



**London**  
CANADA

## **City of London: 10 Year Serial Debenture Issue – Deal Review**

August 26, 2013

**Presented By:**  
**TD Securities**

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## Summary – Optimism in the pace of economic recovery

Broadly speaking the flow of global economic data recently has been biased towards optimism, the result of which has been a dramatic selloff in fixed income product. Noteworthy, however is the fact that the fixed income selloff has not translated into a marked rally in equities, which was somewhat expected. The concern over a withdrawal of major central bank stimulus has resulted in not only falling bond prices but also falling equity prices.

During the week of August 12th when the City of London launched the 10yr serial debenture, the following were the major economic themes in capital markets.

### North America

- US Tapering Talk: Markets were monitoring US Fed speak closely for any change to the consensus view that tapering will happen at the September 18 FOMC meeting. For that week, only Lockhart (Tues 13th) and Bullard (Wed 14th) had scheduled speeches, both of whom we had already heard from.
- US Data Tapering Signals: Markets were looking for continued strength in economic data. Ahead of the City of London deal, markets saw July Retail Sales (Tues 13th) that met expectations. After London priced, markets saw a 6 year low print for Jobless Claims (Thurs 15<sup>th</sup>). The data generated a sharp selloff in fixed income in both Canada and the US towards the end of the week.

### Europe

- German ZEW Survey (Tues 13th): As the key sentiment survey out of Europe that week, the ZEW index proved supportive for European equities, beating both the prior print and expectations.
- Eurozone Q2 GDP (Wed 14th): The main focus in Europe was the GDP numbers released mid-week, which showed strength. Both the Eurozone and France officially exited recession and the German numbers were better than expected.



## The rapid pace of rising bond yields has surprised many market participants

- The rising yields in government bonds during the week of August 12 was a continuation of a larger bear market that started early in May 2013. The move was driven by stronger economic data, positive consumer confidence, headlines and central bank speakers.
- Government of Canada bonds (GoC's) sold off in sympathy with falling US Treasuries and global sovereign debt.
- Generic GoC 5yr and 10yr benchmark yields 2013 year-to-date can be found below.





## The following events have driven the rise in yields



The above is the Government of Canada (GoC) 10 year bond yield from May 2013 to August 16. Source: Bloomberg

## TD is forecasting rates to continue to rise steadily through 2015

		2013				2014				2015			
		Q1	Q2	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
United States	Target for Fed Funds Rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.75
	3-mth T-Bill Rate	0.07	0.03	0.10	0.20	0.20	0.20	0.20	0.20	0.25	0.50	0.80	1.00
	2-yr Govt. Bond Yield	0.24	0.36	0.30	0.40	0.45	0.55	0.75	0.90	1.20	1.50	1.80	2.15
	5-yr Govt. Bond Yield	0.76	1.39	1.25	1.40	1.50	1.60	1.75	1.90	2.15	2.45	2.65	2.90
	10-yr Govt. Bond Yield	1.85	2.49	2.45	2.60	2.75	2.85	2.95	3.05	3.20	3.40	3.55	3.75
	30-yr Govt. Bond Yield	3.10	3.50	3.65	3.75	3.90	4.00	4.00	4.05	4.15	4.35	4.40	4.50
Canada	Overnight Target Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.75	2.00
	3-mth T-Bill Rate	0.98	1.02	0.95	0.95	0.95	0.95	1.05	1.40	1.40	1.50	1.85	1.95
	2-yr Govt. Bond Yield	1.00	1.22	1.20	1.25	1.30	1.35	1.55	1.70	1.90	2.20	2.50	2.75
	5-yr Govt. Bond Yield	1.30	1.80	1.75	1.90	2.00	2.10	2.20	2.35	2.45	2.65	2.85	3.00
	10-yr Govt. Bond Yield	1.87	2.44	2.45	2.60	2.70	2.75	2.80	2.85	2.95	3.10	3.20	3.35
	30-yr Govt. Bond Yield	2.50	2.90	2.95	3.05	3.10	3.15	3.20	3.25	3.35	3.50	3.65	3.85

\* Forecast as of August 1, end of period

- TD is forecasting a steady rise in rates to 2015. There will likely be volatility in the path to higher rates. We are currently through our forecast for GoC 10yrs for 3Q (end of Sept) by 25bps (2.70% vs. 2.45% forecast).
- The 4Q (end of year) forecast for GoC 10yrs is 2.60%.
- TD is forecasting that the Bank of Canada overnight rate will remain unchanged for all of 2013, with 50bps of hikes expected in 2014Q4.
- The Bank of Canada will be one of the first developed market central banks to hike, though the timing and magnitude depends on international events and the Federal Reserve.



## Provincial Borrowing for 2013 year-to-date is ahead of schedule

### 2013/2014 Borrowing Requirements: Fiscal Year (April 1-March 31)

Issuer	S&P	Moody's	DBRS	Projected 2013/14	Issued	Remaining	Percentage Completed	Percentage Fiscal Year	Last Deal Completed (Size/Mat/Sprd/Announced)
British Columbia	AAA	Aaa	AA(high)	8,120	4,831	3,289	59%	39%	\$500mm 2023 @ 84.5 / Aug13
Alberta	AAA	Aaa	AAA	7,340	3,386	3,954	46%	39%	\$825mm 2029 @ 84.5 / Jul13
Saskatchewan	AAA	Aa1	AA	1,350	-	1,350	0%	39%	\$200mm 2042 @ 84 / Feb13
Manitoba	AA	Aa1	A(high)	4,800	2,040	2,760	42%	39%	\$100mm 2029 @ 96 / Jul13
Ontario	AA-(neg)	Aa2	AA (low)	33,400	13,216	20,184	40%	39%	\$650mm 2045 @ 103.5 / Aug13
Quebec	A+	Aa2	A(high)	10,671	8,985	1,686	84%	39%	\$500mm 2023 @ 95.5 / Aug13
Quebec Hydro *	A+	Aa2	A(high)	2,400	598	1,802	25%	64%	\$500mm 2050 @ 102.5 / Jul13
Financement Quebec	A+	Aa2	A(high)	1,000	-	1,000	0%	39%	\$150mm 2018 @ 3mCdor / Feb13
New Brunswick	A+	Aa2	A(high)	1,947	480	1,467	25%	39%	\$100mm 2018 @ 63.5 / Jun13
Nova Scotia	A+	Aa2	A	630	499	130	79%	39%	\$500mm 2018 @ 3mCdor+16 / Aug13
Newfoundland	A+	Aa2	A	-	-	-	0%	39%	-
Prince Edward Island	A	Aa2	A(low)	200	67	133	33%	39%	\$75mm 2053 @ 115 / Jul13
<b>Total</b>				<b>71,858</b>	<b>34,102</b>	<b>37,755</b>	<b>47%</b>	<b>39%</b>	

Notes: All requirement amounts are in C\$ MM's.

\* Denotes estimate for fiscal year ending December 31, 2013.

\* As of August 23, 2013

- As of August 23, the Provinces are 46% funded through 39% of the year (Provincial year-end is March 31).
- It should be noted that Ontario, the largest provincial borrower, is on schedule (38% funded through 39% of the year) but has not issued in public markets since July 30. Ontario cannot afford to miss many weeks of potential issuance windows.

## Municipal Borrowing for 2013 year-to-date is behind schedule

2013 Borrowing Requirements									
Issuer	S&P	Moody's	DBRS	Projected 2013	Issued	Remaining	Percentage Completed	Percentage Fiscal Year	Last Deal Completed (Size/Mat/Announced)
Halton	AAA	Aaa		30	30	-	100%	64%	\$30mm / Serial / May13
Hamilton	AA	Aa3		50	-	50	0%	64%	
London		Aaa		50	50	-	100%	64%	\$50mm / Serial / Aug13
MFABC	AAA	Aaa		300	-	300	0%	64%	
Montreal	A+	Aa2	AH	550	400	150	73%	64%	\$400mm / Sep23 & Dec32 / Jan13
NBMFC	A+	Aa2	AH	74	74	0	100%	64%	\$73.65mm / Serial / May13
Ottawa	AA+	Aaa		325	154	171	47%	64%	\$154mm / Jul2053 / Jul13
Peel	AAA	Aaa		333	333	-	100%	64%	\$250mm / Dec33 / Aug13
Quebec City		Aa2		162	162	-	100%	64%	
Toronto	AA	Aa1	AA	650	-	650	0%	64%	
TransLink	AA	Aa2		250	-	250	0%	64%	
Vancouver	AA	Aaa	AA	125	-	125	0%	64%	
Waterloo		Aaa		145	145	-	100%	64%	
Winnipeg	AA	Aa1		140	60	80	43%	64%	\$60mm / Nov51/ Aug13
York	AAA	Aaa		550	250	300	45%	64%	\$250mm / May33 & May43 / Apr13
<b>Total</b>				<b>3,734</b>	<b>1,658</b>	<b>2,076</b>	<b>44%</b>	<b>64%</b>	

Notes: All requirement amounts are in C\$ MM's.

As of August 23, 2013

- As of August 23, Canadian municipalities are 44% funded through 64% of the year (Municipal year-end is December 31)
- Historically, most of the expected municipal issuance is weighted to the back end of the year. Municipal issuers that come to markets only once during the year, tend to wait until the fall (i.e. 2H). e.g. London, Vancouver, Waterloo, TransLink.
- As TD expects rates to continue to rise over the next few years, these issuers should consider issuing bonds earlier in the budget year.



The following is the Canadian Municipal issuance for 2013 year-to-date

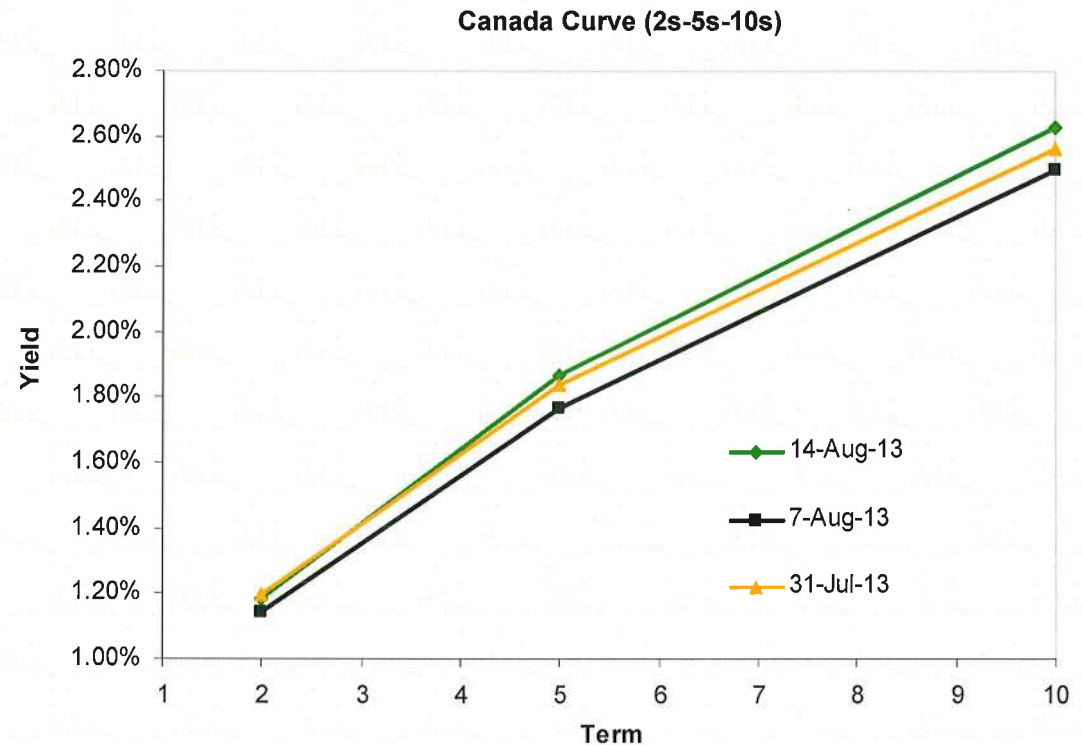
Date	Issuer	Rating	Size (MM)	Term	BM Spread	Sprd/ONT
01/10/2013	City of Montreal	Aa2/A+/AH	150	20	175.3	52/Q
01/10/2013	City of Montreal	Aa2/A+/AH	250	11	151.3	48/Q
02/19/2013	Quebec City	Aa2	80	1-5, 10	Various	Various
04/16/2013	Quebec City	Aa2	82	1-5, 10	Various	Various
04/25/2013	Region of Waterloo	Aaa	50	30	142.5	35.0
04/25/2013	Region of Waterloo	Aaa	95	20	142.5	33.5
04/30/2013	Region of York	Aaa/AAA	100	30	139.0	34.0
04/30/2013	Region of York	Aaa/AAA	150	20	139.0	33.0
05/08/2013	Region of Halton	Aaa/AAA	30	1-10	Various	Various
06/14/2013	Region of Peel	Aaa/AAA	50	1-10	70.5 / 116.0	19.0 / 25.0
06/14/2013	Region of Peel	Aaa/AAA	33	40	130.0	31.0
05/28/2013	NBMFC	Aa2/A+/AH	74	1-20	76.0 / 123.5	28.0 / 36.5
07/17/2013	City of Ottawa	Aaa/AA+	154	40	151.0	33.0
08/01/2013	City of Winnipeg	Aa1/AA	60	38	134	34
08/09/2013	Region of Peel	Aaa/AAA	250	20	133.0	28.5
08/14/2013	City of London	Aaa	50	1-10	78.5 / 119.0	19.0 / 25.0

## Corporate and Government issuance was steady through August

Date	Issuer	Rating	Size (MM)	Term	BM Spread	Sprd/ONT
08/01/2013	City of Winnipeg	Aa1/AA	60	38	141.0	33.5
08/06/2013	National Bank	Aa3/A/AAL	750	5	95.0	43.0
08/07/2013	Bank of Nova Scotia	Aa2/AA-/AA	750	5	97.0	44.0
08/07/2013	Province of Quebec	Aa2/A+/AH	500	10	95.5	3.3
08/08/2013	Province of Nova Scotia	Aa2/A+/AH	500	5	3mBA+16	n/a
08/09/2013	Region of Peel	Aaa/AAA	250	20	133.0	28.5
08/09/2013	Iron Mountain	Ba1/BB-	200	8	n/a	-
08/12/2013	VW Credit Canada	A3/A-	125	2	3mBA+37	n/a
08/12/2013	VW Credit Canada	A3/A-	325	5	102.6	-
08/12/2013	TD Bank	Aa1/AA-/AAA	1500	4	76.9	35.0
08/13/2013	Enbridge Pipelines	A-/A	250	10	116.0	25.0
08/13/2013	Enbridge Pipelines	A-/A	300	30	145.0	43.0
08/14/2013	City of London	Aaa	50	1-10	Various	19-25
08/15/2013	Alimentation Couche-Tard	Baa3/BBB-	300	7	188.1	-
08/20/2013	Canada Housing Trust	Aaa/AAA/AAA	1900	5	3mBA+5	n/a
08/20/2013	Canada Housing Trust	Aaa/AAA/AAA	2000	10	49.0	-45.0

## Going into the deal, GoC yields were rising

- Going into the Aug 12<sup>th</sup> week, the trend in GoC's was:
  - A general selloff, particularly in the belly of the curve: Excluding the very front end (2yrs), over a 2 week period GoC's sold off across the curve, following US treasuries lower as tapering concerns became increasingly prevalent.
  - Cheapening of the 10yr sector: 10yrs were the big underperformer on the Canadian curve, with both 2s/10s and 5s/10s steadily steepening to historical highs in the 2 weeks heading into the London trade.





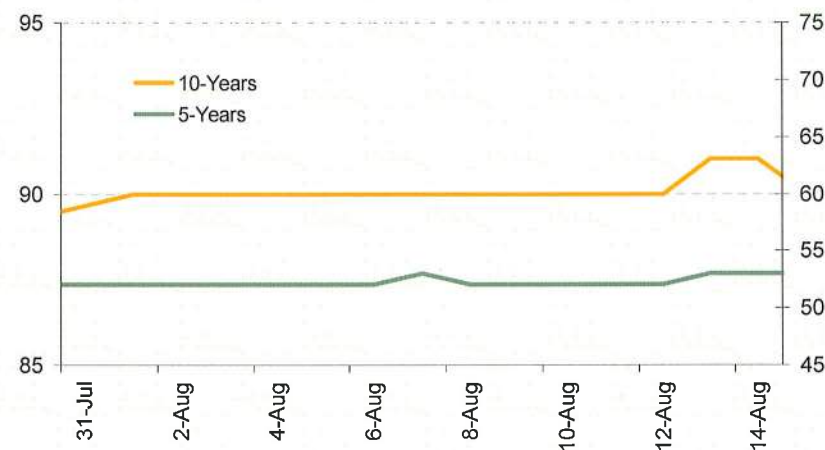
## Going into the deal, Ontario spreads were stable

- Ontario spreads (Ontario versus the Canada curve) are important to monitor for Canadian municipal issuers. The reason is because all Canadian Municipal paper is quoted and traded at a spread to Ontario. Therefore, municipal spreads can implicitly narrow or widen based on changing Ontario spreads to GoC's.
- Although Ontario spreads showed some weakness through the summer, they were remarkably stable through the City of London's issuance window.

ONT Spread vs. Benchmark



ONT Spread vs. Benchmark



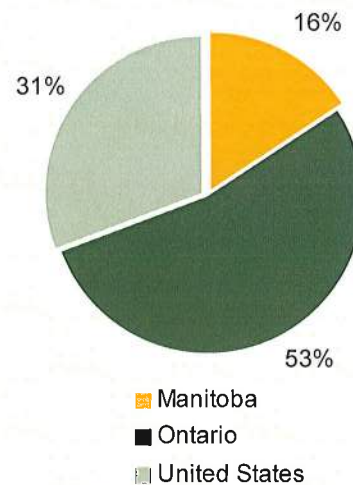
## The 2013 City of London 10 year Serial Debenture issuance was very well received by the market

- Receptivity by investors was strong due to 1) the infrequency of City of London issuance making the name coveted 2) the high-quality Aaa credit rating and 3) the lack of municipal supply year to date.
- The deal was originally planned to launch and price on August 20. Due to a concern over rapidly rising market rates, the pricing was moved forward by 4 days to Wednesday August 14.
- The City's flexibility to move the pricing date forward resulted in savings of approximately 5-7 basis points.
- The issue was launched with a hard cap of 50mm in size. Interest built quickly and there were some accounts that were turned away.
- The bonds tightened 1-2bps from initial price chatter due to strong investor interest.
- The final spreads achieved were Ontario + 19bps in 5yrs and Ontario + 25bps in 10yrs. This is the tightest spread levels achieved of the last 3 London issues.
- City of London spreads are comparable to Peel Region (Aaa/AAA), York Region (Aaa/AAA), Waterloo Region (Aaa) and Infrastructure Ontario (Aa2/AA+).

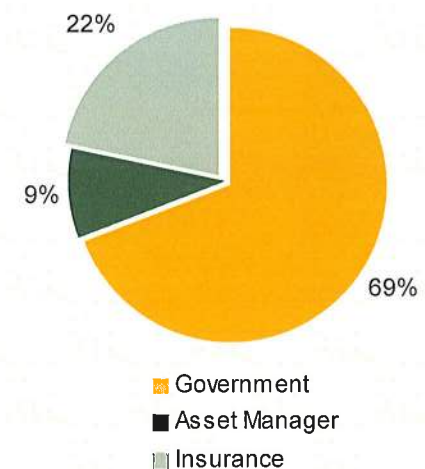
**Deal Day Timetable: August 14, 2013**

<b>8:45am</b>	Call to London with morning colour
<b>9:05am</b>	Call to co-leads
<b>9:30am</b>	Attempted first pricing call (London not available)
<b>11:00am</b>	Pricing call commenced
<b>11:20am</b>	Issue priced

**Geographic Distribution**



**Distribution by Investor Type**



## Primary distribution of the bonds was broad-based into good buy-and-hold type clients

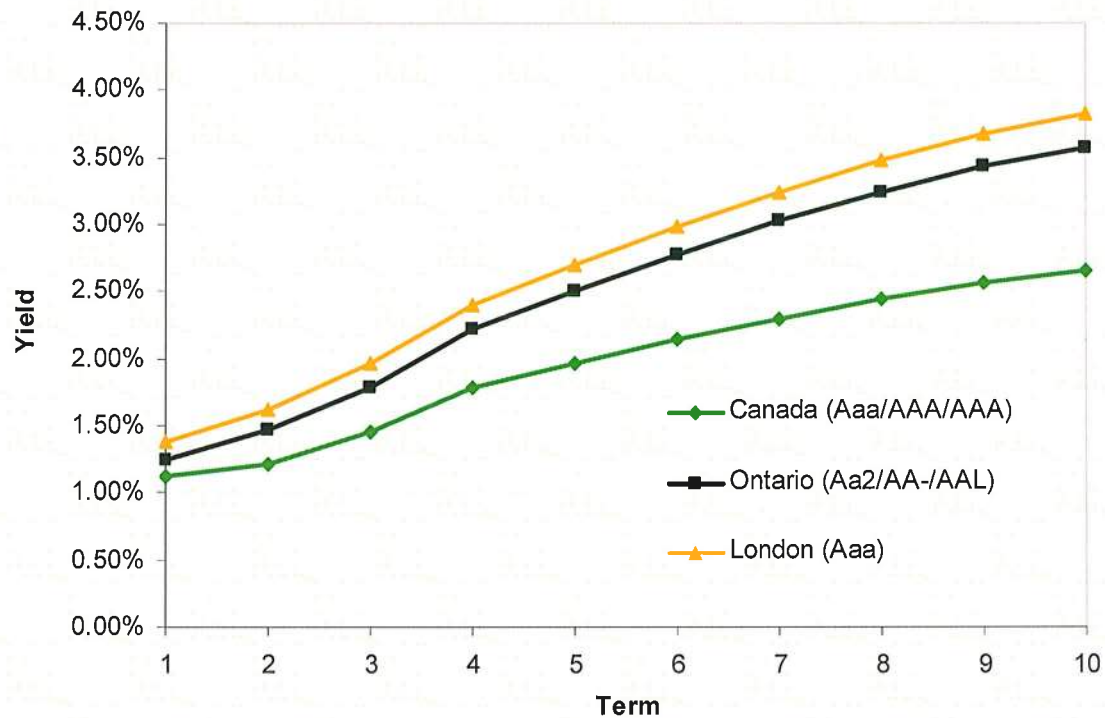
- The City of London issuance was very well received by investors. Core support came from other municipalities, insurance accounts and off-shore real money accounts.
- There were 10 unique buyers, all of which purchased for cash (as opposed to versus Canada's or other bonds).
- There were four new investors, all of which are Canadian municipalities (Halton, Hamilton, Oakville, Burlington).
- The new buyers accounted for 13.5mm of purchases or 27% of the total issue.
- There were 6 investors that also purchased London bonds in 2011 and/or 2012. Four of these buyers (York, Ottawa, Winnipeg, and State Farm) have been frequent supporters. They have taken part in London issuance in at least 4 of the last 6 deals.
- City of London bonds are attracting a broader investor base year over year. A broader investor base is important to ensure that future deals will clear and perform in the after-market.

Investor (C\$ MM)	Aug-13	Sep-12	Nov-11	Oct-07	Jun-04	Sep-03
AllianceBernstein		\$ 2.50				
Burlington, City of	\$ 1.00					
Deutsche Asset Management	\$ 4.67		\$ 5.72			
Durham Region		\$ 14.73	\$ 9.64			
Great-West Life Assurance		\$ 17.00			\$ 30.00	\$ 33.00
Halton Region	\$ 5.61					
Hamilton, City of	\$ 4.79					
Munich Re			\$ 5.00			
Niagara Region			\$ 2.00			
Oakville, Town of	\$ 2.05					
Ottawa, City of	\$ 2.19	\$ 4.00			\$ 4.00	\$ 3.40
Peel Region	\$ 1.92		\$ 3.00			
Saskatoon, City of			\$ 3.00			
State Farm Insurance	\$ 10.79	\$ 12.09	\$ 13.42	\$ 12.50	\$ 2.00	\$ 5.00
Travellers Insurance		\$ 1.00				
Waterloo Region			\$ 2.00			
Winnipeg, City of	\$ 7.98	\$ 5.75	\$ 3.31		\$ 4.00	
York Region	\$ 9.00	\$ 12.93	\$ 16.31	\$ 3.80		
<b>Total</b>	<b>\$ 50.00</b>	<b>\$ 70.00</b>	<b>\$ 63.40</b>			



## City of London – 10yr Serial Debenture Curve Construction

- The City of London yield curve consists of the underlying Government of Canada yields plus a spread to reflect the Ontario credit curve plus a spread to reflect the City of London credit curve.
- City of London bonds trade in secondary markets as a spread versus Ontario.
- As a result of strong demand for City of London bonds, London versus Ontario spreads are at the tight end of the historical range.




**RBC Capital Markets®**
**City of London Buyers List**

Issuer:	City of London	
Description:	1.35% - 3.80% Serial Debentures due September 3, 2014-2023	
Size:	\$ 50,000,000.00	
Lead:	TD / CIBC WM / RBC CM	
Launch:	August 14, 2013	
Settlement:	September 3, 2013	
Yield (s.a.):	3.299%	Interest Payment: March 3, September 3
Spread (bps):	Various	DBRS Rating: NR
Benchmark:	Various	S&P Rating: NR
CDA Call (bps):	N/A	Moody's Rating: Aaa
Term (years):	10yr Serial	Security ID: Various

Exempt Clients	Location
City of Winnipeg	Manitoba
City of Burlington	Ontario
City of Winnipeg	Manitoba
Deutsche Asset Management	United States
City of Hamilton	Ontario
Regional Municipality of Peel	Ontario
Regional Municipality of York	Ontario
Regional Municipality of York	Ontario
Town of Oakville	Ontario
Regional Municipality of York	Ontario
City of Ottawa	Ontario
State Farm Insurance Co.	United States
State Farm Insurance Co.	United States
Regional Municipality of Halton	Ontario

Allotment		
\$99.9700	4,433,000	1.35% 3SEP2014
\$99.9510	1,000,000	1.60% 3SEP2015
\$99.9510	3,550,000	1.60% 3SEP2015
\$99.9650	4,671,000	1.95% 3SEP2016
\$99.9760	4,794,000	2.40% 3SEP2017
\$99.7940	1,921,000	2.65% 3SEP2018
\$99.7940	3,000,000	2.65% 3SEP2018
\$99.7690	3,000,000	2.95% 3SEP2019
\$99.7690	2,052,000	2.95% 3SEP2019
\$99.7220	3,000,000	3.20% 3SEP2020
\$99.7220	2,185,000	3.20% 3SEP2020
\$99.8240	5,323,000	3.45% 3SEP2021
\$99.8450	5,463,000	3.65% 3SEP2022
\$99.8540	5,608,000	3.80% 3SEP2023

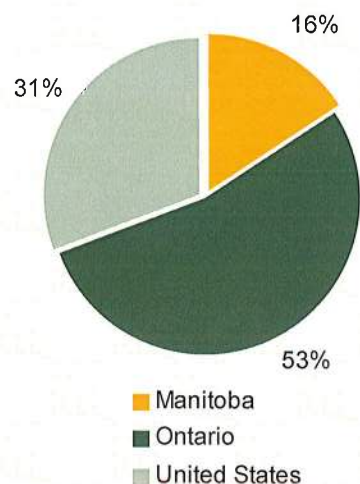
**Total Exempt:**
**\$50,000,000**
**Total Deal Size**
**\$50,000,000**
**Number of Exempt/Institutional Buyers**
**10**

## Summary Terms & Conditions

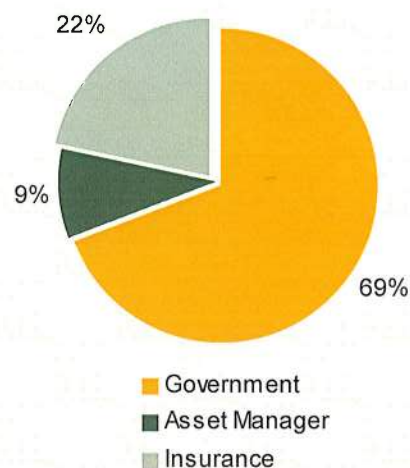
Issuer	City of London, Ontario
Rating	Aaa (Moody's)
Trade Date	14-August-2013
Settlement Date	3-September-2013 (T+13)
Maturity Date	Serial: 3-September-2014 to 3-September-2023
Coupon Dates	March 3 and September 3, first coupon 3-March-2014
Benchmark	Various
Re-offer Spread	Various
Issue Price / Yield	99.863 / 3.191% (blended 10yr)
Lead	TD Securities (Lead and Bookrunner)

## Distribution of the Issue

**Geographic Distribution**



**Distribution by Investor Type**



## Transaction Highlights

- The City of London 10yr serial issue was very well received by the market despite the softening economic backdrop. Bond liquidity was beginning to thin ahead of quieter summer trading, rates were backing up and credit was widening.
- TD recommended going into hurry-up offense after government yields started to back up sharply on Monday August 12<sup>th</sup>. August 14<sup>th</sup> pricing day saw relatively stable yields. The issue was originally scheduled to be launched the week of August 19<sup>th</sup>.
- The bonds tightened 1-2bps from initial price chatter due to strong investor interest.
- The final spreads achieved were Ontario + 19bps in 5yrs and Ontario + 25bps in 10yrs. This was flat to the Peel Region serial from 14-Jun-2013.
- The transaction was launched with a hard cap of 50mm in size. Interest built quickly and there were some accounts that were turned away.
- The issue was launched and priced quickly (emphasizing the strong interest).
- The issue was distributed to 10 investors with presence from Ontario and Manitoba-based government investors, as well as US-based asset management and insurance interest. All investors were cash buyers.
- There were four new investors, all of which are Canadian municipalities (Halton, Hamilton, Oakville, Burlington). These new buyers accounted for 13.5mm of purchases or 27% of the total issue.
- There were 6 investors that also purchased London bonds in 2011 and/or 2012. Four of these buyers (York, Ottawa, Winnipeg, and State Farm) have been frequent supporters. They have taken part in London issuance in at least 4 of the last 6 deals.
- The bonds were underwritten by London's Fiscal Agents (TD lead and CIBC/RBC co-leads).



New Issue Terms	
Launch:	14-Aug-13
Settlement:	03-Sep-13
Term (Years):	10.0
Amount:	\$ 50,000,000.00
Ratings:	Aaa

			Reference Canada Bond			Offering Terms				Fees		Net Terms	
Year	Maturity	Notional	Coupon	Maturity	Yield	Sprd to BM	Yield	Coupon	Price	Draw Down (\$/bond)	Commission (\$/bond)	Net Price	Net Yield
1	03-Sep-14	4,433,000	0.000%	07/31/2014	1.130%	25.0	1.380%	1.350%	99.970	0.100	0.250	99.720	1.633%
2	03-Sep-15	4,550,000	2.500%	06/01/2015	1.180%	44.5	1.625%	1.600%	99.951	0.100	0.250	99.701	1.753%
3	03-Sep-16	4,671,000	2.000%	06/01/2016	1.382%	58.0	1.962%	1.950%	99.965	0.200	0.350	99.615	2.083%
4	03-Sep-17	4,794,000	4.000%	06/01/2017	1.666%	74.0	2.406%	2.400%	99.976	0.250	0.450	99.526	2.525%
5	03-Sep-18	4,921,000	4.250%	06/01/2018	1.909%	78.5	2.694%	2.650%	99.794	0.250	0.500	99.294	2.802%
Sub-Total		23,369,000					2.255%	2.231%	99.929	0.182	0.364	99.566	2.380%
6	03-Sep-19	5,052,000	3.750%	06/01/2019	2.102%	89.0	2.992%	2.950%	99.769	0.300	0.600	99.169	3.102%
7	03-Sep-20	5,185,000	3.500%	06/01/2020	2.265%	98.0	3.245%	3.200%	99.722	0.300	0.700	99.022	3.357%
8	03-Sep-21	5,323,000	3.250%	06/01/2021	2.405%	107.0	3.475%	3.450%	99.824	0.350	0.750	99.074	3.583%
9	03-Sep-22	5,463,000	2.750%	06/01/2022	2.540%	113.0	3.670%	3.650%	99.845	0.350	0.750	99.095	3.769%
10	03-Sep-23	5,608,000	1.500%	06/01/2023	2.628%	119.0	3.818%	3.800%	99.854	0.350	0.750	99.104	3.909%
Total		50,000,000					3.191%	3.164%	99.863	0.261	0.549	99.314	3.299%

### New Issue Terms

Launch:	<b>14-Aug-13</b>
Settlement:	<b>03-Sep-13</b>
Term (Years):	<b>10.0</b>
Amount:	<b>\$ 50,000,000.00</b>
Ratings:	<b>Aaa</b>

			Reference Canada Bond			Offering Terms			
Year	Maturity	Notional	Coupon	Maturity	Yield	Spd to BM	Yield	Coupon	Price
1	03-Sep-14	4,433,000	0.000%	07/31/2014	1.130%	25.0	1.380%	1.350%	99.970
2	03-Sep-15	4,550,000	2.500%	06/01/2015	1.180%	44.5	1.625%	1.600%	99.951
3	03-Sep-16	4,671,000	2.000%	06/01/2016	1.382%	58.0	1.962%	1.950%	99.965
4	03-Sep-17	4,794,000	4.000%	06/01/2017	1.666%	74.0	2.406%	2.400%	99.976
5	03-Sep-18	4,921,000	4.250%	06/01/2018	1.909%	78.5	2.694%	2.650%	99.794
<b>Sub-Total</b>		<b>23,369,000</b>					<b>2.255%</b>	<b>2.231%</b>	<b>99.929</b>
6	03-Sep-19	5,052,000	3.750%	06/01/2019	2.102%	89.0	2.992%	2.950%	99.769
7	03-Sep-20	5,185,000	3.500%	06/01/2020	2.265%	98.0	3.245%	3.200%	99.722
8	03-Sep-21	5,323,000	3.250%	06/01/2021	2.405%	107.0	3.475%	3.450%	99.824
9	03-Sep-22	5,463,000	2.750%	06/01/2022	2.540%	113.0	3.670%	3.650%	99.845
10	03-Sep-23	5,608,000	1.500%	06/01/2023	2.628%	119.0	3.818%	3.800%	99.854
<b>Total</b>		<b>50,000,000</b>					<b>3.191%</b>	<b>3.164%</b>	<b>99.863</b>

July 2013						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			
August 2013						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
September 2013						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

**Legend**

	Canadian Markets Closed
	Commence Marketing Process
	Potential Pricing Dates
	Target Pricing Date
	Presentation to Corporate
	Services Committee
	Council Meeting
	Settlement Date

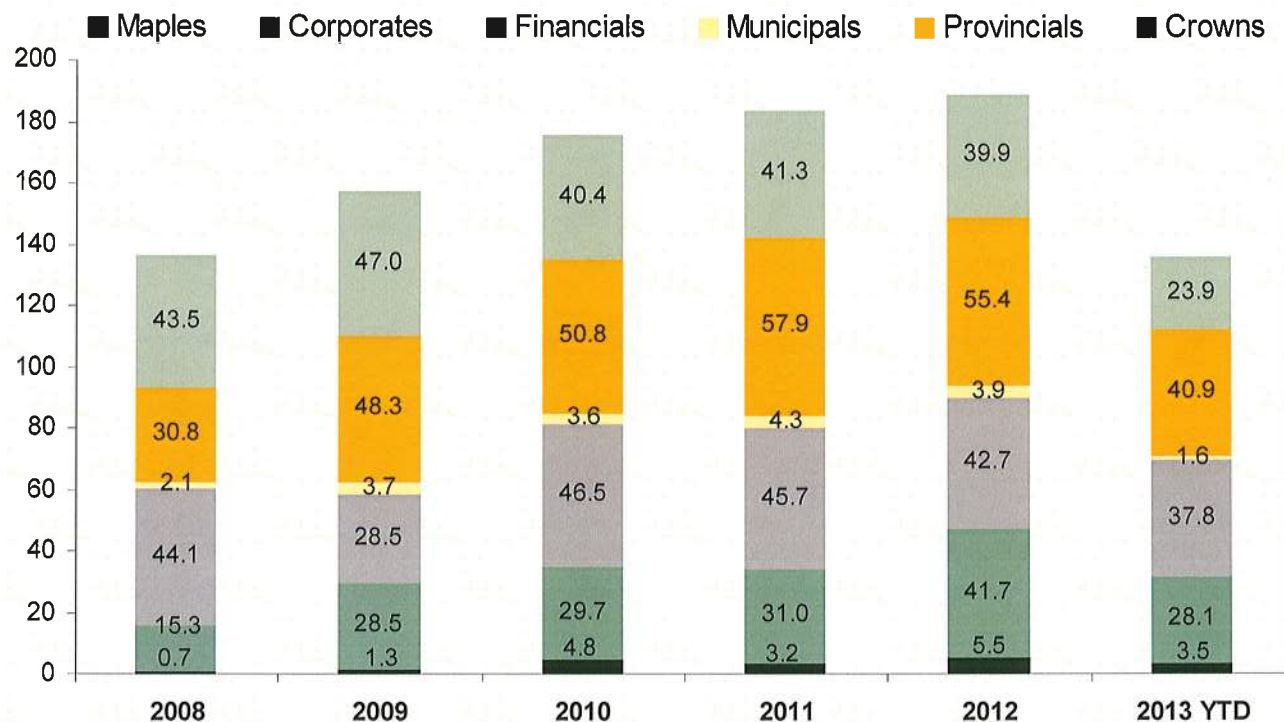
Working Group	
The City of London	("London")
Toronto-Dominion Bank (Lead Dealer)	("TD")
Borden Ladner Gervais LLP (Counsel)	("BLG")
Co-Lead Dealers	("Co-Leads")



Timetable		
Date	Description of Events	Responsibility
<b>Week of August 6<sup>th</sup></b>		
	► Obtain authorization to proceed with financing	London
	► Ensure draft by-laws and other documentation are in order	London, BLG
<b>Week of August 12<sup>th</sup> – Prior to Marketing</b>		
	► Provide colour on market tone and Indicative Term Sheets	TD
	► Sign off from London to proceed	London, TD
	► Discussion amongst syndicate members	TD, Co-Leads
<b>Week of August 12<sup>th</sup> – Marketing</b>		
	► Solicit preliminary investor feedback	TD
	► Update City and Syndicate	TD
<b>Pricing Date – August 19<sup>th</sup>-21<sup>st</sup></b>		
	► Market update on investor interest	London, TD
	► Commence pricing call, price / launch transaction	TD, London, Co-Leads
	► Distribute bonds to investors	TD, Co-Leads
	► Finalize Term Sheet, distribute to the City, Counsel	TD
	► Apply for CUSIPs / ISINs	TD
<b>Post Pricing</b>		
	► Preparation of draft documentation (Purchase Letter, Offering Circular, Underwriting Agreement)	TD, BLG
	► Prepare repayment schedules and splits for global debenture certificates (if applicable)	TD, BLG
	► Completion of BOE & CDS documentation	London, BLG
	► Finalize By-laws	London, BLG
<b>August 27<sup>th</sup></b>		
	► Council meeting: pass By-laws	London
<b>August 28<sup>th</sup></b>		
	► Upload documents to CDS	London
<b>Settlement and Closing – September 3<sup>rd</sup></b>		
	► TD to wire proceeds to London's account	TD, London
	► Ensure closing documents completed, Global Bond received by CDS	BLG
<b>Post- Closing</b>		
	► Deal review	TD

Provincial C\$ Spreads	3YR	5YR	7YR	10YR	20YR	30YR
<b>Ontario Crv Spread</b>	<b>31</b>	<b>54</b>	<b>73</b>	<b>92</b>	<b>108</b>	<b>104</b>
<i>Ontario Rolls vs.</i>						
PEI	3	5	7	14	15	17
British Columbia	-9	-11	-11	-12.5	-9	-8.5
Alberta	-9	-11	-12	-14	-14	-14
Saskatchewan	-12	-13	-12.5	-14.5	-14	-14.5
Manitoba	-4	-5	-6	-6	-4	-4
Nova Scotia	0	0	-1	-1	2	3
Newfoundland	0	0	0	-2	-2	-1
Quebec	1	2	3.5	4.5	7	8.5
New Brunswick	2	3	3	4	8	10

Municipal C\$ Spreads	3YR	5YR	7YR	10YR	20YR	30YR
<b>Ontario Crv Spread</b>	<b>31</b>	<b>54</b>	<b>73</b>	<b>92</b>	<b>108</b>	<b>104</b>
<i>Ontario Rolls vs.</i>						
MFABC	9	11	15	17	20	22
Halton	18	21	24	26	30	32
Hamilton	19	23	26	28	32	34
London	17	19	22	25	28	31
Niagara	19	23	26	28	32	34
OILC	17	19	22	25	28	31
Ottawa	18	22	25	27	31	33
Peel Region	17	19	22	25	28	31
Toronto	18	22	25	27	31	33
TransLink	16	18	22	23	27	29
Vancouver	16	18	22	23	27	29
Waterloo	17	19	22	25	28	31
Winnipeg	19	23	26	28	32	34
York	17	19	22	25	28	31



- As of August 2013, year-to-date municipal issuance is well behind pace for the year and is behind last year's pace.
- Provincial and Municipal issuance is expected to pick up in September 2013.
- There is organic demand for September issuance due to September coupon and maturity money.



**2013 Coupon & Maturity Payments (C\$MMs)**

