



## **SUMMARY OF THE DISCUSSION**

Toronto, May 5, 2026, 4:00 p.m. to 6:00 p.m.

### **1. Recent bond market developments**

CFIF was joined by Martin Schwerdtfeger, Portfolio Manager, Tactical Asset Allocation, Total Fund Management, CPPIB, for a discussion on their views of the market.

Mr. Schwerdtfeger shared CPPIB's tactical positioning program framework<sup>1</sup>, which is based on a combination of valuation and macroeconomic environment signals. He noted that economic growth globally has mostly remained resilient in face of shocks. At the same time, core inflation has eased but remain above target while headline inflation is at or above target for major economies. According to him, markets continue to price a period of elevated inflation and tighter monetary policy due to a negative oil supply shock but continue to expect growth to be resilient.

Key themes his team is monitoring includes capital expenditure (capex) plans by hyperscalers and the impact on GDP for 2026 and 2027; US and global company earnings; resiliency of the US economy, central bank reaction function from oil prices, US government debt sustainability and potential signal that investors are demanding higher risk premia for US Treasuries.

### **2. Sustainable Finance Virtual Network (SFVN) Update**

The co-chair of SFVN provided an update on work carried out by the workstreams under the SFVN.

The Natural Capital Stream continues to find ways to improve the efficiency of capital raising for Natural Capital projects, including issuance of blue or water bonds.

The Public Issuer Disclosure Guidelines group aims to harmonize disclosure norms for ESG-labeled fixed income markets in Canada by developing standards and guidelines.

The Indigenous Bond Stream is working towards improving the efficiency of capital raising and reducing the funding cost of Indigenous projects, which on average is 200 to 300 bps above comparable projects. Members are working on guidelines and strengthen the credibility of Indigenous capital market instruments with the possibility of a validation system.

### **3. TMX Update**

CFIF is joined by Mr. Kevin Sampson, President, Canadian Depository for Securities Limited (CDS) and Co-Head, Post-Trade Services, and Ms. Karen McMeekin, President, Canadian Derivatives Clearing

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<sup>1</sup> The tactical positioning program is a small part of the overall CPPIB portfolio.

Corporation (CDCC) and Co-Head, Post-Trade Services for an update on the Canadian Collateral Management Services (CCMS) and General Collateral Canadian Derivatives Clearing Corporation (CDCC) Repo central clearing (Repo 2.0) project plan. The discussion began with introductory remarks by the President and CEO of TMX Global Markets and Post Trade, who emphasized the organization's commitment to finish the projects on time. This is echoed by Mr. Sampson and Ms. McMeekin. Both reiterated that the projects are top priorities in their respective organization.

Mr. Sampson noted that the CCMS roadmap is on track and that the project has expanded resource to accelerate delivery. They expect to finish onboarding the Bank of Canada and other cash providers on CCMS as well as enabling full Repo 2.0 and initial margin pledge by 2027Q4.

Ms. McMeekin noted that Repo 2.0 is a multi-year expansion strategy that aims to deliver a fully integrated Canadian clearing model. She commented that CDCC is working closely with CDS to optimize collective resources across the two institutions to ensure alignment with critical priorities and high-level delivery.

CFIF thanked Mr. Sampson and Ms. McMeekin and reiterated their interest in getting regular updates on the progress of the projects, including discussions on prioritization, if warranted.

#### **4. CIMPA update**

CIMPA co-chairs updated CFIF on development and progression of work carried out by CIMPA.

The co-chair noted that CIMPA members had a discussion and found that CCMS pricing practices are consistent with global standards. Working with the industry, CCMS continues to establish market best practices including aligning operating holidays and early closes to the Ontario trading calendar and establishing a *Free of Payment* cut-off time to 5pm ET. As of the time of the meeting, 16 clients, including 1 pension fund, and 2 custodians are live on CCMS.

Standardized Government of Canada General Collateral basket is expected to be formally launched in early July, upon completion of system update for CIRO reporting. Provincial and NHA MBS basket will follow in subsequent weeks.

CFIF members then held a discussion on the implications of best practice recommendations endorsed by CFIF and role of CFIF in order for such practices being adopted by the industry. The former co-chair of CARR shared CARR's experience on this subject.<sup>2</sup> He noted that it is critical to get industry consensus during the development phase of the document and recommend that CIMPA and other subgroups to consult with other industry groups beyond CIMPA membership.

Members noted CFIF expects the industry to move towards the best practice recommendations endorsed by the committee and agreed that a follow-up discussion on potential actions may be warranted if members feel the progress towards adoption of the recommendations is insufficient.

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<sup>2</sup> CARR was disbanded in October 2024,

**Meeting participants:**

**CFIF members:**

Jim Byrd, RBC Capital Markets, Co-Chair  
Brian D'Costa, Algonquin Capital  
Nick Chan, BMO Capital Markets  
Roger Casgrain, Casgrain & Company Limited  
Karl Wildi, CIBC World Markets  
Pablo Suarez, Citi Canada  
TJ Sutter, Connor, Clark & Lunn Investment Management  
Bronwyn Ward, CPP Investment Board  
Philippe Ouellette, Fiera Capital  
Inderjit Takk, iA  
Jason Lewis, Ministry of Finance, Province of British Columbia  
Chris Miller, National Bank Financial  
Vinayak Seshasayee, PIMCO  
Jason Cope, Polar Asset Management Partners  
Elaine Lindhorst, TD Asset Management  
Luc Fortin, TMX group

Item 1

Martin Schwedtfeger, CPPIB

Item 3

Kevin Sampson, CDS  
Karen McMeekin, CDCC

**Bank of Canada:**

Toni Gravelle, Co-Chair  
Wendy Chan, Secretariat  
Zahir Antia  
Grahame Johnson  
Sheryl King  
Stéphane Lavoie  
Xuezhi Liu  
Philippe Muller