KEPCO*, PPL*, Exxon*, Glencore*, TJX Companies*, Sysco*, Hormel*, Loblaw*, CCB*, ICCB*, MetLife*, AIG*, China* Resources Cement*, Invitation Homes*	**24% ↓** **decrease in votes against** compared to 2024 AGM season -> **improvements across all regions** **1** **Company reinstated:** COSCO Shipping Holdings*

Ongoing company improvements in **performance and disclosure** led to fewer votes against, compared to 2024

Source: L&G, using Climate Impact Pledge 2025 data.

1 Regarding divestments as mentioned under the 'Escalate' column, Companies are divested from selected funds. Companies are divested up to a pre-specified tracking-error limit. If the tracking error limit is reached, holdings are reduced rather than fully divested.

*** For illustrative purposes only. Reference to a particular security is on a historical basis. The above information does not constitute a recommendation to buy or sell any security.**

Appendix

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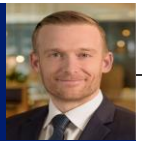
Global Index, ETFs and Systematic Solutions

Business & Risk Management
Richard Wilks

Global Head of Index, ETFs & Systematic Solutions
Dave Barron [1]



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Team Assistant
Hayley Renshaw

Head of US Equity Solutions
TBC [1]

Equity Solutions
Aodhagan Byrne
Jo LaPorta
Mike O'Connor
Craig Parker

Equity Strategy
Timothy Miller

Index Plus Team
Lawrence Chir
Chris Tydeman

Head of Equities
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Anupe Dhanday
Robert Dowling
Jason Forster
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Tamara Osei-Agyemang
Shane Padden
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Head of Systematic Solutions
Boyang Liu

Archi Fotopoulos
Ayah Habboub
Raj Shah
Liz Yu
Karan Bhanot
Tobias Merfeld
Shichen Zhao
3 x headcounts

Head of Analytics & Tech
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Tom Valentine

Operations & Systems
Sven Christen
Matthew McCarthy

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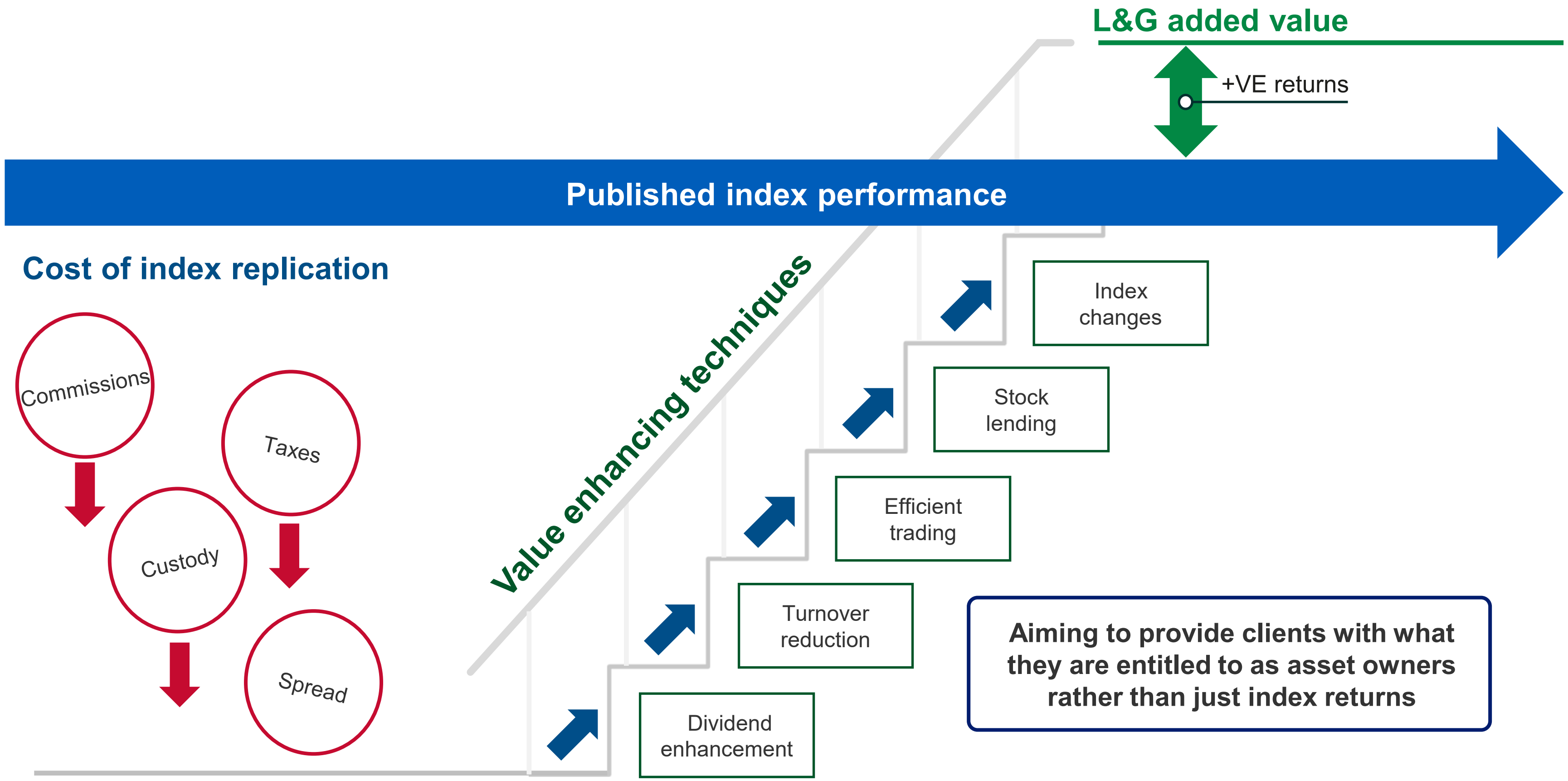
Maria Kapetaniou
Mo Mahmoud
Aude Martin
Rakshith Pai m [6]
Elisa Piscopiello
Adam Sliti

Institutional Specialists
Ryan Clatworthy [3]
Maria Teixeira

Source: L&G as of 1 January 2026. 1 dotted reporting line and direct line into CEO US, 2 L&G Asia office, 3 Dublin office, 4 Graduate on rotation, 5 Chicago office, 6 Outsourced role.

Efficient Exposure: L&G’s Pragmatic Replication

L&G’s value-enhancing indexing approach to reduce costs and aim to maximise returns



Attribute	Standard Index Fund Manager Efficient Replication	L&G Pragmatic Replication
Low tracking error	✓	✓
Smart Corporate Action Elections		✓
Index Trading Prior to Implementation		✓
Index Trading Pre-Announcement		✓
Fast entry IPOs		✓
Secondary Public Offerings		✓

Source: L&G.

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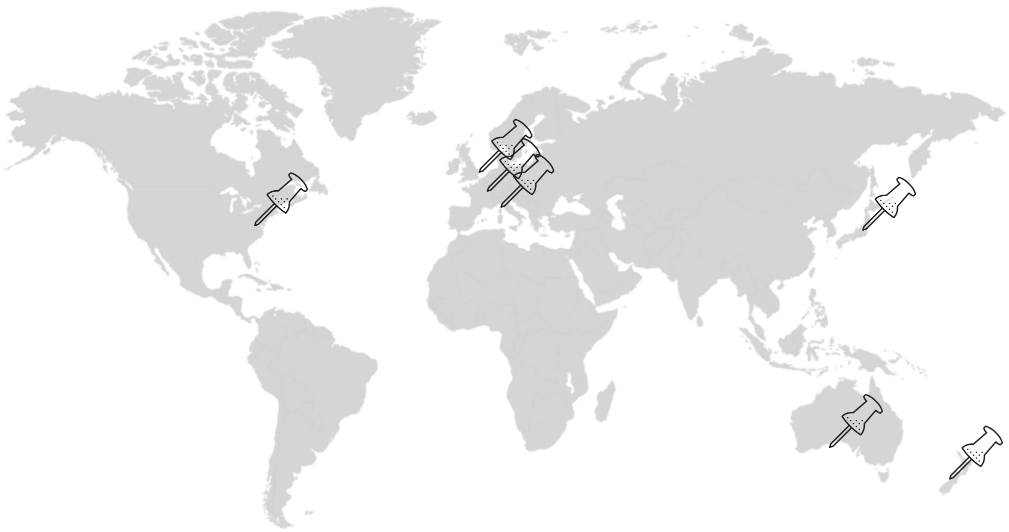
L&G-designed factor solutions

A natural capability build leveraging our existing credentials

+£100bn	+£40bn	+40bn	+15 Yrs	+£2trn
L&G designed AUM	Future World AUM	L&G factor AUM	Years managing factors strategies	Total market factor AUM

Offering L&G-designed products across differing client types



Expanding our suite of L&G-designed index strategies

Equity

- ESG & Climate (CTB/PAB)
- Factors & Style Investing

Thematic Equity

- Green REITs
- Multi-factor REITs
- Green Infrastructure

Fixed Income

- ESG & Climate
- EUR, GBP, USD exposures
- Green Bonds
- Fallen Angels

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Source for all figures: L&G as at 31 December 2024. All figures are approximate.

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L&G factor definitions

Value

	Income Statement
	Balance Sheet
	Cash Flow Statement

Low volatility

We focus on the downside volatility associated with each company

Metric	Rationale
Downside Volatility	Identify stocks with downside risk, aiming to mitigate the risk of significant drawdowns over time

Quality

Going beyond the generic income and profitability metrics to focus on how these metrics are met and the sustainability of them over time

Metric	Rationale
Return on Invested Capital	Key metrics to review the income and profitability of a company
Net Profit Margin	
Leverage	Identify the quality and repeatability of the income and profitability
Earning Variability	
Accruals	

Momentum

We integrate investing in securities with strong recent performance with the volatility of their performance to identify sustainable and resilient trends

Metric	Rationale
Risk managed price momentum	A risk-adjusted signal enhances the momentum factor and better reflects how active investors manage assets

Size

Integration via universe selection and features in portfolio construction, concentration, and diversification

Metric
Indirectly targets via portfolio construction and universe selection

It should be noted that diversification is no guarantee against a loss in a declining market.

L&G Global Developed Four Factor Index Fund

Key risks

- The fund could lose money if any institution providing services such as acting as counterparty to derivatives or other instruments, becomes unwilling or unable to meet its obligations to the fund.
- Derivatives are highly sensitive to changes in the value of the asset on which they are based and can increase the size of losses and gains.
- The fund may have underlying investments that are valued in currencies that are different from the currency of this share class. Exchange rate fluctuations will impact the value of your investment. Currency hedging techniques may be applied to reduce this impact but may not entirely eliminate it.
- The Fund has a sustainability and/or ESG focus in its investment process which may i) limit the Fund’s exposure to or exclude certain companies, industries or sectors ii) impact the Fund’s investment performance compared to other funds that do not apply such criteria and, iii) differ from an investor’s own sustainability and/or ESG criteria.

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L&G UK Disclaimer and important legal notice

Key Risks

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- Source: L&G, global AUM as at 30 June 2025. Excludes assets managed by associates (Pemberton, NTR, BTR). The AUM includes the value of securities and derivatives positions and may not total due to rounding.
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