



**City of Hamilton**  
**HMRF-HWRF PENSION ADMINISTRATION**  
**SUB-COMMITTEE**  
**AGENDA**

**Meeting #:** 23-002  
**Date:** November 20, 2023  
**Time:** 9:30 a.m.  
**Location:** Room 192, 1st Floor (hybrid) (RM)  
71 Main Street West

Tamara Bates, Legislative Coordinator (905) 546-2424 ext. 4102

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	<b>Pages</b>
<b>1. CEREMONIAL ACTIVITIES</b>	
<b>2. APPROVAL OF AGENDA</b>	
(Added Items, if applicable, will be noted with *)	
<b>3. DECLARATIONS OF INTEREST</b>	
<b>4. APPROVAL OF MINUTES OF PREVIOUS MEETING</b>	
4.1 March 30, 2023	3
<b>5. COMMUNICATIONS</b>	
5.1 Harvey Hicks, respecting Resignation from the HMRF-HWRF Pension Administration Committee	9
Recommendation: To be received	
<b>6. DELEGATION REQUESTS</b>	
<b>7. DELEGATIONS</b>	
<b>8. STAFF PRESENTATIONS</b>	
<b>9. CONSENT ITEMS</b>	

- 9.1 Hamilton Municipal Retirement Fund (HMRF) Hamilton Wentworth Retirement Fund (HWRF) Wind-Up (FCS23006(a)) (City Wide) (Outstanding Business List Item) 11
- 9.2 Master Trust Pension Investment Performance Report as at June 30, 2023 (FCS23094) (City Wide) 13
- 10. DISCUSSION ITEMS**
- 11. MOTIONS**
- 12. NOTICES OF MOTION**
- 13. GENERAL INFORMATION / OTHER BUSINESS**
- 13.1 Amendments to the Outstanding Business List
- 13.1.a Items Considered Completed and to be Removed
- 13.1.a.a Hamilton Municipal Retirement Fund (HMRF), Hamilton Wentworth Retirement Fund (HWRF) Plan Wind-Up
- Added: March 30, 2023, HMRF-HWRF Pension Administration Committee Report 23-001, Item 6 Addressed as Item 9.1 on today's agenda
- 14. PRIVATE AND CONFIDENTIAL**
- 15. ADJOURNMENT**



# Hamilton

## HMRF/HWRF PENSION ADMINISTRATION SUB-COMMITTEE

MINUTES 23-001

9:30 a.m.

Thursday, March 30, 2023

Room 264, 2<sup>nd</sup> Floor

Hamilton City Hall

71 Main Street West

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**Present:** Councillors C. Cassar (Chair) and A. Wilson  
HMRF Members: D. Skarratt (Co-Vice-Chair) and D. Alford  
HWRF Members: R. Slack (Co-Vice-Chair)

**Regrets:** HWRF Members: H. Hicks and J. Garchinski

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### THE FOLLOWING ITEMS WERE REFERRED TO THE AUDIT, FINANCE AND ADMINISTRATION COMMITTEE FOR CONSIDERATION:

#### 1. Appointment of Chair and Co-Vice-Chairs (Item 1)

**(A. Wilson/Skarratt)**

- (a) That Councillor Craig Cassar be appointed Chair of the HMRF-HWRF Pension Administration Sub-Committee for 2022-2026.

**CARRIED**

**(Alford/A. Wilson)**

- (b) That Don Skarratt (HMRF) be appointed Co-Vice-Chair of the HMRF-HWRF Pension Administration Sub-Committee.

**CARRIED**

**(Alford/A. Wilson)**

- (c) That Robert Slack (HWRF) be appointed Co-Vice-Chair of the HMRF-HWRF Pension Administration Sub-Committee.

**CARRIED**

**2. Hamilton Municipal Retirement Fund (HMRP) Valuation at December 31, 2021 (FCS23003) (City Wide) (Item 8.1)****(A. Wilson/Slack)**

That Report FCS23003, respecting Hamilton Municipal Retirement Fund (HMRP) Valuation at December 31, 2021, be received.

**CARRIED****3. Hamilton Wentworth Retirement Fund (HWRF) Valuation at December 31, 2021 (FCS23005) (City Wide) (Item 8.2)****(Slack/A. Wilson)**

That Report FCS23004, respecting Hamilton Wentworth Retirement Fund (HWRF) Valuation at December 31, 2021, be received.

**CARRIED****4. Consent Items (Item 9)****(A. Wilson/Alford)**

That the following Consent Items, be received:

- (a) 2021 Hamilton Municipal Retirement Fund Financial Statements (FCS23002) (City Wide) (Item 9.1)
- (b) 2021 Hamilton Wentworth Retirement Fund Financial Statements (FCS23004) (City Wide) (Item 9.2)
- (c) Master Trust Pension Investment Performance Report as at December 31, 2021 (FCS21091(a)) (City Wide) (Item 9.3)
- (d) Master Trust Pension Investment Performance Report as at June 30, 2022 (FCS23044) (City Wide) (Item 9.4)
- (e) Master Trust Pension Investment Performance Report as at December 31, 2022 (FCS23044(a)) (City Wide) (Added Item 9.5)

**CARRIED****5. 2022 Master Trust Pension Statement of Investment Policies and Procedures (FCS23009) (City Wide) (Item 10.1)****(A. Wilson/Skarratt)**

- (a) That Appendix "A" to Report FCS23009, respecting the 2022 City of Hamilton Defined Benefit Pension Plans Master Trust Statement of Investment Policies and Procedures, be approved and replace the previous 2021 City of Hamilton Defined Benefit Pension Plans Master

Trust Statement of Investment Policies and Procedures contained in Report FCS21095 and approved by Council on December 15, 2021;

- (b) That Appendix "A" to Report FCS23009, respecting the 2022 City of Hamilton Defined Benefit Pension Plans Master Trust Statement of Investment Policies and Procedures, be forwarded to the Hamilton Street Railway Pension Advisory Committee for their information.

**CARRIED**

**6. Hamilton Municipal Retirement Fund (HMRF), Hamilton Wentworth Retirement Fund (HWRF) Plan Wind-Up (FCS23006) (City Wide) (Item 10.2)**

**(A. Wilson/Alford)**

- (a) That the General Manager, Finance and Corporate Services Department, or their designate, be authorized to explore the option of winding up the Hamilton Municipal Retirement Fund (HMRF) and Hamilton Wentworth Retirement Fund (HWRF) pension plans, including performing a survivor audit and mortality study and any other studies necessary; and,
- (b) That staff report back to the HMRF/HWRF Pension Administration Committee on pricing estimates to purchase annuities from an insurance company that will provide HMRF and HWRF plan members with the same level of benefit that is currently being provided under their respective pension plans.

**CARRIED**

**FOR INFORMATION:**

**(a) APPROVAL OF AGENDA (Item 2)**

The Committee Clerk advised of the following change to the agenda:

**5. COMMUNICATIONS (Item 5)**

- 5.1 Jim Garchinski, respecting Resignation from HMRF-HWRF Pension Administration Committee

Recommendation: Be received and referred to staff for appropriate action.

**9. CONSENT ITEMS (Item 9)**

- 9.5 Master Trust Pension Investment Performance Report as at December 31, 2022 (FCS23044(a)) (City Wide)

**(A. Wilson/Skarratt)**

That the agenda for the March 30, 2023 meeting of the HMRF/HWRF Pension Administration Sub-committee be approved, as amended.

**CARRIED**

**(b) DECLARATIONS OF INTEREST (Item 3)**

There were no declarations of interest.

**(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)****(i) December 1, 2021 (Item 4.1)****(A. Wilson/Alford)**

That consideration of the December 1, 2021 Minutes of the HMRF-HWRF Pension Administration Sub-Committee, be deferred until after consideration of Item 8.2.

**CARRIED**

For further disposition of this matter, refer to Item (f)(i).

**(d) COMMUNICATIONS (Item 5)****(A. Wilson/Skarratt)**

- (i) Jim Garchinski, respecting Resignation from HMRF-HWRF Pension Administration Committee

That the resignation from Jim Garchinski be received and referred to staff for appropriate action.

**CARRIED**

**(d) PRESENTATIONS / STAFF PRESENTATIONS (Item 8)****(i) Hamilton Municipal Retirement Fund (HMRF) Valuation at December 31, 2021 (FCS23003) (City Wide) (Item 8.1)**

Bill Liu, Willis Towers Watson, addressed Committee respecting Hamilton Municipal Retirement Fund (HMRF) Valuation at December 31, 2021, with the aid of a presentation.

**(A. Wilson/Skarratt)**

That the presentation from Bill Liu, Willis Towers Watson, respecting Hamilton Municipal Retirement Fund (HMRF) Valuation at December 31, 2021, be received.

**CARRIED**

**(ii) Hamilton Wentworth Retirement Fund (HWRF) Valuation at December 31, 2021 (FCS23005) (City Wide) (Item 8.2)**

Mark Pearson, AON, addressed Committee respecting Hamilton Wentworth Retirement Fund (HMRF) Valuation at December 31, 2021, with the aid of a presentation.

**(A. Wilson/Skarratt)**

That the presentation from Mark Pearson, AON, respecting Hamilton Wentworth Retirement Fund (HMRF) Valuation at December 31, 2021, be received.

**CARRIED**

**(e) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4) - CONTINUED**

**(i) December 1, 2021 (Item 4.1) - CONTINUED**

**(Skarratt/Alford)**

That the December 1, 2021 Minutes of the HMRF / HWRF Pension Administration Sub-Committee meeting be approved, as presented.

**CARRIED**

For further disposition of this matter, refer to Item (d)(i).

**(f) ADJOURNMENT (Item 15)**

**(Skarratt/Alford)**

That there being no further business, the HMRF/HWRF Pension Administration Sub-Committee be adjourned at 10:49 a.m.

**CARRIED**

Respectfully submitted,

Councillor C. Cassar  
HMRF/HWRF Pension Administration  
Sub-Committee

Tamara Bates  
Legislative Coordinator  
Office of the City Clerk





**Bates, Tamara**

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**Subject:** FW: HMRF/HWRF Pension Administration Committee

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**From:** Harvey Hicks <>  
**Sent:** Thursday, August 31, 2023 5:28 PM  
**To:** Bates, Tamara <Tamara.Bates@hamilton.ca>  
**Subject:** Re: HMRF/HWRF Pension Administration Committee

Yes I will be resigning.

On Thu, Aug 31, 2023, 4:13 p.m. Bates, Tamara <[Tamara.Bates@hamilton.ca](mailto:Tamara.Bates@hamilton.ca)> wrote:

I'm very sorry to hear that. Can you confirm, please, whether or not your intention is to resign from the Committee?

Best,

Tamara

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**From:** Harvey Hicks <>  
**Sent:** Thursday, August 31, 2023 3:08 PM  
**To:** Bates, Tamara <[Tamara.Bates@hamilton.ca](mailto:Tamara.Bates@hamilton.ca)>  
**Subject:** Re: HMRF/HWRF Pension Administration Committee

Sorry ... not attending .

On Thu, Aug 31, 2023, 2:52 p.m. Bates, Tamara <[Tamara.Bates@hamilton.ca](mailto:Tamara.Bates@hamilton.ca)> wrote:

Hello Harvey Hicks,

I am writing to you today as the Legislative Coordinator for the HMRF/HWRF Pension Administration Committee to enquire about your continued participation as a representative from the HWRF on the Committee. The Committee met in late March and I did not hear from you at all at that time. From the record, it seems you haven't attended in some time. I am preparing to set another meeting in the fall and would like to know if you are still interested in representing your pension group on the Committee.

Thank you,

Tamara

**Tamara Bates, M.A.** (she/her)

Legislative Coordinator

City of Hamilton | Office of the City Clerk

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Tel: 905.546.2424 ext. 4102 | Fax: 905.546.2095

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**Mission:** The Legislative Division aims to strengthen and promote local government by facilitating the proceedings of City Council and its Committees, fulfilling the requirements of various Provincial statutes and educating the public to make it understandable and accessible.



# INFORMATION REPORT

<b>TO:</b>	Chair and members HMRF / HWRF Pension Administration Committee
<b>COMMITTEE DATE:</b>	November 20, 2023
<b>SUBJECT/REPORT NO:</b>	Hamilton Municipal Retirement Fund (HMRF) Hamilton Wentworth Retirement Fund (HWRF) Wind-Up (FCS23006(a)) (City Wide) <b>(Outstanding Business List Item)</b>
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Barb Howe (905) 546-2424 Ext. 5599
<b>SUBMITTED BY:</b>	Shelley Hesmer, Acting Director Financial Services, Taxation and Corporate Controller Corporate Services Department
<b>SIGNATURE:</b>	

## COUNCIL DIRECTION

HMRF / HWRF Pension Administration Committee meeting of March 30, 2023 approved the following:

“That staff report back to the HMRF/HWRF Pension Administration Committee on pricing estimates to purchase annuities from an insurance company that will provide HMRF and HWRF plan members with the same level of benefit that is currently being provided under their respective pension plans”.

## INFORMATION

The valuations, as at December 31, 2021, which were presented at the meeting of March 30, 2023, showed that the plans were in a funded status of 121.5% and 98.1% for the HMRF and HWRF plans, respectively. At these funded status levels, a wind up was a cost effective option. However, after the last meeting, an update on the funded status was provided. As at December 31, 2022, there was a deterioration in the funded status to 107.8% and 89.3% for the HMRF and HWRF plans, respectively, due to a downturn in the markets.

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Hamilton Municipal Retirement Fund (HMRF) Hamilton Wentworth  
Retirement Fund (HWRF) Wind-Up (FCS23006(a)) (City Wide) –  
Page 2 of 2**

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This deterioration made it less desirable to pursue a wind up of the plans, at this time, and consequently, pricing estimates for annuities from insurance companies were not requested. Nor was the survivor audit or mortality study conducted at this time. While a survivor audit could be done at any time, a mortality study is best done just prior to pursuing pricing estimates for annuities since it would provide the City with a negotiating tool to secure better pricing from insurance companies.

The timing of winding up the plans is sensitive to market conditions and would require the City to act relatively quickly when the market is favourable, to ensure that the funded status of the plan is close to 100%. As a result, a future recommendation report will be brought forth setting out the parameters by which staff will initiate a wind up. In the meantime, staff will continue to monitor the markets, conduct a survivor audit and hold internal stakeholder meetings to prepare for an eventual wind up of these plans.

**APPENDICES AND SCHEDULES ATTACHED**

None

BH/dt



## INFORMATION REPORT

<b>TO:</b>	Chair and Members HMRF / HWRF Pension Administration Sub-Committee
<b>COMMITTEE DATE:</b>	November 20, 2023
<b>SUBJECT/REPORT NO:</b>	Master Trust Pension Investment Performance Report as at June 30, 2023 (FCS23094) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Gerald T. Boychuk (905) 546-4321
<b>SUBMITTED BY:</b>	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

### COUNCIL DIRECTION

Not Applicable.

### INFORMATION

Attached, as Appendix "A" to Report FCS23094, is Aon's investment performance report for the Hamilton Municipal Retirement Fund (HMRF), the Hamilton-Wentworth Retirement Fund (HWRF) and the Hamilton Street Railway (HSR), as of June 30, 2023. Together, the three pension funds make up the Master Trust, which is referred to as the "Plan" in Report FCS23094.

The Plan's return for the one-year period ended June 30, 2023 of 9.5% equalled its benchmark of 9.5%. The market value of the assets of the Plan totalled \$296.7 M compared to \$292 M as of June 30, 2022, an increase of \$4.7 M.

The funded ratio increased to 86.2%. Currently, a funding ratio of 86.2% enables a range of 48% to 68% for the Liability Matching Component (LMC) and the fund is at 53.9% (Fixed Income). The ultimate target contemplates 80% fixed income as interest rates rise and value of assets increases relative to liability present values.

**SUBJECT: Master Trust Pension Investment Performance Report as at  
June 30, 2023 (FCS23094) (City Wide) – Page 2 of 4**

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Table 1 shows the Plan's one-year (ended June 30) returns, value added, market value and funded status for the last five years.

**Table 1**  
Plan's One-Year (ended June 30) Returns

	12 Months Ended Jun.30/23	12 Months Ended Jun.30/22	12 Months Ended Jun.30/21	12 Months Ended Jun.30/20	12 Months Ended Jun.30/19
Plan Return	9.5%	-12.1%	19.1%	0.2%	4.1%
Benchmark	9.5%	-11.8%	14.1%	7.1%	6.4%
Value Added	0.0%	-0.3%	5.0%	-6.9%	-2.3%
Market Value (\$ Millions)	\$296.7	\$292.0	\$355.4	\$318.8	\$336.4
Funded Ratio	86.2%	80.3%	82.9%	73.0%	76.2%

The Plan's performance may be compared to the return earned in the broader pension market in Canada. Attached, as Appendix "B" to Report FCS23094, RBC Investor & Treasury Service reports its universe of pension funds, totalling C\$4.40 Trillion with a median return of 0.8% in the quarter ended June 30, 2023. The Plan's quarterly return of 1.3% outperformed the universe's median quarterly return of 0.8% by 0.5%, with a value added of 0.5%.

#### Asset Mix

Table 2 shows the percentage of Plan assets in each asset class as of June 30, 2023 compared to June 30, 2022.

**Table 2**  
Percentage of Plan Assets in Each Asset Class

Asset Class	Jun.30/23	Jun.30/22	Change	Maximum
Canadian Equity	27.4%	25.2%	+2.2%	28.0%
Global Equity	18.0%	19.3%	-1.3%	27.0%
Total Equity	45.4%	44.5%	+0.9%	
Canadian Fixed Income	53.9%	55.4%	-1.5%	65.0%
Cash	0.6%	0.1%	+0.5%	

Note: Anomalies due to rounding

**SUBJECT: Master Trust Pension Investment Performance Report as at  
June 30, 2023 (FCS23094) (City Wide) – Page 3 of 4**

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Managers' Performance

Managers' investment performance relative to their benchmark is summarized in Table 3. One-year rates of return are as of June 30, 2023.

**Table 3**  
Managers' Performance  
One-Year Period Ended Jun. 30/23

	Manager Return	Benchmark Return	Value Added (Manager Return less Benchmark Return)	Percentage Total Assets
Canadian Equity:				
Guardian	13.0%	10.4%	+2.6%	14.5%
Letko	13.0%	10.4%	+2.6%	12.9%
Global Equity				
Aberdeen <sup>(1)</sup>	25.3%	21.6%	+3.7%	4.5%
GMO <sup>(2)</sup>	18.8%	21.6%	-2.8%	13.6%
Fixed Income:				
TDAM Long Bonds <sup>(3)</sup>	6.2%	5.9%	+0.3%	18.9%
TDAM Real Return Bonds <sup>(3)</sup>	3.5%	3.4%	+0.1%	34.9%

Notes: <sup>(1)</sup> Engaged in April 2010

<sup>(2)</sup> Engaged in July 2010

<sup>(3)</sup> Toronto Dominion Asset Management (TDAM) engaged in March 2012

Given the recent economic problems with COVID-19, tariffs and supply chain issues, Global markets have also seen contraction from future uncertainty. The Master Trust has performed acceptably over the past twelve months, returning 9.5% despite the Russia-Ukraine war, as well as, rapidly increasing Central bank interest rates attempting to combat inflation. The Master Trust has progressed to where two of our pension accounts are at, or very near fully funded.

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**SUBJECT: Master Trust Pension Investment Performance Report as at  
June 30, 2023 (FCS23094) (City Wide) – Page 4 of 4**

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A new investment approach, such as immunization through annuities, is being considered. This is dependent upon continuing to increase the 86.2% Funded Ratio, as well as, hiring an Outsourced Chief Investment Officer (OCIO) to assist in executing a new strategy, or altering the current liability driven strategy. This OCIO would support in obtaining new management processes and achieve an appropriate asset mix to match the current liabilities in the plan, given economic conditions worldwide. Also, staff would be tracking exposure ranges to meet the goal of an expected wind-up at a reasonable cost, based on more recent liabilities and expected returns, as well as, investment strategy.

Staff are in the final stages of hiring an OCIO. Qualified proposals were considered to fulfil the role. Evaluations have concluded. Investment Management Corporation of Ontario (IMCO) has been selected as the preferred proponent and terms and conditions of an agreement are being negotiated.

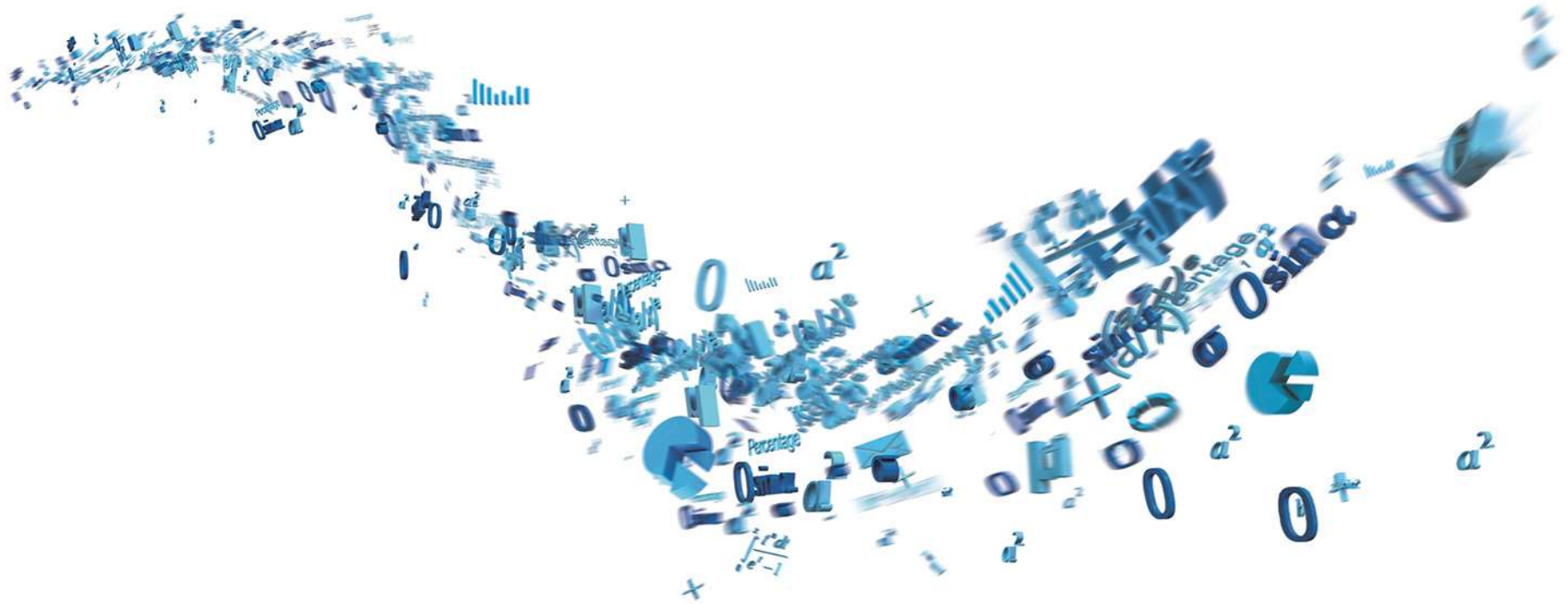
**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report FCS23094 – City of Hamilton Master Trust Defined Benefit Plan Second Quarter 2023 – AON Quarterly Investment Review

Appendix “B” to Report FCS23094 – Canadian DB pension plans navigated Q2 2023 with steady returns, reveals RBC Investor Services analysis – RBC Investor & Treasury Services

GB/dt





## The City of Hamilton Master Trust Defined Benefit Plan | Second Quarter 2023

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# Quarterly Investment Review

Visit the **Aon Retirement and Investment Website** (<https://retirement-investment-insights.aon.com/canada>); sharing our best thinking.

## Table Of Contents

1	Executive Summary	Page 1
2	Capital Markets Performance	Page 6
3	Total Fund Analysis	Page 9
4	Asset Class Analysis	Page 18
5	Appendix A - Plan Information	Page 37
6	Appendix B - Manager Updates	Page 39
7	Appendix C - Capital Market Environment	Page 43
8	Appendix D - Description of Market Indices and Statistics	Page 53
9	Appendix E - Fee Analysis	Page 58
10	Appendix F - Disclosure	Page 59

# Executive Summary

**Executive Summary**

**Trailing Period Performance**

**As of 30 June 2023**

	Allocation		Performance (%)						
	Market Value (\$000)	%	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years
<b>Total Fund</b>	296,708	100.0	1.3 (42)	9.5 (77)	-1.9 (99)	4.6 (83)	3.5 (96)	3.6 (97)	6.3 (92)
Benchmark			1.4 (41)	9.5 (76)	-1.7 (98)	3.3 (95)	4.2 (86)	4.7 (86)	7.0 (79)
Value Added			-0.1	0.0	-0.2	1.3	-0.7	-1.1	-0.7
<b>Canadian Equity</b>	81,391	27.4	2.5 (16)	13.0 (24)	5.0 (53)	17.6 (17)	8.4 (72)	6.4 (89)	9.2 (47)
Guardian (including cash)	43,067	14.5	2.6 (13)	13.0 (23)	3.3 (85)	13.3 (71)	8.0 (85)	7.3 (75)	8.8 (64)
S&P/TSX Composite			1.1 (57)	10.4 (56)	3.0 (87)	12.4 (83)	8.6 (70)	7.6 (64)	8.4 (80)
Value Added			1.5	2.6	0.3	0.9	-0.6	-0.3	0.4
<b>Letko (including cash)</b>	38,324	12.9	2.5 (17)	13.0 (23)	7.0 (23)	22.6 (8)	9.7 (43)	6.5 (88)	9.8 (27)
S&P/TSX Composite			1.1 (57)	10.4 (56)	3.0 (87)	12.4 (83)	8.6 (70)	7.6 (64)	8.4 (80)
Value Added			1.4	2.6	4.0	10.2	1.1	-1.1	1.4
<b>Global Equities</b>	53,533	18.0	2.7 (54)	20.4 (45)	3.0 (61)	10.5 (55)	8.4 (64)	7.3 (67)	9.3 (91)
Aberdeen	13,234	4.5	3.0 (49)	25.3 (13)	5.8 (25)	12.4 (31)	10.8 (23)	9.7 (25)	10.0 (83)
MSCI World (Net)			4.5 (27)	21.6 (33)	4.1 (49)	11.2 (48)	10.1 (37)	9.2 (35)	12.0 (48)
Value Added			-1.5	3.7	1.7	1.2	0.7	0.5	-2.0
<b>GMO</b>	40,299	13.6	2.7 (54)	18.8 (63)	0.1 (80)	8.7 (73)	7.0 (83)	6.1 (83)	8.9 (94)
MSCI World (Net)			4.5 (27)	21.6 (33)	4.1 (49)	11.2 (48)	10.1 (37)	9.2 (35)	12.0 (48)
Value Added			-1.8	-2.8	-4.0	-2.5	-3.1	-3.1	-3.1

\*GMO returns are reported net-of-fees.

Executive Summary

**Trailing Period Performance**

As of 30 June 2023

	Allocation		Performance (%)						
	Market Value (\$'000)	%	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years
Canadian Fixed Income	159,889	53.9	0.3	4.5	-6.0	-5.0	-1.6	0.3	2.6
TDAM Long Bonds	56,188	18.9	0.9	6.2	-7.5	-7.1	-2.7	0.0	2.8
FTSE Canada Long Term Overall Bond			0.6	5.9	-7.8	-7.5	-3.0	-0.3	2.8
Value Added			0.3	0.3	0.3	0.4	0.3	0.3	0.0
TDAM Real Return Bonds	103,606	34.9	0.0	3.5	-5.1	-2.9	-0.7	0.4	2.2
FTSE Canada Real Return Bond			0.0	3.4	-4.8	-2.6	-0.6	0.5	2.3
Value Added			0.0	0.1	-0.3	-0.3	-0.1	-0.1	-0.1
TDAM Cash	159,889	53.9							
Operating Account	1,895	0.6							

\*GMO returns are reported net-of-fees.

**Executive Summary**

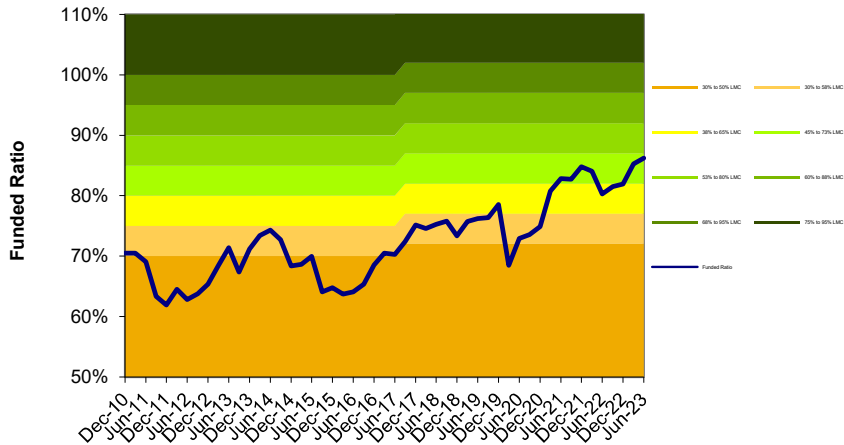
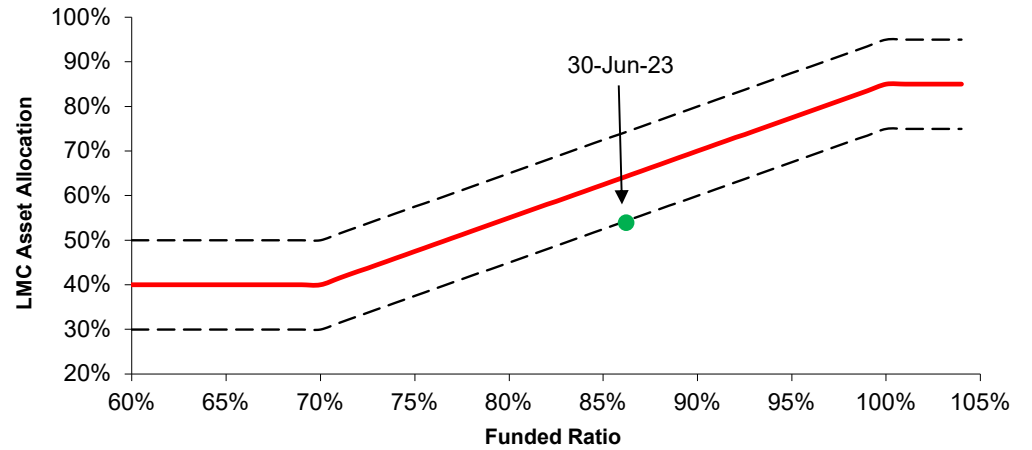
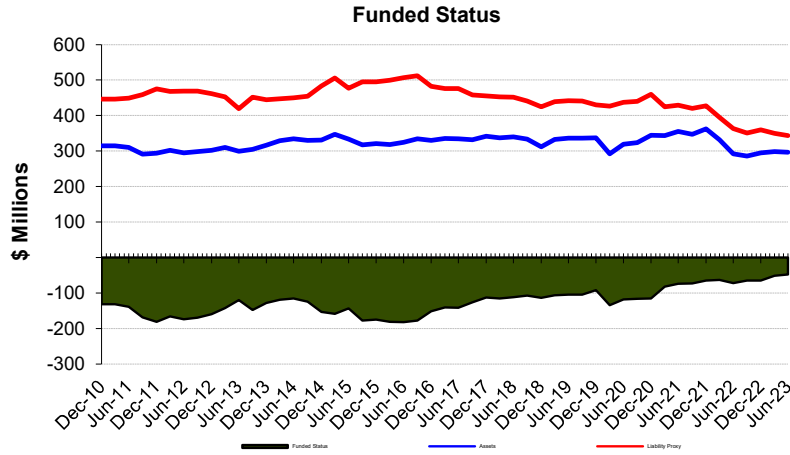
**Trailing Period Performance**

**As of 30 June 2023**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Total Fund</b>	9.5 (77)	-12.1 (99)	19.1 (39)	0.2 (83)	4.1 (74)	7.3 (52)	9.0 (68)	3.2 (40)	6.3 (86)	19.8 (31)	9.6 (72)
Benchmark	9.5 (76)	-11.8 (96)	14.1 (92)	7.1 (8)	6.4 (28)	7.7 (36)	8.2 (79)	3.8 (30)	8.5 (59)	19.1 (42)	6.5 (96)
Value Added	0.0	-0.3	5.0	-6.9	-2.3	-0.4	0.8	-0.6	-2.2	0.7	3.1
<b>Canadian Equities</b>	13.0 (24)	-2.5 (73)	47.6 (17)	-15.1 (92)	-1.1 (80)	12.6 (17)	17.7 (3)	2.1 (50)	1.1 (45)	29.7 (52)	19.0 (14)
Guardian (including cash)	13.0 (23)	-5.6 (93)	36.2 (51)	-6.5 (55)	4.8 (29)	10.8 (40)	11.7 (54)	3.3 (31)	0.7 (49)	26.7 (78)	9.3 (82)
S&P/TSX Composite	10.4 (56)	-3.9 (86)	33.9 (63)	-2.2 (30)	3.9 (40)	10.4 (46)	11.0 (65)	-0.2 (64)	-1.2 (64)	28.7 (65)	7.9 (93)
Value Added	2.6	-1.7	2.3	-4.3	0.9	0.4	0.7	3.5	1.9	-2.0	1.4
Letko (including cash)	13.0 (23)	1.4 (41)	61.0 (5)	-21.5 (99)	-5.2 (90)	13.4 (12)	21.5 (1)	1.5 (55)	1.4 (42)	31.1 (34)	24.2 (2)
S&P/TSX Composite	10.4 (56)	-3.9 (86)	33.9 (63)	-2.2 (30)	3.9 (40)	10.4 (46)	11.0 (65)	-0.2 (64)	-1.2 (64)	28.7 (65)	7.9 (93)
Value Added	2.6	5.3	27.1	-19.3	-9.1	3.0	10.5	1.7	2.6	2.4	16.3
<b>Global Equities</b>	20.4 (45)	-11.9 (61)	27.3 (56)	2.3 (62)	2.8 (66)	8.3 (80)	19.4 (52)	-3.4 (78)	10.5 (91)	23.9 (65)	18.7 (85)
Aberdeen	25.3 (13)	-10.7 (52)	27.0 (59)	6.0 (45)	5.4 (43)	7.9 (82)	16.4 (72)	-1.0 (60)	7.6 (96)	22.0 (79)	17.2 (91)
MSCI World (Net)	21.6 (33)	-10.8 (53)	26.6 (60)	6.9 (40)	5.7 (41)	12.5 (47)	17.8 (63)	1.4 (40)	18.9 (59)	25.2 (54)	22.7 (58)
Value Added	3.7	0.1	0.4	-0.9	-0.3	-4.6	-1.4	-2.4	-11.3	-3.2	-5.5
GMO	18.8 (63)	-15.7 (79)	28.3 (49)	1.9 (64)	2.8 (66)	8.1 (81)	20.0 (47)	-2.8 (72)	11.9 (90)	23.8 (66)	19.0 (84)
MSCI World (Net)	21.6 (33)	-10.8 (53)	26.6 (60)	6.9 (40)	5.7 (41)	12.5 (47)	17.8 (63)	1.4 (40)	18.9 (59)	25.2 (54)	22.7 (58)
Value Added	-2.8	-4.9	1.7	-5.0	-2.9	-4.4	2.2	-4.2	-7.0	-1.4	-3.7
<b>Canadian Fixed Income</b>	4.5	-15.5	-2.8	9.2	8.3	2.8	-1.2	7.8	7.5	8.1	-3.9
TDAM Long Bonds	6.2 (63)	-19.5 (37)	-6.4 (72)	12.1 (47)	11.4 (60)	1.8 (79)	0.3 (85)	10.2 (29)	9.0 (90)	8.0 (38)	-2.0 (27)
FTSE Canada Long Term Overall Bond	5.9 (92)	-19.7 (77)	-6.9 (91)	12.0 (60)	11.4 (38)	1.8 (72)	0.4 (75)	9.9 (51)	10.1 (37)	7.6 (72)	-2.9 (84)
Value Added	0.3	0.2	0.5	0.1	0.0	0.0	-0.1	0.3	-1.1	0.4	0.9
TDAM Real Return Bonds	3.5	-13.1	1.7	6.1	5.1	4.2	-2.9	5.4	5.8	8.2	-8.5
FTSE Canada Real Return Bond	3.4	-12.3	2.1	5.5	5.2	4.0	-2.7	5.3	5.6	8.1	-9.9
Value Added	0.1	-0.8	-0.4	0.6	-0.1	0.2	-0.2	0.1	0.2	0.1	1.4

Parentheses contain percentile rankings.

## Quarterly Performance Report for the City of Hamilton Funded Status and Glide Path Information for June 30, 2023



### Snapshot (Wind-Up)

	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23
Market value of assets (\$ Millions)	\$285.6	\$294.8	\$298.3	\$296.7
Liability proxy (\$ Millions)	\$350.2	\$359.7	\$349.7	\$344.1
Funded status (\$ Millions)	(\$64.6)	(\$64.9)	(\$51.4)	(\$47.4)
Funded ratio	81.6%	82.0%	85.3%	86.2%
Current LMC Asset Allocation	55.4%	55.2%	54.7%	53.9%

### Rebalancing

- The rebalancing strategy for this plan requires that assets be rebalanced to the target allocation (indicated by the red line) whenever the LMC Asset Allocation falls outside of the range deemed acceptable for a given funded ratio (indicated by the dashed lines).

- Because the LMC Asset Allocation as of June 30, 2023 falls outside of the range determined acceptable for the current funded ratio (86.2%), the asset mix should be rebalanced such that the LMC portion of the portfolio comprises 54% of total assets.

# Capital Markets Performance



Capital Market Performance

Major Capital Markets' Returns

As of 30 June 2023

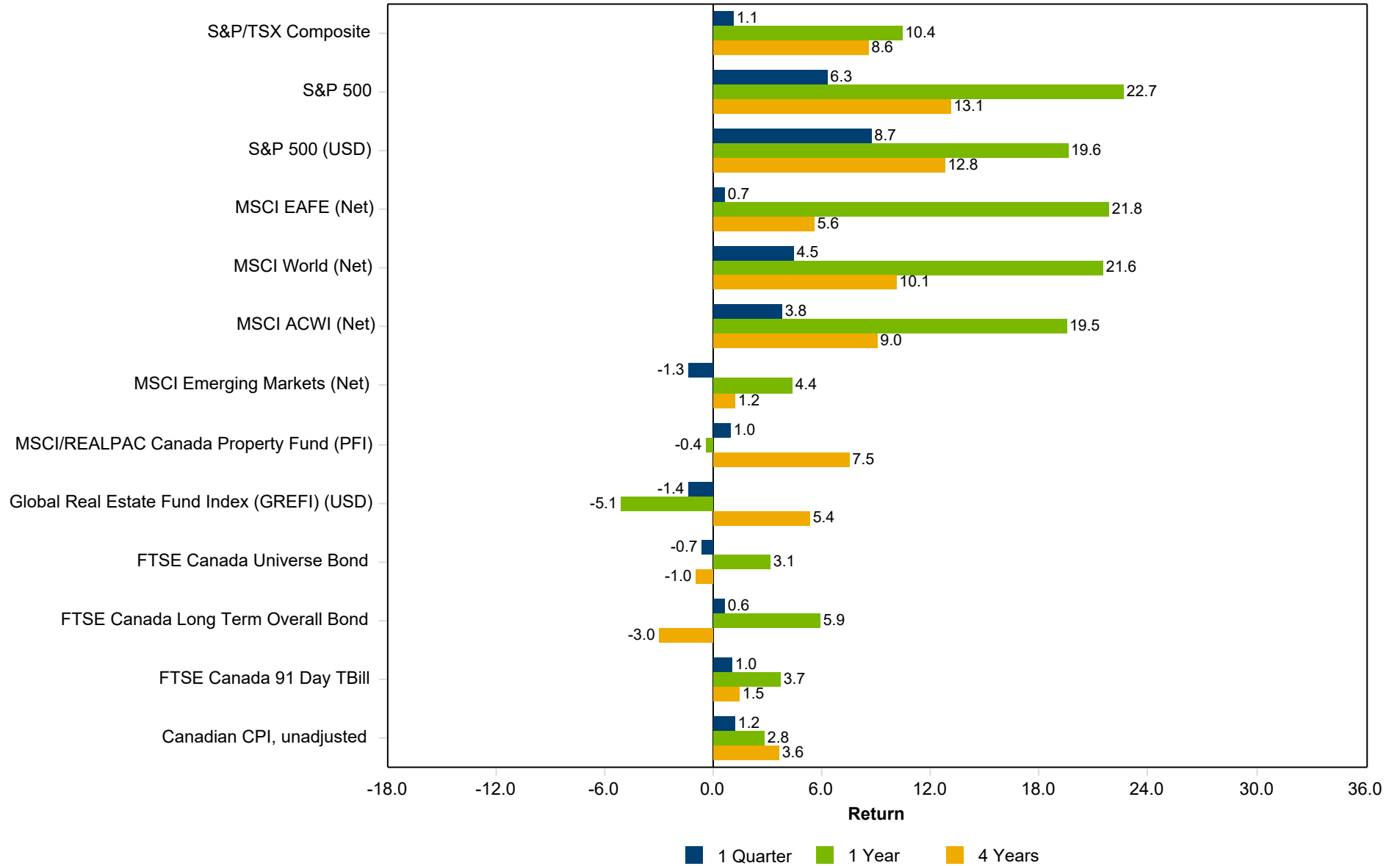
	1 Quarter	6 Months	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years
<b>Equity</b>								
S&P/TSX Composite	1.1	5.7	10.4	3.0	12.4	8.6	7.6	8.4
S&P 500	6.3	14.2	22.7	6.9	13.5	13.1	12.4	15.4
S&P 500 (USD)	8.7	16.9	19.6	3.4	14.6	12.8	12.3	12.9
MSCI EAFE (Net)	0.7	9.1	21.8	2.2	7.9	5.6	4.5	7.8
MSCI World (Net)	4.5	12.4	21.6	4.2	11.1	10.1	9.2	12.0
MSCI ACWI (Net)	3.8	11.3	19.5	2.4	9.9	9.0	8.2	11.2
MSCI Emerging Markets (Net)	-1.3	2.4	4.4	-9.9	1.3	1.2	1.0	5.3
<b>Real Estate</b>								
MSCI/REALPAC Canada Quarterly Property Fund	1.0	0.4	-0.4	9.1	8.8	7.5	7.5	7.3
Global Real Estate Fund Index (GREFI) (USD)*	-1.4	-1.9	-5.1	5.5	6.5	5.4	4.9	6.6
<b>Fixed Income</b>								
FTSE Canada Universe Bond	-0.7	2.5	3.1	-4.4	-3.7	-1.0	0.7	2.1
FTSE Canada Long Term Overall Bond	0.6	5.4	5.9	-7.8	-7.5	-3.0	-0.3	2.8
FTSE Canada 91 Day TBill	1.0	2.1	3.7	2.0	1.4	1.5	1.5	1.1
<b>Consumer Price Index</b>								
Canadian CPI, unadjusted	1.2	2.7	2.8	5.4	4.6	3.6	3.3	2.5

Returns for periods greater than one year are annualized. Sector returns are based on the holdings loaded into our performance reporting software and may differ from MSCI sector returns. Note: MSCI recently announced a reorganization of the Global Industry Classification Sectors or GICS sectors. The Telecommunications sector was renamed "Communication Services". Going forward the Communication Services sector will include companies currently in the Information Technology sector that focus on facilitating communications, such as Alphabet (Google) and Facebook. Companies that provide media content, such as Disney and Comcast, will be moved from the Consumer Discretionary sector to the Communication Services sector. In addition, online retailers, such as Alibaba and eBay, will be moved from the Information Technology sector to the Consumer Discretionary sector.

Capital Market Performance

Comparative Performance

As of 30 June 2023



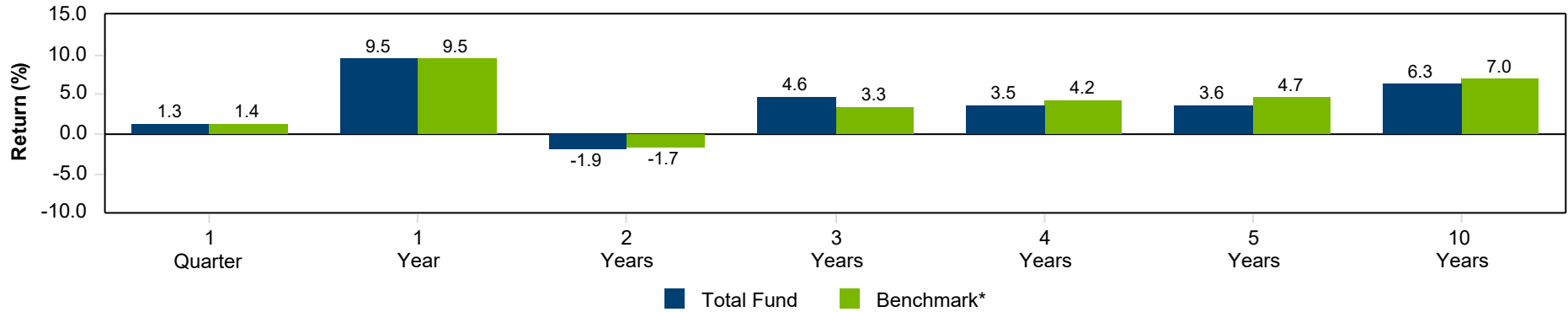
# Total Fund Analysis

**Total Fund**

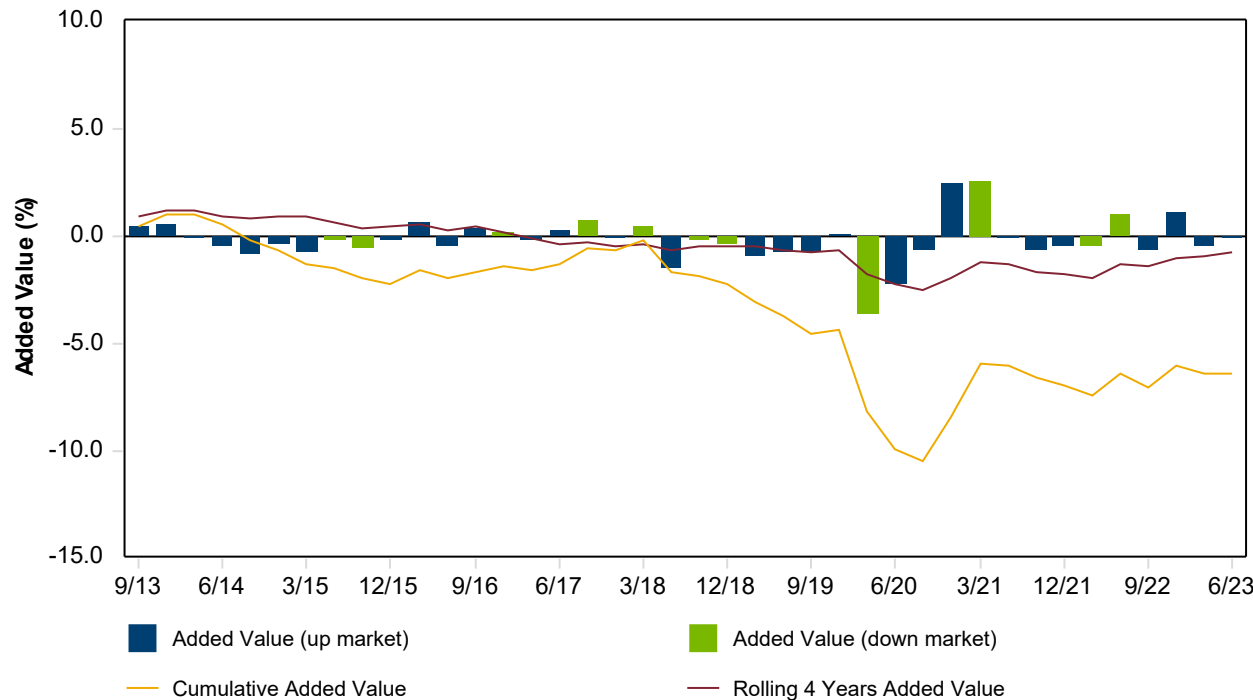
**Total Fund Performance Summary**

As of 30 June 2023

**Return Summary**



**Added Value History (%)**



**Performance Statistics**

	Quarters	%
<b>Market Capture</b>		
Up Markets	29	94.4
Down Markets	11	100.7
<b>Batting Average</b>		
Up Markets	29	27.6
Down Markets	11	45.5
Overall	40	32.5

\* See Appendix A for benchmark components.

Total Fund

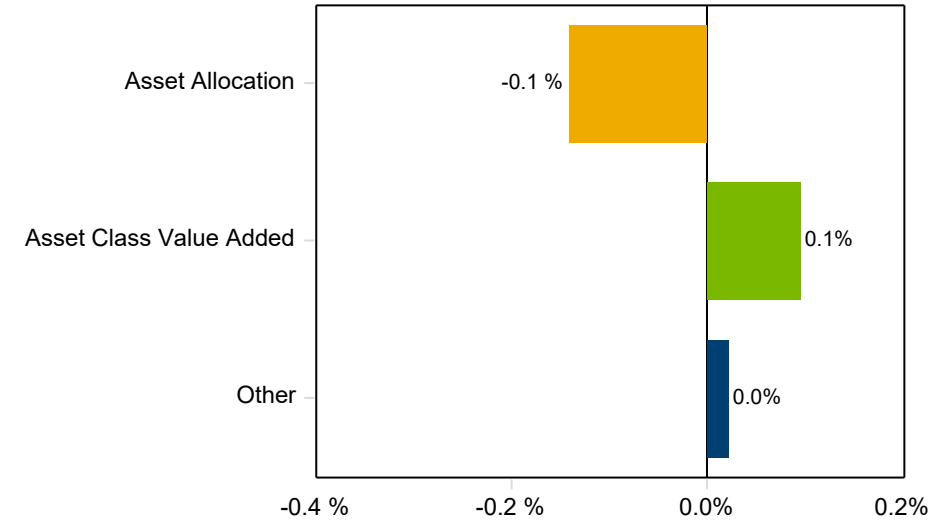
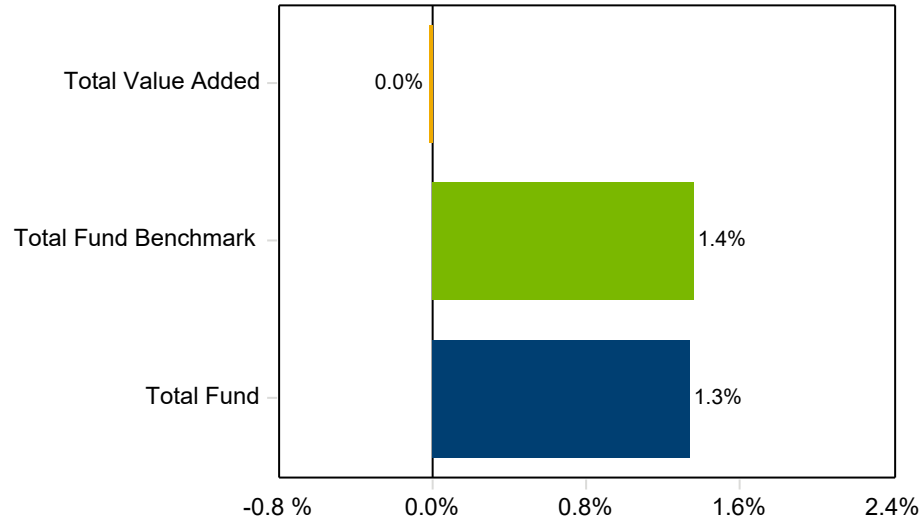
Total Fund Performance Attribution

1 Quarter Ending 30 June 2023

Total Fund vs. Benchmark

Total Fund Performance

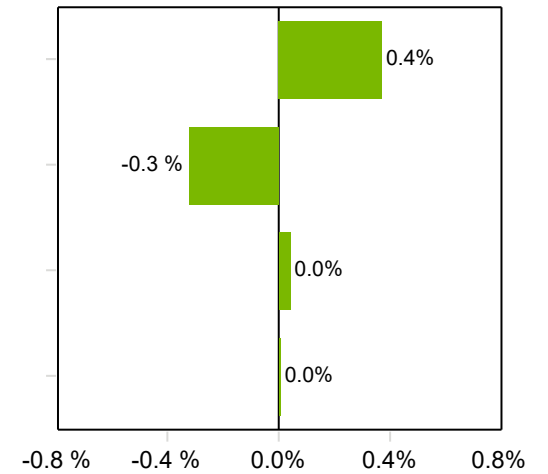
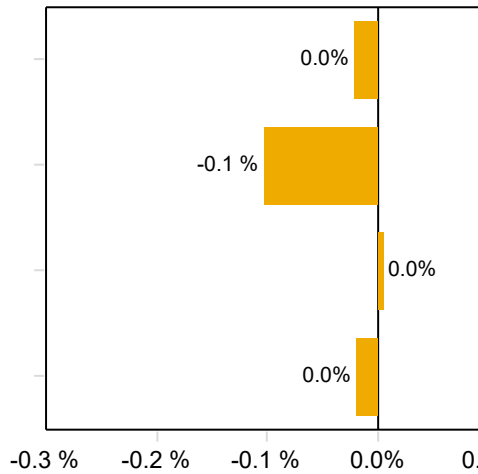
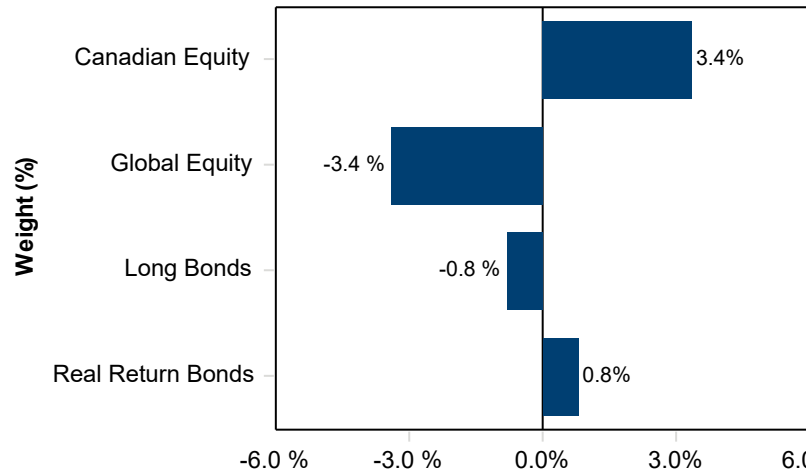
Total Value Added: 0.0%



1 Quarter

Total Asset Allocation: -0.1%

Total Asset Class Value Added: 0.1%



Active Weight

Asset Allocation Value Added

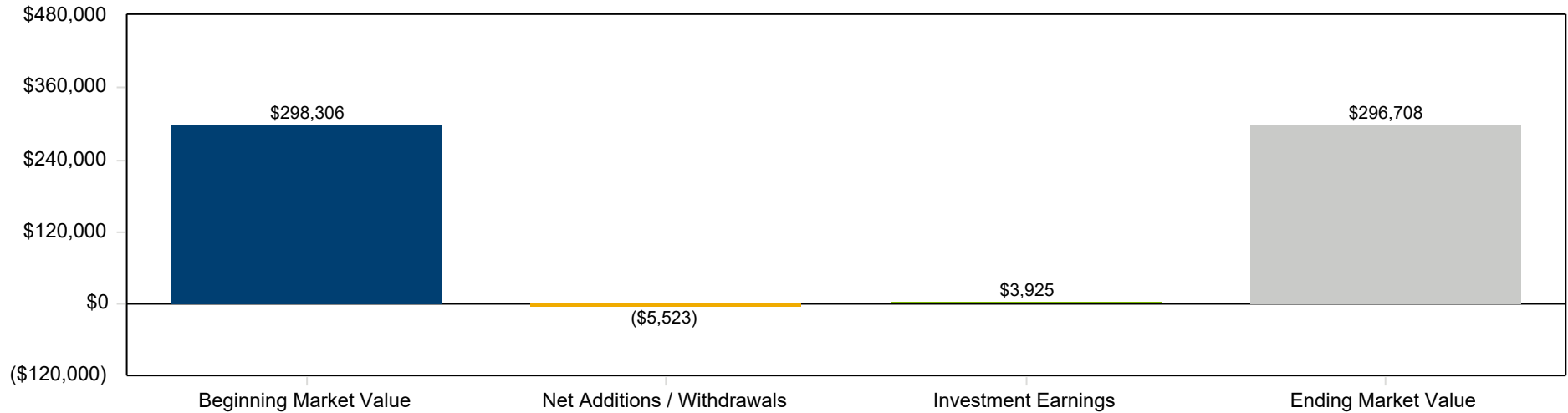
Asset Class Value Added

**Total Fund**

**Total Fund Asset Summary**

**As of 30 June 2023**

**Change in Market Value (\$000)  
 From 1 April 2023 to 30 June 2023**



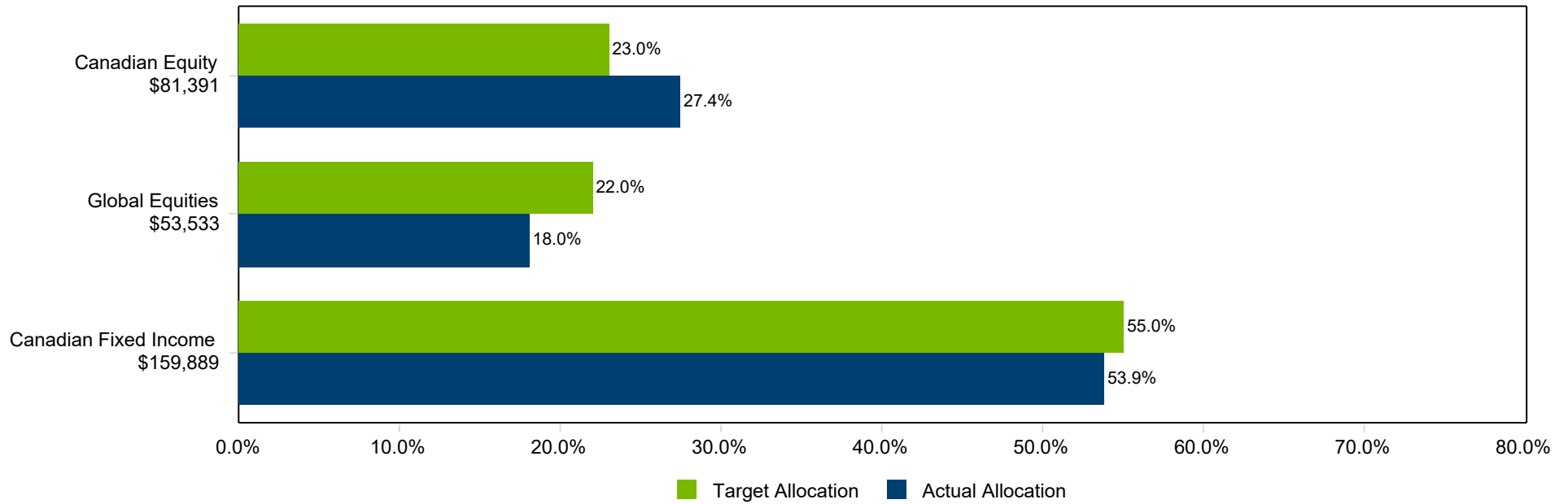
**Summary of Cash Flows (\$000)**

	<b>1 Quarter</b>	<b>Year To Date</b>	<b>1 Year</b>	<b>4 Years</b>
<b>Total Fund</b>				
Beginning Market Value	298,306	294,807	292,005	336,441
+/- Net Cash Flows	-5,523	-11,246	-22,016	-72,663
+/- Income	1,804	2,501	10,616	79,389
+/- Capital Gains / Losses	2,121	10,646	16,103	-46,459
<b>= Ending Market Value</b>	<b>296,708</b>	<b>296,708</b>	<b>296,708</b>	<b>296,708</b>

**Total Fund**

**Asset Allocation Compliance**

As of 30 June 2023 (\$000)

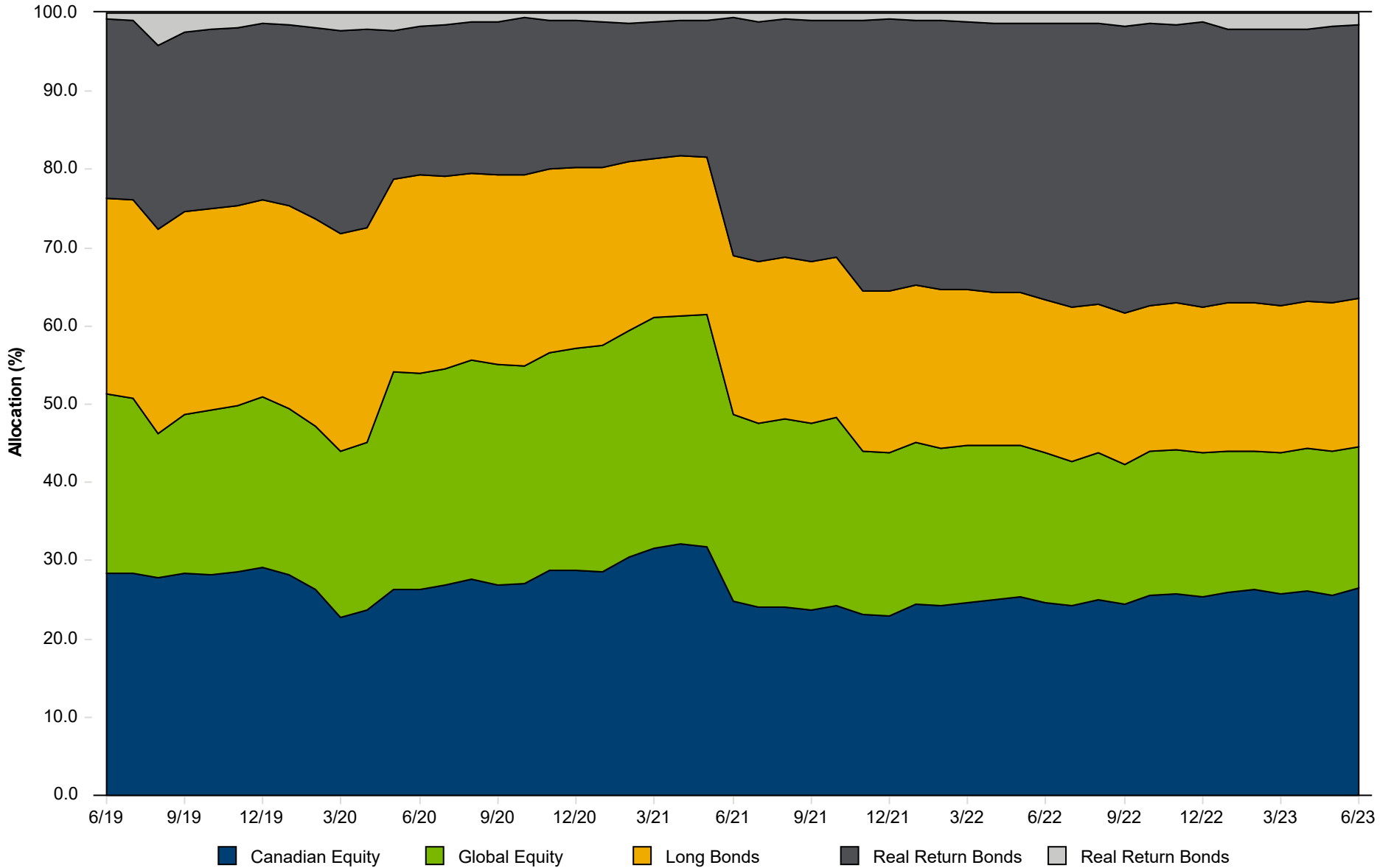


	Market Value (\$000)	Market Value (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)	Within Range
<b>Total Fund</b>	<b>296,708</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>			
Canadian Equity	81,391	27.4	23.0	4.4	18.0	28.0	Yes
Global Equities	53,533	18.0	22.0	-4.0	17.0	27.0	Yes
Canadian Fixed Income	159,889	53.9	55.0	-1.1	45.0	65.0	Yes

Total Fund

Historical Asset Allocation by Segment

4 Years Ending 30 June 2023  
 Total Fund

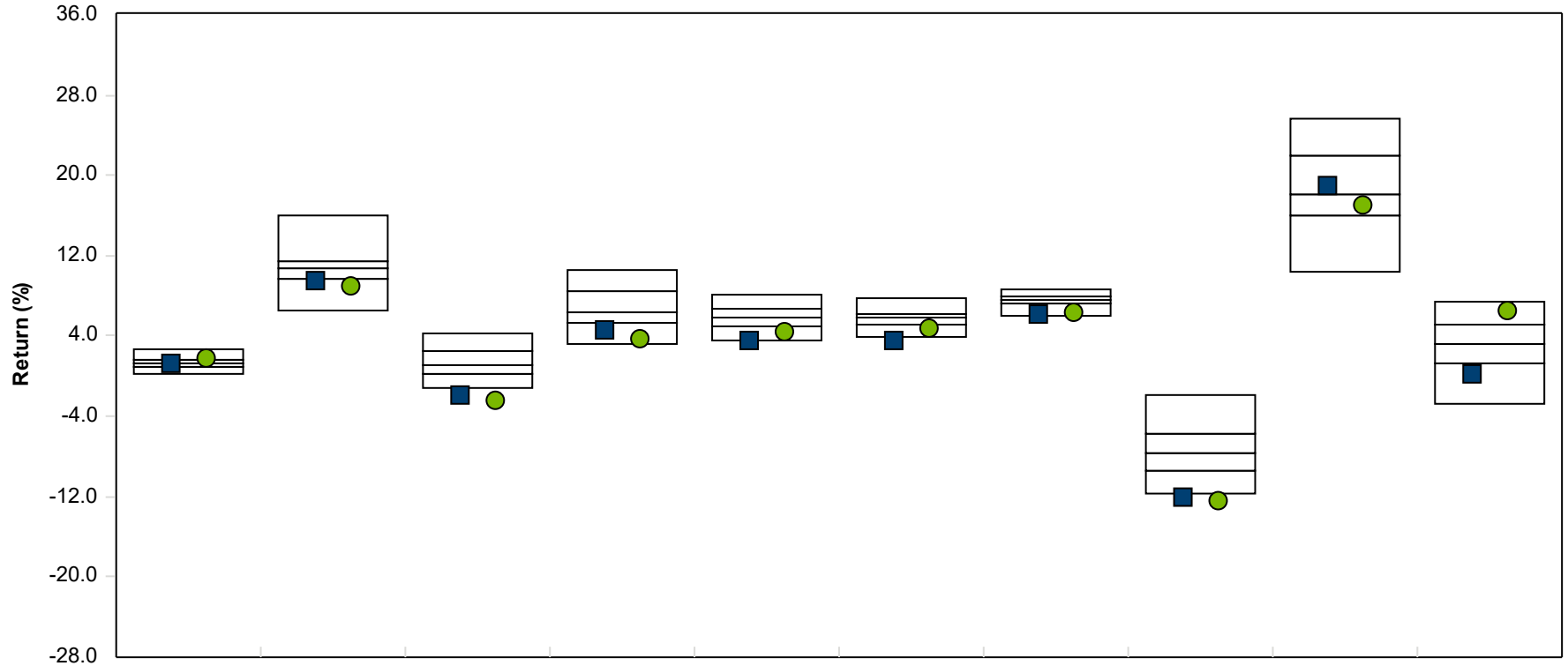




Total Fund

Peer Group Analysis

As of 30 June 2023  
 Balanced Funds



	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years	1 Year Ending Jun-2022	1 Year Ending Jun-2021	1 Year Ending Jun-2020
■ Total Fund	1.3 (42)	9.5 (77)	-1.9 (99)	4.6 (83)	3.5 (96)	3.6 (97)	6.3 (92)	-12.1 (99)	19.1 (39)	0.2 (83)
● Benchmark	1.9 (17)	9.0 (81)	-2.3 (99)	3.7 (91)	4.4 (84)	4.8 (81)	6.4 (91)	-12.5 (100)	17.1 (59)	6.5 (15)
5th Percentile	2.7	16.1	4.3	10.5	8.2	7.8	8.6	-2.0	25.6	7.5
1st Quartile	1.6	11.5	2.5	8.5	6.7	6.1	8.0	-5.8	22.0	5.1
Median	1.2	10.7	1.1	6.3	5.8	5.9	7.6	-7.6	18.2	3.3
3rd Quartile	0.9	9.6	0.2	5.3	5.0	5.2	7.2	-9.3	15.9	1.3
95th Percentile	0.1	6.6	-1.2	3.3	3.6	3.9	6.0	-11.6	10.4	-2.7
Population	49	49	49	49	49	49	49	50	50	52

Parentheses contain percentile rankings.  
 Source: Aon Manager Universe

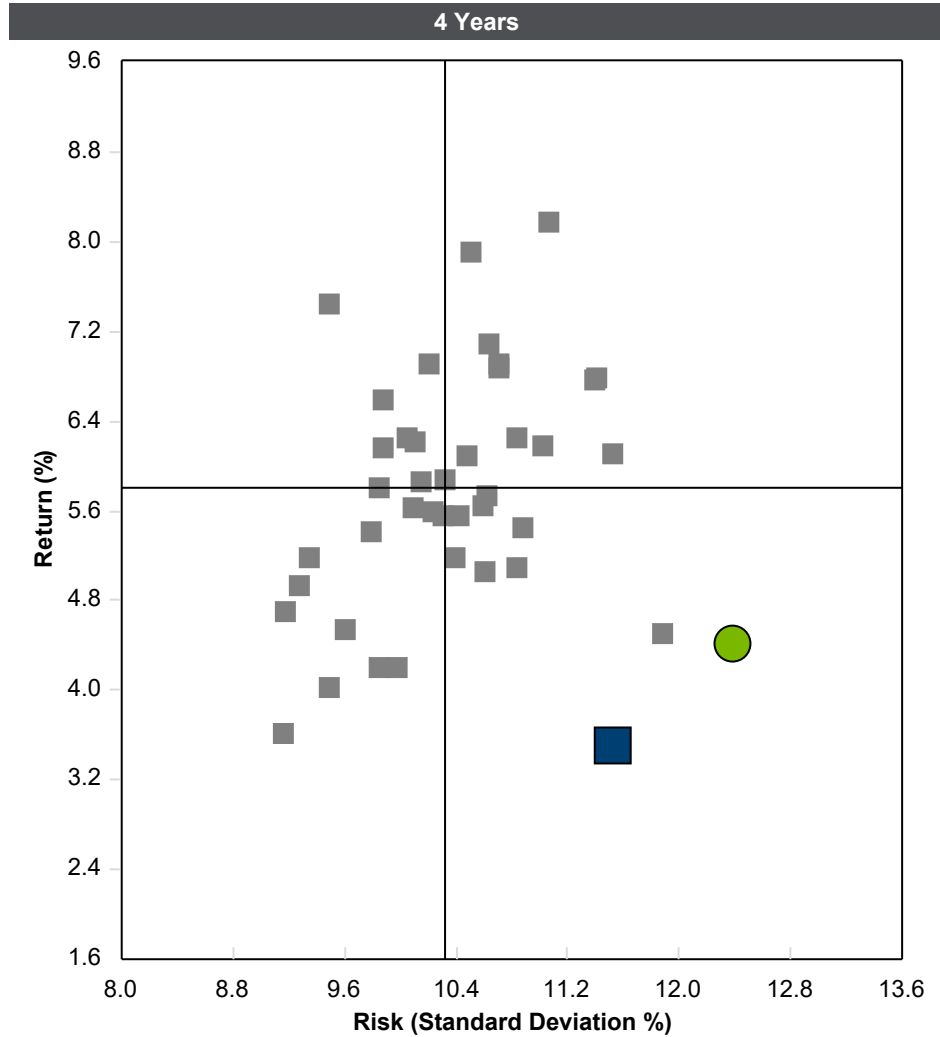


Total Fund

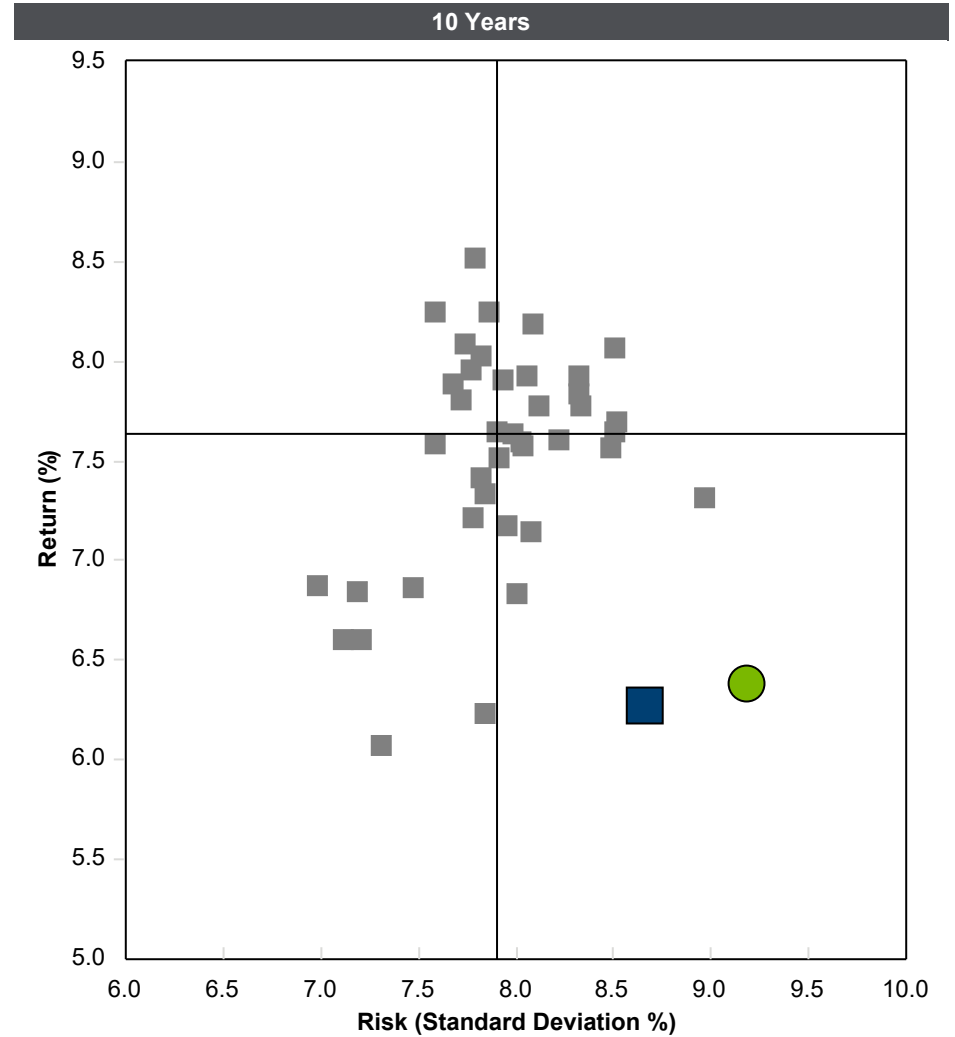
Peer Group Scattergram

Periods Ending 30 June 2023

Balanced Funds



	Return	Standard Deviation
■ Total Fund	3.5	11.5
● Benchmark	4.4	12.4
— Median	5.8	10.3



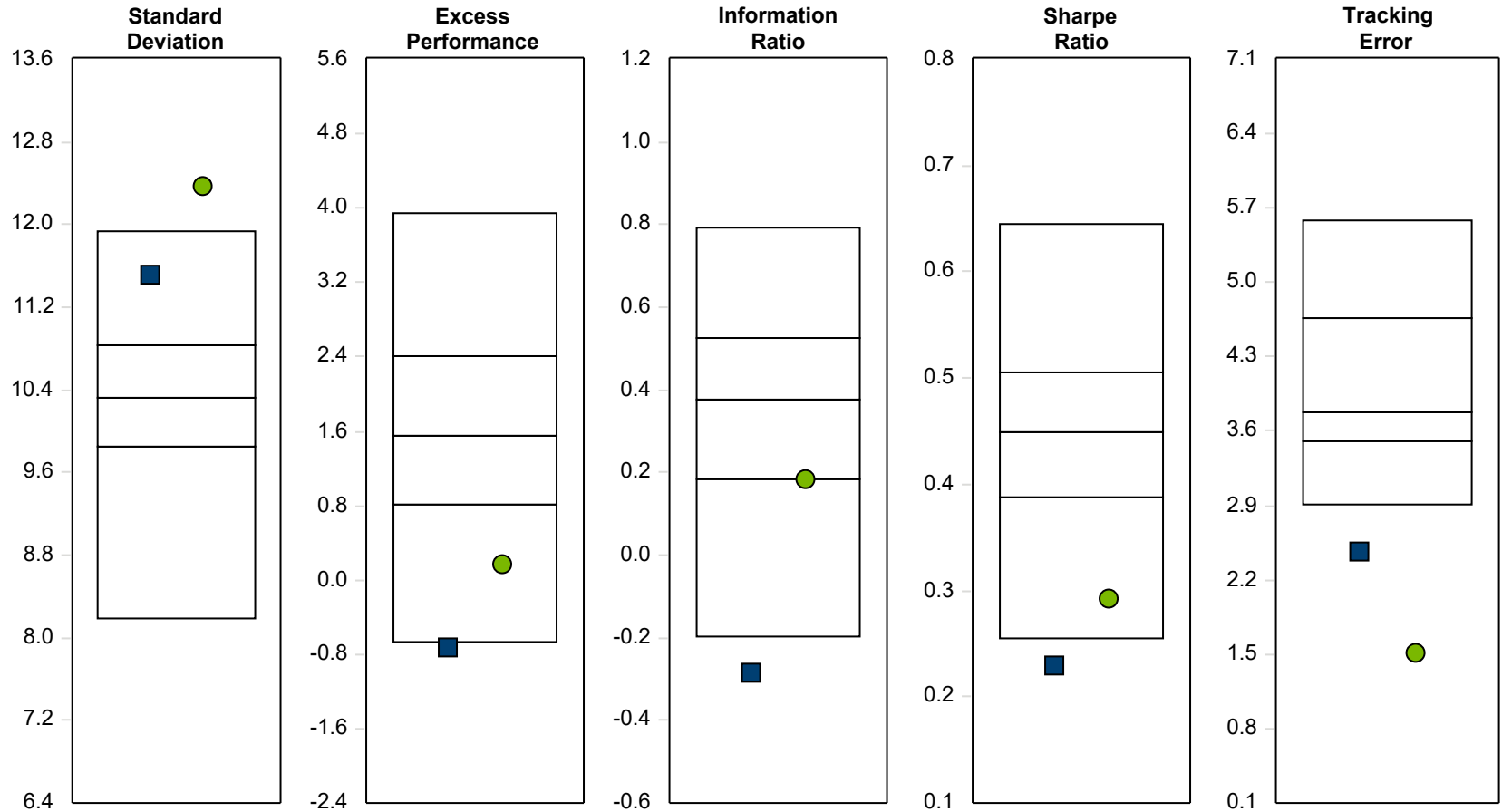
	Return	Standard Deviation
■ Total Fund	6.3	8.7
● Benchmark	6.4	9.2
— Median	7.6	7.9

Source: Aon Manager Universe

Total Fund

Peer Group Analysis - Performance Statistics

As of 30 June 2023



■ Total Fund  
 ● Benchmark

4  
 Years

11.5 (9)  
 12.4 (2)

4  
 Years

-0.7 (96)  
 0.2 (84)

4  
 Years

-0.3 (97)  
 0.2 (76)

4  
 Years

0.2 (97)  
 0.3 (93)

4  
 Years

2.5 (100)  
 1.5 (100)

5th Percentile	11.9	3.9	0.8	0.6	5.6
1st Quartile	10.8	2.4	0.5	0.5	4.7
Median	10.3	1.6	0.4	0.4	3.8
3rd Quartile	9.8	0.8	0.2	0.4	3.5
95th Percentile	8.2	-0.7	-0.2	0.3	2.9

Parentheses contain percentile rankings.  
 Source: Aon Manager Universe



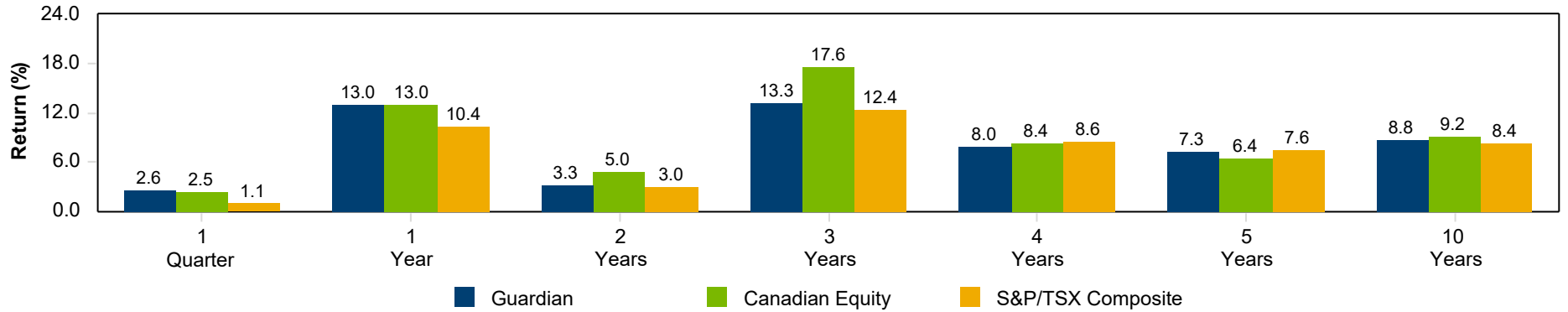
# Asset Class Analysis

Canadian Equity

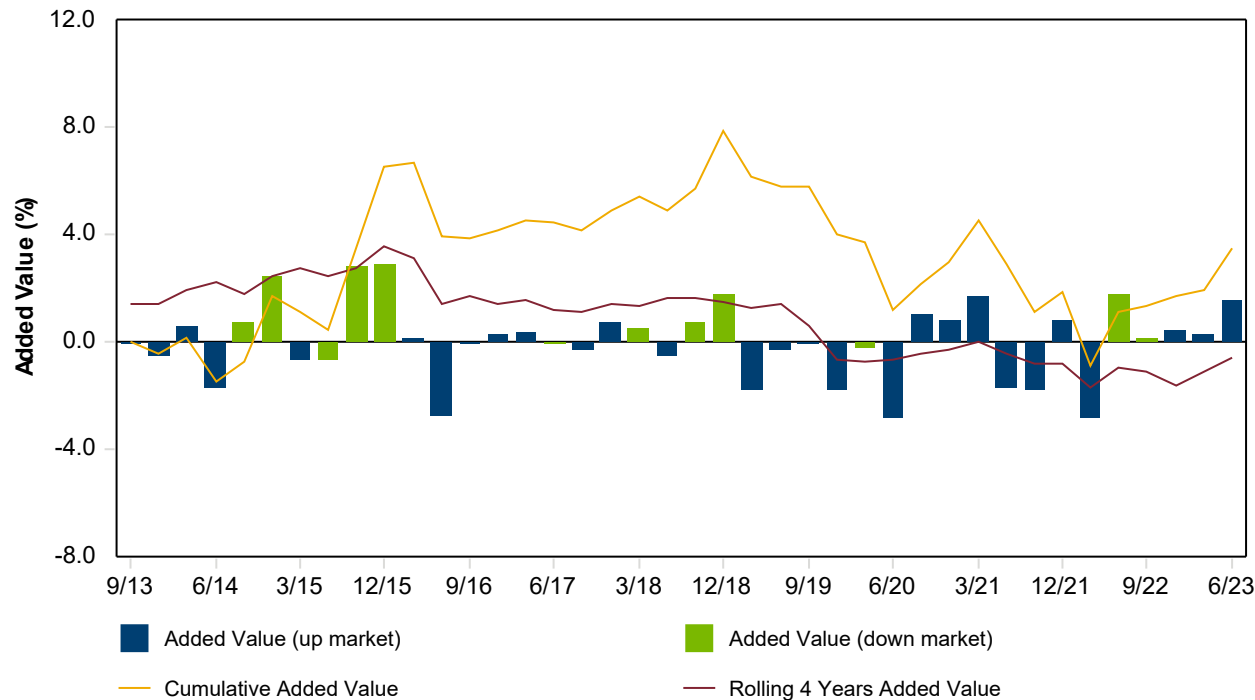
Guardian Performance Summary

As of 30 June 2023

Return Summary



Added Value History (%)



Performance Statistics

	Quarters	%
<b>Market Capture</b>		
Up Markets	28	93.1
Down Markets	12	80.0
<b>Batting Average</b>		
Up Markets	28	46.4
Down Markets	12	75.0
Overall	40	55.0

Canadian Equity

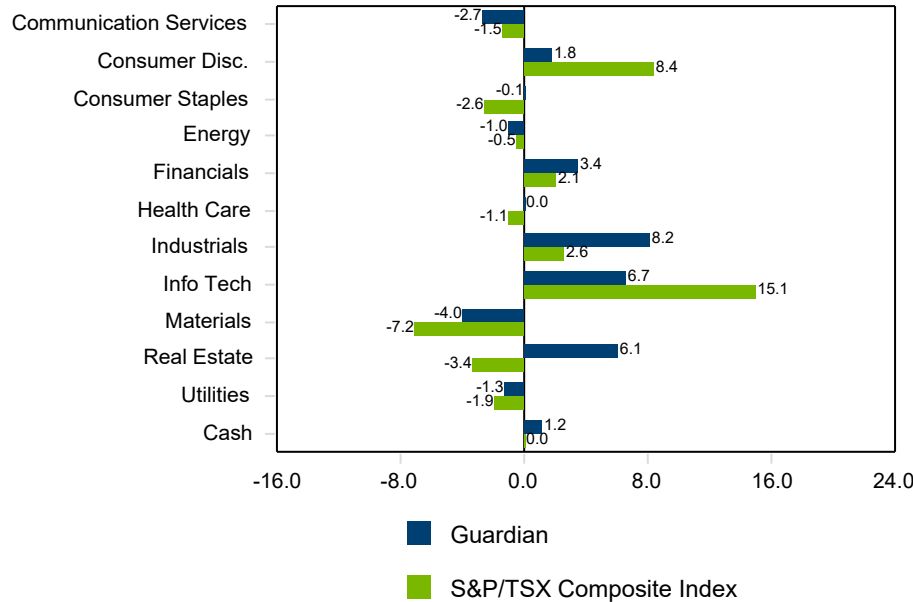
Guardian Portfolio Characteristics

As of 30 June 2023

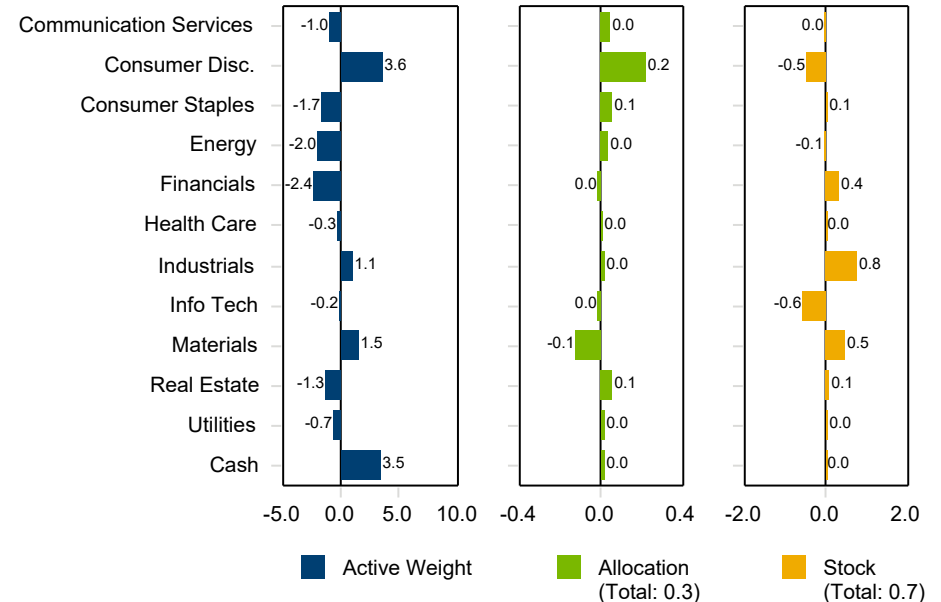
Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	49,402	60,375
Median Mkt. Cap (\$M)	27,358	3,962
Price/Earnings ratio	14.6	13.8
Price/Book ratio	1.9	2.0
5 Yr. EPS Growth Rate (%)	10.6	10.0
Current Yield (%)	2.9	3.3
Return on Equity (%)	3.2	3.9
Debt to Equity (%)	147.5	160.8
Number of Holdings	39	228

Manager Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Bank of Montreal	6.60	2.96	3.64	0.55
Suncor Energy	5.66	1.77	3.89	-6.16
Royal Bank of Canada	5.55	6.11	-0.56	-1.14
CGI Group	4.44	1.01	3.43	7.26
Canadian Natural Resources	4.42	2.83	1.59	-0.41
Canadian Pacific Railway	4.39	3.46	0.93	3.00
Agnico Eagle Mines Ltd	3.86	1.13	2.73	-3.24
Wheaton Precious Metals Corp	3.82	0.90	2.92	-11.71
TransCanada	3.25	1.90	1.35	3.64
Brookfield Asset Management	3.10	2.21	0.89	1.53
% of Portfolio	45.09	24.28	20.81	

Sector Returns (%)



Sector Performance Attribution (%)

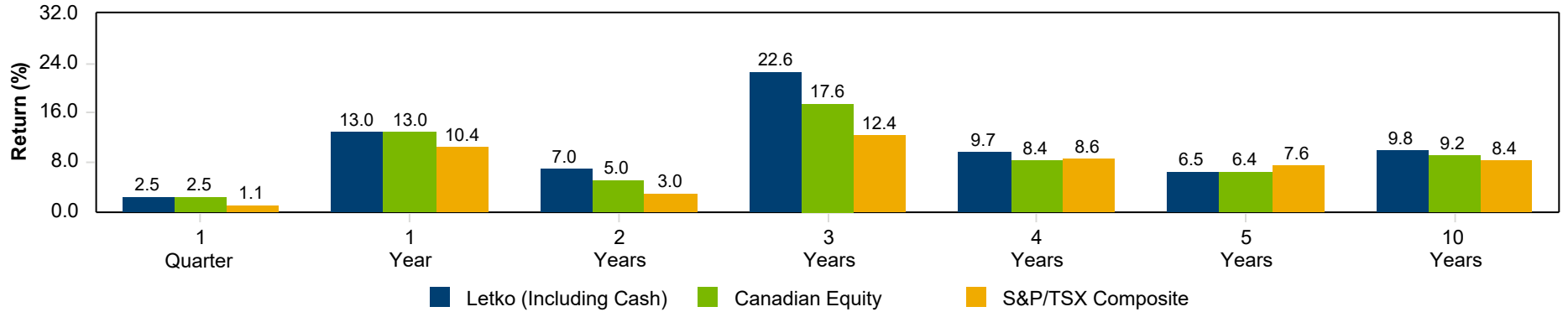


Canadian Equity

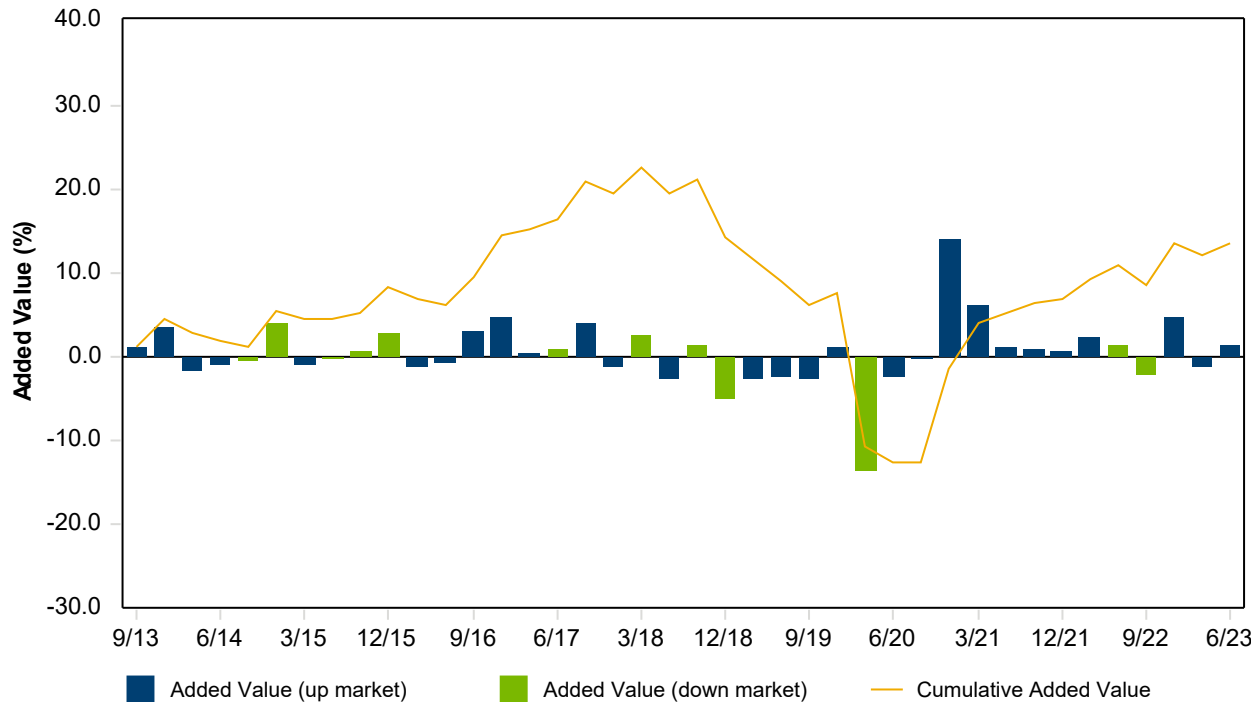
Letko Performance Summary

As of 30 June 2023

Return Summary



Added Value History (%)



Performance Statistics

	Quarters	%
<b>Market Capture</b>		
Up Markets	28	118.6
Down Markets	12	111.4
<b>Batting Average</b>		
Up Markets	28	53.6
Down Markets	12	58.3
Overall	40	55.0

Canadian Equity

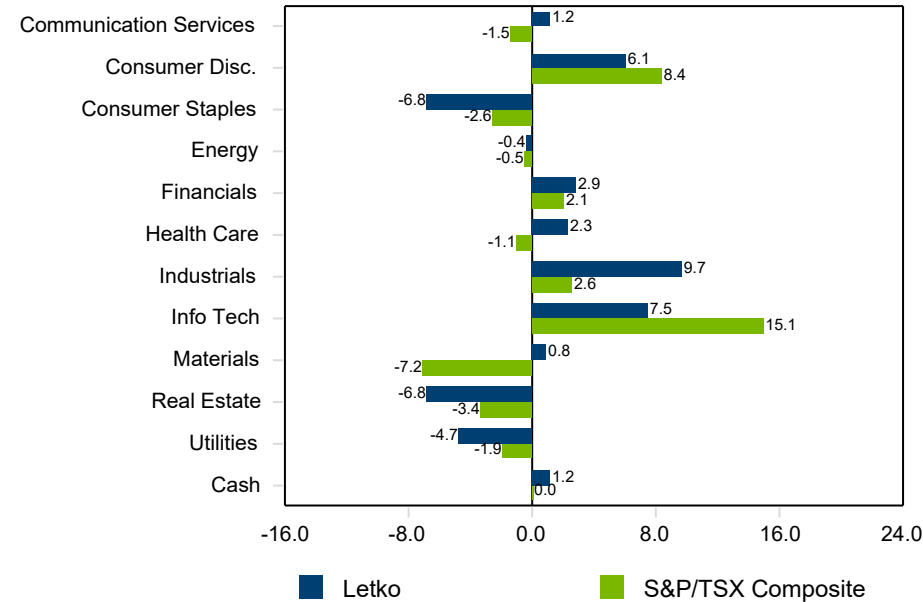
Letko Portfolio Characteristics

As of 30 June 2023

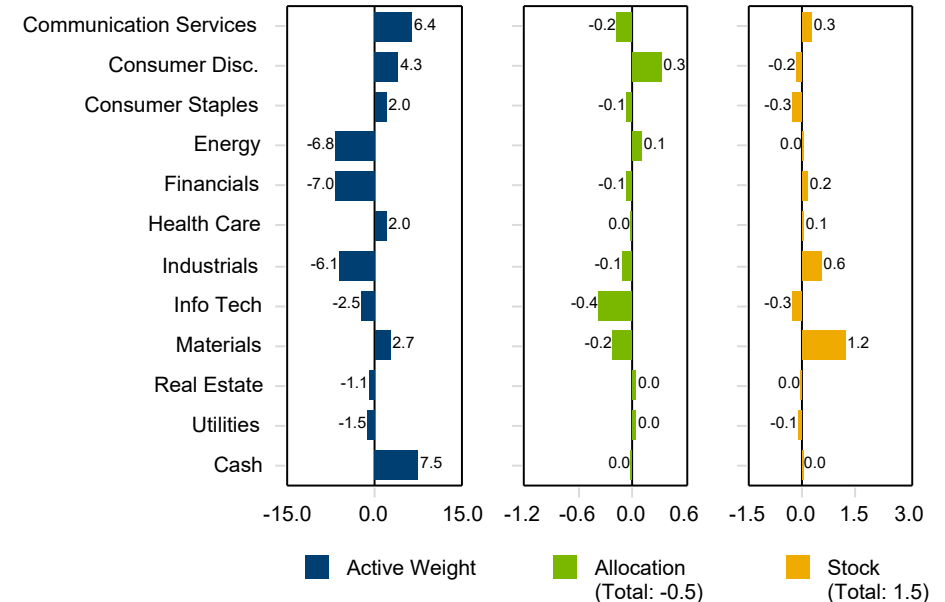
Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	52,408	60,375
Median Mkt. Cap (\$M)	11,747	3,962
Price/Earnings ratio	11.2	13.8
Price/Book ratio	1.6	2.0
5 Yr. EPS Growth Rate (%)	8.3	10.0
Current Yield (%)	3.5	3.3
Return on Equity (%)	3.3	3.9
Debt to Equity (%)	129.0	160.8
Number of Holdings	91	228

Manager Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Manulife Financial	3.39	1.60	1.79	2.41
Bank of Nova Scotia	2.85	2.76	0.09	-1.14
Canadian Tire	2.75	0.34	2.41	3.67
Toronto-Dominion Bank	2.71	5.22	-2.51	2.66
Celestica	2.69	0.07	2.62	10.33
Bank of Montreal	2.68	2.96	-0.28	0.55
Linamar	2.59	0.10	2.49	7.43
Air Canada	2.58	0.29	2.29	30.50
Rogers Communications	2.56	0.78	1.78	-2.68
George Weston	2.53	0.35	2.18	-12.14
% of Portfolio	27.33	14.47	12.86	

Sector Returns (%)



Sector Performance Attribution (%)



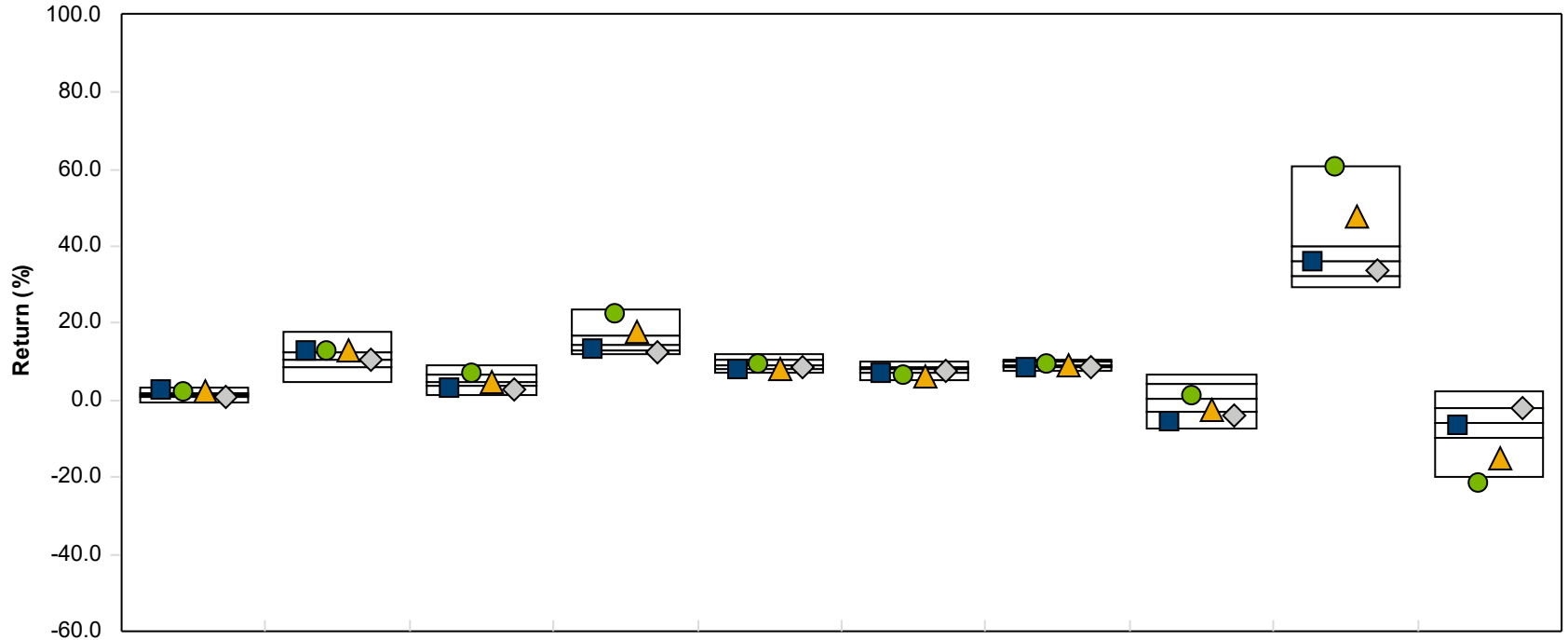


Canadian Equity

Peer Group Analysis

As of 30 June 2023

Canadian Equity



	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years	1 Year Ending Jun-2022	1 Year Ending Jun-2021	1 Year Ending Jun-2020
■ Guardian	2.6 (13)	13.0 (23)	3.3 (85)	13.3 (71)	8.0 (85)	7.3 (75)	8.8 (64)	-5.6 (93)	36.2 (51)	-6.5 (55)
● Letko	2.5 (17)	13.0 (23)	7.0 (23)	22.6 (8)	9.7 (43)	6.5 (88)	9.8 (27)	1.4 (41)	61.0 (5)	-21.5 (99)
▲ Total Canadian Equities	2.5 (16)	13.0 (24)	5.0 (53)	17.6 (17)	8.4 (72)	6.4 (89)	9.2 (47)	-2.5 (73)	47.6 (17)	-15.1 (92)
◆ S&P/TSX Composite	1.1 (57)	10.4 (56)	3.0 (87)	12.4 (83)	8.6 (70)	7.6 (64)	8.4 (80)	-3.9 (86)	33.9 (63)	-2.2 (30)
5th Percentile	3.4	17.9	9.3	23.5	12.1	10.3	10.5	6.5	60.6	2.3
1st Quartile	1.9	12.7	6.9	16.9	10.6	8.8	9.9	4.2	40.3	-1.8
Median	1.3	10.7	5.0	14.4	9.2	8.0	9.2	0.3	36.2	-5.7
3rd Quartile	0.8	8.7	4.0	12.9	8.3	7.3	8.5	-2.9	32.5	-9.5
95th Percentile	-0.7	4.5	1.4	11.9	7.4	5.5	7.6	-7.2	29.4	-19.7
Population	83	83	83	83	83	83	83	85	86	90

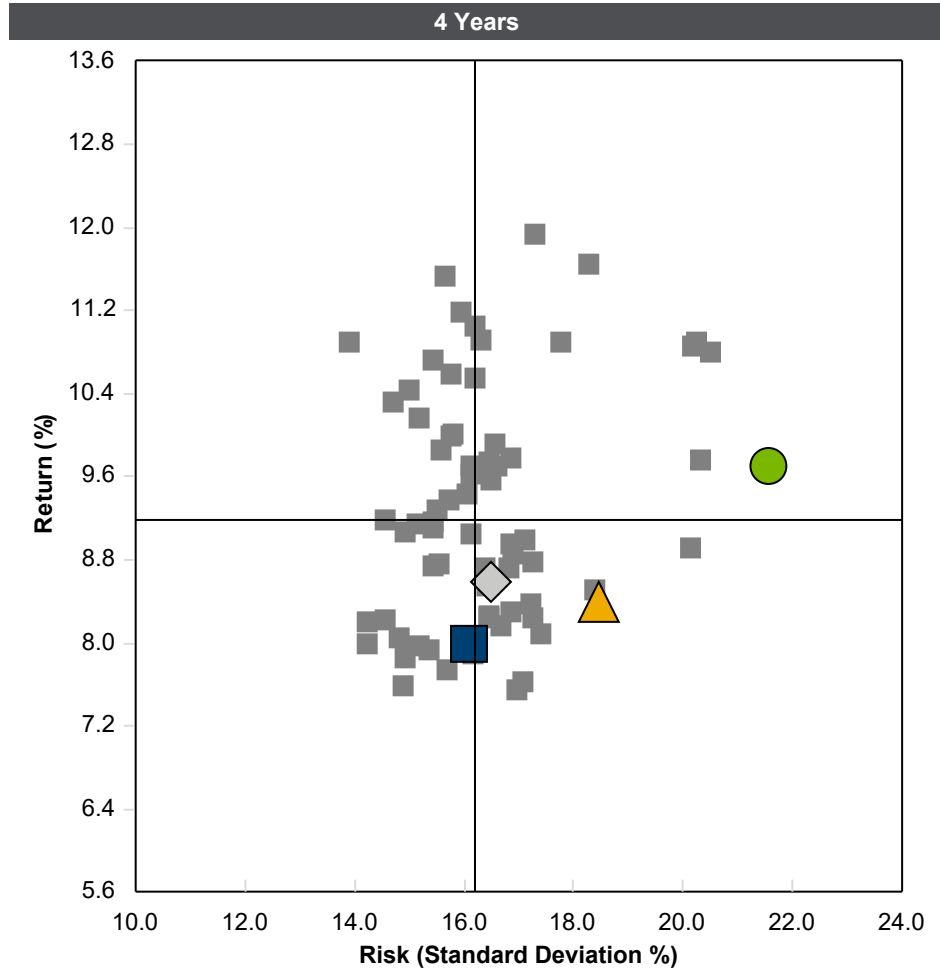
Parentheses contain percentile rankings.  
 Source: Aon Manager Universe

Canadian Equity

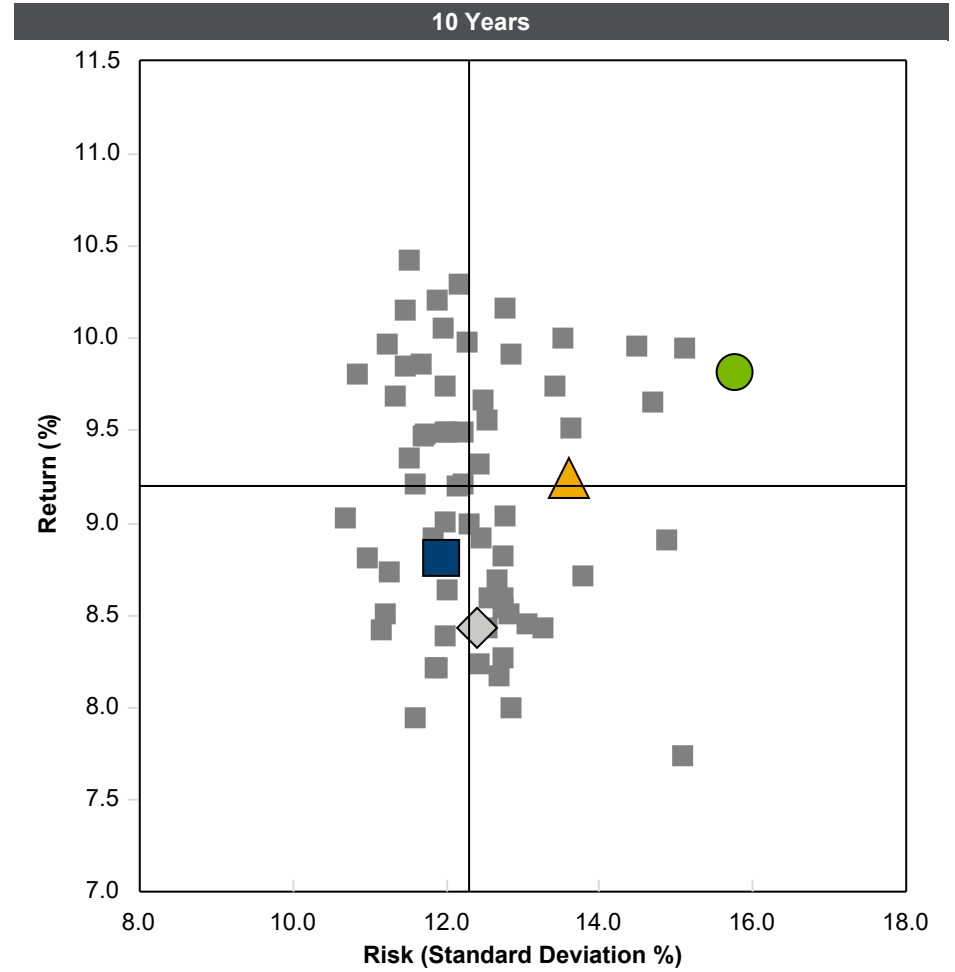
Peer Group Scattergram

Periods Ending 30 June 2023

Canadian Equity



	Return	Standard Deviation
Guardian	8.0	16.1
Letko	9.7	21.5
Canadian Equity	8.4	18.4
S&P/TSX Composite	8.6	16.5
— Median	9.2	16.2

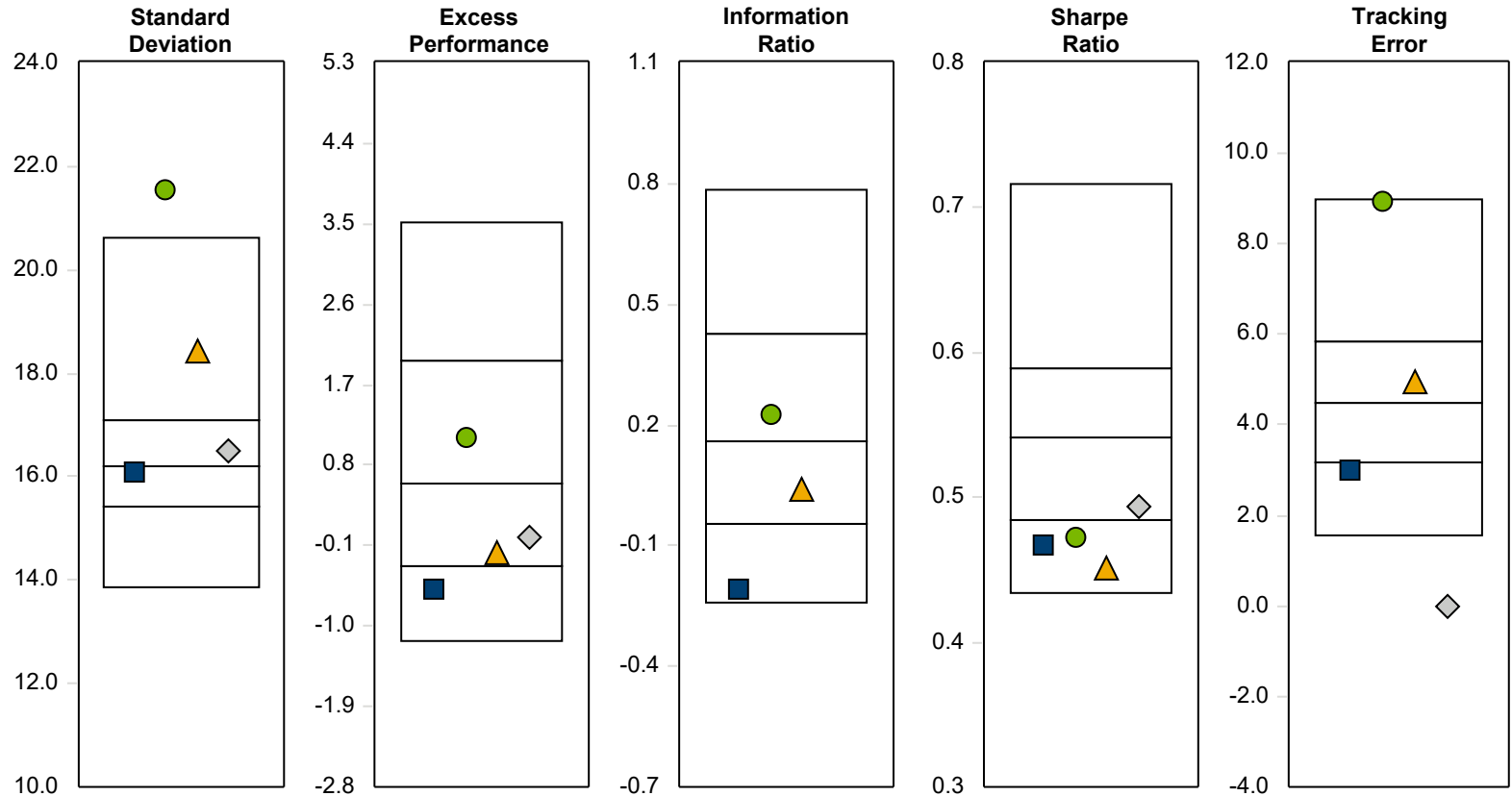


	Return	Standard Deviation
Guardian	8.8	11.9
Letko	9.8	15.8
Canadian Equity	9.2	13.6
S&P/TSX Composite	8.4	12.4
— Median	9.2	12.3

Source: Aon Manager Universe

Peer Group Analysis - Performance Statistics

As of 30 June 2023



	4 Years	4 Years	4 Years	4 Years	4 Years
■ Guardian	16.1 (57)	-0.6 (85)	-0.2 (91)	0.5 (86)	3.0 (77)
● Letko	21.5 (3)	1.1 (43)	0.2 (45)	0.5 (83)	9.0 (6)
▲ Total Canadian Equities	18.4 (14)	-0.2 (72)	0.0 (66)	0.5 (94)	5.0 (40)
◆ S&P/TSX Composite	16.5 (42)	0.0 (70)	N/A	0.5 (70)	0.0 (100)
5th Percentile	20.6	3.5	0.8	0.7	9.0
1st Quartile	17.1	2.0	0.4	0.6	5.9
Median	16.2	0.6	0.2	0.5	4.5
3rd Quartile	15.4	-0.3	0.0	0.5	3.2
95th Percentile	13.9	-1.2	-0.2	0.4	1.6

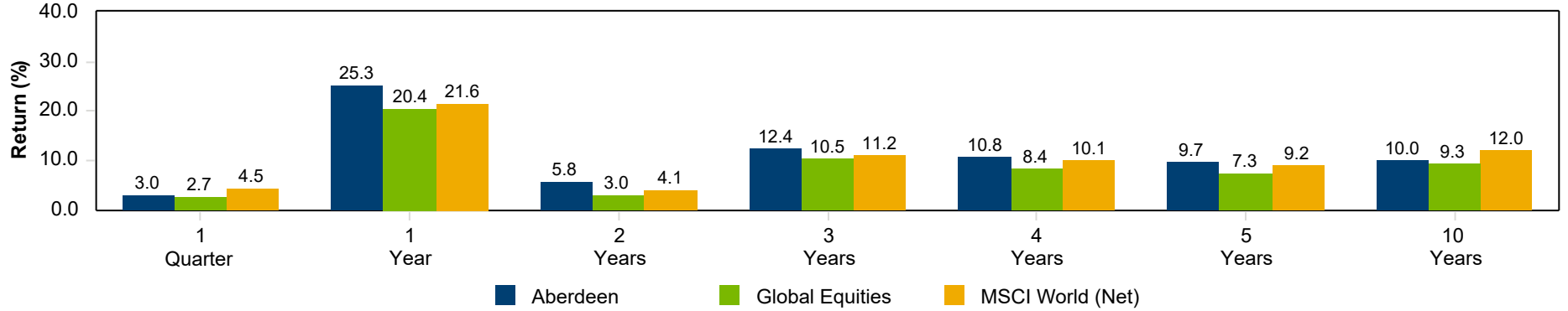
Parentheses contain percentile rankings.  
 Source: Aon Manager Universe

Global Equity

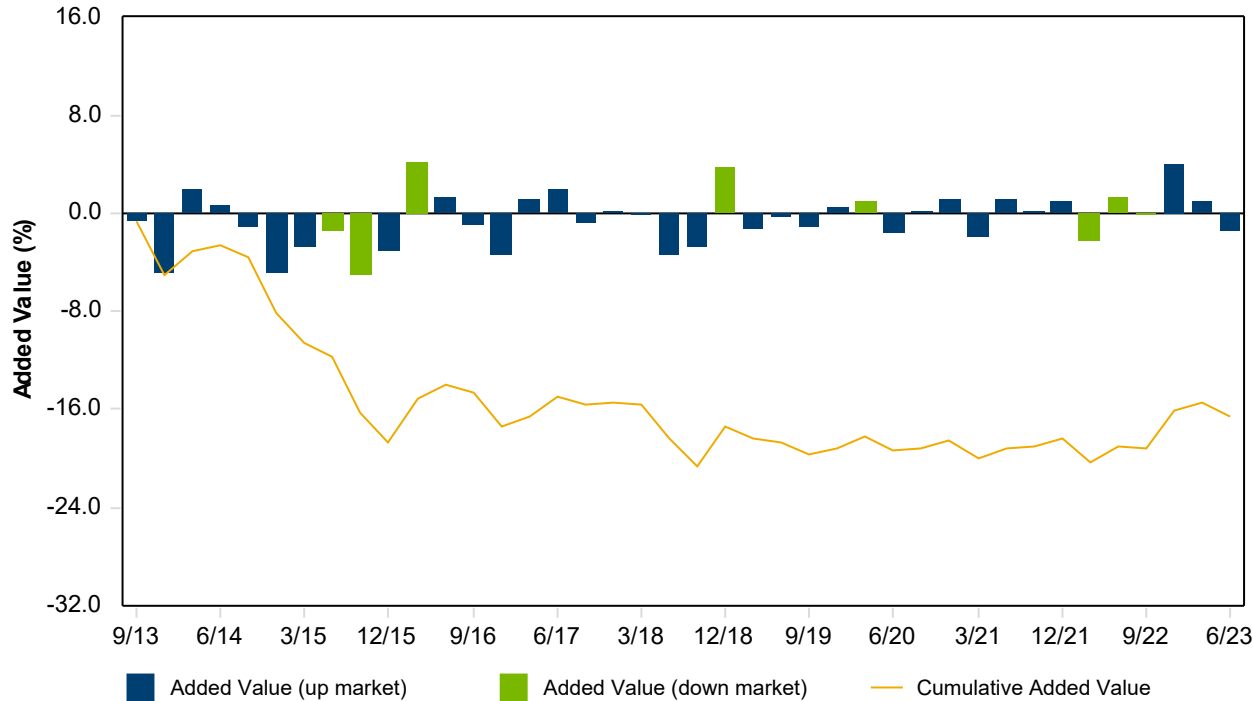
Aberdeen Performance Summary

As of 30 June 2023

Return Summary



Added Value History (%)



Performance Statistics

	Quarters	%
<b>Market Capture</b>		
Up Markets	32	88.2
Down Markets	8	97.4
<b>Batting Average</b>		
Up Markets	32	43.8
Down Markets	8	50.0
Overall	40	45.0

Global Equity

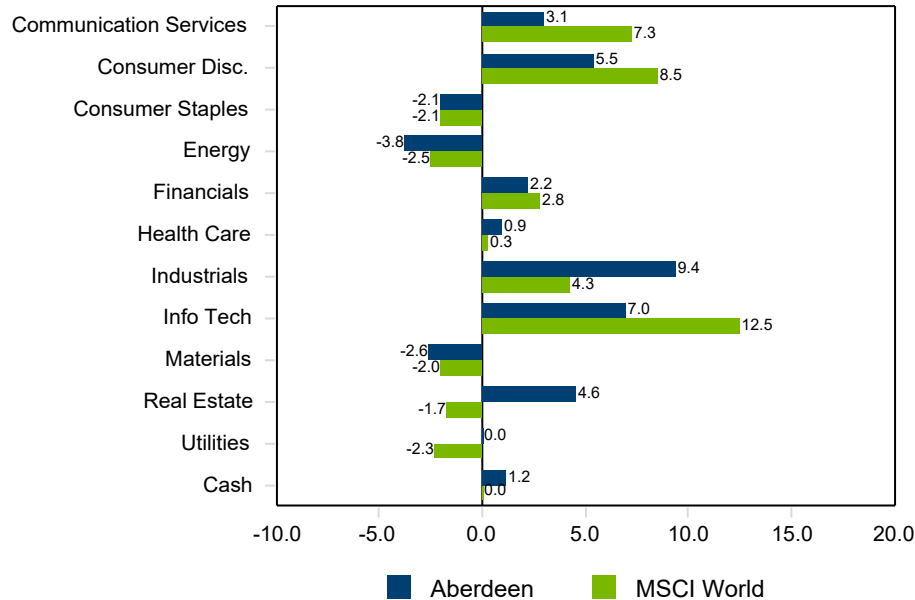
**Aberdeen Portfolio Characteristics**

As of 30 June 2023

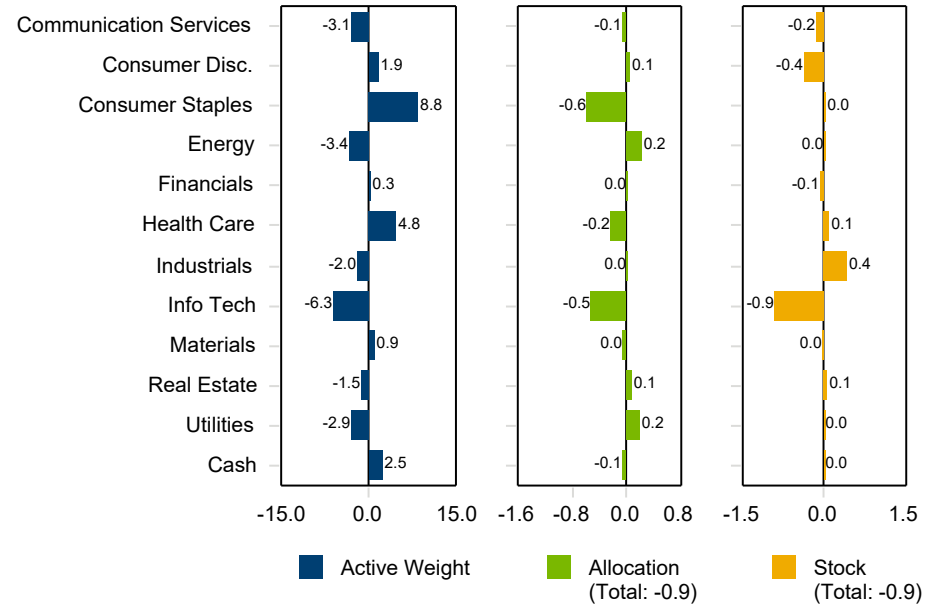
Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	455,414	626,687
Median Mkt. Cap (\$M)	154,740	22,817
Price/Earnings ratio	27.3	19.4
Price/Book ratio	4.6	3.7
5 Yr. EPS Growth Rate (%)	13.4	14.7
Current Yield (%)	1.7	2.1
Return on Equity (%)	7.3	5.9
Debt to Equity (%)	82.6	75.1
Number of Holdings	48	1,512

Manager Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft	4.91	4.24	0.67	15.74
Amazon.com	3.34	2.12	1.22	23.40
TJX Companies	3.25	0.17	3.08	6.25
Taiwan Semiconductor ADR	3.13	0.00	3.13	6.08
Schneider Electric	3.11	0.17	2.94	8.51
Boston Scientific Corp	3.06	0.14	2.92	5.71
Diageo	2.88	0.17	2.71	-6.00
Novo Nordisk	2.87	0.47	2.40	-0.54
LVMH	2.85	0.46	2.39	1.14
AstraZeneca	2.83	0.39	2.44	0.93
<b>% of Portfolio</b>	<b>32.23</b>	<b>8.33</b>	<b>23.90</b>	

**Sector Returns (%)**



**Sector Performance Attribution (%)**

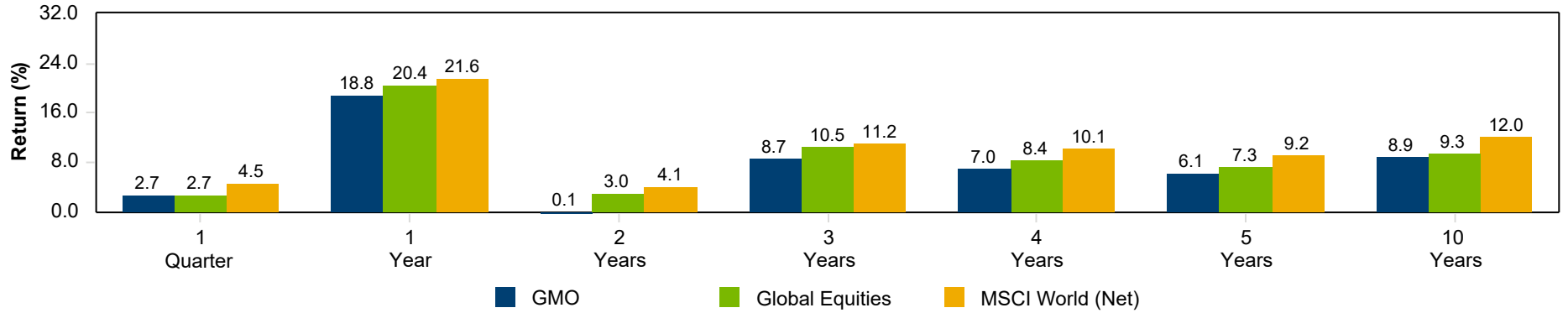


Global Equity

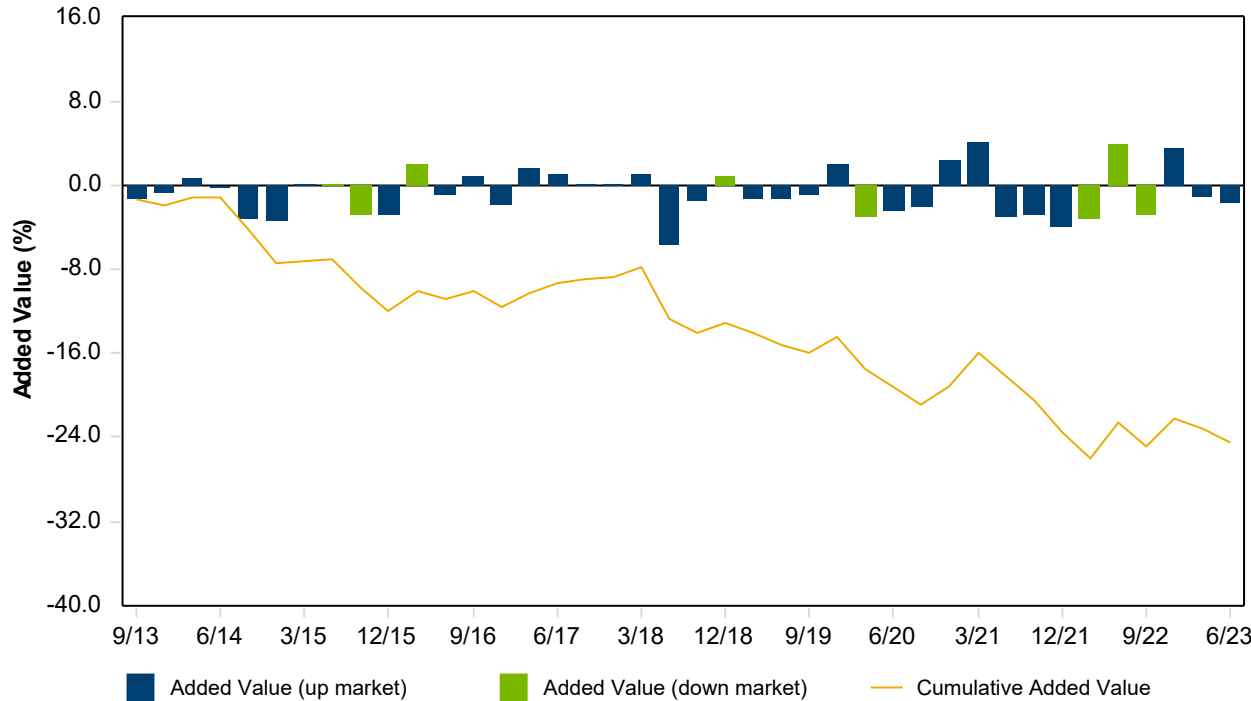
GMO Performance Summary

As of 30 June 2023

Return Summary



Added Value History (%)



Performance Statistics

	Quarters	%
<b>Market Capture</b>		
Up Markets	32	86.6
Down Markets	8	109.1
<b>Batting Average</b>		
Up Markets	32	37.5
Down Markets	8	50.0
Overall	40	40.0

Global Equity

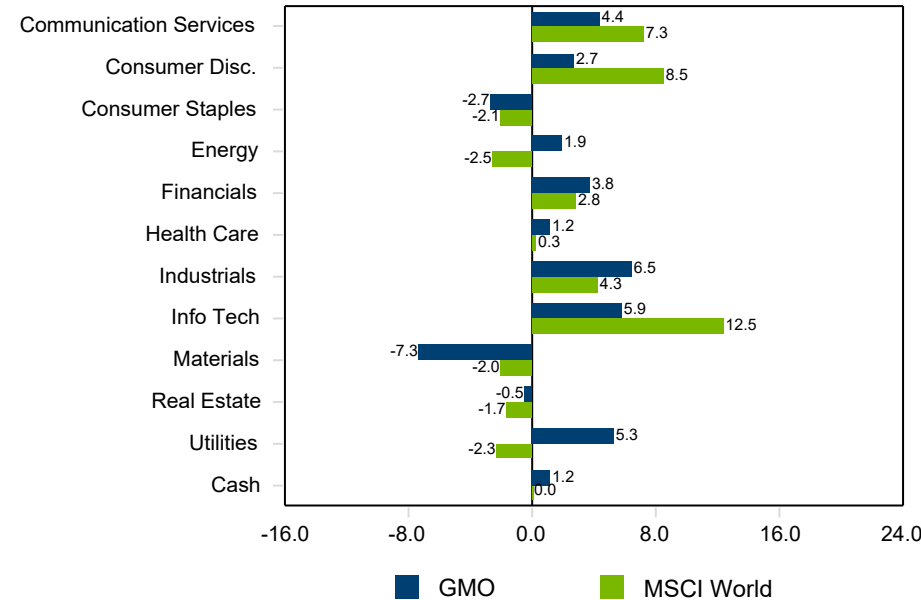
GMO Portfolio Characteristics

As of 30 June 2023

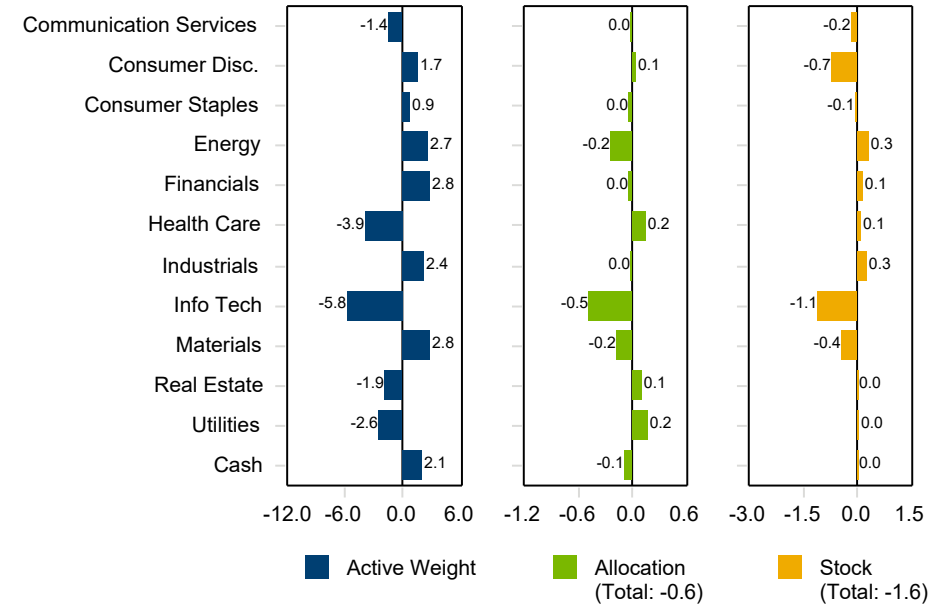
Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	200,083	626,687
Median Mkt. Cap (\$M)	5,480	22,817
Price/Earnings ratio	9.8	19.4
Price/Book ratio	2.3	3.7
5 Yr. EPS Growth Rate (%)	15.8	14.7
Current Yield (%)	4.6	2.1
Return on Equity (%)	4.1	5.9
Debt to Equity (%)	95.2	75.1
Number of Holdings	1,429	1,512

Manager Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Facebook	1.17	1.12	0.05	32.40
Microsoft	1.03	4.24	-3.21	15.74
Roche	0.99	0.38	0.61	4.64
Taiwan Semiconductor	0.99	0.00	0.99	3.30
Total	0.90	0.24	0.66	-3.78
Google	0.83	1.26	-0.43	12.83
Samsung Electronics	0.79	0.00	0.79	8.98
Petroleo Brasileiro	0.77	0.00	0.77	61.23
Sanofi	0.73	0.21	0.52	-0.18
Merck & Company	0.72	0.52	0.20	6.76
% of Portfolio	8.92	7.97	0.95	

Sector Returns (%)



Sector Performance Attribution (%)

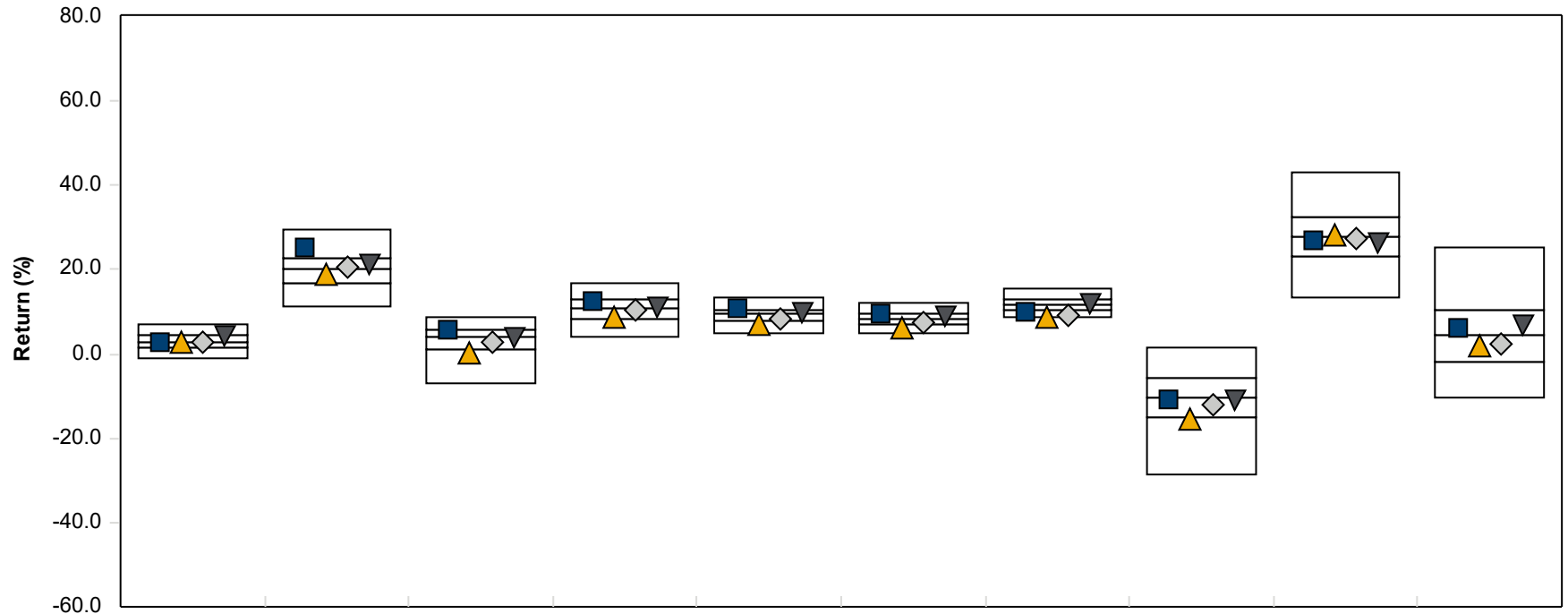


Global Equity

Peer Group Analysis

As of 30 June 2023

Global Equity



	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years	1 Year Ending Jun-2022	1 Year Ending Jun-2021	1 Year Ending Jun-2020
■ Aberdeen	3.0 (49)	25.3 (13)	5.8 (25)	12.4 (31)	10.8 (23)	9.7 (25)	10.0 (83)	-10.7 (52)	27.0 (59)	6.0 (45)
▲ GMO	2.7 (54)	18.8 (63)	0.1 (80)	8.7 (73)	7.0 (83)	6.1 (83)	8.9 (94)	-15.7 (79)	28.3 (49)	1.9 (64)
◆ Global Equities	2.7 (54)	20.4 (45)	3.0 (61)	10.5 (55)	8.4 (64)	7.3 (67)	9.3 (91)	-11.9 (61)	27.3 (56)	2.3 (62)
▼ MSCI World (Net)	4.5 (27)	21.6 (33)	4.1 (49)	11.2 (48)	10.1 (37)	9.2 (35)	12.0 (48)	-10.8 (53)	26.6 (60)	6.9 (40)
5th Percentile	7.1	29.5	8.9	16.8	13.3	12.1	15.4	1.4	43.0	25.4
1st Quartile	4.5	22.8	5.8	12.9	10.6	9.7	13.1	-5.9	32.6	10.3
Median	2.9	20.1	4.0	11.0	9.4	8.3	11.9	-10.5	28.0	4.5
3rd Quartile	1.4	16.9	1.0	8.3	7.7	6.9	10.5	-14.9	23.1	-1.9
95th Percentile	-1.2	11.3	-7.1	4.0	5.1	4.7	8.9	-28.7	13.5	-10.4
Population	265	265	265	265	265	265	265	285	303	342

Parentheses contain percentile rankings.  
 Source: Aon Manager Universe

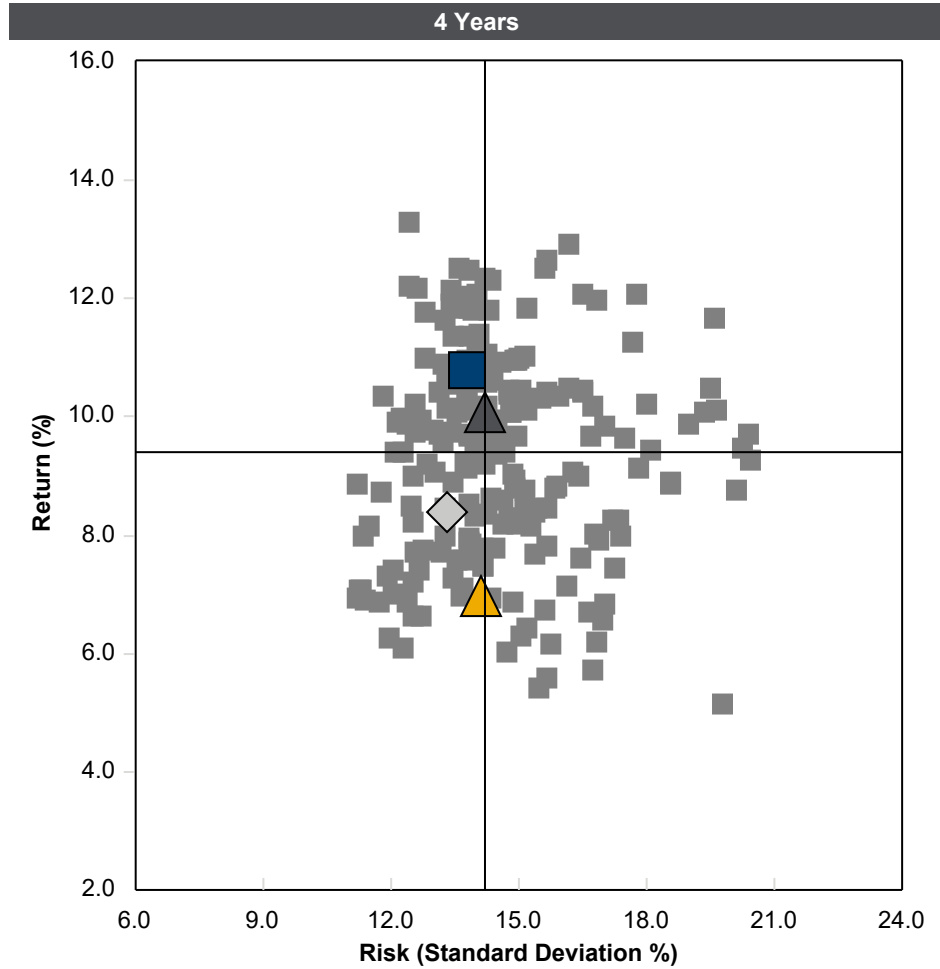


Global Equity

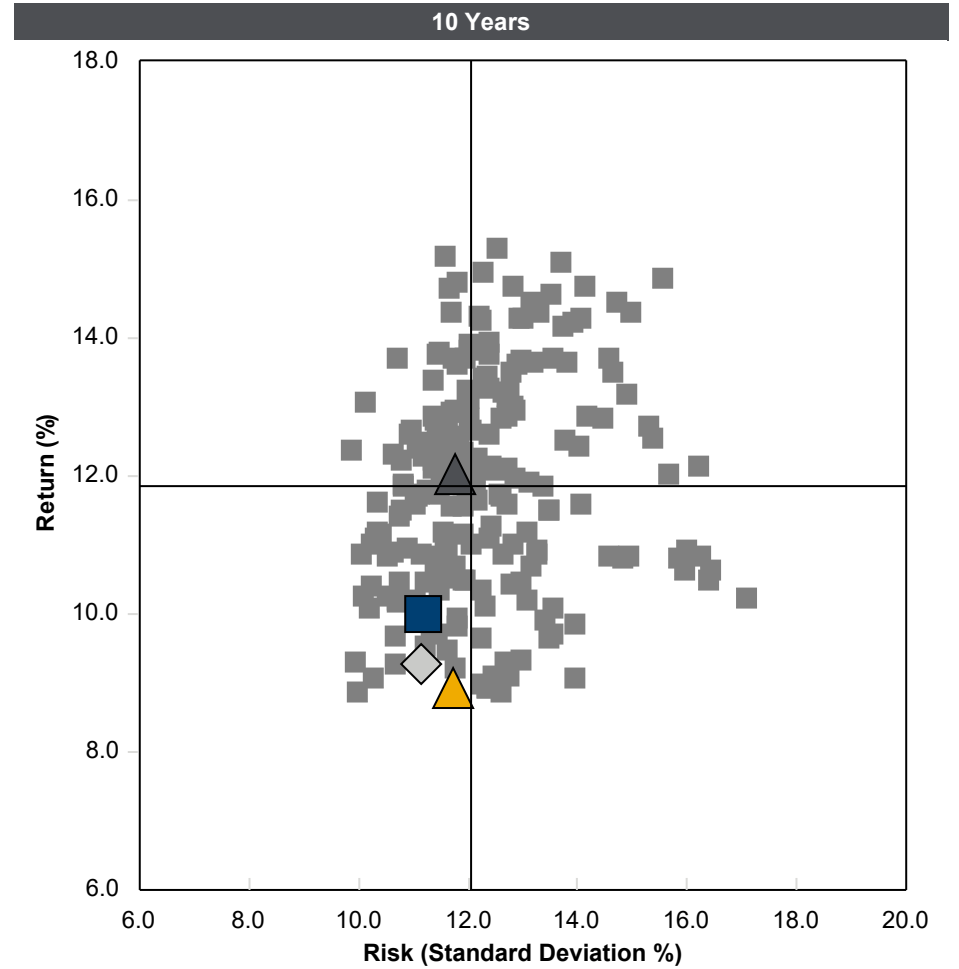
Peer Group Scattergram

Periods Ending 30 June 2023

Global Equity



	Return	Standard Deviation
■ Aberdeen	10.8	13.8
▲ GMO	7.0	14.1
◇ Global Equities	8.4	13.3
▲ MSCI World (Net)	10.1	14.2
— Median	9.4	14.2



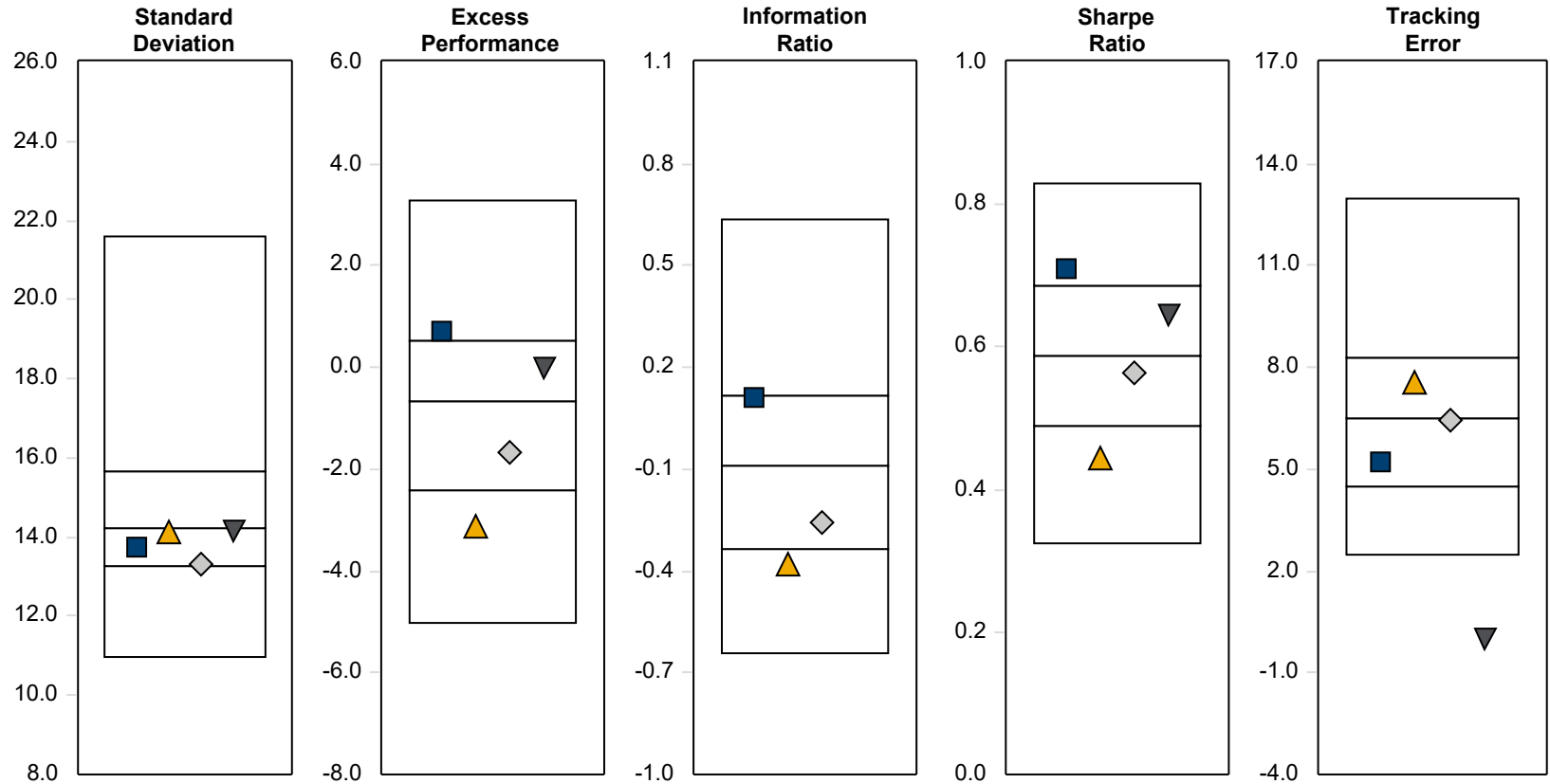
	Return	Standard Deviation
■ Aberdeen	10.0	11.2
▲ GMO	8.9	11.7
◇ Global Equities	9.3	11.1
▲ MSCI World (Net)	12.0	11.8
— Median	11.9	12.0

Source: Aon Manager Universe

Global Equity

Peer Group Analysis - Performance Statistics

As of 30 June 2023



	4 Years	4 Years	4 Years	4 Years	4 Years
■ Aberdeen	13.8 (65)	0.7 (23)	0.1 (26)	0.7 (20)	5.2 (64)
▲ GMO	14.1 (54)	-3.1 (83)	-0.4 (80)	0.4 (85)	7.6 (35)
◇ Global Equities	13.3 (73)	-1.7 (64)	-0.3 (67)	0.6 (53)	6.5 (51)
▼ MSCI World (Net)	14.2 (52)	0.0 (37)	N/A	0.6 (35)	0.0 (100)
5th Percentile	21.6	3.3	0.6	0.8	13.0
1st Quartile	15.7	0.5	0.1	0.7	8.3
Median	14.2	-0.7	-0.1	0.6	6.5
3rd Quartile	13.3	-2.4	-0.3	0.5	4.5
95th Percentile	11.0	-5.0	-0.6	0.3	2.5

Parentheses contain percentile rankings.  
 Source: Aon Manager Universe

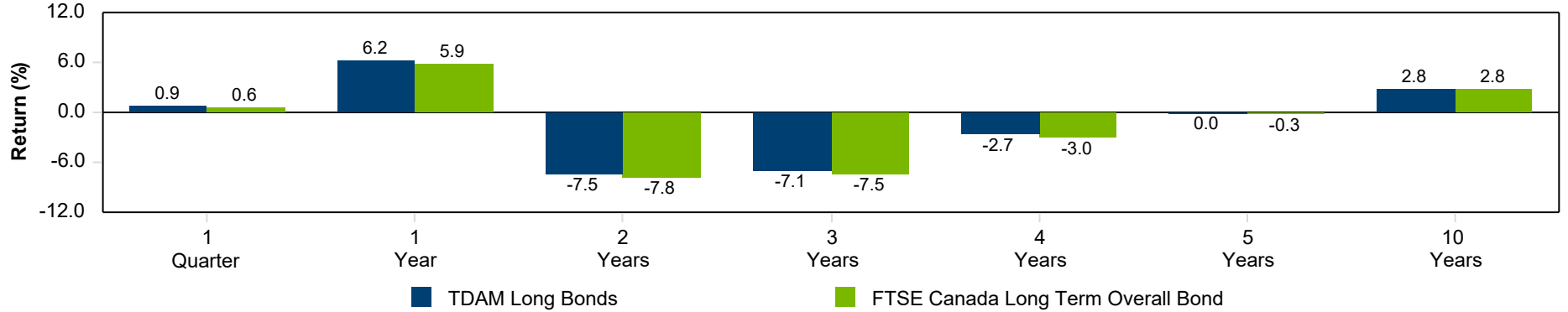


Bonds

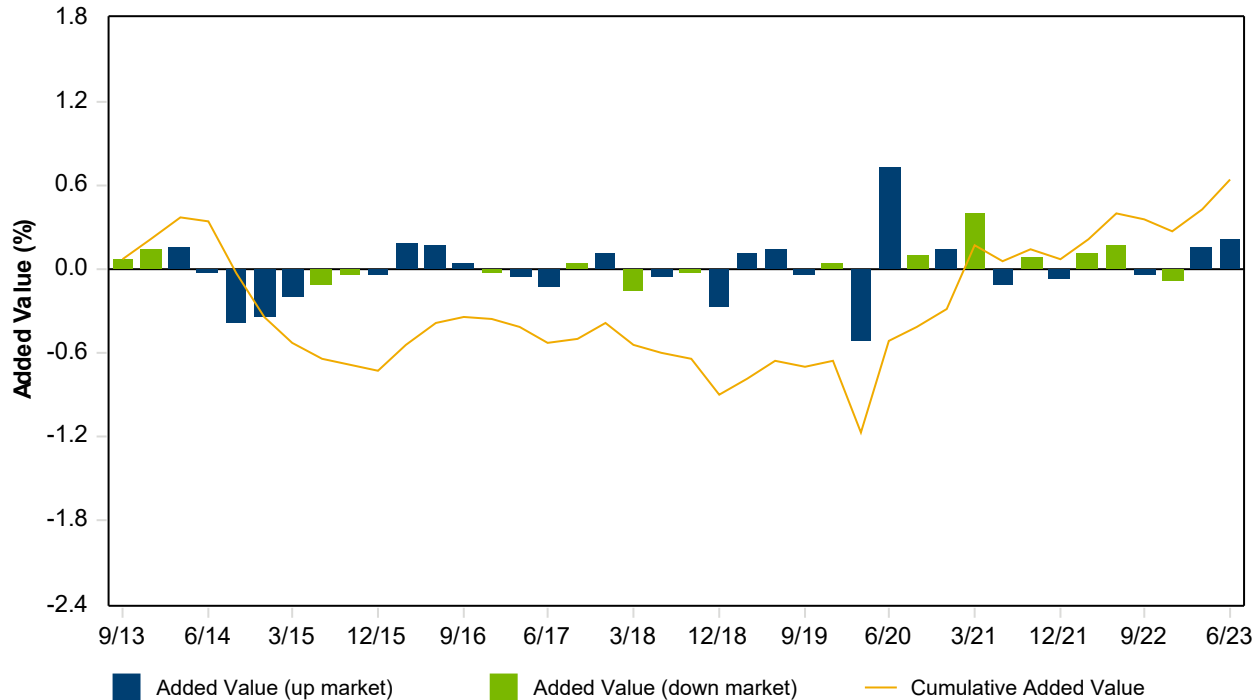
TDAM Long Bonds Performance Summary

As of 30 June 2023

Return Summary



Added Value History (%)



Performance Statistics

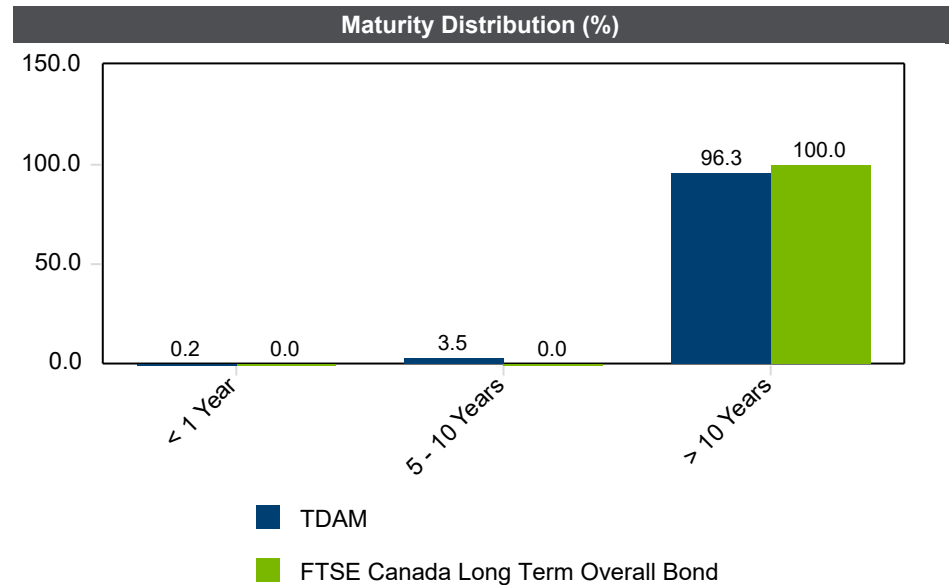
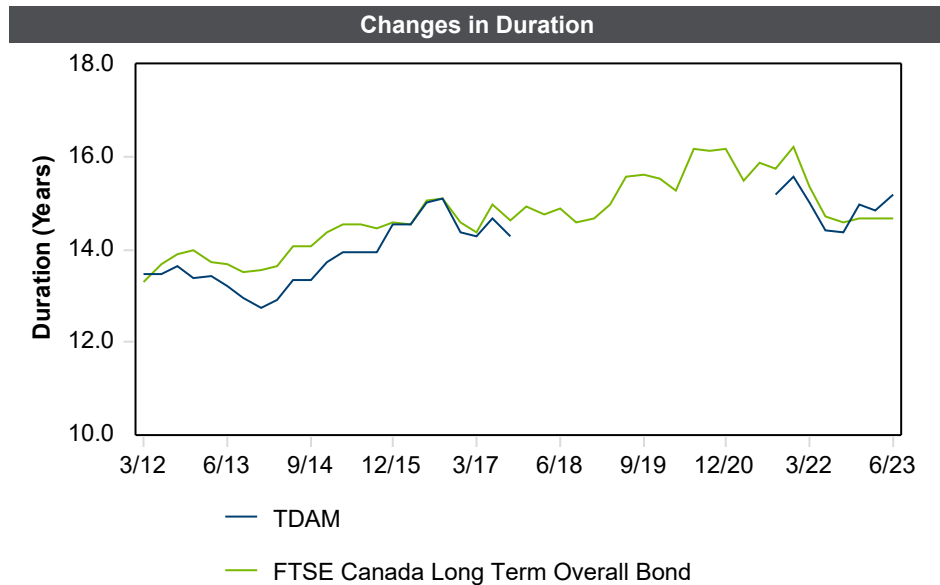
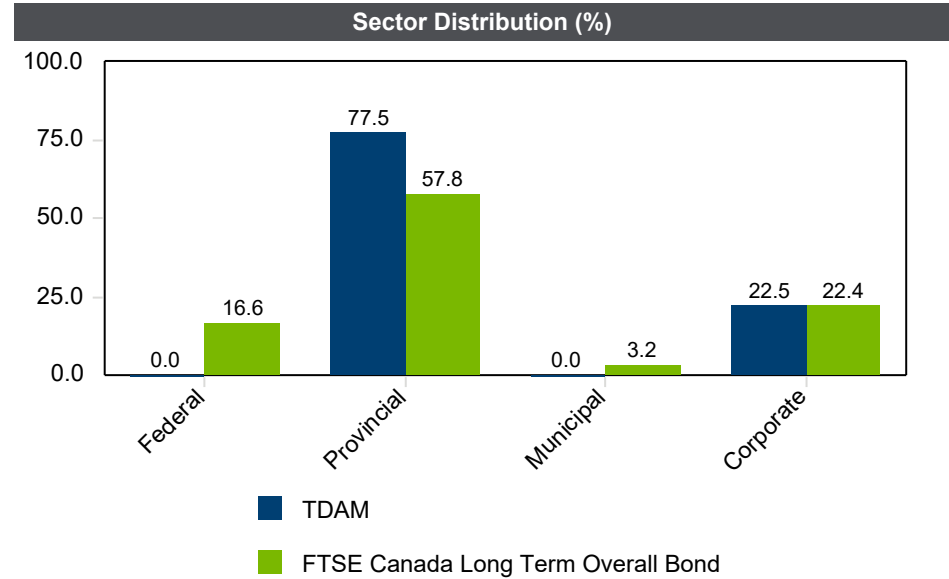
	Quarters	%
<b>Market Capture</b>		
Up Markets	25	99.9
Down Markets	15	98.8
<b>Batting Average</b>		
Up Markets	25	44.0
Down Markets	15	60.0
Overall	40	50.0

Bonds

**TDAM Long Bond Fund Characteristics**

As of 30 June 2023

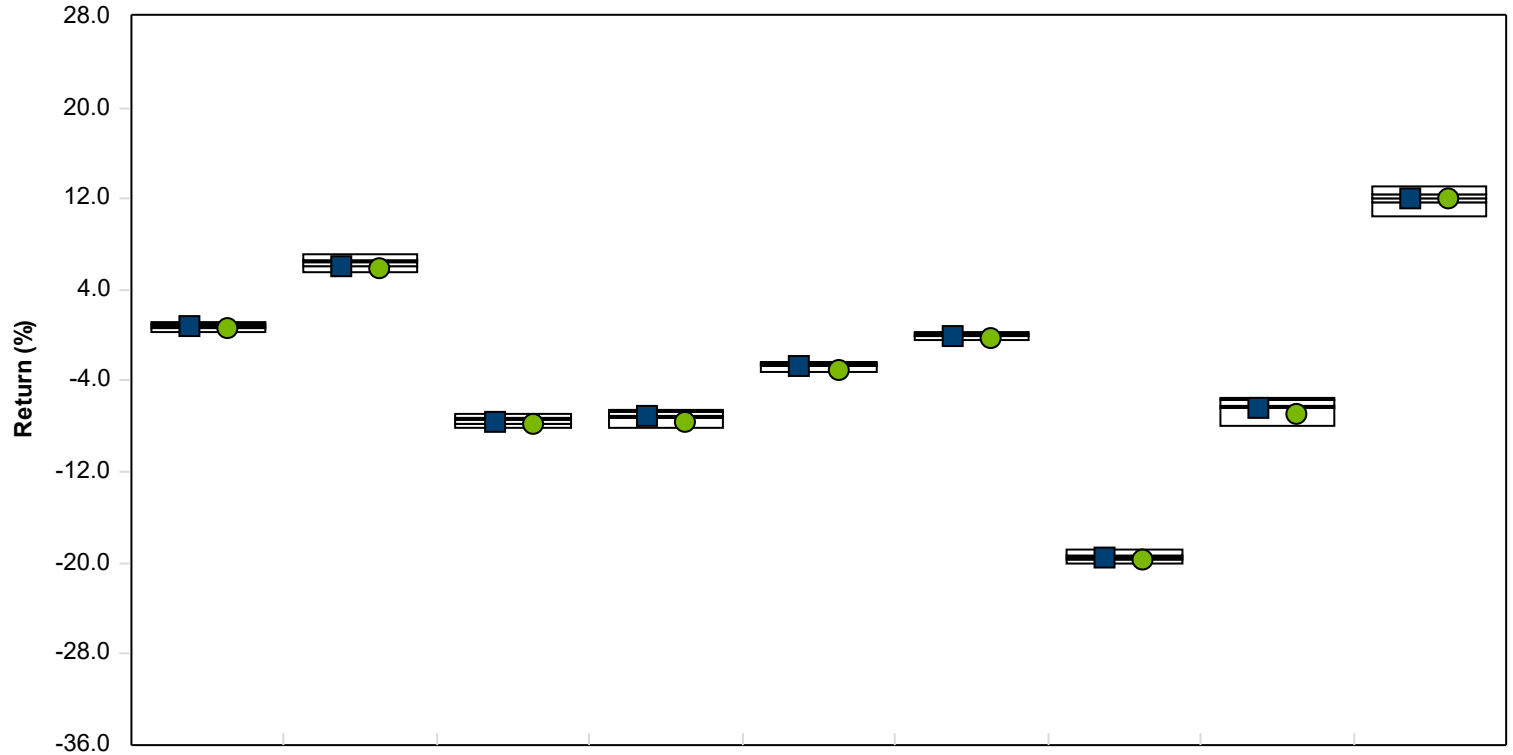
Portfolio Characteristics		
	Portfolio	Benchmark
Modified Duration	15.2	14.7
Avg. Maturity	22.5	23.3
Avg. Quality	AA	AA-
Yield To Maturity (%)	4.1	4.3



Bonds

Peer Group Analysis

As of 30 June 2023  
 Canadian Long Bond



	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	1 Year Ending Jun-2022	1 Year Ending Jun-2021	1 Year Ending Jun-2020
■ TDAM Long Bonds	0.9 (42)	6.2 (65)	-7.5 (61)	-7.1 (71)	-2.7 (69)	0.0 (74)	-19.5 (37)	-6.4 (72)	12.1 (47)
● FTSE Canada Long Term Overall Bond	0.6 (83)	5.9 (92)	-7.8 (92)	-7.5 (91)	-3.0 (92)	-0.3 (92)	-19.7 (77)	-6.9 (91)	12.0 (60)
5th Percentile	1.2	7.2	-6.9	-6.6	-2.3	0.3	-18.8	-5.5	13.0
1st Quartile	1.0	6.7	-7.3	-6.8	-2.4	0.2	-19.4	-5.7	12.5
Median	0.8	6.5	-7.4	-7.1	-2.6	0.0	-19.6	-6.3	12.1
3rd Quartile	0.7	6.1	-7.7	-7.2	-2.7	0.0	-19.7	-6.4	11.7
95th Percentile	0.3	5.5	-8.1	-8.1	-3.3	-0.5	-20.1	-7.9	10.4
Population	18	18	18	18	18	18	19	20	20

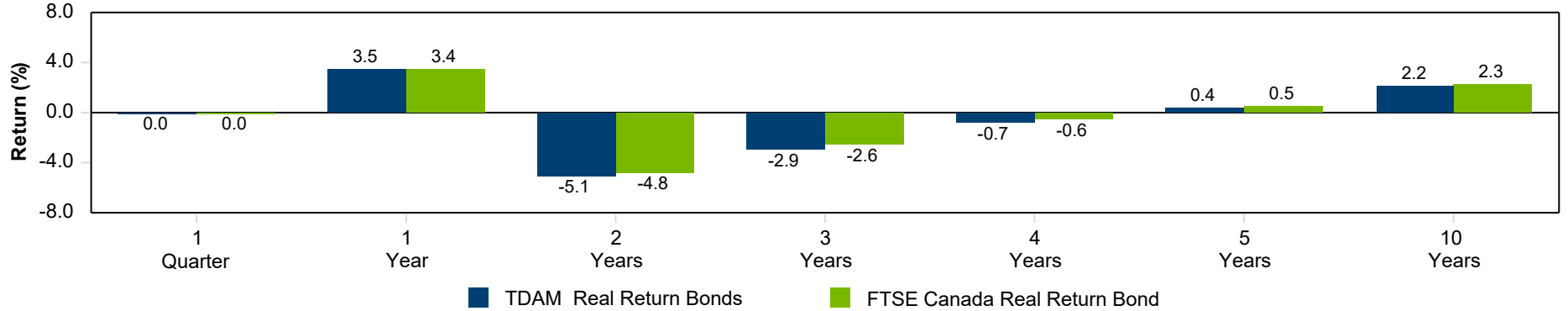
Parentheses contain percentile rankings.  
 Source: Aon Manager Universe

Bonds

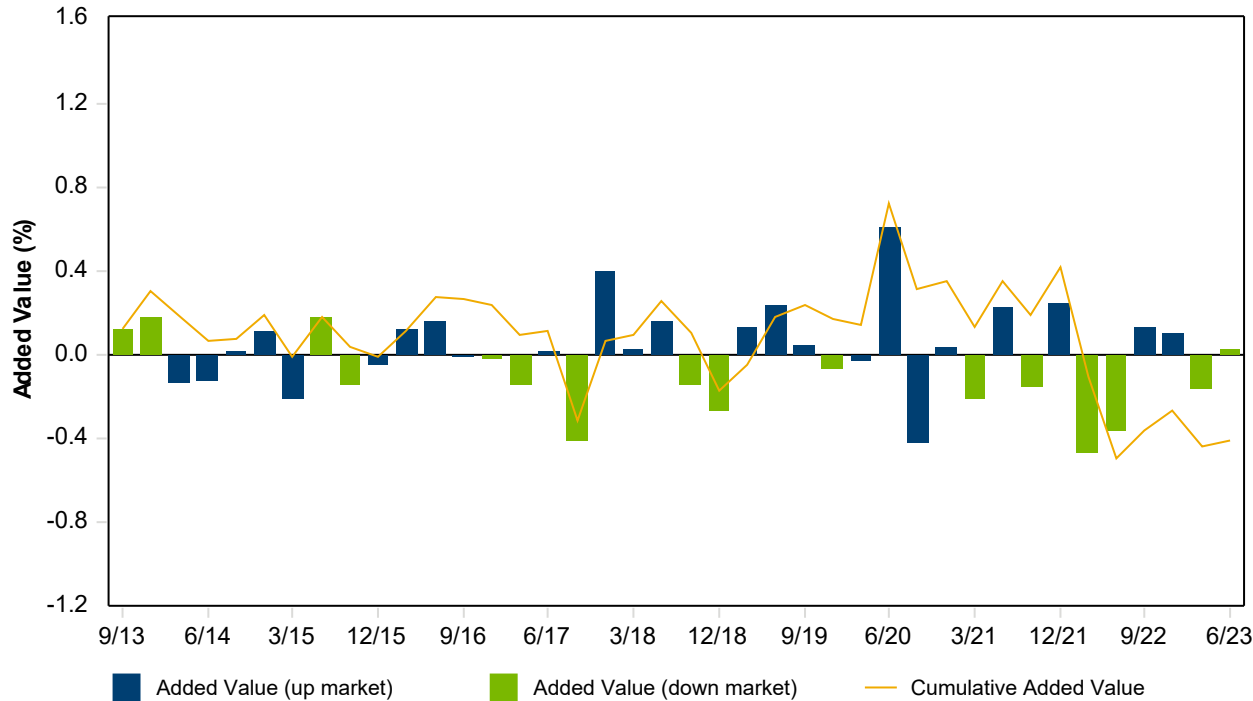
TDAM Real Return Bonds Performance Summary

As of 30 June 2023

Return Summary



Added Value History (%)



Performance Statistics

	Quarters	%
<b>Market Capture</b>		
Up Markets	24	102.5
Down Markets	16	104.3
<b>Batting Average</b>		
Up Markets	24	70.8
Down Markets	16	25.0
Overall	40	52.5

## Appendix A - Plan Information

Plan Information

Summary of Investment Objective

The investment policy contains specific performance objectives for the fund and the investment managers.

All investment rates of return are measured over moving four-year periods. Return objectives are net of fees and include realized and unrealized capital gains or losses plus income from all sources.

Returns will be calculated on a time-weighted basis and compared to the objectives described below.

The objective of the total fund is to outperform a benchmark portfolio that is comprised of the following weightings:

	1 April 2022 to 31 March 2023	1 October 2021 to 31 March 2022	1 July 2021 to 30 September 2021	1 April 2021 to 30 June 2021	1 January 2021 to 30 March 2021	1 July 2020 to 31 December 2020	1 April 2020 to 30 June 2020	1 January 2020 to 31 March 2020	1 April 2019 to 31 December 2019	1 January 2019 to 31 March 2019	1 October 2018 to 31 December 2018
S&P/TSX Composite	23%	20%	21%	23%	27%	28%	30%	24%	26%	27%	28%
MSCI World (C\$)	22%	19%	21%	22%	27%	28%	30%	25%	25%	26%	28%
FTSE Canada Long Bond	20%	18%	19%	20%	23%	23%	25%	21%	21%	22%	23%
FTSE Canada Real Return Bond	35%	43%	39%	35%	23%	21%	15%	31%	28%	25%	21%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

	1 April 2018 to 30 September 2018	1 January 2018 to 31 March 2018	1 October 2017 to 31 December 2017	1 July 2014 to 30 September 2017	1 April 2012 to 30 June 2014	1 July 2011 to 31 March 2012	1 January 2008 to 30 June 2011	1 July 2006 to 31 December 2007	Up to 30 June 2006
S&P/TSX Composite	27%	27%	27%	28%	30%	30%	30%	30%	25%
MSCI World (C\$)	26%	27%	26%	28%	30%	30%	0%	0%	0%
MSCI World ex. Cda (C\$)	22%	23%	0%	0%	0%	0%	15%	15%	18%
S&P 500 - hedged to C\$	25%	23%	0%	0%	0%	0%	5%	8%	9%
MSCI EAFE - hedged to C\$	<b>100%</b>	<b>100%</b>	0%	0%	0%	0%	5%	8%	9%
FTSE Canada Universe Bond			0%	0%	0%	40%	45%	40%	40%
FTSE Canada Long Bond			22%	22%	25%	0%	0%	0%	0%
FTSE Canada Real Return Bond			25%	22%	15%	0%	0%	0%	0%
			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



## Appendix B - Manager Updates

## Manager Updates

### Manager Updates

As of 30 June 2023

#### Aberdeen Standard Investments

##### Q2 2023

##### **Business**

There were no significant events during the quarter.

##### **Staff**

- Rene Buehlmann was appointed Global CEO of the Investment business in May 2023, succeeding Chris Demetriou, who had opted to leave the organization.
- Ian Jenkins was named interim chief financial officer in May 2023, taking Stephanie Bruce's place after she announced her resignation.

#### GMO

##### Q2 2023

##### **Business**

During Q2 2023, the GMO International Opportunistic Value Strategy was launched.

##### **Staff**

There we no significant events.

## Manager Updates

### Manager Updates

As of 30 June 2023

#### Guardian Capital

##### Q2 2023

##### **Business**

There was no significant events.

##### **Staff**

There was no significant events.

#### Letko, Brosseau & Associates Inc. ("Letko, Brosseau")

##### Q2 2023

##### **Business**

There were no significant events.

##### **Staff**

There were no significant events.

**Manager Updates****Manager Updates****As of 30 June 2023****TD Asset Management ("TDAM")****Q2 2023****Business**

The TD Greystone Alternative Plus Fund was launched on 19 April 2023.

James Hunter CFA, Vice President, has moved from his current role as Financial Analyst to become lead Portfolio Manager of TD's Preferred Share mandates. Doug Warwick, Managing Director, has moved from lead Portfolio manager to Co-Portfolio Manager of TD's Preferred Share mandates.

Jeff Evans, CFA, Vice President and Director, now has an expanded mandate to support all Portfolio Managers and Analysts across TDAM's Fundamental Equity team, running the quantitative screening process, and providing analytics and insights across equity markets on a global basis. Evans remains co-Portfolio Manager of the TD Active Global Real Estate Equity ETF.

Laurie-Anne Davison, CFA, CAIA, Vice President & Director, now leads the integrated passive business and has assumed lead Portfolio Manager responsibilities for all passive equity mandates.

Michelle Hegeman, CFA, Vice President & Director, remains lead Portfolio Manager on the passive fixed income mandates and leader of the Passive Fixed Income Portfolio Management Team.

Emin Baghramyan, CFA, Vice President & Director, has assumed leadership of the quantitative equity portfolio management team and has taken on lead Portfolio Manager responsibilities on all Low Volatility mandates.

Kevin Holmes, CFA, Vice President, has been appointed as co-lead on all Low Volatility mandates and has taken on lead Portfolio Management responsibilities for the systematic alpha mandates.

Olivia Lee, Associate, has taken on a portfolio management role on the Quantitative Equities team, also reporting to Emin Baghramyan.

**Staff****Hires**

Masonga Chipanshi, Vice President, Finance and Portfolio & Fund Management

Elisa Roux, Vice President, Asset Liability Management

Rafael Del Bianco, Vice President, Fixed Income

**Departures**

Kumail Taqvi, Vice President, Multi-Asset Portfolio Management

Dino Vevaina, Vice President & Director, Lead of Passive Equities, Quantitative & Passive Equity

Michael Lough, Vice President & Director, Active Equity Portfolio Management

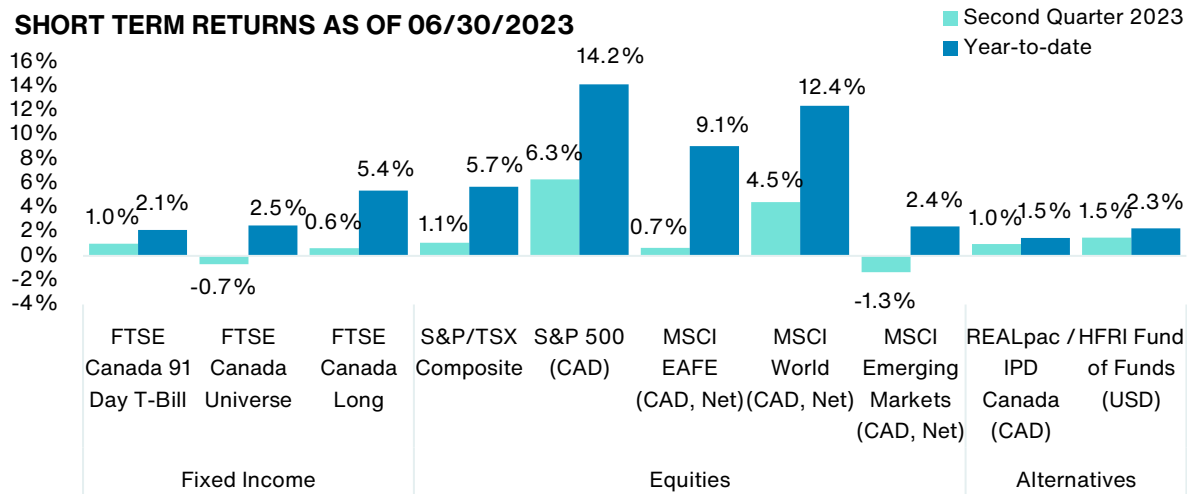
Travis Wetsch, Vice President, Active Equity Portfolio Management,

Jennifer Zhu, Vice President, Active Equity Research

## Appendix C - Capital Market Environment

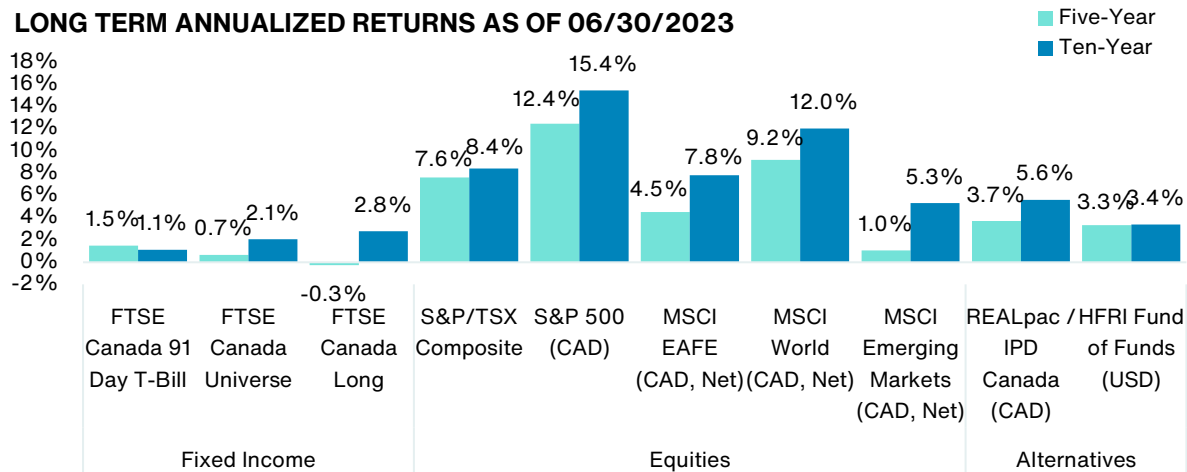
# Market Highlights

## SHORT TERM RETURNS AS OF 06/30/2023



Sources: S&P, MSCI, FTSE. Unless it's otherwise stated, gross CAD returns are shown in this report.

## LONG TERM ANNUALIZED RETURNS AS OF 06/30/2023



Sources: S&P, MSCI, FTSE

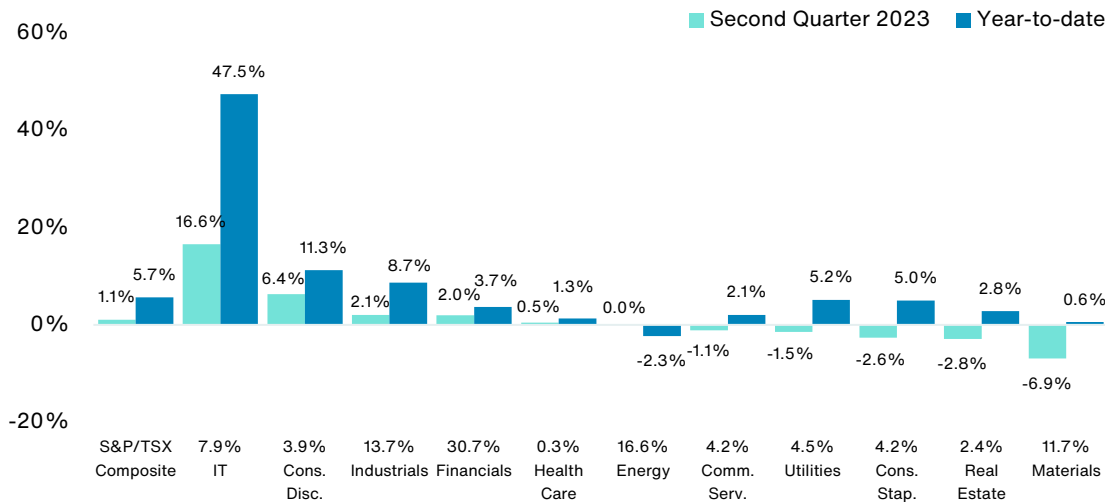
- In Q2 2023, equity markets rose as high-interest rate concerns abated, with inflation also cooling in major economies. The MSCI World Index rose 7.1% in local currency terms and 4.5% in Canadian dollar (CAD) terms.
- The Bank of Canada (BoC) increased its benchmark overnight rate by 25 bps to 4.75%, touching a 22-year high, and indicated that monetary policy was not restrictive enough to bring inflation down to its target of 2%.
- The U.S. Federal Reserve (Fed) increased its benchmark interest rate by 25 bps to a range of 5.00%-5.25% over the quarter, the highest level since 2007. Fed Chair Jerome Powell indicated that the central bank intends to carry out further monetary tightening to bring persistently high inflation under control but defended the current pause citing "potential headwinds" from the banking crisis.
- The Bank of England (BoE) raised its benchmark interest rate by 75 bps to 5.0% over the quarter, touching its highest level since 2008. Andrew Bailey, the BoE governor, indicated that the central bank is "committed to returning inflation to the 2% target and will make the decisions necessary to achieve that". The European Central Bank (ECB) raised its benchmark interest rate by 50 bps to 3.5% over the quarter, its highest level since 2001, and President Christine Lagarde indicated that policymakers "still have ground to cover" and that the inflation outlook remains "too high for too long".

Past performance is no guarantee of future results. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses.

# Canadian Equity Markets

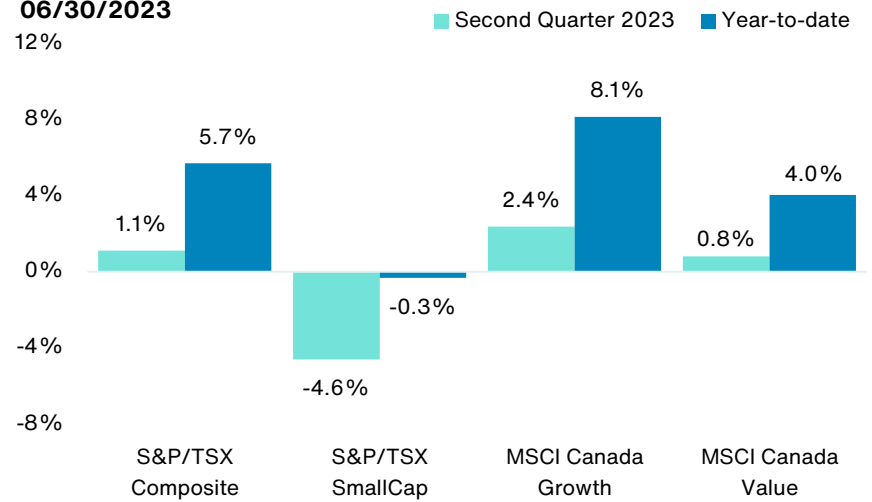
- The S&P/TSX Composite Total Return Index rose 1.1% during the quarter and rose 5.7% YTD in CAD terms.
- Sector performance was mixed over the quarter. Information Technology and Consumer Discretionary were the best performers for the quarter, rising by 16.6% and 6.4%, respectively, while Materials and Real Estate were the worst performers with a return of -6.9% and -2.8% respectively. Year-to-date, Information Technology was the best performer with a return of 47.5%, while the Energy sector was the worst performer with a return of -2.3%.
- Growth outperformed value for the quarter (2.4% vs 0.8%) and year-to-date (8.1% versus 4.0%).
- Large-cap equity (1.1%) outperformed small-cap (-4.6%) over the quarter and outperformed year-to-date.

**S&P/TSX COMPOSITE SECTOR RETURNS (CAD) AS OF 06/30/2023**



Source: S&P

**CANADIAN EQUITY STYLE/SIZE RETURNS (CAD) AS OF 06/30/2023**



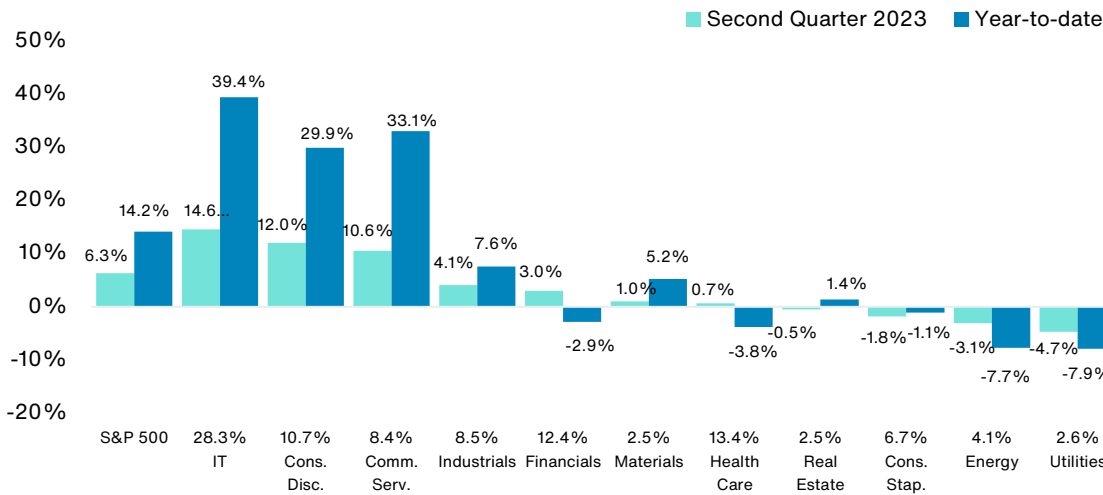
Source: S&P, MSCI

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# U.S. Equity Markets

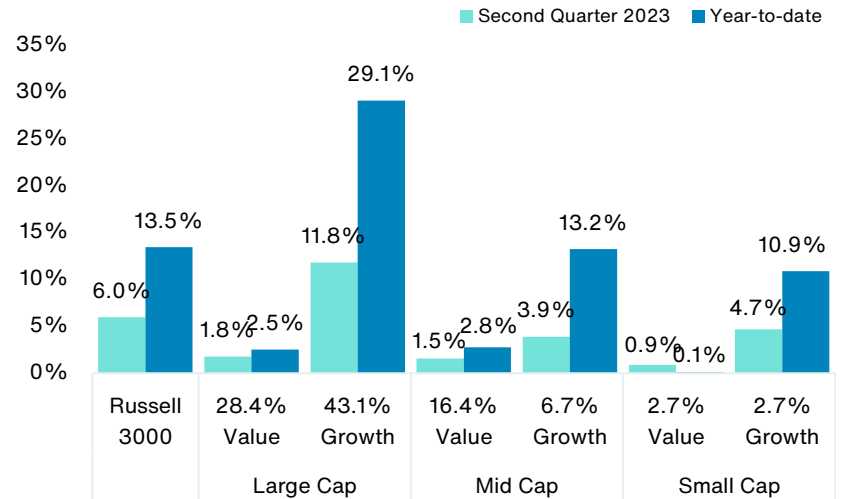
- U.S. equities had a strong quarter with the S&P 500 Index rising by 8.7% in USD terms as high-interest rate concerns abated, with inflation also cooling down in major economies. Expectations for new revenue streams driven by artificial intelligence boosted optimism over the U.S. technology stocks. Additionally, a pause in interest rate hikes by the Fed also contributed to the market sentiment. The S&P 500 Index gained 6.3% in CAD terms.
- The U.S. Senate passed the debt ceiling bill with strong bipartisan support of 63-36 votes to avoid a default in the world's largest economy. Previously, the bill was passed in the House of Representatives with a margin of 314-117 votes. The agreement imposes restrictions on government spending, introduces new welfare reforms, and reins in perceived government overreach, whilst not including any new taxes.
- The Cyberspace Administration of China banned U.S.-based chipmaker Micron Technology's products, in China's biggest measure against a U.S. semiconductor group, citing "security risks to China's critical information infrastructure supply chain".
- The Russell 3000 Index rose 6.0% during the second quarter. Sectoral performance was mixed across the quarter. Information Technology (14.6%) and Consumer Discretionary (12.0%) were the best performers while Utilities (-4.7%) and Energy (-3.1%) were the worst performers.
- Large-cap stocks outperformed in both growth and value. On a style basis, growth outperformed value across market capitalizations over the quarter.

**S&P 500 GICS SECTOR RETURNS (CAD) AS OF 06/30/2023**



Source: S&P

**RUSSELL STYLE RETURNS (CAD) AS OF 06/30/2023**



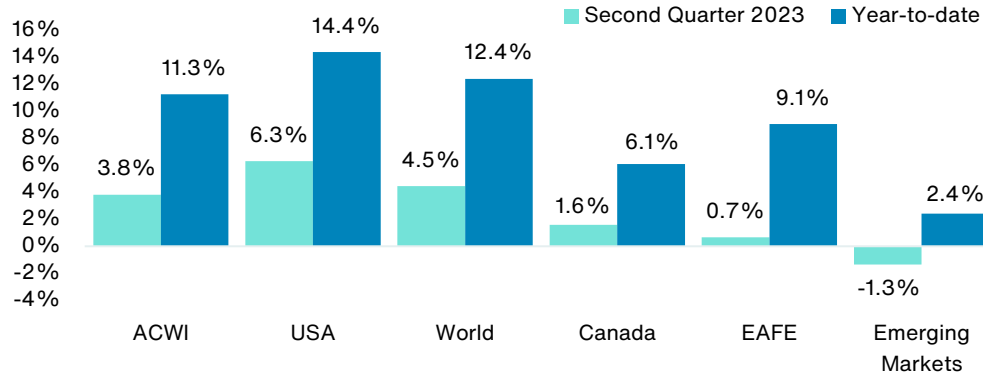
Source: Russell Indexes

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# Global Equity Markets

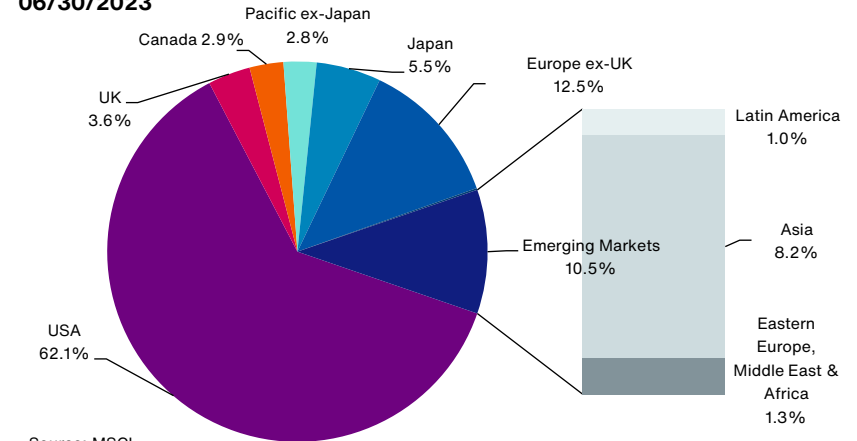
**GLOBAL MSCI INDEX RETURNS (CAD) AS OF 06/30/2023**



Source: MSCI. Gross returns shown for the MSCI Canada and USA indices, whilst net returns are shown for the other

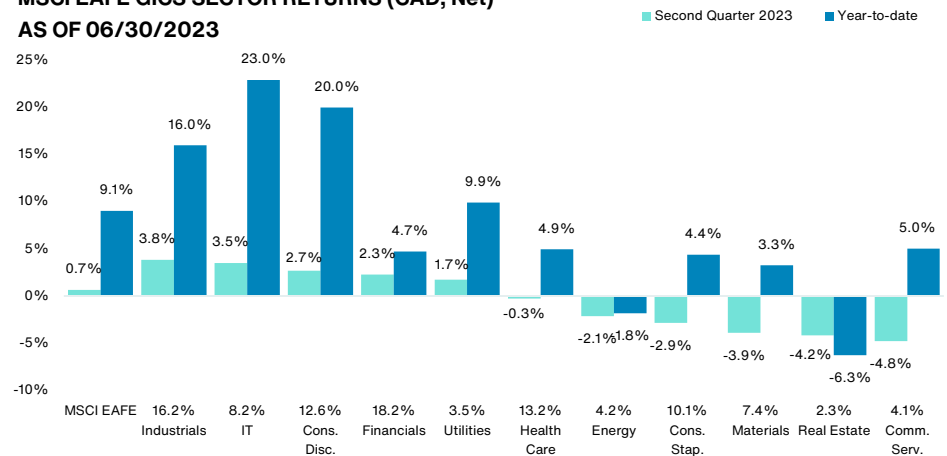
- Global equities ended the quarter higher, with the MSCI All Country World Index rising by 3.8% in CAD terms.
- The MSCI EAFE Index rose by 4.3% in local currency terms and 0.7% in CAD terms in Q2 2023. European and Japanese equities rose whilst UK equities fell over the quarter. Regionally, Japanese equities posted the strongest return in Q2 as economically sensitive sectors including Industrials and Financials outperformed. The sharp depreciation in the yen has helped the exporters over the quarter.
- Emerging Market equities were the worst performer in local currency terms owing to the poor performance of Chinese equity markets which fell by 9.0% over the quarter. Brazilian equities were the best performer by returning 14.8% followed by Indian equities which returned 12.0%.
- MSCI EAFE sector performance was mixed over the quarter. Industrials (3.8%) and Information Technology (3.5%) were the best performers over the quarter.

**MSCI ALL COUNTRY WORLD INDEX GEOGRAPHIC ALLOCATION AS OF 06/30/2023**



Source: MSCI

**MSCI EAFE GICS SECTOR RETURNS (CAD, Net) AS OF 06/30/2023**

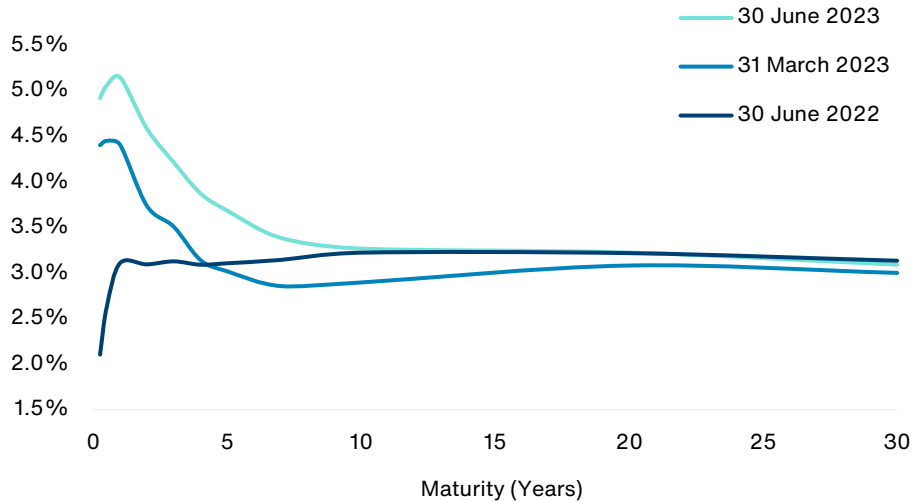


Source: MSCI

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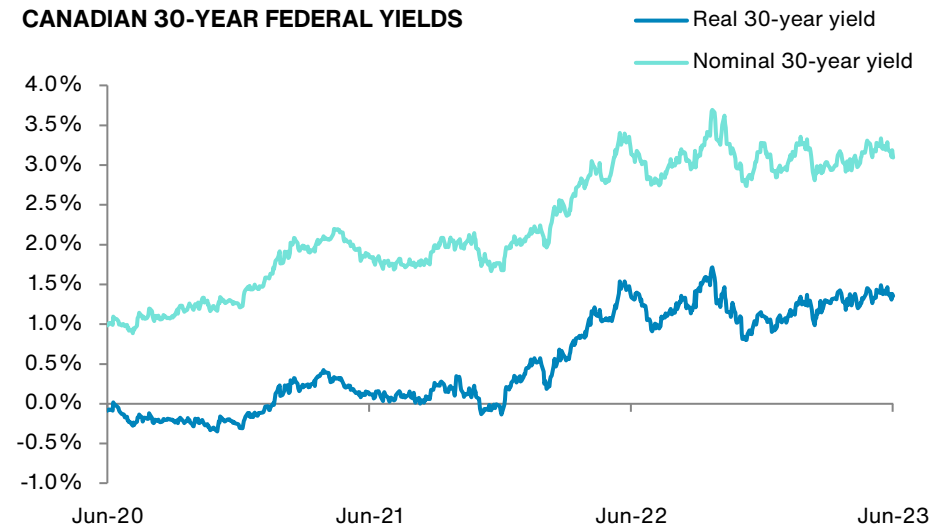
# Canada Fixed Income Markets

**CANADIAN FEDERAL YIELD CURVE**



Source: Bloomberg

**CANADIAN 30-YEAR FEDERAL YIELDS**

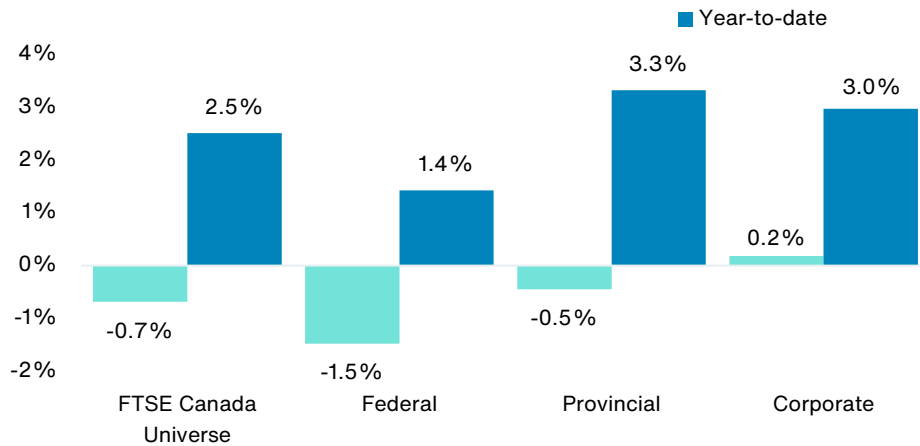


Source: Bloomberg

- Canadian Treasury yields generally rose across maturities with yields rising more sharply at short term maturities compared to the medium and longer end of the curve. The 2-year yield had the largest move over the quarter, rising 85 bps to 4.59%. The 10-year and 30-year yields rose 37 bps and 9 bps to 3.27% and 3.09%, respectively, over the quarter.
- Real yields rose, with the real 30-year yield increasing 7 bps to 1.35%. Meanwhile, Canada's annual CPI rose by 2.8% year-over-year in June, down from the 3.4% recorded in May and below economists' expectations of 3.0%.

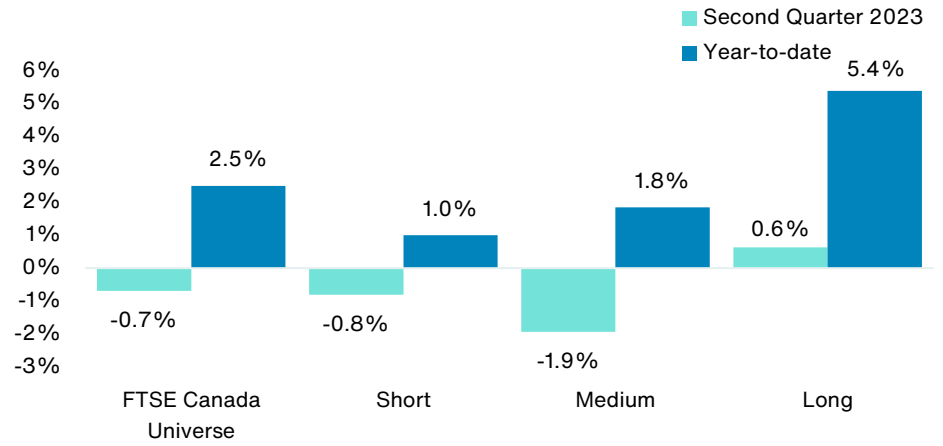
# Canada Fixed Income Markets

**FTSE CANADA RETURNS BY SECTOR AS OF 06/30/2023**



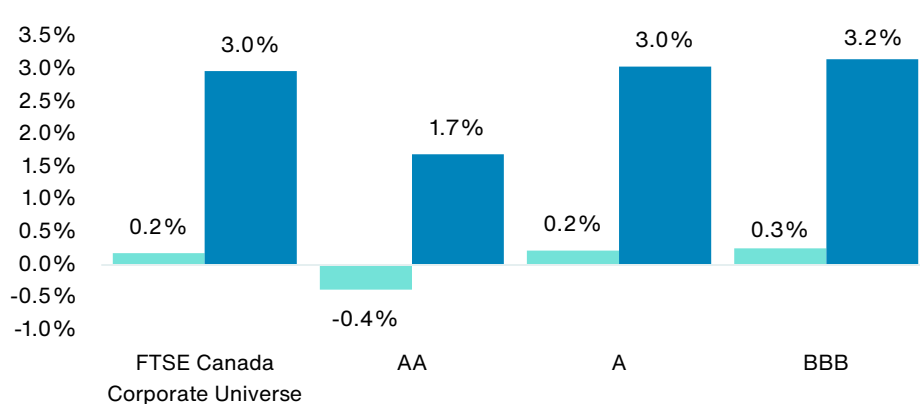
Source: FTSE

**FTSE CANADA RETURNS BY MATURITY AS OF 06/30/2023**



Source: FTSE

**FTSE CANADA RETURNS BY CREDIT QUALITY AS OF 06/30/2023**



Source: FTSE

- Canadian bond market performance was mixed over the quarter. Canadian Federal bonds underperformed all credit segments, including Provincial and Corporate issues, as the yield curve increased across all maturities.
- Within corporate credit, investment grade 'BBB' rated issues outperformed 'A' and 'AA' issues.
- Long maturity bonds outperformed both medium and short maturity bonds over the quarter as the increase in rates throughout was more significant in the front and middle of the yield curve.

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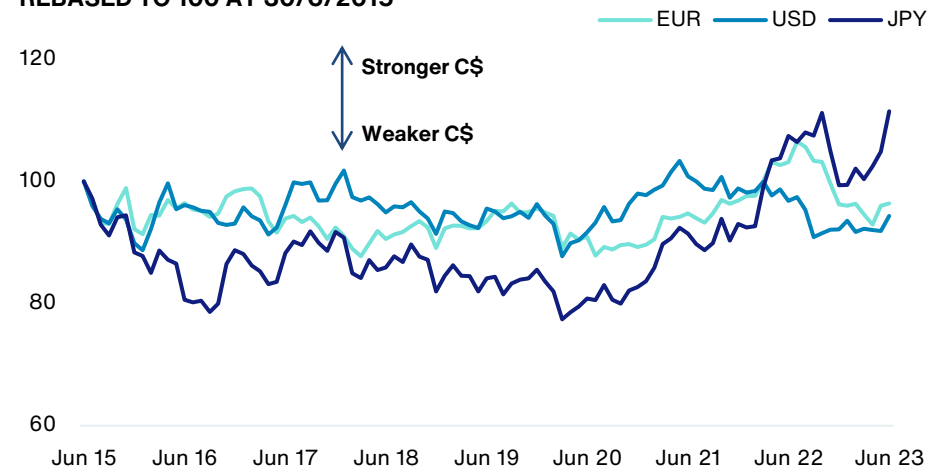
# Currency

**TRADE WEIGHTED CANADIAN DOLLAR INDEX (1999 = 100)**



Source: Bank of Canada

**CANADIAN DOLLAR RELATIVE TO EUR, USD AND JPY REBASED TO 100 AT 30/6/2015**



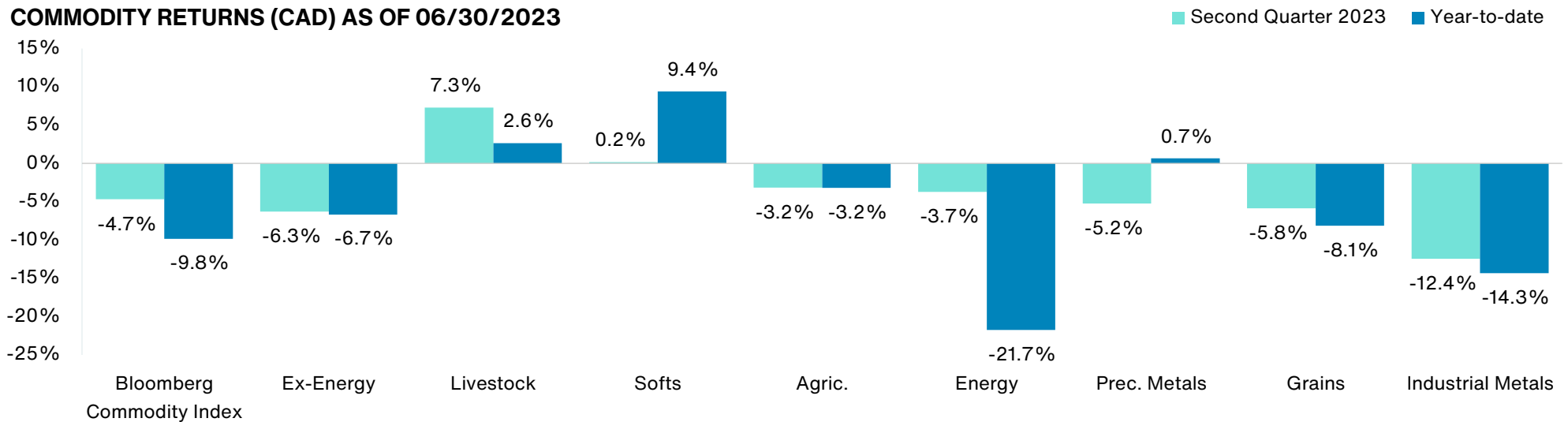
Source: Factset

- As measured by the broad trade-weighted Canadian dollar (CAD) index, the CAD rose 2.8% during the second quarter, having a positive performance against all the major currencies.
- On a trade-weighted basis, the U.S. dollar appreciated by 0.3% but fell by 2.3% against the CAD over the quarter. Additionally, the CAD appreciated by 1.8% against the euro and by 11.1% against the yen.
- The U.S. dollar depreciated by 0.4% against the euro but appreciated by 8.6% against the yen.

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# Commodities

## COMMODITY RETURNS (CAD) AS OF 06/30/2023



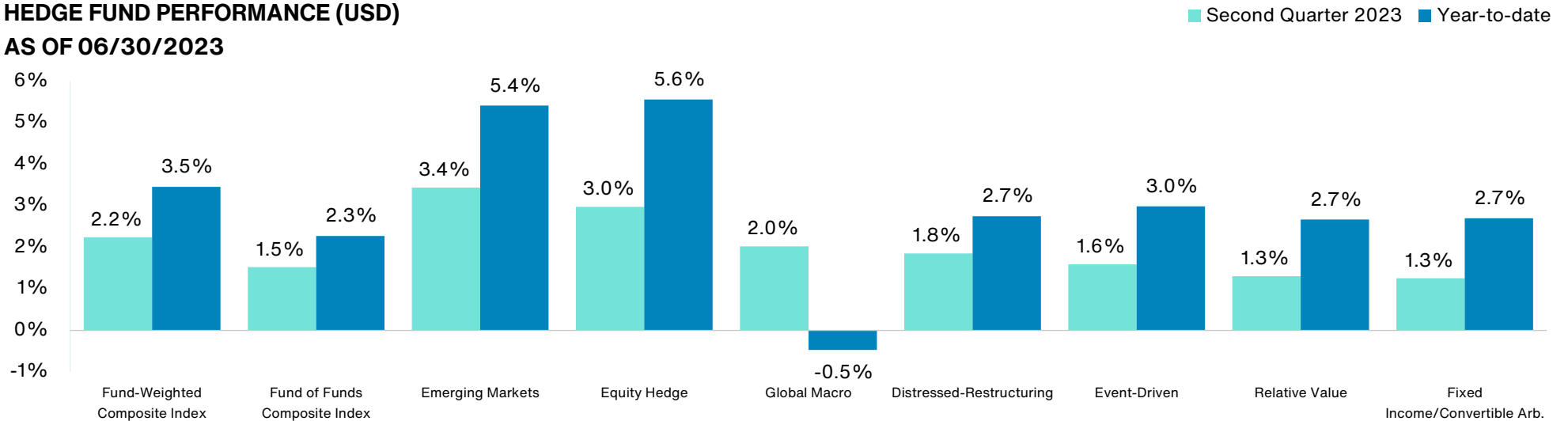
Source: Bloomberg Note: Softs and Grains are part of the wider Agriculture sector

- Commodity prices fell over the quarter, with the Bloomberg Commodity Index falling by 4.7% over the quarter.
- The Industrial Metals fell 12.4% over the quarter and 14.3% year-to-date. The price of WTI crude oil was down by 6.6% to U.S. \$71/BBL.
- Livestock rose the most over the quarter at 7.3%.
- Meanwhile, OPEC+ announced a surprise oil production cut of 1mn barrels a day in July, which could be extended further. Saudi Arabia will lead the entire production cut to boost oil prices as other OPEC+ members were spared from making additional cuts this year. The production quotas of several African nations and Russia are set to be lowered from January 2024.

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# Hedge Fund Markets

## HEDGE FUND PERFORMANCE (USD) AS OF 06/30/2023



Source: HFR Note: Latest 5 months of HFR data are estimated by HFR and may change in the future.

- Hedge fund performance was positive over the quarter.
- The HFRI Fund-Weighted Composite and HFRI Fund of Funds Composite Index produced returns of 2.2% and 1.5% over the quarter, respectively.
- Over the quarter, the Emerging Markets strategy was the best performer, with a return of 3.4%.
- Fixed Income/Convertible Arb. was the worst performer with a return of 1.3% over the quarter.
- Year-to-date, Equity Hedge has outperformed all other strategies, whilst Global Macro have performed the worst.

**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses.

## **Appendix D - Description of Market Indices and Statistics**

**Description of Market Indices and Statistics****Index Definitions****As of 30 June 2023****S&P/TSX Composite**

S&P/TSX Composite Index comprises approximately 70 percent of market capitalization for Canadian-based, Toronto Stock Exchange listed companies. It is calculated on a float market capitalization and is the broadest Canadian equity index available.

**S&P 500**

Standard and Poor's 500 Composite Stock Index consists of 500 large companies in the United States chosen for market size, liquidity and industry group representation. It is a market-value weighted index, with each stock's weight in the index proportionate to its market value. For the purposes of this report, the S&P 500 Index returns are converted from U.S. dollars into Canadian dollars, and therefore reflect currency gains or losses.

**MSCI EAFE**

The MSCI Europe, Australasia and Far East (EAFE) Index is a widely recognized benchmark of non-North American stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 21 European and Pacific Basin Countries and includes reinvestment of all dividends. This index aims to capture 85% of the free float adjusted market capitalization in each industry group in each country.

**MSCI World**

MSCI World Index consists of more than 1,600 stocks in 23 of the world's largest industrialized countries globally and represents approximately 85% of the total market capitalization in those countries. The index is computed on a float-based capitalization.

**FTSE Canada Universe Bond**

The FTSE Canada Universe Bond Index covers all marketable Canadian bonds with term to maturity of more than one year. The Index contains approximately one thousand marketable Canadian bonds with an average term of approximately 10.2 years. The purpose of the Index is to reflect the performance of the broad "Canadian Bond Market" in a similar manner to the S&P/TSX Capped Composite Index in the Canadian Equity Market.

**FTSE Canada Long Term Overall Bond**

The FTSE Canada Long Term Overall Bond Index is a capitalization-weighted index containing bonds with a term to maturity of greater than 10 years. It includes approximately 300 marketable Canadian bonds. The average term is approximately 23.1 years and the average duration is approximately 15.5 years.

**FTSE Canada Real Return Bond**

The FTSE Canada Real Return Bond Index measures the daily performance of Canadian real return bonds. It currently contains the outstanding real return bonds in the market.

**CPI**

Consumer Price Index is used to gauge Canada's inflation rate. The series used is the all items, not seasonally adjusted, 2002 base, widely known as the headline inflation.



**Description of Market Indices and Statistics****Statistic Definitions****As of 30 June 2023****Active Return**

Arithmetic difference between the portfolio return and the benchmark return over a specified time period.

**Active Weight**

The difference between the portfolio weight and the benchmark weight, where the weight is based on the beginning of period weights for the sector/region/asset class for a certain periodicity (monthly or quarterly, depending upon the reporting frequency), adjusted by the relative return for the sector/region/asset class.

**Annualized Value Added**

A portfolio's excess return over a benchmark, annualized as it is recorded.

**Asset Allocation**

The value added or subtracted by under or over weighting sectors/regions/asset classes versus the benchmark weights. Asset allocation measures the impact on performance attributed only to the sector/region/asset class weighting decisions by the manager. It assumes that the manager holds the same securities in each sector/region/asset class and in the same proportion as in the benchmark. Any differences in return can be attributed to differences in sector weights between the manager's fund and the benchmark.

**Batting Average**

The frequency, expressed in percentage terms, of the portfolio's return equaling or exceeding the benchmark's return.

**Beta**

A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.

**Correlation**

Also called coefficient of correlation, it is a measure of the co-movements of two sets of returns. Indicates the degree in which two sets of returns move in tandem.

**Cumulative Added Value**

The geometrically linked excess return of a portfolio over a benchmark.

**Down Market Capture**

The portfolio's average return as a percentage of the benchmark return, during periods of negative benchmark return. Lower values indicate better portfolio performance.

**Downside Risk**

A measure similar to standard deviation, but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the portfolio.

**Description of Market Indices and Statistics****Statistic Definitions**

As of 30 June 2023

**Duration**

A measure of a bond portfolio's sensitivity to movements in interest rates.

**EPS**

Earnings Per Share

**Excess Return**

Arithmetic difference between the managers return and the risk-free return over a specified time period.

**Excess Risk**

A measure of the standard deviation of a portfolio's performance relative to the risk free return.

**Information Ratio**

Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.

**Return**

Compounded rate of return for the period.

**R-Squared**

The percentage of a portfolio's performance explained by the behaviour of the appropriate benchmark. High R-Square means a higher correlation of the portfolio's performance to the appropriate benchmark.

**Security Selection**

The value added or subtracted by holding securities at weights which differ from those in the benchmark, including securities not in the benchmark or a zero weight. The security selection return assumes the manager weights for each sector/region/asset class in the portfolio are in the same proportion as in the overall benchmark, and excess returns are due to security selection. That is, differences in returns between the manager's fund and the benchmark are attributed to the securities the manager has chosen.

**Sharpe Ratio**

Represents the excess rate of return over the risk free return divided by the standard deviation of the return. The result is the absolute rate of return per unit of risk. The higher the value, the better the portfolio's historical risk-adjusted performance.

**Simple Alpha**

The difference between the portfolio's return and the benchmark's return.

**Statistic Definitions**

As of 30 June 2023

**Sortino Ratio**

Represents the excess return over the risk-free rate divided by the downside deviation (i.e. the standard deviation of negative asset returns). Therefore, the Sortino Ratio differentiates harmful volatility from general volatility. A large Sortino Ratio indicates there is a low probability of a large loss.

**Standard Deviation**

A statistical measure of the range of a portfolio's performance, the variability of a return around its average return over a specified time period.

**Tracking Error**

A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate benchmark.

**Treynor Ratio**

Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Represents the excess rate of return over the risk free rate divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better the portfolio's historical risk-adjusted performance.

**Up Market Capture**

The portfolio's average return as a percentage of the benchmark return, during periods of positive benchmark return. Higher values indicate better portfolio performance.

## Appendix E - Fee Analysis

## Appendix F - Disclosure

Disclosure

## Statement of Disclosure

As of 30 June 2023

Aon Solutions Canada Inc. reconciles the rates of return with each investment manager quarterly. Aon Solutions Canada Inc. calculates returns from the custodian/trustee statements while the managers use different data sources. Occasionally discrepancies occur because of differences in computational procedures, security prices, "trade date" versus "settlement date" accounting, etc. We monitor these discrepancies closely and find that they generally do not tend to persist over time. However, if a material discrepancy arises or persists, we will bring the matter to your attention after discussion with your money manager.

*This report may contain slight discrepancies due to rounding in some of the calculations. All data presented is in Canadian dollars unless otherwise stated.*

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# Canadian DB pension plans navigated Q2 2023 with steady returns, reveals RBC Investor Services analysis

Français



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NEWS PROVIDED BY  
**RBC Investor Services** →  
31 Jul, 2023, 10:01 ET

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TORONTO, July 31, 2023 /CNW/ - RBC Investor Services (RBCIS) has unveiled its comprehensive analysis of the performance of Canadian DB pension plans within the All Plan Universe for the second quarter of 2023. According to the study, the plans demonstrated a modestly positive quarterly return of 0.8% overall and were ahead by 4.8% over the first half of 2023.

During the quarter, foreign equities emerged as the top performing asset class in the peer universe, boasting a median return of 2.9%. In comparison, the MSCI World index returned 4.5%, primarily driven by the robust performance of the Information Technology (+12.1%) and Consumer Discretionary (+8.1%) sectors. It is noteworthy that the strength of the

Canadian dollar had a softening effect on the returns of pension plans invested in foreign equities, as the MSCI World index recorded a 7.1% return in local currency terms. Consequently, hedged pension plans outperformed their unhedged counterparts.

Much like in Q1, growth style stocks outpaced their value counterparts by a significant margin – as the MSCI World growth index showcased an impressive 8.0% return. In contrast, the value index lagged with a return of 0.7%. Year-to-date, the growth index is up 24.1% compared to the value index's return of 1.5%.

Further analysis revealed that U.S. equities significantly outperformed their international counterparts over the quarter, as evidenced by the performance comparison between the S&P 500's gain of 6.3% versus the MSCI EAFE's more modest 0.7%.

Within the Canadian equity asset class, a return of 1.3% was observed. By comparison, the TSX Composite delivered a return of 1.1%. Strength in the Information Technology sector (+16.6%) was tempered by weakness in the commodity sectors (Materials -6.9% and Energy 0.0%).

Turning to the Canadian fixed income asset class, the plans in the universe returned 0.3%, ahead of the FTSE Canada Universe Bond Index, which experienced a negative return of -0.7%. Short-term FTSE Canada Universe bonds returned -0.8% due to an increase in short-term yields, while long-term bonds achieved a slightly positive return of 0.6%.

Marijana Jovanovic, head of Product Transformation at RBCIS, commented: "The analysis underscores the intricacies of the Canadian pension landscape during Q2 2023, prompting investors to remain vigilant in navigating the uncertain waters that lie ahead. While inflation has been trending favourably into Q3 following July's rate adjustment, it's uncertain whether future interest rate increases are on the horizon."

Continuing on this note, Jovanovic stated, "Geopolitical tensions, including U.S.-China relations and the ongoing situation in Ukraine, introduce complexity to market dynamics and pose risks for investors. Asset managers are diligently focusing on diversification and hedging strategies while maintaining a watchful eye on their portfolios to mitigate potential losses."



## Historic performance

<i>Period</i>	<i>Median return (%)</i>	<i>Period</i>	<i>Median return (%)</i>
Q2 2023	0.8	Q1 2021	-0.2
Q1 2023	4.0	Q4 2020	5.4
Q4 2022	3.8	Q3 2020	3.0
Q3 2022	0.5	Q2 2020	9.6
Q2 2022	-8.6	Q1 2020	-7.1
Q1 2022	-5.5	Q4 2019	2.0
Q4 2021	4.5	Q3 2019	1.7
Q3 2021	0.6	Q2 2019	2.7
Q2 2021	4.4	Q1 2019	7.2

## About RBC

Royal Bank of Canada is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 98,000+ employees who leverage their imaginations and insights to bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada's biggest bank and one of the largest in the world, based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our 17 million clients in Canada, the U.S. and 27 other countries. Learn more at [rbc.com](https://www.rbc.com).

We are proud to support a broad range of community initiatives through donations, community investments and employee volunteer activities. See how at [rbc.com/community-social-impact](https://www.rbc.com/community-social-impact).

## About the RBC Investor Services All Plan Universe

RBC Investor Services has published one of the industry's largest and most comprehensive universes of Canadian pension plans for more than 40 years. The All Plan Universe, a widely-recognized quarterly benchmark, tracks the performance and asset allocation of a cross-section of assets across Canadian defined benefit pension plans, helping institutional investors monitor investment decisions, optimize performance and mitigate risks.

## About RBC Investor Services

RBC Investor Services delivers asset servicing solutions to Canadian asset managers and asset owners, investment counsellors and other financial institutions. Part of Royal Bank of Canada, Canada's largest bank and one of the top 10 banks globally, our focus is on safeguarding the assets of our clients and supporting their growth.

SOURCE RBC Investor Services

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