TORONTO

REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Investment Manager and Other Updates

Date: September 4, 2026
To: Toronto Investment Board
From: Director, Capital Markets and Treasury
Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The confidential attachments to this report involve 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 updates on recent investment manager reviews by Aon, the Board's investment consultant; implementation of the Board's decision to transition the Multifactor Equity Strategy mandate to a new investment manager; and the most recent fund balances and asset mix information for the Long-Term Fund and Sinking Fund.

Aon recently completed a due diligence review of the C WorldWide Global Equities Strategy. The Board is currently undertaking a Global Equities Strategy and Manager Study, and the results of Aon's review will be considered as part of this broader work.

The report also provides an update on a leadership change within Fiera Capital's Fixed Income Solutions Team. Aon has reviewed the leadership change and its implications for the investment strategy. Further details regarding Aon's assessment are provided in Confidential Attachment 2.

Aon also recently completed a review of the CBRE Global Alpha Fund. Further details regarding Aon's review and assessment are provided in Confidential Attachment 3.

Further details regarding Aon's investment manager reviews and assessments are provided in Confidential Attachments 1, 2 and 3.

The report also provides an update on the planned transition of the Multifactor Equity Strategy mandate, including the wind-down of the existing mandate and the ongoing onboarding of the selected replacement investment manager, and includes the current

funding status and asset mix for the Long-Term Fund and Sinking Fund as at July 31, 2026 (Attachment 4).

RECOMMENDATIONS

The Director, Capital Markets and Treasury recommends that:

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

2. The Toronto Investment Board direct that the confidential information contained in Confidential Attachments 1, 2 and 3 remain confidential in their entirety, as they contain information that involves the security of property belonging to the City or one of its agencies or corporations.

FINANCIAL IMPACT

The Global Equities Strategy and Manager Study will result in consulting costs associated with retaining Aon to undertake the study. These costs will be funded from the Toronto Investment Board's approved operating budget, and no additional budget authority is required.

DECISION HISTORY

At its meeting on June 22, 2026, the Toronto Investment Board received the report entitled "Investment Manager and Other Updates," which provided updates regarding investment manager related activities, including the transition to a new Multifactor Index investment manager and ongoing legal and onboarding activities.
https://secure.toronto.ca/council/agenda-item.do?item=2026.IB16.4

At its meeting on March 23, 2026, the Toronto Investment Board approved the appointment of a new investment manager for the Multifactor Passive Equity mandate and authorized staff to undertake the actions necessary to implement the transition from the existing investment manager.
https://secure.toronto.ca/council/agenda-item.do?item=2026.IB15.9

At its meeting on March 23, 2026, the Toronto Investment Board received the report (March 1, 2026) from the Director, Capital Markets, Office of the Chief Financial Officer and Treasurer for information that also contained a Confidential Attachment regarding the CBRE Global Alpha Fund.
https://secure.toronto.ca/council/agenda-item.do?item=2026.IB15.7

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

Investment Manager Updates

C WorldWide Global Equities Strategy

Aon, the Board's investment consultant, recently completed a due diligence review of the C WorldWide Global Equities Strategy.

The revised assessment reflects a reduction in Aon's conviction in certain aspects of the strategy, including the investment team, investment process and performance. Aon noted that the investment philosophy continues to be clearly defined and consistently applied and that the investment team remains experienced and stable.

The study will provide an opportunity to consider the Board's active global equity mandates more broadly, including the results of Aon's review.

The results of the Global Equities Strategy and Manager Study will be presented to the Board in a separate report.

Further details regarding Aon's review and assessment are provided in Confidential Attachment 1.

Fiera Capital Fixed Income Solutions Team Update

Fiera Capital has advised the City of a leadership change within its Fixed Income Solutions Team. Martin Dionne has been appointed Head of the Fixed Income Solutions Team, succeeding Maxime Carrier, who left Fiera Capital on August 28, 2026.

Mr. Dionne joined Fiera Capital in 2018 and has been directly involved in the management of the City's fixed income mandate since its inception. Fiera Capital has advised that the change is not expected to result in any change to the investment philosophy, portfolio construction process, risk oversight or ongoing management of the City's mandate.

Aon has reviewed the leadership change and its implications for the investment strategy. Further details regarding Aon's assessment are provided in Confidential Attachment 2.

CBRE Global Alpha Fund Update

Aon recently completed a review of the CBRE Global Alpha Fund.

Staff will continue to monitor the Fund in consultation with Aon.

Further details regarding Aon's review and assessment are provided in Confidential Attachment 3.

The Board will continue to receive updates on the Fund as appropriate.

Multifactor Equity Strategy Transition

At its meeting on March 23, 2026, the Toronto Investment Board approved the appointment of a replacement investment manager for the Multifactor Equity Strategy and authorized staff to undertake the actions necessary to implement the transition from Legal & General Investment Management (LGIM). The Board received a further update on the transition at its meeting on June 22, 2026.

Replacement Investment Manager Onboarding

Since the Board's previous meeting, staff have continued to work with the selected replacement investment manager, the City's custodian, external legal counsel and other service providers to complete the legal, operational and administrative activities required to implement the new mandate.

The contractual and onboarding documentation with the selected replacement investment manager is progressing. Staff will continue to coordinate with the replacement investment manager, RBC IS, external legal counsel and other service providers to ensure that all required documentation, account arrangements and operational processes are in place to complete the transition.

LGIM Divestment

In parallel, staff met with LGIM to confirm the process and timing for redeeming the City's investment. On August 14, 2026, staff submitted instructions to LGIM to redeem all of the City's investment, with a trade date of October 21, 2026 and settlement date of October 23, 2026. The City expects to receive the redemption proceeds, less any required holdback, on settlement.

As part of the wind-down and closure of the LGIM fund, LGIM expects to retain a portion of the City's investment to address anticipated dividend and tax-reclaim obligations. The City will be treated as a creditor in respect of the amount retained, and no interest will accrue on the holdback.

LGIM expects to review the holdback on a semi-annual basis and make partial releases to the City over time as the underlying obligations are resolved. The overall process is expected to take approximately three to five years.

To document the redemption arrangements and holdback, a Holdback Deed and Side Letter confirming the City's redemption date were reviewed by the City's legal staff and external legal counsel, signed by the Board Chair and returned to LGIM in September 2026.

The Board's previous direction contemplated that the divestment from LGIM would occur following execution of an agreement with the selected replacement investment manager. However, LGIM required the City to provide redemption instructions by August 14, 2026, prior to having a known execution date for the replacement manager agreement. Thus, the redemption date of October 21, 2026 was determined based on the expected completion date of the replacement manager agreement.

Following settlement on October 23, 2026, the full redemption proceeds, less the holdback, will be temporarily held in the Long-Term Fund's Short-Term Fund (LTF-STF), where cash is held pending deployment to long-term investments as the portfolio transitions toward its target asset mix. The proceeds will subsequently be managed in accordance with the Board-approved Investment Plan and the City's liquidity requirements.

Current Asset Mix

The current funding status of the Long-Term Fund (LTF) and Sinking Fund (SF) as at July 31, 2026, is shown in Attachment 4. The attachment outlines the market value and current allocation by asset category and investment manager for each portfolio. The attachment also includes the available cash balances for each portfolio.

All asset class weights remain within the limits established under the Council-approved Investment Policy.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1 - Current Funding Status of the LTF and the SF (July 31, 2026)
Confidential Attachment 1 - C WorldWide Global Equities Strategy Update
Confidential Attachment 2 - Fiera Capital LDI Platform Update
Confidential Attachment 3 - CBRE Global Alpha Fund Update