REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Global Equity Manager Search

Date: September 10, 2026
To: Toronto Investment Board
From: Director, Capital Markets and Treasury
Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The confidential attachments to this report contain information that 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 the findings and recommendations arising from Aon's Global Equity Strategy Review and Manager Search. The study evaluates alternative global equity strategy styles, their suitability within the Fund's portfolio, and the investment managers identified by Aon as best positioned to implement each strategy. The report also seeks the Board's endorsement of the recommended strategic approach and approval for Aon to continue its work in support of the manager search and selection process. Aon's analysis and recommendations are provided in Confidential Attachment 1, and the engagement agreement with Aon, including the scope of work and associated consulting fee, is provided in Confidential Attachment 2 for the Board's information.

RECOMMENDATIONS

The Director, Capital Markets and Treasury recommends that:

1. The Toronto Investment Board authorize the Chief Financial Officer and Treasurer to negotiate and enter into a non-competitive agreement with Aon, the Board's investment consultant, to undertake the Global Equity Manager Search, as set out in Confidential Attachment 2.

2. The Toronto Investment Board request the Director, Capital Markets and Treasury, in consultation with the Board's investment consultant, Aon, to proceed with the pre-screening, interviews and evaluation of the selected short list of Global Equity

investment managers identified in Confidential Attachment 1, and report back to the Board with recommendations.

3. The Toronto Investment Board direct that the confidential information contained in Confidential Attachments 1 and 2 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 consulting cost will be funded within the Toronto Investment Board's approved 2026 operating budget. No additional budget authority is required.

The scope of work and associated consulting fee amounts are set out in Confidential Attachment 2.

DECISION HISTORY

At its meeting held on June 22, 2026, the Toronto Investment Board reopened Item IB15.9 to further consider the Global Equity mandates, including the allocation between active and passive management, stylistic tilts within the active component, and implementation strategies.
Agenda Item History – 2026.IB16.7

At its meeting held on March 23, 2026, the Toronto Investment Board considered Review of the Global Equity Mandates – Revisiting the Implementation Rationale, including the rationale for the structure and implementation of the Global Equity portfolio.
Agenda Item History – 2026.IB15.9

At its meeting held on December 12, 2024, the Toronto Investment Board received an update regarding the transition of the City's investment following the closure of the Fiera Global Equity Common Contractual Fund.
Agenda Item History – 2024.IB9.5

At its meeting held on September 29, 2023, the Toronto Investment Board received an update regarding Fiera Capital Corporation's decision to close the Fiera Global Equity Common Contractual Fund and the options available for the City's investment.
Agenda Item History – 2023.IB4.3

At its meeting held on September 9, 2021, the Toronto Investment Board authorized the documentation necessary to appoint StonePine Asset Management as sub-advisor to the Fiera Global Equity Fund following changes to Fiera's investment management arrangements.
Agenda Item History – 2021.IB13.3

At its meeting held on December 7, 2020, the Toronto Investment Board adopted an updated Investment Plan incorporating an additional Global Equity investment manager, completing the implementation of the Global Equity manager structure.
Agenda Item History – 2020.IB10.3

At its meeting held on July 8, 2020, the Toronto Investment Board considered an update on the implementation of investment manager mandates, including the Global Equity mandates, and an updated Investment Plan reflecting the investment managers appointed by the Board.
Toronto Investment Board – July 8, 2020

At its meeting held on June 12, 2019, the Toronto Investment Board considered an update on the selection of and contract negotiations with Global Equity investment managers. The Board provided authority to discontinue negotiations with a recommended firm if satisfactory terms could not be reached, proceed with an alternate recommended firm, and execute the resulting agreements.
Agenda Item History – 2019.IB3.3

At its meeting held on June 25, 2018, the Toronto Investment Board received a report and presentation regarding the selection of investment managers and awarded contracts for investment management services to the firms identified in the confidential attachment, as part of the implementation of the Investment Plan, including the Global Equity mandates.
Agenda Item History – 2018.IB6.2

COMMENTS

Background - Global Equity Mandate Review

The Toronto Investment Board's Global Equity allocation is implemented through external investment managers using differing investment approaches and styles. The Global Equity allocation is a key component of the Long-Term Fund and Sinking Fund, contributing to portfolio diversification and the achievement of long-term investment objectives.

At its March 23, 2026 meeting, the Board reviewed the rationale underlying the existing Global Equity structure. At its June 22, 2026 meeting, the Board revisited the matter to further consider the balance between active and passive management, the desired style exposures within the active allocation, and the most appropriate implementation structure for the Global Equity portfolio.

Following these discussions, Aon was engaged to undertake a comprehensive review of the Global Equity portfolio, including an assessment of alternative investment strategy styles, their strategic role within the overall portfolio, and the manager structures best suited to implementing those strategies.

Global Equity Strategy Review and Manager Search

As part of the engagement, Aon evaluated the existing Oakmark, Pier 21 and Fiera mandates and assessed a range of alternative portfolio structures and manager combinations. The review considered the strategic characteristics of different investment styles, including their expected return drivers, diversification benefits, and fit within the Fund's overall portfolio.

Aon's analysis included operational due diligence, manager organization and investment process reviews, historical performance assessments, benchmark-relative results, risk-adjusted performance metrics, up- and down-market performance characteristics, and style factor exposures. Based on this work, Aon identified and recommended a preferred strategic approach for the Global Equity portfolio and proposed managers whose investment styles are aligned with that approach.

Aon's findings and recommendations, including the rationale for the recommended strategy and manager structure, are provided in Confidential Attachment 1 for the Board's consideration.

Aon Engagement

The Global Equity Strategy Review and Manager Search were undertaken by Aon as a separate engagement in addition to its ongoing role as the Board's investment consultant. The recommendations are intended to guide the future implementation of the Global Equity portfolio and support the Board's decision-making regarding the preferred strategic style and manager structure.

Subject to the Board's approval, Aon will continue its work on the manager search process, including further due diligence, candidate assessment, finalist interviews, and implementation support, to assist the Board in selecting and appointing manager(s) consistent with the approved strategy. The engagement also provides for Aon's participation in finalist interviews for up to six managers.

The engagement agreement with Aon for this phase of work has been signed by the Chair of the Toronto Investment Board. An unsigned copy of the agreement, including the scope of services and associated consulting fees, is provided in Confidential Attachment 2 for the Board's information. The agreement covers Global Equity Strategy Review and Manager Search services for the period from July 1, 2026 to June 30, 2027.

CONTACT

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SIGNATURE

Betsy Yeung
Director, Capital Markets and Treasury

ATTACHMENTS

Confidential Attachment 1 – Aon Global Equity Manager Search – Analysis and Recommendations
Confidential Attachment 2 – Aon Global Equity Manager Search Engagement Agreement – Unsigned Copy