

Agenda

Corporate Services Committee

7th Special Meeting of the Corporate Services Committee

May 2, 2022, 12:00 PM

Virtual Meeting during the COVID-19 Emergency

Please check the City website for current details of COVID-19 service impacts.

Meetings can be viewed via live-streaming on YouTube and the City website

Members

Councillors S. Lewis (Chair), M. Cassidy, J. Morgan, M. Hamou, J. Fyfe-Millar, Mayor E. Holder

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Pages

1. Disclosures of Pecuniary Interest

2. Consent

3. Scheduled Items

4. Items for Direction

4.1. 2022 Debenture Issuance Update

2

5. Deferred Matters/Additional Business

6. Adjournment

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

Subject: 2022 Debenture Issuance Update

Date: May 2, 2022

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions **BE TAKEN**:

- a) the issuance of serial debentures for a total of \$21,000,000 **BE APPROVED**, noting the average all-in rate is 3.563% over a 10-year term; and
- b) the attached proposed by-law (Appendix A) **BE INTRODUCED** at the Municipal Council meeting on May 3, 2022 to authorize the borrowing upon serial debentures in the aggregate principal amount of \$21,000,000 towards the cost of certain capital works of the Corporation of the City of London.

Executive Summary

The City typically issues debt through the capital markets using a fiscal agent for complete projects, substantially complete projects, or projects for which a significant milestone has been achieved. Civic Administration is recommending issuing a serial 10-year debenture in the amount of \$21,000,000 representing the 2022 issuance. The purpose of this report is to obtain approval to enact the issuance of the \$21,000,000 debenture at an average all-in rate of 3.563% in the capital markets.

Linkage to the Corporate Strategic Plan

Council's 2019 to 2023 Strategic Plan for the City of London identifies "Leading in Public Service" as a strategic area of focus. Continuing to ensure the strength and sustainability of London's finances and adhering to the City of London's limit on authorized debt are strategies to maintain London's finances in a well-planned manner to balance equity and affordability over the long term. This second 2022 Debenture Issuance report ensures that the proper mechanisms are in place to fund major capital projects while supporting intergenerational equity.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Corporate Services Committee, March 28, 2022, Agenda Item 2.2, 2022 Debenture Issuance.
<https://pub-london.escribemeetings.com/FileStream.ashx?DocumentId=91288>

Corporate Services Committee, August 30, 2021, Agenda Item 2.1, City of London's Credit Rating.
<https://pub-london.escribemeetings.com/FileStream.ashx?DocumentId=84577>

2.0 Discussion and Considerations

At its session on April 12, 2022 Municipal Council authorized the Deputy City Manager, Finance Supports to proceed with the issuance of debentures to provide permanent financing for capital works in an amount not to exceed \$21,000,000.

Starting April 18, 2022, with Royal Bank of Canada (RBC) Capital Markets as lead fiscal agent, the Corporation of the City of London launched a serial debenture issuance for \$21,000,000 with settlement on May 9, 2022. The issuance of serial debentures is structured with coupon rates ranging from 2.400% to 3.650% from one to ten years and a **net all-in rate of 3.563%** (including fiscal agency fees) over the 10-year term.

Over the past five years, the City has issued a total of approximately \$204.4 million in debentures as follows:

Issuance Date	Amount of Issuance (\$)	Term (years)	All in Rate of Borrowing*	Agency
16-April-2021	23,000,000	10	1.82%	Capital Markets-CDS&CO
5-Jun-2020	36,000,000	10	1.67%	Capital Markets-CDS&CO
2-Apr-2019	49,380,000	10	2.66%	Capital Markets-CDS&CO
13-Mar-2018	55,000,000	10	2.98%	Capital Markets-CDS&CO
7-Mar-2017	41,000,000	10	2.48%	Capital Markets-CDS&CO
Total	204,380,000			

*All-in rate includes fees

CDS&CO - nominee of CDS Clearing and Depository Services Inc – serial debentures

2.1 Authorizing By-Law

The attached by-law, to be introduced at Municipal Council on Tuesday, May 3, 2022, will allow the City to borrow upon serial debentures for the debenture term and amount identified above. It will also authorize the Deputy Mayor, City Treasurer and City Clerk to execute all documents and other papers in the name of the Municipality in order to carry out the issuance of the serial debentures and settlement of the issuance on May 9, 2022. The by-law is attached as **Appendix A** along with its corresponding schedules:

- Schedule A – Listing of projects to be financed by debenture;
- Schedule B – Debenture certificate and legal opinion provided by WeirFoulds LLP; and
- Schedule C – Repayment schedule.

A presentation from RBC Capital Markets, the lead fiscal agent, providing a summary of the 2022 debt issuance, is attached as **Appendix B**.

3.0 Financial Impact/Considerations

The financial impact of this debenture issuance has been included in the 2020 to 2023 Multi-Year Budget and will also be incorporated in future Multi-Year Budget submissions. While interest rates have moved higher in a short period of time recently, the principal amount to be issued is lower than budgeted for 2022. The City, through its budgeting processes and associated policies related to debt (such as the application of a portion of year-end surpluses and surplus assessment growth revenues to reducing authorized but unissued debt), is able to proactively influence the management of debt issuances and total debt levels. However, the City is a participant in the capital markets and does not influence market rates. The City does not attempt to “time the market” and is generally an annual issuer in the traditional spring municipal issuance window. Despite the effect of higher rates, the total debt servicing cost is accommodated with the existing established budget for 2022 due to the lower than budgeted amount of the debt issuance.

Furthermore, proceeds from our debt issuance will represent a cash injection to the City to aid in managing cash flows and maintaining its positive liquidity position.

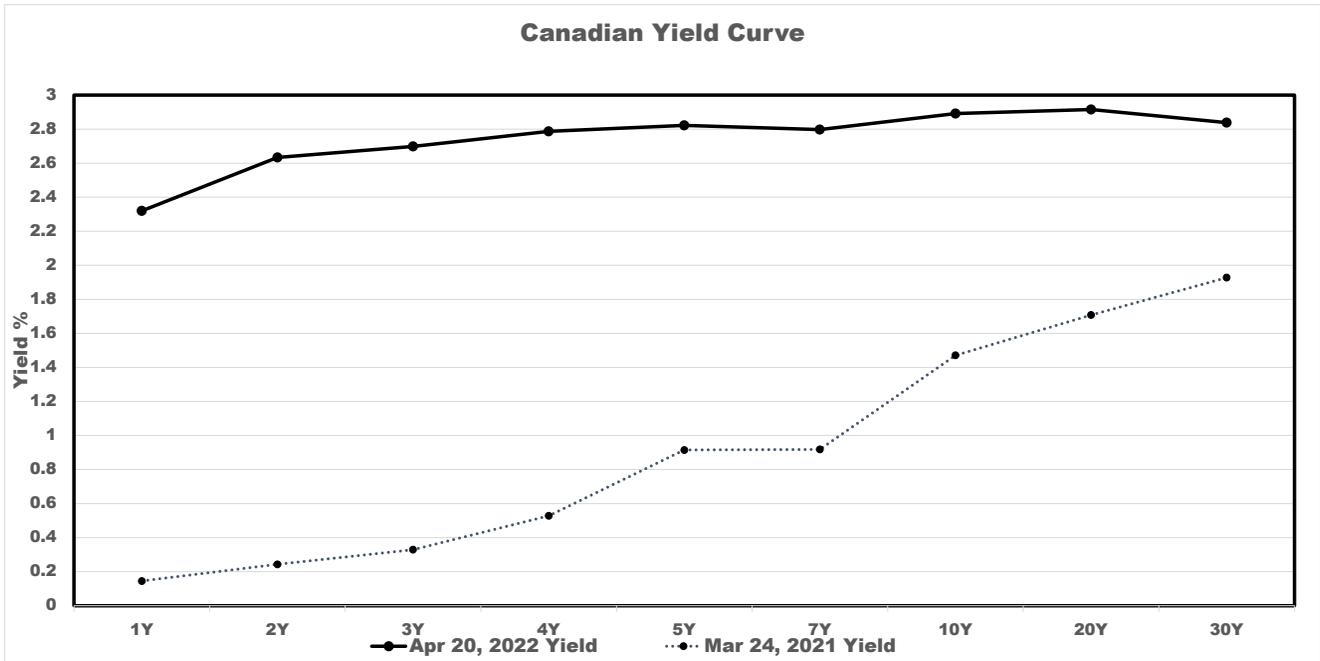
4.0 Key Issues and Considerations

4.1. Current Market Conditions

Investor appetite for municipal debentures remains strong. We have seen several issuances in the municipal space in 2022, with issuances from the City of Ottawa, First Nations Finance Authority (FNFA), Regional Municipality of Peel, City of Greater Sudbury, City of Montreal, Municipality Finance Authority of British Columbia, City of Toronto and Regional Municipality of Waterloo. All issuances were well received and at attractive levels for the issuers relative to underlying benchmarks.

There has been a significant rise in rates over the last couple of months. At the April 13, 2022 Bank of Canada (BOC) policy decision announcement, the BOC increased the overnight rate by 0.50% to 1.00%. This represents the second increase in rates this year, the first interest rate increase being an increase from 0.25% to 0.50% on March 2, 2022. The bank cited supply disruptions and economic uncertainties resulting from the events in Ukraine; increase in inflation due to spikes in oil, natural gas and other commodities as primary drivers to the increase in the overnight rate. The BOC also noted that there is an expectation of further rates increases as inflation persists, including the possibility of another further 0.50% increase in upcoming rate announcements.

The overnight rate is the rate at which major financial institutions borrow and lend one-day (or “overnight”) funds among themselves. While not the only determinant of interest rates on municipal debentures, changes in this rate influences other rates and has a resulting effect on bond yields, including municipal debentures. The bank acknowledged that economic growth is strong and labour market and wage growth is back to its pre-pandemic pace and rising. Further contributing to the rise in rates following the BOC announcement in March is that bond purchases through the quantitative easing (QE) program are coming to an end effective April 25, 2022. The QE program was originally introduced to provide for liquidity and keep rates lower further out the yield curve for longer duration borrowings as a response to COVID-19. Additionally, the BOC is expected to implement a quantitative tightening (QT) program that involves reducing its bond holdings. This may add further pressure to interest rates going forward. To illustrate the dramatic move in rates over the past year, the following figure shows the Canadian yield curve at the time of the City’s 2022 debenture pricing (April 20, 2022) compared to the timing of pricing of the 2021 issuance (March 24, 2021):



(Source: Refinitiv)

The increase and simultaneous flattening in the yield curve demonstrate the market's expectations of future interest rates, both in the short and long term. The shift considers the recent actions of the BOC but also the long-term rate sentiment within Canada, including recent economic data and forecasts.

With this increase, the rate at which investors are willing to purchase bonds has increased as well, which has a resulting impact on the rate at which the City's issuance is being priced. To provide a sense of the recent rate increases and volatility, the following graph presents a summary of the 10 Year Canada Bond rate over the last five years:



(Source: Refinitiv)

As the graphic illustrates, the volatility in the 10-year Canada bond yield over the past 2 months has been dramatic, which is a key underlying determinant of the City's issuance rates. This benchmark rate has increased more than 100 basis points (1%) during this 2-month period. Fortunately, the City's prudent debt management practices, including focus on maintaining our Aaa credit rating, ensures strong investor demand while minimizing the interest rates on London's issuance. The City will continue to emphasize these debt management practices to minimize the impact of further future interest rate increases should they materialize.

Conclusion

The City of London has been successful in placing its debt in capital markets during a volatile period. Although rates have increased, Civic Administration is not anticipating a negative budgetary impact on the City's debt servicing cost in 2022 due to the lower issuance amount in comparison to the budgeted issuance amount.

The City's 2022 planned debt issuance will provide the required long-term funding for the identified projects within Appendix A and aligns with the City's Debt Management Policy. This approval will provide the authorization to execute the necessary documentation to issue debentures through the capital markets.

Prepared by: Folakemi Ajibola, CTP, Manager, Financial Modelling, Forecasting and Systems Control (Treasury)

Submitted by: Kyle Murray, CPA, CA, Director, Financial Planning and Business Support

Recommended by: Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

Attachment: Appendix A and B

Appendix “A”

Bill No. 206
2022

BY-LAW NO. D.-● -●

BY-LAW TO AUTHORIZE THE BORROWING
UPON INSTALMENT DEBENTURES IN THE
AGGREGATE PRINCIPAL AMOUNT OF
\$21,000,000.00 TOWARDS THE COST OF
CERTAIN CAPITAL WORKS OF THE
CORPORATION OF THE CITY OF LONDON.

WHEREAS subsection 401 (1) of the *Municipal Act, 2001*, as amended (the “Act”) provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way, and may issue debentures and prescribed financial instruments and enter prescribed financial agreements for or in relation to the debt;

AND WHEREAS subsection 408 (2.1) of the Act provides that a municipality may issue a debenture or other financial instrument for long-term borrowing only to provide financing for a capital work;

AND WHEREAS the Council of The Corporation of the City of London (the “City”) authorized each capital work of the City set out in Column (2) of Schedule “A” attached hereto and forming part of this By-law (“Schedule “A”) and the issue of debentures therefor in the respective principal amount specified in Column (3) of Schedule “A” (individually a “Capital Work”, collectively the “Capital Works”);

AND WHEREAS before authorizing each Capital Work and before authorizing any additional cost amount and any additional debenture authority in respect thereof, the Council of the City had its Treasurer calculate an updated limit in respect of its most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs and Housing in accordance with the applicable regulation. Prior to the Council of the City authorizing each Capital Work, each such additional cost amount and each such additional debenture authority, the Treasurer of the City determined that the estimated annual amount payable in respect of each Capital Work, each such additional cost amount and each such additional debenture authority, would not cause the City to exceed the updated limit and that the approval of each Capital Work, each such additional cost amount and each such additional debenture authority by the Ontario Land Tribunal or its predecessor pursuant to such regulation was not required;

AND WHEREAS to provide long-term financing for the Capital Works it is now deemed to be expedient to borrow money by the issue and sale of instalment debentures of the City in the aggregate principal amount of \$21,000,000.00 payable at the times and bearing interest at the rates hereinafter set forth, as agreed to by the City on April 20, 2022.

NOW THEREFORE the Council of The Corporation of the City of London hereby enacts as follows:

1. For the Capital Works, the borrowing upon the credit of the City at large of the aggregate principal amount of \$21,000,000.00 and the issue of instalment debentures therefor within the term of 10 years in denominations of \$1,000.00 and any integral multiples thereof, as hereinafter set forth, are hereby authorized.
2. The Mayor or the Deputy Mayor and the Treasurer of the City are hereby authorized to cause any number of instalment debentures in the aggregate principal amount of \$21,000,000.00, as described in section 1 above (the "**Debentures**"), payable in annual instalments of principal (May 9) with semi-annual instalments of interest thereon (May 9 and November 9, commencing on November 9, 2022) to be issued for such amounts of money as may be required for the Capital Works in global and definitive forms, not exceeding in total the said aggregate principal amount of \$21,000,000.00. The Debentures shall bear the City's municipal seal and the signatures of the Mayor or the Deputy Mayor and of the Treasurer of the City, all in accordance with the provisions of the Act. The Debentures are sufficiently signed if they bear the required signatures and each person signing has the authority to do so on the date he or she signs. The Debentures shall initially be issued in global fully registered form as one debenture certificate in the aggregate principal amount of \$21,000,000.00 substantially in the form of Schedule "B" attached hereto and forming part of this By-law (the "**Global Debenture**"). The Global Debenture shall initially be issued in the name of CDS & CO. as nominee of CDS Clearing and Depository Services Inc. ("**CDS**"), and shall provide for payment of principal and interest, electronically in final and irrevocable same-day funds in accordance with the applicable requirements of CDS, so long as the Global Debenture is held by CDS.
3. (1) The Debentures shall all be dated the 9th day of May, 2022, and as to both principal and interest shall be expressed and be payable in lawful money of Canada. The Debentures shall mature within the term of years set out in Column (6) of Schedule "A" and the respective amounts of interest or of principal and interest payable in each of the years during the currency of the Debentures shall be as set forth in Schedule "C" attached hereto and forming part of this By-law ("**Schedule "C"**"). The Debentures maturing (principal payable) in the year 2023 shall bear interest at the rate of 2.40% per annum, the Debentures maturing (principal payable) in the year 2024 shall bear interest at the rate of 2.90% per annum, the Debentures maturing (principal payable) in the year 2025 shall bear interest at the rate of 3.15% per annum, the Debentures maturing

(principal payable) in the year 2026 shall bear interest at the rate of 3.20% per annum, the Debentures maturing (principal payable) in the year 2027 shall bear interest at the rate of 3.30% per annum, the Debentures maturing (principal payable) in the year 2028 shall bear interest at the rate of 3.35% per annum, the Debentures maturing (principal payable) in the year 2029 shall bear interest at the rate of 3.45% per annum, the Debentures maturing (principal payable) in the year 2030 shall bear interest at the rate of 3.55% per annum, the Debentures maturing (principal payable) in the year 2031 shall bear interest at the rate of 3.60% per annum and the Debentures maturing (principal payable) in the year 2032 shall bear interest at the rate of 3.65% per annum.

(2) Payments in respect of principal and interest on the Debentures shall be made only on a day on which banking institutions in Toronto, Ontario are not authorized or obligated by law or executive order to be closed (a "**Business Day**") and if any date for payment is not a Business Day, payment shall be made on the next following Business Day and no further interest shall be paid in respect of the delay in such payment.

4. Interest shall be payable to the date of maturity of the Debentures and on default shall be payable both before and after default and judgment. Any amounts payable by the City as interest on overdue principal or interest in respect of the Debentures shall be paid out of current revenue. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 days or 366 days, if applicable.
5. In limited circumstances (as agreed to by both the City and CDS) the Global Debenture shall be exchangeable for certificated Debentures in definitive fully registered form in authorized denominations upon surrender of the Global Debenture to the Treasurer of the City provided that there is at least one definitive Debenture which matures in each of the remaining years of the currency of the Global Debenture. The definitive Debentures shall aggregate the same principal amount as the principal outstanding balance of the Global Debenture as of the record date for such exchange in accordance with the provisions of the Global Debenture, shall bear the same interest rates and maturity dates, shall bear all unmatured interest obligations and shall have the same benefits and be subject to the same terms and conditions as the Global Debenture (except insofar as they specifically relate to the Global Debenture). In issuing definitive Debentures no change shall be made in the amount which would otherwise be payable in each year under the Global Debenture. The

definitive Debentures shall be in fully registered form, payable as to principal and outstanding interest in lawful money of Canada at maturity upon presentation and surrender thereof at any specified branch in Canada of the City's bank designated in the definitive Debentures. Prior to maturity, the definitive Debentures shall be payable as to interest by cheque sent by mail to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.

6. In each year in which a payment of an instalment of interest or of principal and interest becomes due in respect of the Debentures there shall be raised as part of the general municipal levy the amounts of interest or of principal and interest payable in each year as set out in Schedule "C" to the extent that the amounts have not been provided for by any other available source including other taxes or fees or charges imposed on persons or property by a by-law of any municipality.
7. The Debentures may contain any provision for their registration thereof authorized by any statute relating to municipal debentures in force at the time of the issue thereof.
8. The City shall maintain a registry in respect of the Debentures in which shall be recorded the names and the addresses of the registered holders and particulars of the Debentures held by them respectively and in which particulars of the cancellations, exchanges, substitutions and transfers of Debentures may be recorded and the City is authorized to use electronic, magnetic or other media for records of or related to the Debentures or for copies of them.
9. The City shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The City shall deem and treat registered holders of the Debentures, including the Global Debenture, as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the City on the Debentures to the extent of the amount or amounts so paid. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the City. In the case of the death of one or more joint registered holders, despite the foregoing provisions of this section, the principal of and interest on any Debentures

registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the City.

10. The Debentures are transferable or exchangeable at the office of the Treasurer upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the City and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture or Debentures presented, the Mayor and the Treasurer shall issue and deliver a new Debenture or Debentures of an equal aggregate principal amount in any authorized denomination or denominations as directed by the transferor, in the case of a transfer or as directed by the registered holder in the case of an exchange.
11. The Mayor and the Treasurer shall issue and deliver new Debentures in exchange or substitution for Debentures outstanding on the registry with the same maturity dates and of like form which have become mutilated, defaced, lost, subject to a mysterious or unexplainable disappearance, stolen, destroyed or dematerialized, provided that the applicant therefor shall have: (a) paid such costs as may have been incurred in connection therewith; (b) (in the case when a Debenture is mutilated, defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized) furnished the City with such evidence (including evidence as to the certificate number of the Debenture in question) and an indemnity in respect thereof satisfactory to the City in its discretion; and (c) surrendered to the City any mutilated or defaced Debenture in respect of which new Debentures are to be issued in substitution.
12. The Debentures issued upon any registration of transfer or exchange or in substitution for any Debentures or part thereof shall carry all the rights to interest if any, accrued and unpaid which were carried by such Debentures or part thereof and shall be so dated and shall bear the same maturity dates and, subject to the provisions of this By-law, shall be subject to the same terms and conditions as the Debentures in respect of which the transfer, exchange or substitution is effected.
13. The cost of all transfers and exchanges, including the printing of authorized denominations of the new Debentures, shall be borne by the City. When any of the Debentures are surrendered for transfer or exchange the Treasurer of the City shall: (a) in the case of an exchange, cancel and destroy the Debentures surrendered for exchange; (b) in the case of an exchange, certify the cancellation and destruction in the

registry; (c) enter in the registry particulars of the new Debenture or Debentures issued in exchange; and (d) in the case of a transfer, enter in the registry the name of the registered holder as directed by the transferor.

14. Subject to an agreement that the City may enter into to the contrary, reasonable fees may be imposed by the City for the substitution of a new Debenture or new Debentures for any of the Debentures that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized and for the replacement of any of the interest cheques that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed. When new Debentures are issued in substitution in these circumstances the City shall: (a) treat as cancelled and destroyed the Debentures in respect of which new Debentures will be issued in substitution; (b) certify the deemed cancellation and destruction in the registry; (c) enter in the registry particulars of the new Debentures issued in substitution; and (d) make a notation of any indemnities provided.
15. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder.
16. (1) The Mayor or the Deputy Mayor and the Treasurer are hereby authorized to cause the Debentures to be issued and the execution of the purchase letter in respect of the Debentures, dated as at April 20, 2022, by the Treasurer (Deputy City Manager, Finance Supports & City Treasurer) is hereby ratified, confirmed and approved. One or more of the Treasurer and the Clerk are hereby authorized to generally do all things and to execute all other documents and papers in the name of the City in order to carry out the sale of the Debentures through CDS's book entry only system and the Treasurer or the Clerk, as the case may be, is authorized to affix the City's municipal seal to any of such documents and papers.

(2) The money received by the City from the sale of the Debentures, including any premium, and any earnings derived from the investment of that money, after providing for the expenses related to their issue, if any, shall be apportioned and applied to the Capital Works, and to no other purpose except as permitted by the Act.
17. The City reserves the right to issue additional instalment debentures of the same maturities, interest rates and terms and conditions.

18. Subject to the City's statement of investment policies and goals and the applicable legislation, the City may, if not in default under the Debentures, at any time purchase any of the Debentures in the open market or by tender or by private contract at any price and on such terms and conditions (including, without limitation, the manner by which any tender offer may be communicated or accepted and the persons to whom it may be addressed) as the City may in its discretion determine.
19. This By-law comes into force on the day it is passed.

Passed in Open Council on May 3, 2022

Josh Morgan
Deputy Mayor

Michael Schulthess
City Clerk

First Reading – May 3, 2022
Second Reading – May 3, 2022
Third Reading – May 3, 2022

THE CORPORATION OF THE CITY OF LONDON					
SCHEDULE "A" TO BY-LAW NO. D.-• -•					
(1)	(2)	(3)	(4)	(5)	(6)
By-Law Number	Capital Work Description	Approved Principal Amount to be Financed Through the Issue of Debentures	Principal Amount of Debentures Previously Issued	Principal Amount of Debentures to be Issued	Term of Years
		\$	\$	\$	
General – Rate / Tax Supported (91210)					
W.-5600-57 W.-5600(a)-47 W.-5600(b)-167	Capital costs in connection with the Adelaide Street Grade Separation Canadian Pacific Railway (CPR) tracks project (TS1306)	22,714,638.00	Nil	2,020,000.00	10
W.-5569-376 W.-5569(a)-19 W.-5569(b)-98	Capital costs in connection with the Wharmcliffe Rd widening - Becher St to Springbank project (TS1355-1)	17,605,408.00	Nil	4,000,000.00	10
W.-5654-291 W.-5654(a)-96	Capital costs in connection with the 2019-2023 active transportation project (TS173919)	3,614,664.00	Nil	1,500,000.00	10
W.-5656-14 W.-5656(a)-178	Capital costs in connection with the Dundas Place - Thames Valley Parkway active transportation connection - Public Transit Infrastructure Stream Program (PTIS) project (TS1748)	1,068,001.00	Nil	1,013,000.00	10
W.-5662-111	Capital costs in connection with the Dundas Street Old East Village streetscape improvements – PTIS project (TS1749)	2,186,940.00	1,231,300.00	955,640.00	10
W.-5598-54 W.-5598(a)-521 W.-5598(b)-43 A.-7961-98	Capital costs in connection with the East Multi-Purpose Recreation Centre project (RC2756)	23,384,735.00	18,792,370.00	2,800,000.00	10
Total – General Rate / Tax Supported (91210)				12,288,640.00	

THE CORPORATION OF THE CITY OF LONDON					
SCHEDULE "A" TO BY-LAW NO. D.-● -●					
(1)	(2)	(3)	(4)	(5)	(6)
By-Law Number	Capital Work Description	Approved Principal Amount to be Financed Through the Issue of Debentures	Principal Amount of Debentures Previously Issued	Principal Amount of Debentures to be Issued	Term of Years
		\$	\$	\$	
Non-Rate / Tax Supported (RESF88-95410)					
W.-5643-22 W.-5643(a)-110	Capital costs in connection with the Industrial Land Development Strategy (ILDS) sanitary servicing trunk and internal oversizing project (ID1057)	7,250,000.00	5,100,000.00	590,000.00	10
Total – Non-rate / Tax Supported (RESF88-95410)				590,000.00	
Non-Rate / Tax Supported (RESF99-95410)					
W.-5558-198 W.-558(a)-310 W.-558(b)-272 W.-558(c)-56	Capital costs in connection with the Mud Creek erosion and flooding remediation- stormwater servicing project (ES2681)	8,210,621.00	Nil	750,000.00	10

THE CORPORATION OF THE CITY OF LONDON					
SCHEDULE "A" TO BY-LAW NO. D.-• -•					
(1)	(2)	(3)	(4)	(5)	(6)
By-Law Number	Capital Work Description	Approved Principal Amount to be Financed Through the Issue of Debentures	Principal Amount of Debentures Previously Issued	Principal Amount of Debentures to be Issued	Term of Years
		\$	\$	\$	
W.-5667-198	Capital costs in connection with the Huron Industrial Lands System Stormwater Management Facility (SWMF) upgrade project (ID2095A)	4,311,209.00	Nil	3,525,000.00	10
W.-5642-486 W.-5642(a)-193	Capital costs in connection with the southwest capacity improvement project (ES5263)	18,938,987.00	4,300,000.00	2,846,360.00	10
W.-5641-485	Capital costs in connection with the Wonderland Pumping Station upgrade project (ES5264)	5,000,000.00	Nil	1,000,000.00	10
Total – Non-rate / Tax Supported (RESF99-95410)				8,121,360.00	
TOTAL				21,000,000.00	

THE CORPORATION OF THE CITY OF LONDON

Schedule "B" to By-law NO. D.-● -●

Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc. ("CDS") to The Corporation of the City of London or its agent for registration of transfer, exchange or payment, and any certificate issued in respect thereof is registered in the name of CDS & CO., or in such other name as is requested by an authorized representative of CDS (and any payment is made to CDS & CO. or to such other entity as is requested by an authorized representative of CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered holder hereof, CDS & CO., has a property interest in the securities represented by this certificate herein and it is a violation of its rights for another person to hold, transfer or deal with this certificate.

No. FRG22-01

\$21,000,000.00

CANADA
Province of Ontario
THE CORPORATION OF THE CITY OF LONDON

FULLY REGISTERED GLOBAL INSTALMENT DEBENTURE

THE CORPORATION OF THE CITY OF LONDON (THE "ISSUER"), for value received, hereby promises to pay to

CDS & CO.

as nominee of CDS or registered assigns, subject to the Conditions attached hereto which form part hereof (the "Conditions"), by the final maturity date of this global debenture (May 9, 2032), the principal amount of

Twenty-One Million Dollars

----- (\$21,000,000.00) -----

by annual payments on the 9th day of May in each of the years 2023 to 2032, both inclusive, in the amounts set forth in the attached Schedule (the "Schedule") in lawful money of Canada, and to pay interest thereon until the final maturity date of this Global Debenture in like money in semi-annual payments from May 9, 2022, or from the last date on which interest has been paid on this Global Debenture, whichever is later, at the rates of interest set forth in the Schedule, in arrears on the 9th day of May and the 9th day of November, in each year, commencing on November 9, 2022 (each, a "Payment Date") in the manner provided in the Conditions. Subject to the Conditions, interest shall be paid on default at the applicable rate set out in the Schedule both before and after default and judgment. The applicable interest rate, the payments of principal and interest and the principal balance outstanding in each year are shown in the Schedule.

This Global Debenture is subject to the Conditions.

DATED at the City of London the 9th day of May, 2022.

IN TESTIMONY WHEREOF and under the authority of the related debenture by-law (Bill No. 206) duly passed by the Council of the Issuer on the 3rd day of May, 2022, pursuant to which this Global Debenture is authorized and issued (the "Debenture By-law"), this Global Debenture is sealed with the municipal seal of the Issuer and signed by the Deputy Mayor and by the Treasurer thereof.

Date of Registration: May 9, 2022

Deputy Mayor

(seal)

Treasurer

SCHEDULE

Year	CUSIP No.	ISIN No.	Interest Rate %	Semi-annual Interest		Principal May 9 \$	Total Annual Payment \$	Principal Balance Outstanding May 9 \$
				May 9 \$	November 9 \$			
2022					341,775.00	-	341,775.00	21,000,000.00
2023	541908LE7	CA541908LE74	2.40	341,775.00	316,575.00	2,100,000.00	2,758,350.00	18,900,000.00
2024	541908LF4	CA541908LF40	2.90	316,575.00	286,125.00	2,100,000.00	2,702,700.00	16,800,000.00
2025	541908LG2	CA541908LG23	3.15	286,125.00	253,050.00	2,100,000.00	2,639,175.00	14,700,000.00
2026	541908LH0	CA541908LH06	3.20	253,050.00	219,450.00	2,100,000.00	2,572,500.00	12,600,000.00
2027	541908LJ8	CA541908LJ61	3.30	219,450.00	184,800.00	2,100,000.00	2,504,250.00	10,500,000.00
2028	541908LK3	CA541908LK35	3.35	184,800.00	149,625.00	2,100,000.00	2,434,425.00	8,400,000.00
2029	541908LL1	CA541908LL18	3.45	149,625.00	113,400.00	2,100,000.00	2,363,025.00	6,300,000.00
2030	541908LM9	CA541908LM90	3.55	113,400.00	76,125.00	2,100,000.00	2,289,525.00	4,200,000.00
2031	541908LN7	CA541908LN73	3.60	76,125.00	38,325.00	2,100,000.00	2,214,450.00	2,100,000.00
2032	541908LP2	CA541908LP22	3.65	38,325.00	-	2,100,000.00	2,138,325.00	-
				1,979,250.00	1,979,250.00	21,000,000.00	24,858,500.00	

LEGAL OPINION

We have examined the Debenture By-law of the Issuer authorizing the issue of instalment debentures in the aggregate principal amount of \$21,000,000.00 dated May 9, 2022 and maturing in ten (10) instalments of principal of varying amounts on the 9th day of May in each of the years 2023 to 2032, both inclusive.

The Debenture By-law has been properly passed and is within the legal powers of the Issuer. The instalment global debenture issued under the Debenture By-law (in the aggregate principal amount of \$21,000,000.00), substantially in the within form (the "Global Debenture") is a direct, general, unsecured and unsubordinated obligation of the Issuer. The Global Debenture is enforceable against the Issuer subject to the special jurisdiction and powers of the Ontario Land Tribunal over defaulting municipalities under the *Municipal Affairs Act*, as amended. This opinion is subject to and incorporates all the assumptions, qualifications and limitations set out in our opinion letter delivered on the date of the Global Debenture.

Toronto, May 9, 2022

WeirFoulds LLP

CONDITIONS OF GLOBAL DEBENTURE

Form, Denomination, Ranking and Beneficial Interests in Global Debenture

1. The debentures issued pursuant to the Debenture By-law (collectively the "Debentures" and individually a "Debenture") are issuable as fully registered Debentures without coupons in denominations of \$1,000.00 and any integral multiples thereof.
2. The Debentures are direct, general, unsecured and unsubordinated obligations of the Issuer. The Debentures rank concurrently and equally in respect of payment of principal and interest with all other debentures of the Issuer except for the availability of money in a sinking or retirement fund for a particular issue of debentures.
3. This Debenture is a Global Debenture registered in the name of the nominee of CDS and held by CDS. Beneficial interests in this Global Debenture are represented through book entry accounts, to be established and maintained by CDS, on its records for CDS's participants (the "Participants") in accordance with its participant agreement and rules and procedures which are posted on CDS's website.
4. Except in the limited circumstances described herein, owners of beneficial interests in this Global Debenture will not be entitled to have Debentures registered in their names, will not receive or be entitled to receive physical delivery of Debentures and will not be considered registered holders of Debentures under the Conditions. The Issuer does not have any responsibility or liability for maintaining, supervising or reviewing any records of CDS or Participants relating to payments made or to be made by CDS or any Participant on account of beneficial ownership interests in this Global Debenture.

Certificated Debentures

5. This Global Debenture is exchangeable, in whole but not in part, for certificated Debentures in definitive form registered in the name of a person other than CDS or its nominee only upon the occurrence of any of the following events: (a) upon 30 days notice by CDS to the Issuer, CDS may discontinue the eligibility of this Global Debenture on deposit, or cease to hold this Global Debenture in respect of the Debentures; or (b) if CDS ceases to be a recognized clearing agency under applicable Canadian or provincial securities legislation and a successor is not appointed; or (c) if the Issuer gives CDS appropriate notice that it is unable or unwilling to continue to have CDS hold this Global Debenture as a book entry only security or that it desires or has processed an entitlement requiring a withdrawal of this Global Debenture, and the Issuer has all right, power, capacity and authority to do so.
6. Debentures issued in exchange for this Global Debenture shall be issued as certificated Debentures in definitive form in authorized denominations, shall have the same benefits and be subject to the same terms and conditions as this Global Debenture (except insofar as they specifically relate to this Global Debenture as such), shall be registered in such names and in such denominations as CDS shall direct and shall be delivered as directed by the persons in whose names such definitive Debentures are to be registered.
7. Upon the exchange of certificated Debentures in definitive form for this Global Debenture, the Issuer shall receive and cancel this Global Debenture, shall reduce the holdings of CDS & CO. on the registry to nil and shall issue or cause to be issued in exchange for this Global Debenture certificated Debentures in definitive form in an aggregate principal amount equal to and in exchange for the Participants' proportionate interests in this Global Debenture as of the record date for such exchange, as directed by CDS. On or after any such exchange, but only to the extent reasonably practicable in the circumstances, the Issuer shall make all payments in respect of such certificated Debentures in definitive form to the registered holders thereof, notwithstanding such exchange occurred after the record date for any payment and prior to such payment date.

Registration

8. The Issuer will keep at its designated office in the City of London a registry in which shall be entered the names and addresses of the registered holders of Debentures and particulars of the Debentures held by them respectively and in which transfers, exchanges and substitutions of Debentures may be registered.

Title

9. The Issuer shall not be bound to see to the execution of any trust affecting the ownership of any Debenture or be affected by notice of any equity that may be subsisting in respect thereof. The Issuer shall deem and treat registered holders of Debentures, including this Global Debenture, as the absolute owners thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or to the order of registered holders shall be valid and effectual to discharge the liability of the Issuer on the Debentures to the extent of the amount or amounts so paid.

Payments of Principal and Interest

10. The record date for purposes of payment of principal of and interest on the Debentures is as of 5:00 p.m. on the sixteenth calendar day preceding any Payment Date, including a maturity date. Principal of and interest on the Debentures are payable by the Issuer to the persons registered as holders in the registry on the relevant record date. The Issuer shall not be required to register any transfer, exchange or substitution of Debentures during the period from any record date to the corresponding Payment Date.

11. The Issuer shall make all payments in respect of annual principal and semi-annual interest on the Debentures on the Payment Dates commencing with a payment of semi-annual interest on November 9, 2022 electronically in final and irrevocable same-day funds in accordance with the applicable requirements of CDS, so long as this Global Debenture is held by CDS.

12. In the case that certificated Debentures in definitive form are issued, the Issuer shall make all payments in respect of principal and outstanding interest in lawful money of Canada at maturity upon presentation and surrender thereof at any specified branch in Canada of the Issuer's bank designated in the definitive Debentures, and prior to maturity, shall make payments of interest by cheque sent by mail to the registered addresses of the registered holders or, if authorized in writing, by electronic transfer.

13. Whenever it is necessary to compute any amount of interest in respect of the Debentures for a period of less than one full year, other than with respect to regular semi-annual interest payments, such interest shall be calculated on the basis of the actual number of days in the period and a year of 365 days or 366 days, if applicable.

14. Payments in respect of principal of and interest on the Debentures shall be made only on a day on which banking institutions in Toronto, Ontario, are not authorized or obligated by law or executive order to be closed (a "Business Day"), and if any date for payment is not a Business Day, payment shall be made on the next following Business Day and no further interest shall be paid in respect of the delay in such payment.

15. Where a Debenture is registered in more than one name, the principal of and interest from time to time payable on such Debenture shall be paid to or to the order of all the joint registered holders thereof, failing written instructions to the contrary from all such joint registered holders, and such payment shall constitute a valid discharge to the Issuer.

16. In the case of the death of one or more joint registered holders, despite sections 9 and 15 of the Conditions, the principal of and interest on any Debentures registered in their names may be paid to the survivor or survivors of such holders and such payment shall constitute a valid discharge to the Issuer.

Transfers, Exchanges and Substitutions

17. Debentures are transferable or exchangeable at the office of the Treasurer of the Issuer upon presentation for such purpose accompanied by an instrument of transfer or exchange in a form approved by the Issuer and which form is in accordance with the prevailing Canadian transfer legislation and practices, executed by the registered holder thereof or such holder's duly authorized attorney or legal personal representative, whereupon and upon registration of such transfer or exchange and cancellation of the Debenture or Debentures presented, a new Debenture or Debentures of an equal aggregate principal amount in any authorized denomination or denominations will be delivered as directed by the transferor, in the case of a transfer or as directed by the registered holder in the case of an exchange.

18. The Issuer shall issue and deliver Debentures in exchange for or in substitution for Debentures outstanding on the registry with the same maturity dates and of like form in the

event of a mutilation, defacement, loss, mysterious or unexplainable disappearance, theft, destruction or dematerialization, provided that the applicant therefor shall have: (i) paid such costs as may have been incurred in connection therewith; (ii) (in the case of a mutilated, defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized Debenture) furnished the Issuer with such evidence (including evidence as to the certificate number of the Debenture in question) and indemnity in respect thereof satisfactory to the Issuer in its discretion; and (iii) surrendered to the Issuer any mutilated or defaced Debenture in respect of which new Debentures are to be issued in substitution.

19. Each Debenture executed and delivered upon any registration of transfer or exchange for or in substitution for any Debenture or part thereof shall carry all the rights to interest, if any, accrued and unpaid which were carried by such Debenture or part thereof and shall be so dated.

20. Subject to an agreement that the Issuer may enter into to the contrary, the Issuer shall not impose any fees in respect of the Debentures, in the normal course of business, other than reasonable fees for the issue of new Debentures in substitution for Debentures that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen, destroyed or dematerialized or for the issue of new cheques, in substitution for interest cheques that are mutilated, defaced, lost, mysteriously or unexplainably missing, stolen or destroyed.

Purchases

21. Subject to the investment policies and goals of the Issuer and the applicable legislation, the Issuer may, if not in default under the Debentures, at any time purchase Debentures in the open market or by tender or by private contract at any price and on such terms and conditions (including without limitation, the manner by which any tender offer may be communicated or accepted and the persons to whom it may be addressed) as the Issuer may in its discretion determine.

Additional Debentures

22. The Issuer has reserved the right to issue additional instalment debentures of the same maturities, interest rates and terms and conditions.

Notices

23. Except as otherwise expressly provided herein, any notice required to be given to a registered holder of one or more of the Debentures will be sufficiently given if a copy of such notice is mailed or otherwise delivered to the registered address of such registered holder. If the Issuer or any registered holder is required to give any notice in connection with the Debentures on or before any day and that day is not a Business Day then such notice may be given on the next following Business Day.

Time

24. Unless otherwise expressly provided herein, any reference herein to a time shall be considered to be a reference to Toronto time.

Governing Law

25. The Debentures are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario.

THE CORPORATION OF THE CITY OF LONDON

SCHEDULE "C" TO BY-LAW NO. D.-● -●

SCHEDULE

<u>S.A. INTEREST</u> <u>MAY 9</u>	<u>S.A.</u> <u>INTEREST</u> <u>NOV 9</u>	<u>MATURITY</u> <u>MAY 9</u>	<u>INTEREST</u>	<u>PRINCIPAL AMOUNT</u>	<u>S.A. INTEREST MAY</u> <u>9</u>	<u>S.A. INTEREST</u> <u>NOV 9</u>	<u>ANNUAL PAYMENT</u>
9/May/2022	9/Nov/2022	2022			\$ -	\$ 341,775.00	\$ 341,775.00
9/May/2023	9/Nov/2023	2023	2.400%	\$ 2,100,000.00	\$ 341,775.00	\$ 316,575.00	\$ 2,758,350.00
9/May/2024	9/Nov/2024	2024	2.900%	\$ 2,100,000.00	\$ 316,575.00	\$ 286,125.00	\$ 2,702,700.00
9/May/2025	9/Nov/2025	2025	3.150%	\$ 2,100,000.00	\$ 286,125.00	\$ 253,050.00	\$ 2,839,175.00
9/May/2026	9/Nov/2026	2026	3.200%	\$ 2,100,000.00	\$ 253,050.00	\$ 219,450.00	\$ 2,572,500.00
9/May/2027	9/Nov/2027	2027	3.300%	\$ 2,100,000.00	\$ 219,450.00	\$ 184,800.00	\$ 2,504,250.00
9/May/2028	9/Nov/2028	2028	3.350%	\$ 2,100,000.00	\$ 184,800.00	\$ 149,625.00	\$ 2,434,425.00
9/May/2029	9/Nov/2029	2029	3.450%	\$ 2,100,000.00	\$ 149,625.00	\$ 113,400.00	\$ 2,363,025.00
9/May/2030	9/Nov/2030	2030	3.550%	\$ 2,100,000.00	\$ 113,400.00	\$ 76,125.00	\$ 2,289,625.00
9/May/2031	9/Nov/2031	2031	3.600%	\$ 2,100,000.00	\$ 76,125.00	\$ 38,325.00	\$ 2,214,450.00
9/May/2032	9/Nov/2032	2032	3.650%	\$ 2,100,000.00	\$ 38,325.00	-	\$ 2,138,325.00
GRAND TOTAL				\$ 21,000,000.00	\$ 1,979,250.00	\$ 1,979,250.00	\$ 24,958,500.00

Appendix “B”

City of London

C\$21.0 million 1-10 year Serial Debenture
Transaction Review

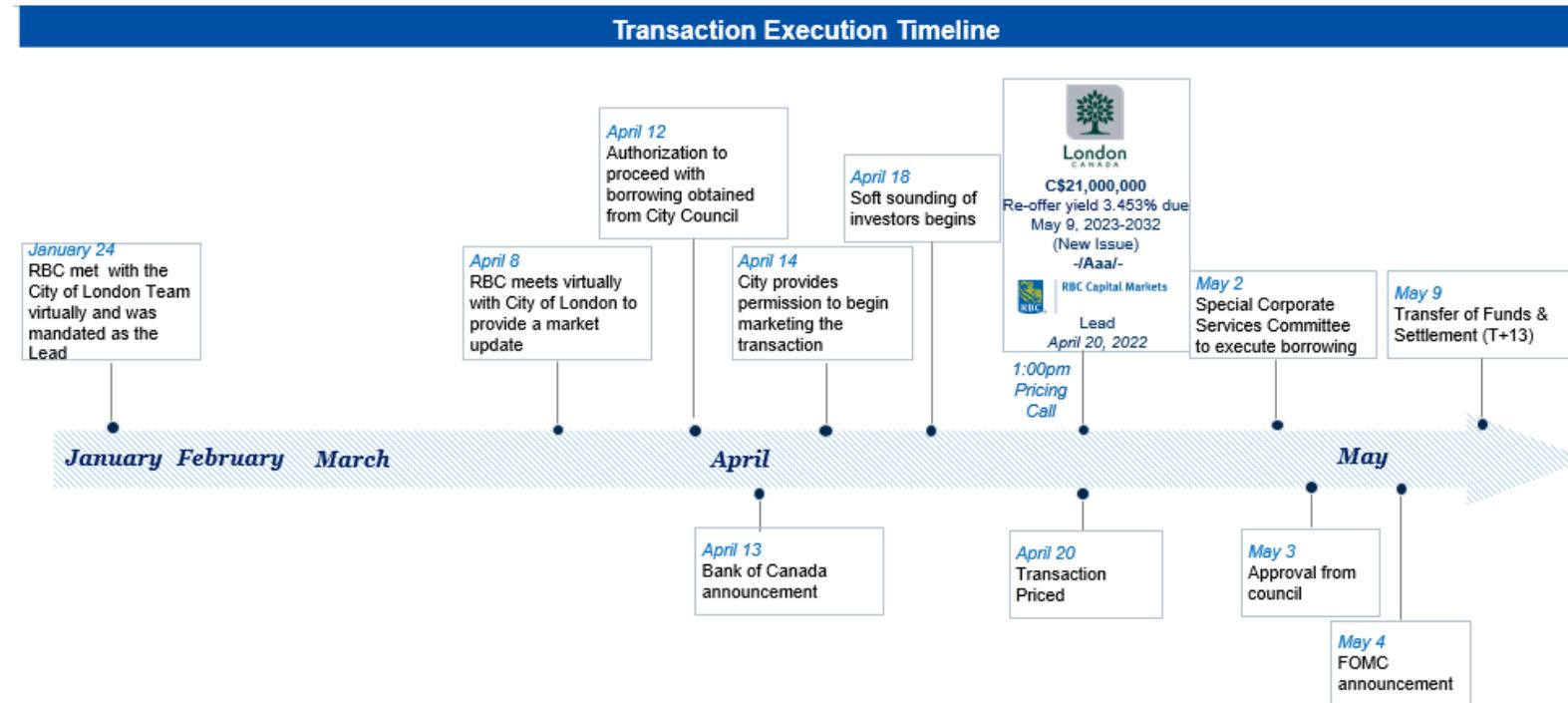
May 2022



City of London Transaction Review

Timeline and Transaction Details

- RBC was pleased to have the opportunity to lead the City of London's spring 2022 debenture issuance
 - The offering continues a long history of successful City of London new issue transactions
 - The transaction experienced an exceptionally strong book build as a result of the City's positive market presence and Aaa credit rating
- The City was able to price well in advance of the May 2nd Special Committee Meeting and achieve its desired settlement date of May 9th, 2022
- London was able to successfully navigate a volatile financial market environment, and achieve a re-offer yield of 3.453%
 - All bonds within the 1-10 year serial structure were placed with investors by RBC on behalf of the syndicate



City of London Transaction Review

Macro Overview

- Financial markets in 2022 have continued to digest concerns around COVID-19, rising inflation, geopolitical tensions (Ukraine/Russia), and increasingly hawkish Central Bank activity
- Central Banks have done a u-turn on inflation in the past number of months, noting that price pressures appear to be more entrenched than previously thought
- GoC yields have seen significant upward movement since the beginning of the year, largely driven by the front-end of the yield curve which has taken the brunt of the market's hawkish Central Bank expectations
- The Bank of Canada on April 13th delivered a 50 basis point hike, as was expected by the market, representing its largest hike since 2000
 - The Bank also announced that it would stop buying bonds and engage in "quantitative tightening"; the market continues to price in an exceptionally hawkish stance from the Bank of Canada, with around eight 25bp rate hikes priced for 2022 (there are five meetings remaining)
- Inflation has been a driving factor for Central Bank activity, with BoC Governor stating multiple times that the Bank will be 'as forceful as needed' in combatting inflation
 - The Canadian Headline CPI showed year-on-year price growth at 6.7% in March, its highest level since 1991; market reaction was relatively muted, with yields remaining stable and allowing for a smooth pricing of the City's debenture issue
- The upcoming U.S. Federal Reserve meeting on May 4th presents a significant amount of market risk. There are large expectations for a 50 basis point rate hike from the Fed, and a significant amount of scrutiny will be placed on whether the Fed begins quantitative tightening and the pace at which it is conducted

London 10-Year Re-Offer Yields

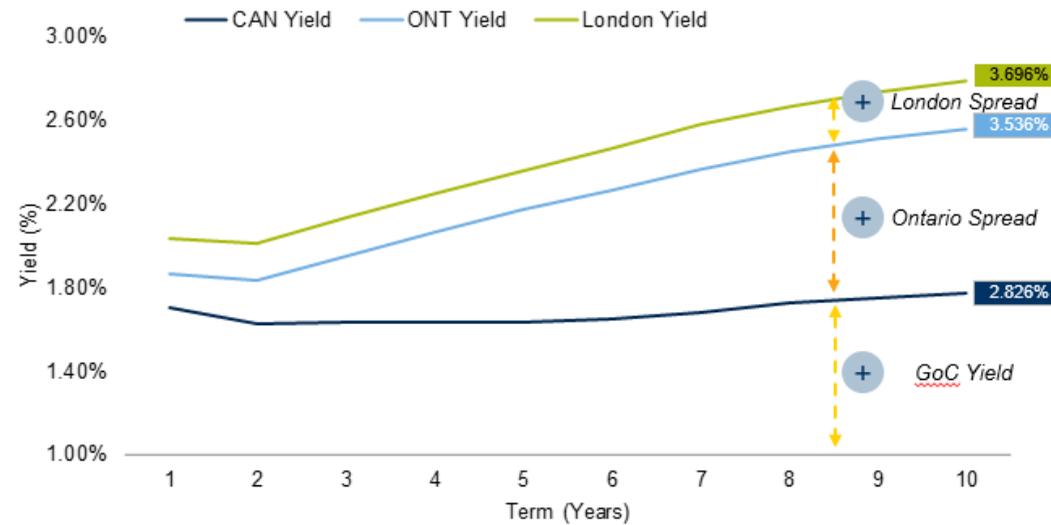


Markets continue to price in a significant degree of Central Bank tightening in the form of interest rate hikes

City of London Transaction Review

City of London 1-10yr Serial Debenture – Yield Curve

- The City of London's cost of borrowing along the yield curve consists of the underlying Government of Canada yields plus a yield spread to reflect the credit premium required by investors to purchase City of London debentures. The credit yield premium can be further broken down as follows:
 - City of London Yield (%) = Canada Yield (%) + Ontario Spread (%) + City of London Spread (%)
- The City's 'Aaa' rating from Moody's bond rating agency allows London to issue debentures at the lowest yields amongst municipal issuers of serial debentures



City of London Transaction Review

City of London Pricing

- London was able to achieve an attractive weighted average all-in cost of 3.563% for its 1-10yr structure
- Final pricing for the 2022 offering was ONT +13 basis points for the 5-year maturity and ONT +15 basis points for the 10-year maturity
- Line sizes were of equal size at C\$2.1 million throughout the structure
- Weighted average life of ~5.5 years for the structure

London 1-10 Year Serial Pricing

TERM (YR)	PRINCIPAL AMOUNT	MATURITY MAY 9	GoC BENCHMARK	BENCHMARK YIELD	SPREAD vs. GOC	OFFERING YIELD	COUPON	OFFERING PRICE (\$)	CC	DRAWDOWN	NET PRICE (\$)	NET YIELD
1	2,100,000	2023	TBILL	2.170%	0.280%	2.430%	2.400%	\$ 99.971	\$ 0.2500	\$ 0.1000	\$ 99.7210	2.885%
2	2,100,000	2024	CAN 0.25% 1APR24	2.588%	0.355%	2.941%	2.900%	\$ 99.921	\$ 0.2500	\$ 0.1000	\$ 99.6710	3.071%
3	2,100,000	2025	CAN 1.25% 1MAR25	2.888%	0.470%	3.156%	3.150%	\$ 99.983	\$ 0.3500	\$ 0.2000	\$ 99.8330	3.279%
4	2,100,000	2026	CAN 0.25% 1MAR26	2.719%	0.525%	3.244%	3.200%	\$ 99.836	\$ 0.4500	\$ 0.2500	\$ 99.3860	3.385%
5	2,100,000	2027	CAN 1.25% 1MAR27	2.752%	0.585%	3.317%	3.300%	\$ 99.922	\$ 0.5000	\$ 0.2500	\$ 99.4220	3.427%
TOTAL	10,500,000					3.152%		\$ 99.927			\$ 99.5670	3.280%
6	2,100,000	2028	CAN 1% 1JUN27	2.721%	0.675%	3.398%	3.350%	\$ 99.752	\$ 0.8000	\$ 0.3000	\$ 99.1520	3.508%
7	2,100,000	2029	CAN 2% 1JUN28	2.731%	0.750%	3.481%	3.450%	\$ 99.809	\$ 0.7000	\$ 0.3000	\$ 99.1090	3.595%
8	2,100,000	2030	CAN 2.25% 1JUN29	2.738%	0.840%	3.578%	3.550%	\$ 99.820	\$ 0.7500	\$ 0.3500	\$ 99.0700	3.685%
9	2,100,000	2031	CAN 0.5% 1DEC30	2.815%	0.825%	3.640%	3.600%	\$ 99.695	\$ 0.7500	\$ 0.3500	\$ 98.9450	3.739%
10	2,100,000	2032	CAN 1.5% 1DEC31	2.828%	0.870%	3.698%	3.650%	\$ 99.618	\$ 0.7500	\$ 0.3500	\$ 98.8880	3.787%
TOTAL	10,500,000					3.574%		\$ 99.739			\$ 99.0290	3.678%
GRAND TOTAL	21,000,000	WATM = 5.5 YRS				3.453%		\$ 99.833	\$ 0.535		\$ 99.2980	3.563%

London Historical Transaction Yields (2014-2022)

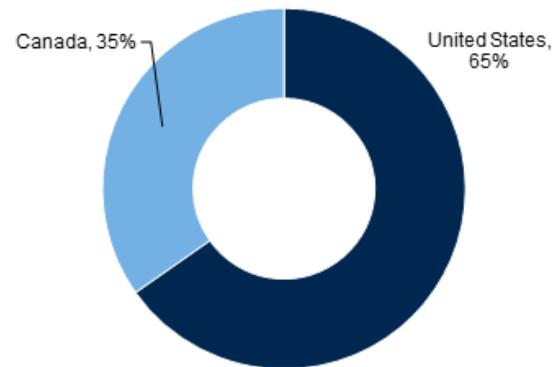
Year	Re-Offer Yield	All-In Yield
2022	3.453%	3.563%
2021	1.705%	1.819%
2020	1.571%	1.673%
2019	2.549%	2.655%
2018	2.869%	2.976%
2017	2.375%	2.480%
2016	2.196%	2.301%
2015	1.765%	1.869%
2014	2.850%	2.957%

City of London Transaction Review

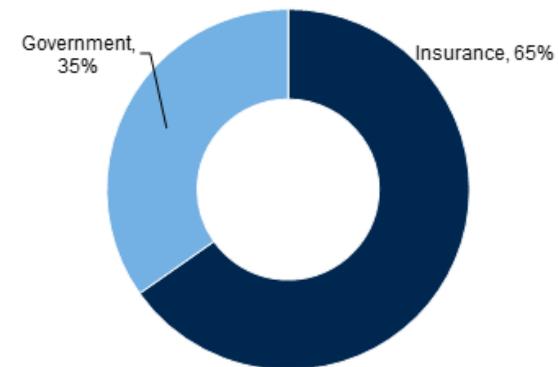
Distribution

- The City of London bonds were broadly distributed across 5 institutional investors
 - All bonds within the transaction were placed by RBC on behalf of the syndicate
 - The transaction experienced an exceptionally strong book build as a result of the City's positive market presence and Aaa credit rating
- The offering was primarily placed with US investors (65%) while 35% was placed into Canada
 - Domestic breakdown includes Ontario (15%), Manitoba (10%), and Saskatchewan (10%)
- In terms of investor type, the transaction was purchased by Insurance Companies (65%), and Governments (35%)

Geographic Distribution



Distribution by Investor Type



City of London Transaction Review

City of London C\$21.0 million 1-10 year Serial Debenture



London
CANADA

C\$21,000,000
All-in yield 3.563% due
May 9, 2023-2032
(1-10yr Serial New Issue)



RBC Capital Markets

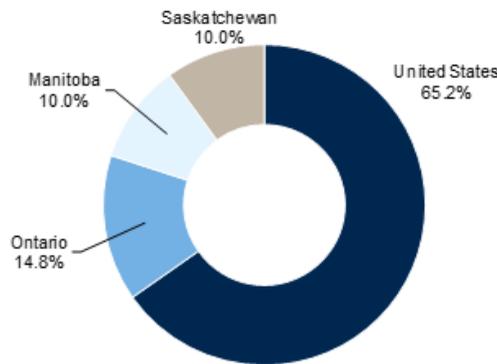
Lead
April 20, 2022

- On Wednesday April 20, 2022 the City of London (“London”) priced a successful C\$21.0 million 1-10 year serial debenture with RBC as Lead Manager
 - The offering represented the City’s return to the Debt Capital Markets since its offering in March 2021
 - The transaction marked the 3rd municipal serial offering of 2022
- London is a regular issuer of serial debentures in the Canadian market, having completed an offering in each consecutive year since 2011 for a cumulative C\$506.3 million
- London was able to successfully navigate a challenging market backdrop has seen historic levels of rate volatility driven by inflation concerns, central bank rhetoric, and geopolitical issues
 - The Bank of Canada earlier in April raised rates by 50bps, its largest hike since 2000, and announced the beginning of quantitative tightening
 - The Canadian CPI report the morning of the transaction saw headline inflation reach 6.7%, the highest level since 1991, though the overall GoC reaction to the print was limited given that much of the inflation backdrop had been priced in
- London began marketing the transaction broadly on Monday, April 18th which gave RBC an opportunity to soft sound investor interest during a period of relative stability
- The transaction experienced an exceptionally strong book build as a result of the City’s positive market presence and Aaa credit rating, with RBC securing sufficient demand in order to price the transaction on Wednesday, April 20th
 - London priced the transaction at 1pm ET on Wednesday, April 20th with all lines of the transaction placed on behalf of the syndicate by RBC
 - The City priced the transaction with a re-offer yield of 3.453%, resulting in an all-in cost of funds to the City of 3.563%
- The offering saw demand from 5 high-quality institutional investors from the United States (65%), Ontario (15%), Manitoba (10%), and Saskatchewan (10%)
- In terms of investor type , the transaction was purchased by Insurance Companies (65%) and Government investors (35%)

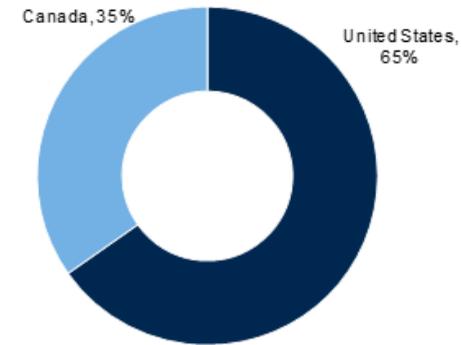
Summary Details

Issuer:	City of London
Ratings:	-/Aaa/-
Launch Date:	April 18, 2022
Price Date:	April 20, 2022
Settlement Date:	May 9, 2022 (T+13)
Structure:	1-10 Year Serial
Size:	C\$21.0 million
Wt. Avg. Life:	5.5 years
Re-Offer Yield:	3.453%
All-In Yield:	3.563%
# Institutional Buyers:	5
Lead:	RBC

Overall Distribution by Geography



Overall Distribution by Type



Disclaimer

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