



**ONE JIB
Regular Board Meeting
Agenda**

Date: September 10 2026, 10:00 a.m.
Location: AMO Office
155 University Avenue - Suite 800, Toronto, ON M5H 3B7

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1. Land Acknowledgement	
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3. Minutes of Previous Meeting	
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14. Reconvene in Public Session

15. Other Business

16. Meeting Outcomes

17. Authorizing Motion

18. Adjournment

19. Next Meeting

19.a ONE JIB Regular Meeting - November 24, 2026 (10:00 a.m. - 3:00 p.m.)



ONE JIB

Regular Board Meeting

Minutes

Meeting #: 2026-02
Date: May 28, 2026, 10:00 a.m.
Location: AMO Office (In Person and Virtual) / Zoom
155 University Avenue - Suite 800, Toronto, ON M5H 3B7

Members Present:

Board Chair B. Hughes
Board Vice-Chair G. James
J. Dowty (by phone)
C. Dyer
H. Franken
C. Fraser
J. Giles
D. Leckman
N. Pincombe
S. Pountney
S. Rettie
R. Wainwright-van Kessel

Staff:

D. Herridge, Co-President/Co-CEO, ONE Investment
A. Majidi, Interim Co-President/Co-CEO, ONE Investment
H. Douglas, WeirFoulds LLP, Legal Counsel
E. Foo, Chief Compliance Officer, ONE Investment
J. Hagan, Program Manager, LAS/ONE Investment
J. Hess, Manager of Investment Services, MFOA
D. Kelly, Board Secretary
J. Song, Board Coordinator, ONE Investment
M. Takishita, Client Services Representative, ONE Investment
K. Taylor, Chief Investment Officer, ONE Investment

Outsourced Chief Investment Officer (OCIO), PH&N Institutional:
M. Leclair, CFA, Vice President and Institutional Portfolio Manager
P. Purcell, CFA, Managing Director and Institutional Portfolio
Manager
K. Rusin, CFA, Institutional Portfolio Manager
Guest Speaker:
M. Adams, Managing Director and Head of Responsible Investment

1. Land Acknowledgement and Introduction

Board Chair Hughes made the following statement on behalf of the Board:

We recognize that our work as the ONE Joint Investment Board and the work of municipalities take place on traditional Indigenous territories across Ontario. We recognize and we respect the history, languages, and cultures of the First Nations, Metis, Inuit, and all Indigenous peoples whose presence continues to enrich our communities.

Board Chair Hughes. introduced the new Board Member, Nicole Pincombe, Commissioner of Finance/Regional Treasurer at the Regional Municipality of Durham as well as Andrea Forth, MFOA/ONE Investment Intern.

2. Disclosures of Pecuniary Interest

There were no disclosures of pecuniary interest.

3. Minutes of Previous Meeting

3.a Approval of February 26, 2026 Meeting Minutes

Moved by Board Member Fraser

THAT the Minutes of the February 26, 2026, ONE JIB Meeting be approved as circulated.

Carried

3.b Business Arising from February 26, 2026 ONE JIB Meeting Minutes

There was no business arising from the February 26, 2026, ONE JIB Minutes.

4. Communications

4.a 2025-2026 Annual Report of the Integrity Commissioner

Moved by Board Member Rettie

THAT the Board receive the 2025-2026 Annual Report of the Integrity Commissioner and thank Mr. John Mascarin for his services.

Carried

5. Board Committee Reports

There are Committee Reports.

6. Delegation

6.a Municipality of Lambton Shores

Rebecca Clothier, Director of Financial Services, made a presentation on behalf of the Municipality of Lambton Shores, outlining its location, population and demographics, communities and tourist attractions.

Moved by Board Member Wainwright-van Kessel

THAT the Board receive the presentation from Ms. Clothier on behalf of the Municipality of Lambton Shores.

Carried

6.b Town of New Tecumseth

Tanya Gaudet, Manager, Procurement & Insurance Services, made a presentation on behalf of the Town, outlining its location, population, workforce and economic drivers.

Moved by Board Member Franken

THAT the Board receive the presentation from Ms. Gaudet on behalf of the Town of New Tecumseth.

Carried

7. Reports

7.a Lambton Shores, Front of Yonge, Georgina, and New Tecumseth – Requests to Join ONE JIB (2026-022)

Moved by Board Member Giles

THAT the Board adopt the recommendations in the report, as follows:

1. Accept the Municipality of Lambton Shores, Township of Front of Yonge, Town of Georgina and Town of New Tecumseth as Participating Municipalities with ONE JIB.
2. Authorize the Chair and Board Secretary to execute the ONE JIB agreements on behalf of ONE JIB with the Municipality of Lambton Shores, Township of Front of Yonge, Town of Georgina and Town of New Tecumseth.

Carried

7.b Township of Front of Yonge's Investment Plan 2026 (2026-015)

Moved in amendment by Board Member Dyer that the Township of Front of Yonge's proposed Investment Plan be amended to provide for alternative investments (Model G+)

The amendment lost.

Moved by Board Member Rettie

THAT the Board adopt the recommendations in the report, as follows:

1. Receive the Township of Front of Yonge's Investment Policy Statement (Attachment 1)
2. Receive the Township of Front of Yonge's Municipal Client Questionnaire (Attachment 2)
3. Approve the Township of Front of Yonge's proposed Investment Plan invested in Model G (Attachment 3)

Carried

7.c Town of Georgina's Investment Plan 2026 (2026-021)

Moved by Board Member Pountney

THAT the Board adopt the recommendations in the report, as follows:

1. Receive the Town of Georgina's Investment Policy Statement (Attachment 1)

2. Receive the Town of Georgina's Municipal Client Questionnaire (Attachment 2)
3. Approve the Town of Georgina's proposed Investment Plan invested in Model G (Attachment 3)

Carried

7.d Municipality of Lambton Shore's Investment Plan 2026 (2026-017)

Moved by Board Member Fraser

THAT the Board adopt the recommendations in the report, as follows:

1. Receive the Municipality of Lambton Shore's Investment Policy Statement (Attachment 1)
2. Receive the Municipality of Lambton Shore's Municipal Client Questionnaire (Attachment 2)
3. Approve the Municipality of Lambton Shore's proposed Investment Plan invested (Attachment 3) (invested in Model G)

Carried

7.e Town of New Tecumseth's Investment Plan 2026 (2026-027)

Moved by Board Member Giles

THAT the Board adopt the recommendations in the report, as follows:

1. Receive the Town of New Tecumseth's Investment Policy Statement (Attachment 1)
2. Receive the Town of New Tecumseth's Municipal Client Questionnaire (Attachment 2)
3. Approve the Town of New Tecumseth's proposed Investment Plan invested in Model E (Attachment 3)

Carried

8. Consent Items

Moved by Board Member Dyer

THAT the Board adopt consent items 8.a, 8.b, 8.c, 8.d, 8.e, and 8.f together with the recommendations contained in the related staff reports, as follows:

8.a Risk and Audit Committee Update – Q2 2026 (2026-023)

Recommendation: Receive the Report

8.b Municipal Performance Reports Q1 2026 (2026-018)

Recommendation: Receive the Report

8.c Compliance Report Asset Class and Target Weight Allocations Q1 2026 (2026-026)

Recommendation: Receive the Report

8.d Strategic Plan – Q1 2026 Progress (2026-028)

Recommendation: Receive the Report

8.e Investment Plan Implementation Report Q1 2026 (2026-019)

Recommendation: Receive the Report

8.f Municipal Insights Report – Q2 2026 (2026-024)

Recommendation: Receive the Report

Carried

Moved by Board Member Giles

THAT the Board recess for 10 minutes.

Carried

The Board recessed at 11:11 a.m. and reconvened at 11:21 a.m.

9. Investment Oversight

9.a External Investment Manager Oversight Q1 2026 (2026-020)

Moved by Board Member Pountney

THAT the Board adopt the recommendation to receive the report.

Carried

9.b Investment Manager's Quarterly Reporting and Analysis Q1 2026 – PH&N Institutional Presentation

The following representatives from PH&N Institutional made a presentation on the [Investment Manager's Quarterly Reporting and Analysis Q1 2026](#) :

Martin Leclair, CFA, Vice President and Institutional Portfolio Manager

Paul Purcell, CFA: Managing Director and Institutional Portfolio Manager

Katherine Rusin, CFA: Institutional Portfolio Manager,

together with guest speaker:

Melanie Adams, Managing Director and Head of Responsible Investment

Moved by Board Member Leckman

THAT the Board receive the presentation.

Carried

Moved by Board Member Giles

THAT the Board recess for lunch.

Carried

The Board recessed at 12:03 p.m. and reconvened at 12:51 p.m.

9.c 2026 Investment Plan review for Aurora, Clarington, Central Frontenac, Huntsville and Innisfil (2026-014)

Moved by Board Member Leckman

THAT the Board adopt the recommendations in the report, as follows:

1. Receive the Investment Policy Statements (IPS) and Municipal Client Questionnaires (MCQ) from the following Participating Municipalities, summarized in the table below:

Municipality	MNRI Value March 31, 2026	IPS	MCQ
Town of Aurora	\$58,144,864	Attachment 1	Attachment 2
Municipality of Clarington	23,968,461	Attachment 4	Attachment 5
Township of Central Frontenac	3,784,080	Attachment 7	Attachment 8
Town of Huntsville	12,328,039	Attachment 10	Attachment 11
Town of Innisfil	68,575,864	Attachment 13	Attachment 14

2. Approve the following Investment Plans, which are summarized in the table below:

Municipality	Contribution (withdrawal) of MNRI	Current Consolidated Equity Exposure	Proposed Model Assigned (equity weight)	Allocation to Alternative Investments	Investment Plan
Town of Aurora	-	Model E (50% Equity)	Unchanged	Does not permit	Attachment 3
Municipality of Clarington	-	Model G+ (70% Equity)	Unchanged	Permits	Attachment 6
Township of Central Frontenac	+\$500,000	Model F (60% Equity)	Unchanged	Does not permit	Attachment 9
Town of Huntsville	+\$3,500,000	Model D (40% Equity)	Unchanged	Does not permit	Attachment 12
Town of Innisfil	-	Model C (30% Equity)	Unchanged	Does not permit	Attachment 15

Carried

9.d External Investment Manager (OCIO) Review (2026-016)

Moved by Board Member Rettie

THAT the Board defer consideration of this item until after the closed session

Carried

The Board considered this item at 3:20 p.m. after the closed session (see Item 12).

10. Board Governance and Administrative Matters

10.a Amendment to the ONE JIB September 2026 Meeting Date (2026-025)

Moved by Board Member Fraser

THAT the Board adopt the recommendation in the report, as follows:

1. Reschedule its meeting set for Thursday, September 3, 2026 to Thursday, September 10, 2026, at the AMO Offices, beginning at 10:00 a.m.

Carried

11. Strategy and Policy

There are no Strategy and Policy reports.

12. Closed Session

12.a Eckler Ltd. Presentation – Confidential Commercial or Financial Information – s.239 (2) (i) (j) of the Municipal Act

12.b Education Session under s. 239 (3.1) of the Municipal Act – Sinking Funds

12.c Education Session under s. 239 (3.1) of the Municipal Act – Pipeline Update

Moved by Board Member Pincombe

THAT the Board move into closed session for the purpose of receiving confidential commercial or financial information under subsections 239 (2) (i)

and (j) of the Municipal Act and holding Education Sessions on Sinking Funds and on a Pipeline Update under s. 239 (3.1) of the Municipal Act.

Carried

The Board moved into closed session at 1:03 p.m.

12. Reconvene in Public Session

Moved by Board Member Giles

THAT the Board reconvene in public session.

Carried

The Board reconvened in public session at 3:20 p.m.

Moved by Board Vice-Chair James

THAT the Board receive the confidential presentations from the education session and from the closed education session that relate to items 12.a, 12.b, and 12.c on the Agenda.

Carried

Moved by Board Member Giles

THAT the Board adopt the following recommendations in the report, as follows:

1. Approve the continuation of PH&N Institutional as the External Investment Manager

Carried

13. Other Business

There was no other business.

14. Meeting Outcomes

Board Chair Hughes outlined the outcomes from today's Board meeting.

The Board:

- Received the 2025-2026 Annual Report of the Integrity Commissioner
- Received presentations from staff from two of its new Participating Municipalities, the Municipality of Lambton Shores and the Town of New Tecumseth
- Welcomed four new municipalities – the Township of Front of Yonge, Town of Georgina, Municipality of Lambton Shores and Town of New Tecumseth, bringing its total number of Participating Municipalities to 21, a significant increase from the original six, and approved Investment Plans for each of them
- Approved six Consent items, and the recommendations in the related staff reports.

The consent items related to:

- Risk and Audit Committee Update – Q2 2026
- Municipal Performance Reports Q1 2026
- Compliance Reports Asset Class and Target Weight Allocations Q1 2026
- Strategic Plan – Q1 2026 Progress
- Investment Plan Implementation Report Q1 2026
- Municipal Insights Report – Q2 2026
- Received and approved the Investment Manager's quarterly report and analysis for Q1 2026 from PH&N Institutional
- Approved the annual investment plans for Aurora, Clarington, Central Frontenac, Huntsville and Innisfil
- Following a confidential review, approved the continuation of PH&N Institutional as its External Investment Manager
- Rescheduled the September 3, 2026 meeting to September 10, 2026.
- Received the confidential presentations from Eckler and had a private education session about Sinking Funds and updating the Board on what municipalities are in the pipeline for the Prudent Investor program

15. Authorizing Motion

Moved by Board Member Rettie

THAT the appropriate staff of ONE JIB and ONE Investment be given the authority to do all things necessary, including executing any documents, to give effect to the Board's decisions today.

Carried

16. Adjournment

Moved by Board Member Wainwright-van Kessel

THAT the Board adjourn its meeting.

Carried

The meeting adjourned at 3:25 p.m.

17. Next Meeting

18.a ONE JIB Regular Meeting – September 10, 2026 (10:00 a.m. – 3:00 p.m.)

Denis Kelly, Board Secretary



ONE JIB

Special Board Meeting

Minutes

Meeting #: 2026-03
Date: June 16, 2026, 10:01 a.m.
Location: Zoom (Fully Virtual)

Members Present:

Board Chair B. Hughes
Board Vice-Chair G. James
J. Dowty (by phone)
C. Dyer
C. Fraser
J. Giles
D. Leckman
N. Pincombe
S. Pountney
S. Rettie
R. Wainwright-van Kessel

Staff:

D. Herridge, Co-President/Co-CEO, ONE Investment
A. Majidi, Interim Co-President/Co-CEO, ONE Investment
H. Douglas, WeirFoulds LLP, Legal Counsel
E. Foo, Chief Compliance Officer, ONE Investment
J. Hagan, Program Manager, LAS/ONE Investment
D. Kelly, Board Secretary
J. Song, Board Coordinator, ONE Investment
K. Taylor, Chief Investment Officer, ONE Investment

1. Land Acknowledgement

Board Chair Hughes made the following statement on behalf of the Board:

We recognize that our work as the ONE Joint Investment Board and the work of municipalities take place on traditional Indigenous territories across Ontario. We recognize and we respect the history, languages, and cultures of the First Nations, Metis, Inuit, and all Indigenous peoples whose presence continues to enrich our communities.

2. Disclosures of Pecuniary Interest

There were no disclosures of pecuniary interest.

3. Board Governance and Administrative Matters

3.a ONE JIB Investment Policy Committee (2026-029)

Moved by Board Vice-Chair James

THAT the Board adopt the recommendations in the report, as follows:

1. Establish an Investment Policy Committee to provide advice and recommendations to the ONE Joint Investment Board (ONE JIB) on complex investment and municipal finance issues referred to it by the ONE JIB, in accordance with the Committee's Terms of Reference
2. Appoint Board Chair Hughes as the Chair of the Committee
3. Appoint Board Vice-Chair James as the Vice-Chair of the Committee
4. Appoint the following Board Members as the other Committee Members:
 - a. Craig Dyer
 - b. Campbell Fraser
 - c. James Giles
 - d. Deborah Leckman
 - e. Nicole Pincombe
 - f. Stephen Rettie
 - g. Rachel Wainwright-van Kessel
5. Refer the following matters to the Committee:
 - a. Sinking fund investments and related issues
 - b. Potential changes to the existing model portfolios and creation of new model portfolios
 - c. Development of customized portfolios for selected participating municipalities
 - d. Risk management related to participating municipalities' Investment

- Plans
- e. Performance metrics, including benchmarks
 - f. Review of core ONE JIB template documents where significant changes are proposed
6. Direct the Committee to prioritize 5(a) and (b) for 2026

Carried

4. Meeting Outcomes

Board Chair Hughes outlined the outcome from today's Board meeting.

The Board:

- Established an Investment Policy Committee to provide advice and recommendations to the ONE JIB and set out its membership, terms of reference and current priorities as well as appointing its Chair and Vice-Chair

5. Authorizing Motion

Moved by Board Member Fraser

THAT the appropriate staff of ONE JIB and ONE Investment be given the authority to do all things necessary, including executing any documents, to give effect to the Board's decisions today.

Carried

6. Adjournment

Moved by Board Member Rettie

THAT the Board adjourn its meeting.

Carried

The meeting adjourned at 10:15 a.m.

7. Next Board Meeting

7.a ONE JIB Regular Meeting – September 10, 2026 (10:00 a.m. – 3:00 p.m.)

Denis Kelly, Board Secretary



Communication

To: ONE Joint Investment Board
From: Denis Kelly, Board Secretary
Date: September 10, 2026
RE: Appointment of a Board Chair and Vice-Chair

Subsections 4(1) and 4(2) of the Board's Procedure By-law provide that the Board shall appoint the Chair and Vice-Chair of the Board from among the Members of the Board every three years. They further provide that each holds office for a three-year term and until a successor is appointed.

At its inaugural meeting of May 19, 2020, the Board appointed Bill Hughes as Board Chair and Geri James as Board Vice-Chair, each for a three-year term and until a successor was appointed.

At its meeting of September 6, 2023, the Board reappointed Bill Hughes as Board Chair and Geri James as Board Vice-Chair, each for the three-year term ending September 6, 2026 and until a successor is appointed.

It is now in order for the Board to appoint a Board Chair and Board Vice-Chair for the three-year term ending September 10, 2029, and until each of their successors is appointed.

Denis Kelly
Board Secretary



Investment Policy Committee

Regular Committee Meeting

Report

Meeting #: 2026-01
Date: August 5, 2026 at 10:00 a.m.
Location: Virtual (Zoom)

Members Present:

Committee Chair B. Hughes
Committee Vice-Chair G. James
C. Dyer
C. Fraser
J. Giles
D. Leckman
N. Pincombe
S. Rettie
R. Wainwright-van Kessel

Other Board Member Present:

H. Franken

Others Present:

D. Herridge, Co-President/Co-CEO, ONE Investment
A. Majidi, Interim Co-President/Co-CEO, ONE Investment
E. Foo, Chief Compliance Officer, ONE Investment
J. Hagan, Program Manager, LAS/ONE Investment
J. Hess, Manager of Investment Services, MFOA
D. Kelly, Board Secretary
J. Song, Board Coordinator, ONE Investment

Outsourced Chief Investment Officer (OCIO), PH&N Institutional:

M. Leclair, CFA, Vice President and Institutional Portfolio Manager
P. Purcell, CFA, Managing Director and Institutional Portfolio Manager
K. Rusin, CFA, Institutional Portfolio Manager

1. Land Acknowledgement

Committee Chair Hughes made the following statement on behalf of the Committee:

We recognize that our work as the ONE Joint Investment Board and the work of municipalities take place on traditional Indigenous territories across Ontario. We recognize and respect the history, languages, and cultures of the First Nations, Metis, Inuit and all Indigenous people whose presence continues to enrich our communities.

2. Disclosures of Pecuniary Interest

There were no disclosures of pecuniary interest.

3. Regional Municipality of Durham's Sinking Fund Solutions (2026-032)

3.1 PH&N Institutional Presentation

Paul Purcell, CFA, Managing Director and Institutional Portfolio Manager, PH&N Institutional, made a presentation on the [Durham Sinking Fund Analysis](#).

Moved by Committee Member Rettie

THAT the Committee receive the presentation.

Carried

3.2 Staff Report

Moved by Committee Member Leckman

THAT the Committee recommend adoption of the recommendations in the staff report, as follows:

1. Recommend an investment allocation for Durham Region's sinking funds of 100% Money Market for years 1 and 2, with the ability to move to a 75% Money Market / 25% Short-term Bond, or 50/50 allocation in subsequent years as investment returns grow:

	Years 1, 2, and beyond as needed	Future Year options (as appropriate)	
Money market fund	100%	75%	50%

Short-term bond fund	0%	25%	50%
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2. Staff continue to work with the External Investment Manager to consider custom options for sinking fund investments, as appropriate, for other Participating Municipalities, based on their unique circumstances.

Carried

4. Other Business

There was no other business.

5. Adjournment

Moved by Committee Member Giles

THAT the Committee adjourn the meeting.

Carried

The meeting adjourned at 10:54 a.m.

Denis Kelly, Board Secretary



MUNICIPALITY OF

PORT HOPE



PORT HOPE



LOCATED ON THE TRADITIONAL TERRITORY OF THE MICHİ SAAGIG ANISHNAABEG



100 km

EAST OF
TORONTO

75%

RURAL

25%

URBAN

280 km²



18,600

POPULATION



77 Million

OVERALL
MUNICIPAL
BUDGET



**BEST
PRESERVED
MAIN STREET**

**STEPHEN
KING IT
FRANCHISE**

**GANARASKA RIVER,
FOREST AND LAKE
ONTARIO**

**PHAI \$2.6B FEDERAL
ENVIRONMENTAL
PROJECT**

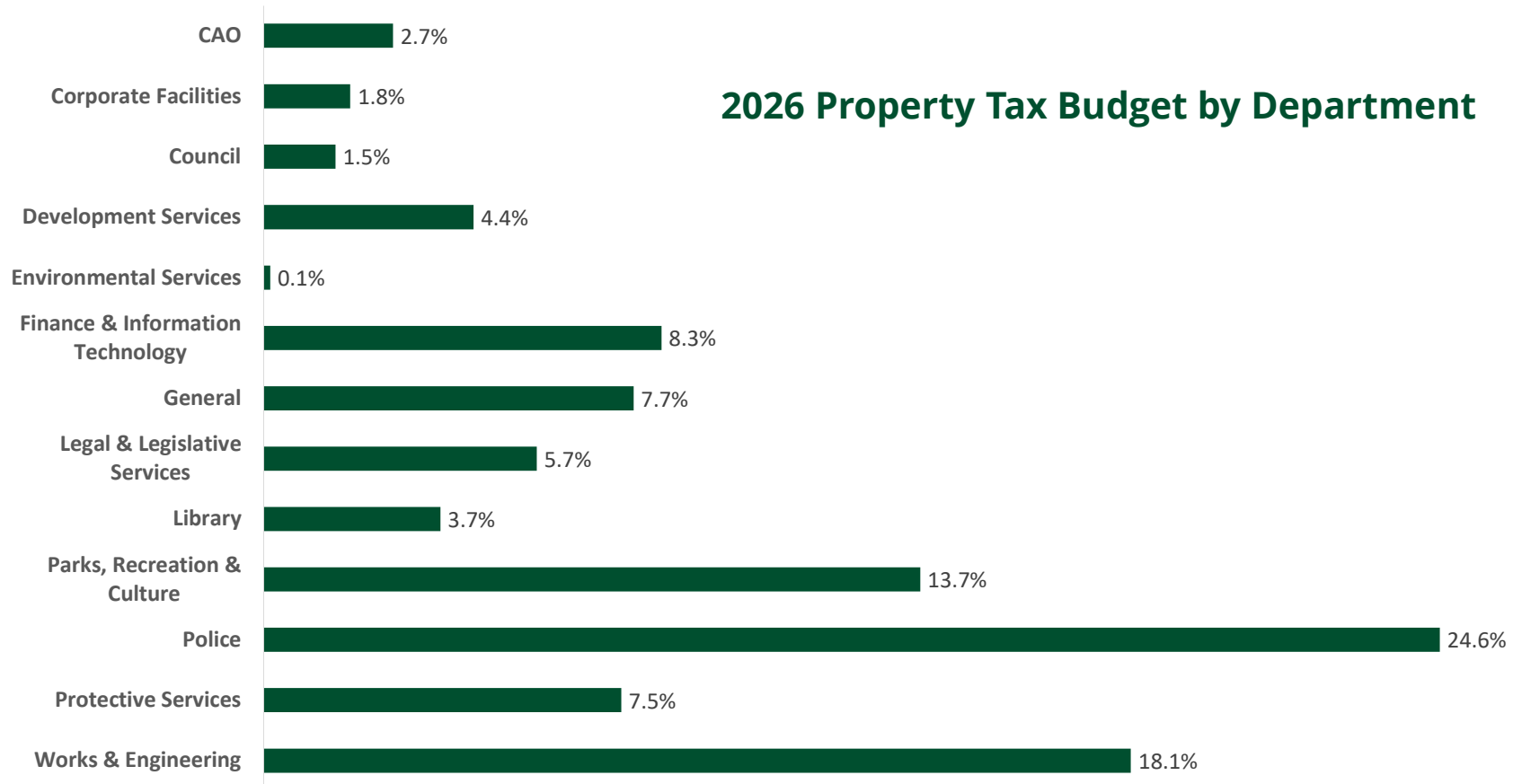
**WHAT WE HAVE BEEN
KNOWN FOR**



Located on the shore of Lake Ontario and the Northumberland Hills, Port Hope's 18,600 residents enjoy a vibrant historic downtown and picturesque rural surroundings. Having seen steady growth over the past 10 years, the municipality's population is projected to increase to 25,900 by 2051, reflecting strong momentum and rising appeal. Much of this is driven by net migration from Halton, Peel, York, Simcoe, Durham, and Toronto, as people are drawn to Port Hope's mix of attainable housing, high quality of life, welcoming community character, and outstanding natural environment. And, with the new nuclear project under consideration, expected growth could be significantly more.



2026 Property Tax Budget by Department



Urban & Rural Legacy Funds

As part of a host agreement with the federal government for the storage of Low-Level Radioactive Waste (LLRW) materials in perpetuity, both the urban and rural areas received \$10 million respectively in 2001.



To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investment Services, MFOA
Date: September 10, 2026
Re: Municipality of Port Hope – Request to Join ONE JIB
Report: ONE JIB 2026-034

1. RECOMMENDATIONS

It is recommended that the Board:

1. Accept the Municipality of Port Hope as a Participating Municipality with ONE JIB
2. Authorize the Board Chair and Board Secretary to execute the ONE JIB agreement on behalf of ONE JIB with the Municipality of Port Hope.

2. SUMMARY

The Municipality of Port Hope is requesting to become a Participating Municipality with ONE JIB

The Municipality of Port Hope (Port Hope) has authorized the execution of the ONE JIB Agreement, subject to ONE JIB's acceptance as a Participating Municipality. Port Hope has completed the required steps to enter into the ONE JIB Agreement.

The ONE JIB Agreement is the primary operating document for municipalities that invest money not required immediately (MNRI) through ONE JIB under the prudent investor regime.

ONE Investment is also a party to the Agreement and provides administrative support services to the other parties.

3. BACKGROUND

ONE JIB is the only joint investment board currently constituted under the Municipal Act

Historically, provincial legislation restricted municipal investment of money not required immediately (MNRI) to securities prescribed by regulation (the "Legal List"). Following amendments to the *Municipal Act, 2001*, and the establishment of ONE JIB, Participating Municipalities may invest under the prudent investor standard. To invest with ONE JIB, a municipality must opt into the prudent investor standard by passing an authorizing by-law and executing the ONE JIB Agreement.

Municipal legislation permits ONE JIB to accept any Ontario municipality into the Prudent Investment Program

Under the *Municipal Act, 2001* and Ontario Regulation 438/97, a municipality must delegate its investment powers and duties for MNRI to an Investment Board or Joint Investment Board before investing under the prudent investor standard.

The ONE JIB Agreement is the formal document that establishes the terms and conditions under which the ONE JIB agrees to invest on behalf of a municipality

The ONE JIB Agreement sets out the terms under which ONE JIB invests MNRI on behalf of a Participating Municipality and governs the relationship between ONE JIB and each municipality it serves. It is a foundational legal agreement that may be amended only in accordance with the procedures set out in the Agreement and was last updated and restated on January 15, 2026.

4. ANALYSIS

Port Hope has completed the necessary steps to join ONE JIB as a Participating Municipality

On June 16, 2026, Port Hope passed by-law #32-2026 under section 418.1 of the *Municipal Act, 2001* authorizing investment of its MNRI through ONE JIB's Prudent Investment Program.

If ONE JIB accepts Port Hope as a Participating Municipality, then ONE Investment and Port Hope will establish a mutually agreed upon Prudent Effective Date. Port Hope's approved Investment Plan can be implemented on or after that date.

Port Hope has adopted an investment policy with no restrictions or clauses that would limit ONE JIB's ability to manage its MNRI prudently and effectively

Port Hope's Investment Policy (attached to ONE JIB Report 2026-33) defines MNRI as funds not required for a minimum of two years. The policy reflects the legislated considerations for investment objectives and was developed in consultation with ONE Investment.

In the opinion of the ONE Investment staff, in consultation with the External Investment Manager, the policy does not conflict with the Prudent Investment Program mandates and does not limit ONE JIB's ability to manage Port Hope's MNRI prudently and effectively.

Port Hope has submitted a Municipal Client Questionnaire (MCQ) identifying \$21.5 million in MNRI. Additional details are provided in ONE JIB Report 2026-33.

5. CONCLUSION

ONE Investment recommends that ONE JIB accept Port Hope as a Participating Municipality and authorize ONE Investment to work with the Board Chair, Board Secretary, and the municipality to execute the ONE JIB Agreement and any related documentation.

Drafted by: Jennifer Hess, Manager Investment Services, MFOA

Approved by: Donna Herridge and Christina Pavone, Co-President/Co-CEOs, ONE Investment

To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investment Services, MFOA
Date: September 10, 2026
Re: 2026 Initial Investment Plan for the Municipality of Port Hope
Report: ONE JIB 2026-033

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the Municipality of Port Hope's Investment Policy Statement (Attachment 1).
2. Receive the Municipality of Port Hope's Municipal Client Questionnaire (Attachment 2).
3. Approve the Municipality of Port Hope's proposed Investment Plan (Attachment 3).
4. Authorize the annual withdrawal of up to \$350,000 starting in 2027 for both the Rural Legacy Fund and the Urban Legacy Fund (\$700,000 combined total), to be withdrawn throughout the year in up to four payments.
5. Authorize the investment of any additional MNRI deposited by the municipality prior to the next annual review, over and beyond the amount shown in the MCQ, to be invested in the same model portfolio as identified in the approved Investment Plan.

2. SUMMARY

The Municipality of Port Hope has requested to join ONE JIB as a Participating Municipality. Its Municipal Client Questionnaire identifies \$21.5 million in Money Not Required Immediately (MNRI), based on March 31, 2026 balances in two legacy funds. Both funds have a perpetual investment horizon and are expected to support recurring annual income withdrawals.

Model D+ is being recommended for both the Rural Legacy Fund and Urban Legacy Fund. This diversified model includes 40% equities and 10% alternative investments, reflecting the municipality's circumstances, liquidity needs, risk tolerance, and long-term objectives.

Rural Legacy Fund - 40% EQUITY MODEL (D+)		
Asset Classes	Target Weight	Total Invested
Cash & Equivalent	0%	\$0
Canadian Fixed Income	35%	\$3,675,000
Global Fixed Income and Credit	15%	\$1,575,000
Canadian Equities	20%	\$2,100,000
Global Equities	20%	\$2,100,000
Alternatives	10%	\$1,050,000
Total	100%	\$10,500,000

Urban Legacy Fund - 40% EQUITY MODEL (D+)		
Asset Classes	Target Weight	Total Invested
Cash & Equivalent	0%	\$0
Canadian Fixed Income	35%	\$3,675,000
Global Fixed Income and Credit	15%	\$1,575,000
Canadian Equities	20%	\$2,100,000
Global Equities	20%	\$2,100,000
Alternatives	10%	\$1,050,000
Total	100%	\$11,000,000

Although the same model portfolio is recommended for both legacy funds, the accounts must remain separate for municipal accounting and governance purposes, given the unique circumstances related to each legacy fund.

Beginning in 2027, Port Hope expects to withdraw up to \$700,000 annually from the two funds, consisting of up to \$350,000 from each fund. Withdrawals are expected to occur periodically throughout the year, in up to four payments, with advance discussion with ONE staff, and timing adjusted as needed based on municipal requirements and market conditions.

3. BACKGROUND

Port Hope has two long-standing legacy funds with a perpetual investment horizon

Port Hope is located on the north shore of Lake Ontario in Northumberland County, approximately one hour east of Toronto. The municipality has a historic downtown, established industrial and commercial areas, access to Highway 401 and regional rail connections, and a growing business park.

Port Hope has identified two legacy accounts as its MNRI to be invested by ONE JIB. The Rural Legacy Fund and Urban Legacy Fund are long-term reserve funds established in

2001 from a one-time \$20 million federal payment as part of a host agreement for the storage of Low-Level Radioactive Waste (LLRW) The municipality considers \$10 million in each fund to be the capital base to be preserved.

One legacy fund has been subject to past court proceedings around the usage of the funds and remains politically sensitive in the community. Historically the municipality has managed both funds cautiously, with an emphasis on capital preservation and stable income.

Port Hope may consider a third MNRI account for general reserves as part of a future annual Investment Plan update, following further municipal staff planning.

The investment allocation for Port Hope will be based on the model portfolios approved by the ONE JIB on September 4, 2025

Based on the Model Portfolios reviewed and approved by ONE JIB on September 4, 2025, and after reviewing Port Hope's investment horizon, circumstances, needs, and investment restrictions in relation to each the legacy funds, the same Model is being recommended for each of the funds.

The Municipality will contribute \$21.5 million to MNRI to be invested with ONE JIB in two separate accounts

The Treasurer provided details on the legacy accounts and related investment horizons, which informed the proposed allocations. As shown in Table 1, both legacy funds are expected to have an investment horizon greater than 10 years; given their perpetual nature, the actual horizon is expected to be longer.

Table 1: Summary of the investment horizon of MNRI, from Table 5.1 of MCQ

Description	Total MNRI	Investment Horizon < 5 Years	Investment Horizon 5-10 Years	Investment Horizon >10 Years
Rural Legacy Fund	\$ 10,500,000	-	-	\$ 10,500,000
Urban Legacy Fund	\$ 11,000,000	-	-	\$ 11,000,000
Total MNRI	\$ 21,500,000	-		\$ 21,500,000

The exact MNRI amount transferred may vary slightly from \$21.5 million

The MNRI amounts in the MCQ are based on March 31, 2026 valuations. Because Port Hope intends to contribute 100% of each legacy fund to ONE JIB, final transferred amounts may change to reflect in-year activity up to the Prudent Effective Date. Most of the funds are expected on the first transfer with a second transfer later capturing any residual additional MNRI.

Port Hope expects to make annual withdrawals of MNRI from the Legacy accounts, while preserving the initial capital invested

The MCQ includes anticipated MNRI contributions and withdrawals over the next 10 years. As summarized in Table 2, withdrawals are intended to use investment gains and income to support the budget while preserving the \$10 million capital base in each legacy fund. Timing of the drawdowns will be determined by the Treasurer, in discussion with ONE staff, and may vary annually.

Table 2: Anticipated Cash Flow Projections, MNRI by year, adapted from Table 5.2 of MCQ.

	Next Year	2 Years	3-5 Years	5-10 Years	10+ Years
Anticipated MNRI Drawdowns	(\$700,000)	(\$700,000)	(\$2,100,000)	(\$3,500,000)	-
Anticipated MNRI Contributions	-	-	-	-	-
Net change in MNRI	(\$700,000)	(\$700,000)	(\$2,100,000)	(\$3,500,000)	-

Port Hope expects to withdraw up to \$350,000 annually from each legacy fund beginning in 2027, for a combined annual withdrawal of up to \$700,000.

The initial MNRI transfer includes a cushion above the \$10 million capital base: approximately \$ 0.5 million for the Rural Legacy Fund and \$1.0 million for the Urban Legacy Fund.

The municipality recognizes that market downturns could reduce available income and has indicated some tolerance for lower annual withdrawals if a legacy fund's market value approaches the \$10 million capital base.

Although quarterly withdrawals have been discussed, Port Hope has flexibility to adjust the timing and value of withdrawals based on market conditions.

Council has elected to permit the use of long-term alternative investments

Port Hope's Council approved its Investment Policy Statement on June 16, 2026, using the most recent ONE JIB-approved template. The IPS does not add investment restrictions beyond the template. Council has permitted long-term alternative investments, and municipal staff understand and are comfortable with the related buy/sell liquidity restrictions in the RBC Global Infrastructure Fund and RBC Canadian Core Real Estate Funds.

Investment income can help provide Participating Municipalities with an additional source of revenue

In Port Hope, each one percent property tax increase generates approximately \$300,000 in annual revenue. Investment income can therefore provide a meaningful complementary

revenue source and help reduce pressure on the tax base.

Like many Ontario municipalities, Port Hope faces rising infrastructure and service costs while seeking to keep tax rate increases reasonable.

When grants, taxes, rates, or other funding sources are insufficient, municipalities may need to defer projects, reduce scope, or consider debt financing where permitted. Municipalities also cannot run operating deficits under the *Municipal Act*.

Investment earnings can help municipalities maintain services, manage inflationary pressures, and advance priority projects in a financially responsible way.

4. ANALYSIS

Model D+ is recommended for both legacy funds

The proposed allocations balance Port Hope's objectives of generating recurring income and preserving the \$10 million capital base of each legacy fund. The funds' perpetual investment horizon supports an allocation to growth assets; however, the requirement for annual withdrawals warrants a measured level of risk. An annual withdrawal of \$350,000 from each fund represents 3.5% of the capital base, establishing a corresponding minimum annual return objective before fees and inflation.

Model D+ is recommended as a relatively conservative allocation for perpetual funds requiring annual income. As fund balances grow and a larger buffer develops, the choice of model portfolio can be revisited in future annual reviews. Given the long horizon, limited liquidity needs and municipal awareness, a 10% allocation to alternative investments is appropriate.

Model D+ provides 40% exposure to equities and 10% to alternative investments. Table 3 summarizes the model's key statistics, and Table 4 summarizes the asset allocation ranges and target weights.

Table 3: Summary statistics for Model D+

Summary Statistics	Model D+	Notes: ¹ Annual Downside Risk (CVaR95) represents the expected loss during the worst 5% of return outcomes. Hypothetical performance analyses are for illustrative purposes only and there is no guarantee that hypothetical returns or projections will be realized.
Long-Term Return	6.29%	
Annual Downside Risk ¹	-9.59%	
Annual Volatility	6.3%	
Sharpe Ratio	51.1	

Table 4: Allocation Summary for Rural and Urban Legacy Funds

40% EQUITY MODEL (D+)			
Asset Classes	Minimum (%)	Target Weight	Maximum (%)
Cash & Equivalent	0	0%	10
Canadian Fixed Income	25	35%	45
Global Fixed Income and Credit	5	15%	25
Canadian Equities	10	20%	30
Global Equities	10	20%	30
Alternatives	0	10%	20
Total		100%	

5. CONCLUSION

Port Hope has requested approval to join ONE JIB as a Participating Municipality and to invest an initial \$21.5 million in MNRI, which may vary slightly based on actual legacy fund values. The MNRI relates to two long-term legacy funds that support Port Hope's urban and rural areas and are intended to preserve capital while generating stable income.

Model D+ is recommended for both legacy funds. Its 40% equity allocation and 10% alternative investment allocation are expected to support long-term return objectives while maintaining a prudent risk profile for funds that require recurring annual withdrawals.

ATTACHMENTS

Attachment 1- Port Hope 2026 Investment Policy

Attachment 2 - Port Hope 2026 Municipal Client Questionnaire

Attachment 3 - Port Hope 2026 Investment Plan

Drafted by: Jennifer Hess CPA CMA, Manager Investment Services, MFOA

Approved by: Donna Herridge and Christina Pavone, Co-President/Co-CEOs, ONE Investment

Attachment 1

INVESTMENT POLICY STATEMENT

FOR

THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE (the
“Municipality”)

[DATE]

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The Corporation of The Municipality of Port Hope

Investment Policy Statement

1. DEFINITIONS

The following capitalized terms are defined terms which have the meanings set out below:

Act: means the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended from time to time.

Agent: means any administrator, Custodian, payment servicer, investment counsel, consultant, banker, broker, dealer or other service provider engaged or appointed by ONE JIB and authorized by ONE JIB to exercise any of the functions of ONE JIB pursuant to a written agreement, in the manner and to the extent provided in the Regulation and without limiting the generality of the foregoing, Agent includes ONE Investment, and the Sub-Investment Manager.

Alternative Assets: means investments outside traditional investments such as equities, fixed income, and cash which may include, hedge funds, private equity, natural resources, real estate and infrastructure. Alternative investments are typically less liquid than traditional investments, are appropriate only for allocations with a long investment horizon.

Asset Class: means a specific category of assets or investments, such as cash, fixed income, equities, alternative investments, real estate etc.

Asset Mix (or Asset Allocation): means the proportion of each Asset Class in a portfolio.

Authorizing By-law: means a by-law of the Municipality that authorizes it to invest its money and investments that it does not require immediately in the OCIO offering of ONE JIB pursuant to section 418.1 of the Act, to approve various documents, the entering into of agreements including a Prudent Effective Date Agreement and the delegation of certain powers and duties to ONE JIB/ONE Investment.

Benchmark: means an index that is representative of a specific securities market (e.g. the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc.) against which investment performance can be compared. Performance benchmarks refer to total return indices in Canadian dollar terms.

CHUMS Financing Corporation (CHUMS): means a subsidiary of Municipal Finance Officers' Association of Ontario (MFOA) which, in conjunction with LAS, established ONE Investment.

CFA Institute: refers to the global, not-for-profit professional association that administers the Chartered Financial Analyst (CFA) and the Certificate in Investment Performance Measurement (CIPM) curricula and examination programs worldwide, publishes research, conducts professional development programs, and sets voluntary, ethics-based professional and performance reporting standards for the investment industry.

Custodian: means a specialized financial institution that is responsible for safeguarding a municipality's investments and is not engaged in "traditional" commercial or consumer/retail banking. Global custodians hold securities for their clients in multiple jurisdictions around the

world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

Designated Funds means source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Designated Funds are listed in Schedule B of this IPS.

Diversification: means a risk management technique that mixes a variety of investment types within a portfolio to help mitigate portfolio risk. A diversified portfolio holds different kinds of investments to improve the risk adjusted returns.

Derivative: means a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.

Environmental, Social and Governance (ESG) Investing: means considering and integrating ESG factors into the investment process, rather than eliminating investments based on ESG factors alone. Integrating ESG information can lead to a more comprehensive analysis of a company.

External Portfolio Managers: means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a Pooled Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.

Internal Controls: means a system of controls that may include authorities, policies, procedures, separation and segregation of duties, compliance checks, performance measurement and attribution, reporting protocols, measures for safekeeping of property and data, and the audit process.

Investment Plan: means the investment plan applicable to the MNRI and adopted by ONE JIB under the Regulation, as it may be amended from time to time.

Investment Policy Statement (IPS): means the investment policy applicable to the Municipality's investments adopted and maintained by the Council of the Municipality for MNRI under the Regulation, and for MRI, as the same may be amended from time to time. The IPS may also apply to the money and investments held by the Municipality for the benefit of persons other than the Municipality itself and may make reference to source(s) of money in which the Municipality may have an indirect interest but which the Municipality has no authority to invest.

JIB: is short for Joint Investment Board and means a joint municipal service board that is established under section 202 of the Act by two or more municipalities for the purposes of Part II of the Regulation.

Legal List Securities: means the securities and other investments and financial instruments that are included from time to time in Part I of the Regulation.

Leverage: means an investment strategy of using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage also tends to increase investment risks.

Liquidity: means the ability to turn an investment into cash relatively quickly, without a substantial loss in value. For example, a savings account is more liquid than real estate.

Local Authority Services (LAS): means an entity which, in conjunction with MFOA/CHUMS, established ONE Investment.

Local Distribution Corporation or LDC: means a corporation incorporated under Section 142 of the *Electricity Act, 1998*.

Market Value: means the price at which a security is trading and could presumably be sold. Also known as Fair Value it represents the current value of the investment.

Maturity: means the date upon which the principal or stated value of an investment becomes due.

Money not Required Immediately (MNRI): means the money that is not required immediately by the Municipality that will be under the control and management of ONE JIB and as defined in this IPS that will be invested in accordance with the Prudent Investor Standard.

Money Required Immediately (MRI): means the money that is required immediately by the Municipality that remains under the control and management of the Municipality and, that can be invested in accordance with the Legal List Securities or other applicable legislation.

Municipal Services Corporation (MSC): means a corporation established under section 203 of the Act in accordance with the applicable regulation (Ontario Regulation 599/06).

Municipality: means The Corporation of The Municipality of Port Hope

OCIO Offering: means the comprehensive investment program made available through ONE Investment as agent for ONE JIB, where a qualified investment manager is engaged to advise a Participating Municipality with regard to the investment of the Participating Municipality's MNRI and to invest and manage such MNRI in accordance with the terms and conditions set out in the ONE JIB Agreement.

ONE Investment: means the not-for-profit corporation established by CHUMS and LAS which provides certain management, administrative and other services to ONE JIB as its agent.

ONE JIB: means ONE Joint Investment Board, established by certain founding municipalities under section 202 of the Act as a JIB for purposes of Part II of the Regulation, which is the duly appointed JIB for the Municipality, as constituted from time to time and which acts in accordance with the Act, the Regulation, the ONE JIB Agreement, including the Terms of Reference, this IPS and the Investment Plan.

ONE JIB Agreement: means the agreement effective as of the Prudent Effective Date, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Municipality's MNRI.

Participating Municipality: means from time to time each of the municipalities for whom ONE JIB acts as the JIB under the terms of the ONE JIB Agreement.

Pooled Fund: means a unit trust established under a trust instrument, generally not available to the public, in which institutional, sophisticated or high net worth investors contribute monies that are invested and managed by an External Portfolio Manager. Monies are pooled or combined with monies of other investors.

Portfolio: means any collection of funds that are grouped together and available to support the infrastructure needs of the Municipality.

Proxy Voting: means a legal transfer to another party of a shareholder's right to vote thereby allowing shareholders who cannot attend meetings to participate. External Portfolio Managers usually vote proxies on behalf of their clients.

Prudent Effective Date: means the mutually agreed-upon date by the Municipality and ONE Investment on which the prudent investor regime applies to the Municipality. The Prudent Effective Date shall be on or after ONE JIB approves the Municipality as a participating municipality.

Prudent Effective Date Agreement: means an agreement entered into by the Municipality and ONE Investment that sets out the day on which the prudent investor regime starts to apply to the Municipality

Prudent Investor Standard: means the standard that applies when the Municipality invests money that it does not require immediately under section 418.1 of the Act. It requires the Municipality to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and the standard does not restrict the securities in which the Municipality can invest. The Prudent Investor Standard applies the standard of prudence to the entire portfolio in respect of the Municipality's MNRI rather than to individual securities. It identifies the fiduciary's central consideration as the trade-off between risk and return as found in the CFA Institute Standards of Practice Handbook.

Rebalancing: means the process of realigning the weightings of a portfolio of assets. Rebalancing involves periodically buying or selling securities in a portfolio to maintain an original or desired level of asset allocation or risk.

Regulation: means Ontario Regulation 438/97.

Restricted Special Assets: means investments specified by this IPS and held by the Municipality as of the Prudent Effective Date, where ONE JIB is not able to exercise control. Restricted Special Assets are listed in Schedule A of this IPS and are not considered to be MNRI.

Risk: means the uncertainty of future investment returns or chance of loss of capital.

Risk Tolerance: means the financial ability and willingness to absorb a loss in return for greater potential for gains.

Safekeeping: means the holding of assets (e.g., securities) by a financial institution.

Securities Lending: means lending a security to another market participant. The borrower is required to deliver to the lender, as security for the loan, acceptable collateral with value greater than the value of the securities loaned. The Securities Lending program is managed by the Custodian or another appointed agent on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional incremental returns on the total portfolio.

Sinking Fund: means a fund established to fulfil the requirements to make annual contributions in respect of various debenture issues wherein money is to be regularly set aside for the payment of the principal of the debentures at maturity.

Sinking Fund Required Contributions (Annual Sinking Fund Requirement): means the amount of money to be set aside each year for deposit into a sinking fund or a retirement fund, as applicable, for each sinking fund debenture issue in accordance with the Municipality's debenture by-laws.

Sinking Fund Required Earnings: means the investment earnings needed for the Sinking Fund Contributions to continue to grow to a value sufficient to repay the principal at maturity for each issue of sinking fund debentures.

Sinking Fund Excess Earnings: means the investment earnings in excess of the required earnings.

Sub-Investment Manager: means an asset management firm or investment consultant, acting as a sub-investment manager for ONE JIB that provides investment advice and professional services and is involved in the implementation and operational aspects of the OCIO Offering, and that has full responsibility for the investment and management of a Participating Municipality's MNRI through ONE Investment, based on an IPS approved by the Council of the municipality.

Third-Party Trust Funds means money over which the Municipality exercises both management and policy control but whose assets are not owned by the Municipality. These funds are governed by a variety of agreements and, in some cases, by legislation. Some funds may have externally mandated investment policies, and some may have investment policies that are determined by the Municipality. Third-Party Trust Funds are listed in Schedule B of this IPS.

Trust Fund: means a fund which consists of assets that have been conveyed or assigned to a trustee to be administered as directed by agreement or statute. As a result, a trustee holds title to the assets for the purpose of providing benefits, and being accountable, to a beneficiary. The Municipality is the trustee of funds that are to be used for specific purposes by the Municipality or any related parties.

2. PURPOSE AND LEGISLATIVE FRAMEWORK

2.1 Purpose of Policy

This IPS governs the investment of the Municipality's MNRI and MRI. It is intended, among other things, to direct the Treasurer in the investment of MRI and to direct ONE Joint Investment Board (ONE JIB) in the investment of MNRI by implementing the Authorizing By-law (by-law name/number pending) pursuant to which the Municipality authorized the establishment of guidelines for the prudent management of the Municipality's MNRI pursuant to section 418.1 of the Act.

In addition to the Municipality's MRI and MNRI, the Municipality is from time to time entrusted with the management of money and investments for a third-party beneficiary, or Third-Party Trust Funds. The Municipality's Third-Party Trust Funds are listed in Schedule B of this IPS. ONE JIB is not responsible for the investment activities or performance of Third-Party Trust Funds-

There are also source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Such source(s) of money, referred to in this IPS as "Designated Funds", are listed in Schedule B of this IPS. The Designated Funds and the Restricted Special Assets, listed in Schedule A of this IPS, are identified in this IPS for the sole purpose of enabling the Municipality to better see, on an aggregated basis, the various financial assets in which the Municipality has an interest.

ONE JIB is not responsible for the investment activities or performance of Third-Party Trust Funds, Designated Funds or Restricted Special Assets.

The goals of this IPS are to:

- Define and assign responsibilities for investment of MRI and MNRI;
- Describe the Municipality's responsibilities with respect to Restricted Special Assets, Third-Party Trust Funds and Designated Funds;
- Ensure compliance with the applicable legislation;
- Direct ONE JIB as to the Municipality's investment goals and risk tolerance;
- Provide guidance and limitations regarding the investments and their underlying risks;
- Establish a basis of evaluating investment performance and the underlying risks; and,
- Establish a reporting standard to Council.

This IPS applies to employees of the Municipality, to ONE JIB and to the employees of ONE Investment. ONE JIB, the Treasurer, and any agent, sub-investment manager, or advisor providing services to ONE JIB in connection with the investment of the portfolio shall accept and strictly adhere to this IPS.

2.2 Governing Legislation

Investments of MRI will only be made in Legal List Securities in accordance with this IPS and Section 418 of the Act. Investments of MNRI are governed by the Prudent Investor Standard in accordance with Section 418.1 of the Act. This standard is similar to that which governs trustees and pension fund administrators and creates a fiduciary responsibility. Prudent investment in compliance with the Act and the Regulation enhances the potential for the Municipality to earn improved risk-adjusted rates of return.

The Act provides that the Municipality, and therefore ONE JIB, must consider the following criteria in planning investments of MNRI, in addition to other criteria relevant to the circumstances:

- General economic conditions;

- The possible effect of inflation or deflation;
- The role that each investment plays within the Municipality's total portfolio of investments;
- The expected total return from income and the appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital.

Money and investments that the Municipality holds as Restricted Special Assets, Third-Party Trust Funds or has an interest in as Designated Funds will be subject to applicable legislation and any related agreements or instruments.

2.3 Prudent Investor Standard

For MNRI, the standard to be used by the Municipality and ONE JIB shall be the Prudent Investor Standard as required by section 418.1 of the Act and Part II of the Regulation in the context of managing the Municipality's MNRI and investments thereof. Investments shall be made with the care, skill, diligence, and judgment, taking into account the prevailing circumstances, that persons of prudence, discretion and integrity would exercise in the management of investments, considering the necessity of preserving capital as well as the need for income and appreciation of capital. The Act includes a duty to obtain the advice that a prudent investor would obtain under comparable circumstances.

Officers, employees and investment agents acting in accordance with written procedures and the IPS and exercising due diligence shall take all necessary actions to optimize performance of investments on a portfolio basis, taking into account the prescribed risk and other parameters set out in this IPS and market factors. The Municipality's staff acting in accordance with written procedures and this IPS, shall be relieved of personal responsibility for an investment's performance, provided underperformance relative to expectations is reported to Council and the liquidation or sale of investments is carried out in accordance with this IPS.

3. MONEY REQUIRED IMMEDIATELY AND MONEY NOT REQUIRED IMMEDIATELY

3.1 Determination of MNRI and MRI

Determination of the Municipality's MNRI is the responsibility of Council. In making the determination, Council may consider:

- the time horizon within which the monies are needed to meet financial obligations;
- the purpose for which the monies have been collected or set aside and are to be used;
- the source of the money; or
- any combination of the foregoing

For general municipal funds, the Municipality has defined MNRI as money from the municipality's own reserves and reserve funds that will not be required to meet financial obligations that become due more than two (2) years from the date of receipt of such

money. The purpose of the money is to fund the municipality's future capital, operational, and contingency needs.

For legacy municipal funds, the Municipality has defined MNRI as the balance in the legacy funds, less annual expected withdrawal.

For certainty, all money and investments of the Municipality that have not been identified as MNRI (other than Restricted Special Assets, Third-Party Trust Funds and any Designated Funds referenced in Section 2.1) shall be deemed for purposes of this IPS to be MRI.

Determination of the Municipality's MNRI and MRI may be modified at any time and from time to time by action of Council and with respect to specific money by the Treasurer in accordance with the provisions of Section 6.2.

Any changes in this IPS regarding the Municipality's MNRI and MRI must be communicated immediately in writing to ONE JIB.

3.2 Overview of Portfolios

The Municipality's portfolios represent funds available to support Municipal needs. A high-level description of each of these portfolios and their objectives is provided in Section 5 below. This IPS applies to the following money of the Municipality, its agencies, boards and commissions including:

- MRI which is invested in Legal List Securities; and/or
- MNRI which is invested under the Prudent Investor Standard.

4. ROLES AND RESPONSIBILITIES

4.1 Role of ONE JIB

ONE JIB has been appointed by the Municipality in accordance with the requirements of the Act and the Regulation and on the terms and conditions set out in the ONE JIB Agreement (Appendix 1).

ONE JIB exercises control and management of the Municipality's MNRI and the investments made by it in accordance with the objectives and risk tolerance established in this IPS.

Among the responsibilities of ONE JIB are the following:

- Reviewing this IPS;
- Adopting and maintaining an Investment Plan that complies with this IPS;
- Engaging Custodians, administrators and other investment professionals (i.e. Agents);
- Allocating the money and investments under its control and management in compliance with this IPS;
- Monitoring the performance of the OCIO Offering and Agents; and,

- Reporting to the Municipality.

The foregoing is subject to the more detailed terms and conditions contained in the ONE JIB Agreement.

4.2 Role of Municipal Staff

This IPS is approved and adopted by Council with input from the Treasurer, and from ONE JIB with respect to MNRI. MRI of the Municipality, in addition to any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in Section 2.1, remain under the control and management of the Treasurer.

Consistent with this IPS, the Treasurer is responsible for the implementation of the investment program and the establishment of investment procedures which shall include:

- Investment management of MRI and any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in Section 2.1 by, or under the direction of, the Treasurer;
- The deposit or withdrawal of MNRI, under the explicit delegation of authority regarding MNRI, and the investment thereof, to ONE JIB, which is responsible for the control and management of such funds and investments; and,
- A system of controls exercised by the Treasurer to regulate the activities of subordinate officials.

No person including, without limitation, ONE JIB, may engage in an investment transaction except as provided under the terms of this IPS.

In the management of MRI of the Municipality, and any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in Section 2.1, the Treasurer may engage one or more agents and service providers. ONE Investment can assist with the investment of the Municipality's MRI, in Legal List Securities, and with the investment of Third-Party Trust Funds, in accordance with the terms of the applicable trust, if permitted, at the request of the Municipality.

4.3 Ethics and Conflicts of Interest

Individuals who are responsible for the Municipality's MRI Investment Portfolio shall comply with the Municipality's Conflict of Interest guidelines and any relevant professional codes of conduct (e.g., the CPA Code of Professional Conduct).

ONE JIB, in its capacity as a joint municipal service board, in addition to being a local board of each member Municipality is subject to a Code of Conduct as required by the Act. This Code of Conduct applies to the Chair and the other Members of ONE JIB acting in their capacity as Members of ONE JIB.

5. INVESTMENT

5.1 MRI

The Municipality's MRI is described in this IPS consists of money that is needed to meet the short-term financial obligations of the Municipality and are controlled and managed by the Treasurer.

5.1.1 MRI: Investment Objectives

The main focus of the investment of MRI is cash management, and the interest income generated by the investment of these monies contribute to municipal revenues. To the extent possible, the Municipality shall attempt to match its investments with anticipated obligations.

Capital preservation is the paramount objective for MRI investments, and these investments need to be highly liquid. Consequently, only high quality investments that are also Legal List Securities will be held in this portfolio. The Municipality may invest in fully liquid money market securities and deposit accounts. The Municipality aims to maximize returns subject to the constraints set out in Part I of the Regulation, as amended from time to time, with a view to preserving capital and to further manage risk through diversification by issuer and credit quality.

The investment objectives for MRI, ranked in priority, are as follows:

a) Security of Principal

The primary objective for MRI is to ensure the security of principal. To minimize the risk of loss, investments shall be subject to minimum credit ratings and shall be diversified by maturity, type of investment and issuer. Investing activities will be reviewed on a regular basis as actual, revised and forecasted operating and capital plans are completed. Maturity dates should be structured so that investment cash inflows occur when needed.

b) Liquidity Requirements

Liquidity is measured by the ease with which securities can be converted to cash to meet forecasted spending. The investments that are eligible under the Regulation possess different features and thus market prices will vary depending on market conditions, as well as the particular features of the type of investment.

To ensure adequate liquidity, the Municipality's investments shall be diversified by holding securities of various terms to maturity and by various types of investments and issuers and to the extent possible, the term of such investments shall match the forecasted requirements for such monies to meet expenditures.

c) Rate of Return

The Municipality's money shall be invested to maximize the rate of return within acceptable risk levels while respecting the security of principal, legal constraints and the liquidity needs of each investment portfolio.

The composition of each portfolio, including its term to maturity and type of investments, shall be adjusted within the guidelines of this IPS to take advantage of market opportunities. Such changes shall be made with the periodic interest rate outlook and target portfolio structure approved by the Treasurer.

5.1.2 MRI: Eligible Investments

MRI may be invested in high quality, investments that are also Legal List Securities available from banks, dealers and other financial institutions. Investments issued or guaranteed by approved institutions will be permitted by this IPS, as deemed eligible by the Regulation or as authorized by subsequent provincial regulations. Investments will be limited to securities issues maintaining a minimum credit rating by an appropriate credit rating agency.

Eligible investments include, but are not limited to, the following offerings by ONE Investment:

- ONE Investment High Interest Savings Account;
- ONE Investment Canadian Government Bond Portfolio;
- ONE Investment Canadian Corporate Bond Portfolio; and
- ONE Investment Canadian Equity Portfolio

Investment in the foregoing is subject to the Municipality entering into the prescribed Agency Agreement with LAS and CHUMS.

5.2 MNRI

The Municipality's MNRI is described in Section 3.1. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the MNRI and the investments made therewith.

From time to time, the Municipality may require money immediately to meet financial obligations and may require ONE JIB to liquidate one or more investments in order to generate money to meet those obligations. ONE JIB will select the investment(s) to be liquidated. The timing of such liquidation will be determined by ONE JIB in consultation with the Treasurer.

5.2.1 MNRI: Investment Objectives

In setting the objectives noted below, the Municipality has taken into account the following considerations:

- Preservation of capital;
- Adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements;
- Diversification by asset class, market, sector, issuer, credit quality and term to maturity;
- Income and capital appreciation; and,
- Macro risks, such as inflation, economic growth and interest rates.

Investment of MNRI is managed by ONE JIB in a way that balances investment objectives, expected returns, and risk to develop asset allocations that achieve the Municipality's financial objectives within stated risk tolerances.

The overall MNRI portfolio investment horizon shall be in line with the nature of the Municipality's forecasts and underlying liabilities. The portfolio should balance risk and the benefits of higher expected returns over a longer investment horizon.

Investment of MNRI is to be managed by ONE JIB in a way that balances the investment objectives with a level of risk that is appropriate for the municipality. The MNRI invested with ONE JIB will be broadly diversified to help reduce the volatility of investment returns. Returns have an impact on revenues, as well as a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. To the extent possible, the MNRI's investment horizons are aligned with the Municipality's obligations and cash flow requirements and may consist of liquid and non-liquid securities based on future cash flow requirements.

5.2.2 MNRI: Eligible Investments

Eligible investments for MNRI include any Pooled Fund or other collective investment vehicle or institutional investment management product approved or selected by ONE Investment for the Prudent Investment Program (OCIO Offering), provided always that the products and the selection of products comply in all material respects with the IPS.

Additionally, nothing in this IPS prevents MNRI from being held in cash, short term money market instruments, including treasuries or overnight deposits.

5.2.3 MNRI: Sinking Funds

Sinking Funds are currently not applicable to the Municipality; however, should any sinking funds be established in the future, they are to be classified as MNRI and will be managed separately by ONE JIB.

The investment objective of the Sinking Fund Portfolio shall be the preservation of capital, to minimize volatility and the possibility of annual deficits.

ONE JIB and the Municipality must adhere to Section 409 of the Act and Section 4 of the Regulation when managing investments for the Sinking Fund Portfolio.

5.2.4 Local Distribution Corporation (LDC) and Municipal Services Corporation (MSC) Securities

The direct investment in LDC/MSC shares and/or promissory notes, as listed in Schedule A, shall be considered to be Restricted Special Assets and shall not be held by ONE JIB as MNRI.

5.2.5 Restricted Special Assets

With the exception of the Municipality's investments held in the ONE Investment Legal List Portfolios specified below, all existing assets, listed in Schedule A of this IPS and held

by the Municipality on the Prudent Effective Date, shall be considered to be Restricted Special Assets, and shall *not* be held by ONE JIB as MNRI. The Treasurer may choose to liquidate these investments and determine that the proceeds are MNRI, to be invested as per this IPS and the approved ONE JIB Investment Plan.

For certainty, Restricted Special Assets are not MNRI of the Municipality, and such assets are not under the control or management of ONE JIB.

The ONE Investment Legal List Portfolio Investments, held by the Municipality, shall be considered to be MNRI and transferred to ONE JIB to be invested as MNRI, unless deemed by the Municipality to be MRI.

5.3 Third-Party Trust Funds and Designated Funds

In addition to the Municipality's own money, the Municipality is from time to time entrusted with Third-Party Trust Funds, the Municipality's responsibilities and obligations with respect thereto may be subject to other legislation and governed by other agreements and instruments. To the extent that there is any conflict or inconsistency between the provisions of this IPS and the terms and conditions contained in such other legislation, agreements or instruments applicable to Third-Party Trust Funds, the latter shall prevail.

The Municipality's Third-Party Trust Funds, the Designated Funds are listed in Schedule B.

For certainty, the Third-Party Trust Funds and the Designated Funds are not MNRI of the Municipality, and such assets are not under the control or management of ONE JIB.

5.4 Investment Management

5.4.1 Investment Management of MRI

The investment of MRI shall be controlled and managed by the Treasurer.

5.4.2 Investment Management of MNRI

The investment of MNRI shall be controlled and managed by ONE JIB in accordance with this IPS and the ONE JIB Agreement.

The selected Sub-Investment Manager shall enter into an agreement with ONE Investment related to the OCIO Offering, that complies with this IPS and Part II of the Regulation and will provide compliance and performance reports to ONE JIB and One Investment. ONE JIB shall make any investment management changes deemed in the best interest of the Municipality.

5.5 Transition to Prudent Investor Regime / OCIO Offering

Until the Prudent Effective Date, the Municipality will continue to control and manage its MRI, MNRI and investments in Legal List Securities. Some Legal List investments were made with MRI and some with MNRI.

During the transition to the OCIO Offering the Chair and Vice-Chair of ONE JIB have discretionary power to approve temporary investments recommended by the Sub-Investment Manager that may not be expressly described in this IPS but are, in the opinion of the Chair and Vice-Chair, in the best interests of the Municipality and are entirely consistent with their fiduciary obligations to the Municipality.

All MNRI that is not Third-Party Trust Funds, Designated Funds or Restricted Special Assets shall be provided to ONE JIB on the Prudent Effective Date.

5.6 Investment Constraints

5.6.1 *Environmental, Social and Governance (ESG) Investing*

The Municipality supports ESG investing for MRI and MNRI. The Municipality believes that well-managed companies are those that demonstrate high ethical and environmental standards and respect for their employees, human rights, and the communities in which they do business, and that these actions contribute to long term financial performance.

For the investment of MRI, the Municipality has chosen to monitor the developments of ESG factors and will reconsider its approach to ESG investing for the MRI Investment Portfolio as and when appropriate to do so.

For the investment of MNRI, ONE JIB is required to explore and consider how the OCIO is implementing responsible investing principles at the time of hiring and during periodic reviews. It may report on results periodically, if requested.

5.6.2 *Securities Lending*

For the investment of MRI, Securities Lending is not permitted.

For the investment of MNRI, the Municipality may invest in pooled funds, and other investment funds that are managed by the Sub-Investment Manager who may engage in Securities Lending if the policies of the OCIO permit such an action.

5.6.3 *Derivatives*

Derivatives shall not be used for the investment of MRI.

For the investment of MNRI, futures and forwards contracts, options and other derivative instruments may only be used to (a) create an asset mix position that does not leverage the portfolio, (b) replicate the performance of a capital market index, or (c) reduce risk as part of a hedging strategy.

5.6.4 *Use of Leverage*

Nothing in this IPS prevents the use of leverage, provided it is prudent to do so. Leverage is inherent in the use of certain types of investment strategies and instruments. Where leverage is employed, ONE JIB (for MNRI) and the Treasurer (for MRI) shall have in place

monitoring procedures to manage overall exposure to any counterparty. Leverages should not be exercised for speculative purposes but may be used as a hedging tool.

5.6.5 Pooled Funds

Investments in open-ended pooled funds, closed-ended pooled funds, limited partnerships and other specialist corporate structures (e.g. LLCs), are permitted provided that the assets of such funds are permissible investments under this IPS or provided that any non-permitted investments are disclosed by the Sub-Investment Manager. Within pooled funds, the External Portfolio Manager's policies will take precedence over this IPS.

5.6.6 Currency Hedging

The MRI Investment Portfolio will not utilize currency hedging.

The Municipality's funding requirements are in Canadian dollars. However, some exposure to foreign currencies in the MNRI Investment Portfolio may be advantageous to provide diversification and potentially enhance returns. Therefore, it shall not be a violation of this IPS for investments in global mandates to be unhedged, in whole or in part, where the diversification benefits embedded in the currency exposure are considered to be beneficial or desirable by ONE JIB.

5.6.7 Alternative Asset Classes

The applicable legislation does not prevent the direct and indirect placement of the MNRI in Alternative Assets Classes; this IPS permits investments in alternative investments for the purpose of management of MNRI under ONE JIB.

Alternative Asset Classes, such as infrastructure or real estate, may have uncorrelated return characteristics with traditional Asset Classes that may improve diversification within the portfolio, which may lead to better risk adjusted returns. Typically, these investments may not be fully liquid, and are only appropriate for inclusion in portfolios with long investment horizons.

5.6.8 Prohibited Investments

There are currently no identified prohibited investments.

5.7 Performance Monitoring, Rebalancing and Management

5.7.1 MRI

The performance benchmarks may vary from time to time, as decided by the Treasurer, subject to the investment constraints listed in the IPS.

The investment of MRI will be monitored and rebalanced at the direction of the Treasurer.

5.7.2 MNRI

For the investment of MNRI, ONE JIB shall establish parameters for monitoring investments and rebalancing through policy or directly within the Investment Plan.

Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. At minimum, ONE JIB shall provide reporting described in Section 6.7 below that shows the Municipality's holdings, confirms compliance with this IPS, and reports on the Sub-Investment Manager's performance.

6. ADMINISTRATIVE POLICIES

6.1 Flow of Money and Annual Municipal Budget

6.1.1 Transfer to ONE JIB as Part of Annual Review Process

On an annual basis, as part of the Municipality's Annual Review process, the Municipality shall identify the amount, if any, of MNRI that it holds. Any MNRI not already under the control and management of ONE JIB shall be transferred to ONE JIB as soon as practicable.

6.1.2 Transfer to Municipality as Part of Annual Review Process

On an annual basis, ONE JIB shall be notified by the Treasurer as to the amount, if any, required by the Municipality from the MNRI then under the control and management of ONE JIB for the Municipality's operational purposes. Such amount shall be deemed to be MRI and shall be returned to the Municipality in a lump sum or by way of periodic payments, as directed by the Treasurer.

6.2 Flow of Money Otherwise than through the Budget Process

6.2.1 Surplus Funds

The MRI captures revenues received by the Municipality during each year after the approval of the Municipality's budget for the year. Any amounts deemed to be MNRI by the Treasurer at any such time during the year shall be transferred to ONE JIB to be under its management and control as MNRI. Amounts so transferred will be recorded annually in the Investment Plan and allocated by ONE JIB in accordance with the Investment Plan.

6.2.2 Contingencies

The Treasurer is authorized to direct ONE JIB to return any amounts determined by the Treasurer to be required to meet expenditures for unexpected contingencies not anticipated by the Municipality's budget in force for that year, provided however that the aggregate of the amounts to be returned to the Municipality under this Section 6.2.2 during the year shall not exceed 25% of the MNRI under the control and management of ONE JIB as at the date that the Municipality approved its budget for the year (the Budgeted MNRI). In determining the Budgeted MNRI for purposes of calculating the 25% limit, any MNRI to be transferred to the control and management of ONE JIB in accordance with that year's Annual Review pursuant to Section 6.1.1 above shall be included and any amount to be returned by ONE JIB to the Municipality pursuant to

Section 6.1.2 shall be excluded. ONE Investment should be made aware of material transactions in advance to ensure the orderly sale of securities to fund withdrawals.

6.3 Valuation of Investments

Investments shall be valued according to the values provided by the Custodian(s). For the investment of MNRI, values of unitized vehicles shall be valued according to the unit values published by the Custodian. Other investments shall be valued at their market value when that is available from regular public trading. If a market valuation of an investment is not available, then a fair value shall be supplied by the Sub-Investment Manager to ONE Investment no less frequently than quarterly.

6.4 Voting Rights

The Sub-Investment Manager shall assume the responsibility of exercising voting rights in respect of the Municipality's MNRI and will report its voting policies to ONE JIB annually. The Municipality may access these policies at any time.

6.5 Internal Controls

The Treasurer shall establish an annual process of review of all investments made under this IPS. This review will provide internal control by assuring compliance with governing legislation and with policies and procedures established by the Treasurer. To the extent ONE JIB's input is needed, these requirements will be communicated in advance to ONE JIB.

6.6 Custodians

All municipal investments and assets of the investment portfolios may be held by a Custodian and any of the Custodian's sub-custodians or nominees. For MNRI, the Custodian shall be acceptable to ONE Investment. For MRI the Custodian shall be acceptable to ONE Investment, if ONE Investment is administering the investment of the Municipality's MRI; otherwise the Custodian shall be acceptable to the Municipality.

6.7 Reporting

6.7.1 MRI

For the investment of MRI, the Treasurer shall report at least annually to Council, the report to be in a form and contain such content as Council may request. The report to Council shall include investment performance during the period covered and any other information required under the Regulation and that the Treasurer may consider to be pertinent.

6.7.2 MNRI

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of MNRI at least annually. This report shall include the following.

- Investment performance during the period covered by the report;
- Asset mix of the total portfolio;
- A listing of individual investments held at the fund level at the end of the reporting period showing, where appropriate, book value, market value, realized/unrealized gains/losses and actual income received;
- A list of all transactions including the security name, trade date, and the purchase and/or sale price;
- A statement by the Treasurer as to whether all investments were made in accordance with the IPS and as to whether all investments were made in accordance with the Investment Plan; and
- Any other pertinent information in the opinion of the Treasurer.

All MNRI or MRI invested on behalf of the Municipality by ONE JIB or with the assistance of ONE Investment shall be held for safekeeping in the name of the Municipality by a Custodian.

7. APPROVAL, SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE

7.1 Revocation / Amendment of Previous Investment Policy

This IPS revokes the existing Investment Policy Statement approved by Council on July 9th, 2002.

7.2 Modifications to the IPS

At least annually, Council shall review the IPS and update it, if required. In the course of reviewing the IPS, Council may request comments from the Treasurer with respect to the investment of MRI and from ONE JIB with respect to the investment of MNRI.

Following the Council's review of the IPS, ONE JIB shall review the Investment Plan and update it, if required.

At a minimum, the annual IPS review will consider:

- the adequacy of funding for capital works;
- the Municipality's ability to reduce other spending;
- flexibility of the timeframe to payout; and
- sensitivity to loss.

7.3 Effective Date

This IPS is adopted by Council of the Municipality effective TBD. The Treasurer is directed to sign a copy of this IPS to evidence approval and to deliver a copy of this IPS to ONE JIB.

Signed by:

[Title: Treasurer]

Date

Schedule A

Restricted Special Assets

Debt Securities

The Municipality does not hold any debt securities.

Own Debt Securities

The Municipality does not hold or issue its own debt securities.

LDC and other MSC Securities

The Municipality does not hold any LDC or other MSC Securities.

Schedule B

Third-Party Trust Funds and Designated Funds

Third-Party Trust Funds

Care and maintenance trust funds under the *Funeral, Burial and Cremation Services Act*, 2002 which are to be invested pursuant to the *Trustee Act*.

Designated Funds

The Municipality does not have designated funds.

Appendix 1: ONE JIB Agreement

Municipal Client Questionnaire (MCQ)

The MCQ is part of the ONE Investment / ONE JIB annual Investment Plan review (approval) process. The MCQ along with the Council approved (reviewed) Investment Policy informs ONE JIB of the municipal circumstances to consider with the approval of the Investment Plan.

During the year, outside of the annual review, please update the MCQ within 90 days if the municipality experiences any significant changes, *including a significant change in your municipality's financial circumstances, or significant change in the amount of your municipality's "money that it does not require immediately"*. For changes between annual reviews, provide written notice of changes by using the in-year MCQ update form on the last page of this document.

Section 1 – Client Information

Name of Municipality: The Corporation of the Municipality of Port Hope

Address: 56 Queen Street, Port Hope, ON L1A 3Z9

Treasurer Information

Name: David Baxter

Phone Number: (905) 885-4544 Extension: 2223

Email: dbaxter@porthope.ca

Primary Day to Day Contact Information*

☐

Check if same information as Treasurer above

Name: Christine MacKinnon (Deputy Treasurer)

Phone Number: (905) 885-4544 Extension: 2204

Email: cmackinnon@porthope.ca

*Primary day-to-day contact should have a comprehensive understanding of your Municipality's financial position and investment needs.

Section 2 - Investment Knowledge and Experience

2.1 Which statement best describes the Municipal staff (person most responsible for managing investments)'s level of investment knowledge and experience with financial markets and products? *Please check one*

- ☐ Very limited knowledge
- ☐ Basic knowledge and minimal experience
- ☒ Good knowledge and some experience
- ☐ Strong knowledge and experience
- ☐ Advanced knowledge and extensive experience

2.2 If Municipal staff have strong or advanced knowledge, please describe where this knowledge was acquired (e.g., education, designations experience).

2.3 Please indicate if your municipality has used / held any of the following investment types within the past five years. *Please check all that apply.*

- ☒ Canadian money market securities
- ☒ Locked-in Investments (e.g., GICs, PPNs etc.)
- ☐ Local Distribution Corporation Securities (LDC securities)
- ☒ Securities held in third party trusts (i.e., cemetery trust, legacy fund etc.)
- ☒ Fixed income (government and/or corporate bonds)
- ☐ Equities
- ☐ Other – Please Describe

Section 3 – General Municipal Information

This section provides some high-level demographic information on the municipality

3.1 What is the population of the Municipality? 16,500

3.2 Is your municipality a single tier, upper tier or lower tier? Lower Tier

3.3 How much does a 1% tax rate increase generate? \$ 300,000

3.4 Is there any other demographic information about your municipality you would like the ONE JIB to know?
(optional)

The Municipality was formed through Amalgamation in 2001, with the rural area and urban areas comprised of a former township and town respectively. These areas align to the separate legacy funds being invested.

Section 4 – Municipal MNRI Information

4.1 This section summarizes the current MNRI under the management and control of the ONE JIB and the projected change identified in the annual review. *The total value should equal the total MNRI shown in Question 5.1 Investment Objectives and Horizon*

Description	Value
Portfolio Value (A) - For existing municipalities this is the amount currently invested with ONE JIB as of your last monthly statement. - For new municipalities this should be \$0	
Change to MNRI: Additional contribution (+) or withdrawal (-) (B) - For existing municipalities this is the MNRI change identified during the annual review (fund transfers are typically completed with 30 days of ONE JIB's approval of the updated investment plan) - For new municipalities, this equals your initial deposit as of the Prudent effective date (TBD)	\$ 21,500,000
Total MNRI under the management and control of ONE JIB (A + B)	\$ 21,500,000

☐ Additional details have been included as an attachment to this MCQ (optional).

4.2 Use this *optional* box to provide any additional MNRI details related to 4.1 above (in lieu of a separate attachment)

The \$21.5M figure used is based on the most recently available investment statements (March 31, 2026) at the time of completion of this MCQ. These amounts are subject to the following adjustments:

1. Additional income earned between March 31, 2026 and the transition date, and
2. Any fees we have to pay to our current investment manager to liquidate our current investments and terminate our account with them given we are moving all funds to ONE JIB.

Our initial investment outlined above is all of our legacy funds, however we do have other funds that we will be looking to invest at some point in future years in a general account. These funds span across multiple reserves/reserve funds and as we continue to progress through our capital and operating multi-year forecasting, we will have a clearer picture of which of these funds meet our MNRI requirements.

Additionally, due to the nature of these two legacy funds the investment objectives are identical for both however there is a requirement to keep the funds and the relevant reporting for each separate.

Section 5 – MNRI Investment Objectives and Liquidity Needs

This section asks about your Municipality's MNRI, the purpose or investment objective and the expected investment horizon or when funds may be required to meet forecasted municipal obligations.

5.1 What is the Municipal funding objective(s), investment horizon(s) and purpose(s) for the MNRI? The total MNRI value should equal the total MNRI shown in Question 4.1 Municipal MNRI Information

MNRI by Investment Horizon

Description	Total MNRI (\$) (A+B+C) <i>auto calculate</i>	Investment Horizon < 5 Years (A)	Investment Horizon 5-10 Years (B)	Investment Horizon >10 Years (C)
Rural Legacy Fund	\$ 10,500,000			\$ 10,500,000
Urban Legacy Fund	\$ 11,000,000			\$ 11,000,000
	\$ 0			
	\$ 0			
	\$ 0			
Total MNRI - auto calculate	\$ 21,500,000	\$ 0	\$ 0	\$ 21,500,000

Note – Description is up to the municipality, it could be total MNRI (one line) or broken out into the funding objective/investment purpose, or municipal reserve name/group (multiple lines)

☐ Additional details have been included as an attachment to this MCQ (optional).

5.2 Based on *current* municipal forecasts, please provide details that may help inform the ONE JIB about *potential drawdowns/additions to MNRI* that may be anticipated in future years.

Cash Flow Projections Potentially Affecting Future MNRI

Description	Next Year	2 years	3-5 years	5-10 years	10 years +
Anticipated MNRI Drawdowns (-)	\$ 700,000	\$ 700,000	\$ 2,100,000	\$ 3,500,000	
Anticipated MNRI Contributions (+)					
Net Change to MNRI	\$ 700,000	\$ 700,000	\$ 2,100,000	\$ 3,500,000	\$ 0

5.3 Does the municipal forecasts used (above in 5.2) reflect

- ☒ Drawdowns of current reserve balances, or
☐ Drawdowns of current reserve balances inclusive of projected future budgetary contributions

5.4 What *assumptions or factors* do your municipality include in the MNRI cash flow projections? For example, but not limited to, inflation assumptions on capital projects, assumptions on future tax-based reserve contributions, forecasted development charge revenue etc.

Based on current drawdowns of up to \$700k annually which is in line with roughly 3% annually. This figure may be updated in future years. Timing of drawdowns planned to be on a quarterly basis to get to the annual \$700k figure, but we have flexibility within calendar year to work with ONE for when they occur.

5.5 Does your municipality forecast beyond 5 years, if yes, what is the level of accuracy?

These are legacy funds whose purpose is to leverage investment income earned to offset the tax levy. As such, anticipate withdrawals to be relatively consistent but could be adjusted over time based on actual earnings or policy change.

5.6 Does your current municipal forecast include any large (or unusual) capital expenditures, which are outside of normal operations?

☐ Yes ☒ No

5.7 Do you anticipate any *potential* change in *liquidity needs* in the future (i.e. within 2 years, within 5 years or beyond 5 years) which may impact on the investment time horizon? An example could be a large capital infrastructure project with timing TBD, or with grant funding pending etc. If yes, please elaborate.

No, not for these funds.

5.8 How does your Municipality manage unanticipated requests for funding? Can you characterize the probability that your municipality may need to draw down MNRI to fund unexpected budget shortfalls?

Not applicable given the nature of these legacy funds.

5.9 Are there any *other unique circumstances* to your municipality that may impact your cash flow MNRI forecast, return objectives and risk tolerance that the Investment Plan should consider?

The objectives of these legacy funds are to maintain initial principal (\$10M each) in perpetuity and leverage investment income earned to offset the tax levy. The intention is to not drop below the initial \$10M value, but there is some level of tolerance to a temporary reduction should that occur, and it is not a mandatory requirement that we not go below the initial principal.

Estimated annual drawdowns are \$700,000, however actual drawdowns are currently based on earnings so this figure is only an estimate. Currently the reduction to tax levy is 80% of the previous year's earnings on investments. We are intending to maintain drawdowns around the current level to not skew the tax levy reduction too dramatically YoY, however given the complications associated with our current methodology, we are reviewing internally and looking to update the basis for determining the annual drawdown. One of the significant challenges is that since the initial establishment of our current methodology, we have progressed to a state where our budget for the following year is being approved before the year is over and therefore the total investment income for the previous year is not yet fully known and in these instances we have been using previous year's earnings.

These funds are long-term in nature (aside from the annual drawdown which comes out of earnings) and therefore liquidity of underlying investments is not a key consideration.



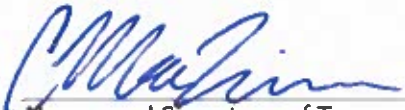
Municipal Client Questionnaire (MCQ)

Section 6 – Acknowledgement

I confirm that information provided to ONE Investment in this form is complete and accurate to the best of my knowledge as at the date below.

Dated this 31 day of July, 2026

Christine MacKinnon


Name and Signature of Treasurer

Second Signature (if required)

Appendix 1 – In-year MCQ Updates Form

Please provide details below that explain the nature of your requested change. This should describe: the money involved, the timing of transactions required, and any other context to support the change request. This will allow ONE JIB to understand how this update may change the cashflow characteristics or investment horizons of MNRI relative to your current MCQ and Investment Plan.

Acknowledgement

I confirm that information provided to ONE Investment in this form is complete and accurate to the best of my knowledge as at the date below.

Dated this _____ day of _____, 20____

Name and Signature of Treasurer

Second Signature (if required)

Attachment 3

INVESTMENT PLAN FOR

The Municipality of Port Hope

DATE: September 10, 2026



CONTENTS

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1

DEFINITIONS

Definitions applicable to this Investment Plan can be found on the ONE Investment webpage under Education & Training / Glossary.

2

PURPOSE

As required under the prudent investor regime authorized by the Municipal Act, 2001 (Act), and Ontario Regulation 438/97 (Regulation), this Investment Plan (Plan) establishes how ONE JIB will invest The Municipality of Port Hope's Money Not Required Immediately (MNRI) as defined in Section 3.1 of Port Hope's Investment Policy Statement (Policy).

This Plan applies to all investments controlled and managed by ONE JIB on behalf of the Municipality of Port Hope.

3

RESPONSIBILITY FOR PLAN

This Plan is the responsibility of ONE JIB, which has authorized its agent, ONE Investment, to exercise its administrative investment functions in accordance with the Regulation. ONE JIB oversees ONE Investment staff using procedures, reports, and regular reviews to monitor compliance with the Act, the Regulation and the Municipality of Port Hope's Policy.

ONE Investment has engaged PH&N Institutional to provide OCIO services. PH&N Institutional is the business division of RBC Global Asset Management responsible for managing assets for Canadian institutional clients. PH&N Institutional will be involved in implementing the Investment Plan, monitoring and reporting investments, and providing ancillary services to support the OCIO Offering.

RBC GAM's investment professionals are committed to providing each client with investment solutions that are appropriately tailored to address the client's investment situation. This means understanding macroeconomic trends and strategies and the diverse and evolving investment needs of clients.

4

INVESTMENT GOALS AND OBJECTIVES

The Municipality of Port Hope's investment needs, as described in its Policy, provide Council's guidance to ONE JIB in determining investment allocations. Further guidance from the MCQ and dialogue with the Treasurer inform ONE JIB about Port Hope's current goals, objectives, circumstances, and risk tolerance, and help determine investment allocations.

The allocation of Port Hope's MNRI in this Plan is consistent with the details as disclosed in Port Hope's Policy and MCQ. Section 5.2.1 of Port Hope's Policy provides specific information that characterizes the objectives for MNRI, as detailed in Table 1 below:

Table 1: The investment objectives for MNRI.

Category	Objective & Risk Tolerance
Objectives for overall MNRI	• Preservation of capital • Provide adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements • Diversification by asset class, market sector, issuer, credit quality, and term to maturity • Achieve capital appreciation and income while managing risk to an appropriate level.

The MNRI invested with ONE JIB will be broadly diversified across asset class, market, sector, issuer, credit quality, and term to maturity to help reduce investment return volatility. Returns impact revenues and have a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. The MNRI shall be invested to obtain a progressively higher rate of return for longer-term investment horizons, commensurate with stated risk tolerances.

The MNRI balances will be invested primarily to achieve capital growth over time and to provide a steady stream of annual income for the municipal budget. Achieving returns above inflation is a key investment objective.

5

INVESTMENT PORTFOLIO

Asset allocations are typically expected to be relatively stable until the next annual review. Any contributions or withdrawals of MNRI must be communicated to ONE JIB formally as outlined in the ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy

5.1 Account Structure

MNRI Investment Horizon	Risk Tolerance / Model Assigned	Allocation
Rural Legacy Fund	Model D+ (40% Equity) assigned.	\$10,500,000
Urban Legacy Fund	Model D+ (40% Equity) assigned.	\$11,000,000
General Account	To be determined at a later date	N/A

Other considerations:

- The two legacy funds represent the initial MNRI for Port Hope, but a third account may be added in the future to reflect general reserves.
- Additional analysis will be required before staff can commit MNRI to the general account. This will be provided in future Investment Plan annual reviews.
- Separate accounts/reporting is required for the three accounts.
- Legacy fund's capital has a perpetual investment horizon.
- Drawdowns should be limited to the annual income requirement only.
- The legacy funds have been used as a source of recurring income that helps to limit the potential for tax rate increases.
 - Traditionally, 80% of investment income/gains have been used in the municipal budget.
 - Income from MNRI will be required, which has been identified in the MCQ as \$350,000 annually for each Legacy Fund (\$700,000 total) starting in 2027.
 - The actual drawdown amount and timing is at the discretion of the Treasurer, although quarterly draws are a possibility.
 - They are technically not required under policy to curtail drawdowns if AUM drops below the base Legacy amounts, and each fund has an initial MNRI deposit above that base amount set at \$10,000,000 for each fund.
- Staff have considered formalizing the annual income drawdown details in a Legacy policy document.
- MNRI amount identified is a representative number based on available information as of March 31, 2026 – actual final amount remitted is subject to revision, based on settlement and disbursement of existing investments in the Legacy Fund accounts. A second MNRI

contribution will follow later in 2026, with the incremental balance remaining. It is the municipality's intention that 100% of their Legacy Fund Reserves is MNRI.

- The Policy *permits* the use of alternative investments.
 - Staff understand the issues with more limited liquidity and potential incremental costs for early withdrawal of MNRI from alternative investment funds. There is comfort that investing in alternative investments is appropriate.

5.2 Allocations – same model used for both Urban and Rural Legacy Fund

40% EQUITY MODEL (D+)			
Asset Classes	Minimum (%)	Target Weight	Maximum (%)
Cash & Equivalent	0	0%	10
Canadian Fixed Income	25	35%	45
Global Fixed Income and Credit	5	15%	25
Canadian Equities	10	20%	30
Global Equities	10	20%	30
Alternatives	0	10%	20
Total		100%	

* Further details on holdings and benchmarks for this model are detailed in a ONE JIB report approved on September 4, 2025. ([Model Portfolio Review 2025](#)).

6

APPLICABLE ONE JIB POLICIES

The Plan adheres to the following ONE JIB Policies subject to periodic review and updating and are posted to the ONE Investment website.

- ONE Anti-Money Laundering Policy
- ONE JIB Fund Deviation Policy
- ONE JIB Principles of Good Benchmarks Policy
- ONE JIB Withdrawals of MNRI Policy
- ONE JIB In-Kind Securities Policy
- ONE JIB Responsible Investment Policy
- ONE JIB Policy for Reviewing the External Sub-Investment Manager
- ONE JIB OCIO Compliance Monitoring Policy

7

ELIGIBLE FUNDS

The eligible funds are listed under Schedule “A” of the Investment Management Agreement between RBC Global Asset Management Inc. and ONE Investment, which may be reviewed and updated periodically.

In asset classes where more than one fund is eligible for investment, the OCIO will be responsible for determining which fund(s) to include in the client portfolio after due consideration for (1) the individual characteristics of the fund, (2) prevailing market conditions impacting the fund’s liquidity and capacity, and (3) its alignment with the Municipality’s investment objectives and philosophy.

The Manager shall manage the RBC GAM Fund(s) according to the pooled fund investment mandate including the investment guidelines contained therein developed by the Manager in respect of each RBC GAM Fund (each, an “Investment Mandate”).

Asset Classes	Sub-Asset Classes	Eligible Fund Names (Schedule “A” of IMA)
	Fixed Income	
Cash & Equivalent	Money Market	PH&N Canadian Money Market Fund
Canadian Fixed Income	Short-Term Bonds	PH&N Short Term Bond & Mortgage Fund RBC Vision Fossil Fuel Free Short Term Bond Fund
	Universe Bonds	PH&N Bond Fund PH&N Enhanced Total Return Bond Fund RBC Vision Bond Fund RBC Vision Fossil Fuel Free Bond Fund
	Corporate Bonds	PH&N Corporate Bond Trust*
	Private Placement Corporate Debt	PH&N Private Placement Corporate Debt Fund*
	Commercial Mortgages	PH&N Mortgage Pension Trust* RBC Commercial Mortgage Fund*
Global Fixed Income and Credit	High-Yield Bonds	RBC High Yield Bond Fund PH&N High Yield Bond Fund
	Global Multi-Asset Credit	BlueBay Total Return Credit Fund
	Global Bonds	RBC Global Bond Fund
	Emerging Markets Bonds	RBC Emerging Markets Bond Fund

	Equities	
Canadian Equities	Canadian Equities	PH&N Canadian Equity Value Fund PH&N Canadian Equity Fund RBC Vision Canadian Equity Fund RBC QUBE Canadian Equity Fund
	Canadian Low Volatility Equities	RBC Vision QUBE Fossil Fuel Free Low Volatility Canadian Equity Fund RBC QUBE Low Volatility Canadian Equity Fund
Global Equities	U.S. Equities	PH&N US Equity Fund RBC QUBE US Equity Fund
	U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Fund
	International Equities	RBC International Equity Fund RBC International Equity Index Fund RBC QUBE International Equity Fund
	Global Equities	RBC Global Equity Focus Fund RBC Global Equity Leaders Fund RBC Vision Global Equity Fund RBC Vision Fossil Fuel Free Global Equity Fund RBC QUBE Global Equity Fund
	Global Low Volatility Equities	RBC QUBE Low Volatility Global Equity Fund
	Emerging Markets Equities	RBC Emerging Markets Equity Fund RBC Emerging Markets Dividend Fund
Alternatives	Real Estate	RBC Canadian Core Real Estate Fund
	Infrastructure	RBC Global Infrastructure Fund

8

REBALANCING

The OCIO is authorized to execute trades, as appropriate, to maintain compliance with the Investment Plan.

Rebalancing shall occur in accordance with the Participating Municipality's Investment Policy Statement and Investment Plan.

Rebalancing plans and exact timing should account for upcoming material changes that may impact the Investment Plans, such as updates to the Investment Policy Statement or the Municipal Client Questionnaire.

As appropriate, the size and frequency of trading activities shall be minimized to help reduce the administration and costs of trading.

9

IMPLEMENTATION

9.1 Custodian

All marketable investments under the control and management of ONE JIB, shall be held for safekeeping by ONE Investment's Custodian.

9.2 Implementation Plan

Timeline	Implementation Details
October 2026	\$21.5 million in cash will be remitted to ONE Investment and deployed into the model portfolios shortly after the Investment Plan is approved.
November/December 2026	The municipality will make a second residual deposit of any remaining Legacy Reserve Fund amounts. Amount TBD

9.3 Accommodating Cashflow needs

Income from investments will be automatically reinvested as per the ONE Distribution Policy PI and cashflow needs of Port Hope are expected to be financed with the sale of units of the pooled funds. Payment of OCIO Fees and Governance fees will also be financed with the sale of investment pool units.

Starting in 2027, the municipality will be withdrawing up to \$350,000 annually from each of the Legacy Accounts (\$700,000 total). The withdrawal amount and timing and frequency is up to the Treasurer, based on municipal needs, and may occur up to four times a year, up to the maximum annual amount.

To: ONE Joint Investment Board
From: Donna Herridge, Co-President/Co-CEO, ONE Investment
Date: September 10, 2026
Re: Risk and Audit Committee Update – Q3 2026
Report: ONE JIB 2026-038

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

This report provides a summary of the ONE Investment Risk and Audit Committee meeting held on June 4, 2026, which included:

- Approval of the draft ONE Investment Board Financial Statements;
- Re-appointment of PriceWaterhouseCoopers (PwC) for the audit of ONE's Legal List Portfolios and support for the re-appointment of BDO Canada for the audit of ONE Investment's Financial Statements by the AMO Board;
- A compliance update on Q1 activities and key performance indicators for ONE's custodians;
- New procedures implemented by staff to ensure ONE JIB instructions are implemented in a timely manner, and
- A management update on cyber security risk assessment, enterprise-wide risk assessment and compliance manual in addition to a summary of the ONE JIB (April 17) and ONE Investment Board (May 28) meeting discussions.

3. BACKGROUND

The Risk and Audit Committee is comprised of five representatives as follows:

- James (Jim) Giles (Chair) from ONE JIB
- Trevor Pinn (Vice Chair) from the ONE Investment Board
- Heidi Franken from ONE JIB
- Duane Ramkissoon, Manager, Investment Portfolio, Durham Region, and
- Anna Lisa Barbon, Deputy City Manager, Finance Supports, City of London

ONE Investment's Risk and Audit Committee's next meeting is scheduled for October 1, 2026.

4. ANALYSIS

The ONE Investment audit report was presented, and the Committee recommended ONE Investment Board's approval of the 2025 draft financial statements.

Melanie Borho-Persechini, Partner from BDO Canada, reported on the overall status of the audit, findings, internal control matters, adjusted/unadjusted errors and other communications/ resources. The draft 2025 Financial Statements were reviewed and recommended for approval by the ONE Investment Board. BDO provided an unqualified audit opinion. ONE's 2025 Financial Statements are included in the annual report and were posted on [ONE's website](#) after approval by the members.

The Committee recommended that the Board reappoint PwC for the audit of ONE's Legal List Portfolios and supported BDO Canada as the auditors for the 2026 fiscal year for ONE Investment

Reports on PwC and BDO's performance for the ONE Investment Annual Statement of Pooled Funds and ONE Investment, respectively, were given by staff members. The two audits went well, and the Committee is recommending that PwC be chosen by the ONE Investment Board to handle the Legal List portfolios audit for 2026. The AMO Board has the authority to re-appoint BDO Canada for the 2026 fiscal year to audit ONE Investment, which is connected to the AMO and LAS audits. The Committee supported this decision. Approval of the reappointment of both auditors was subsequently approved.

Since a custodial review is scheduled for 2026, the Committee's work plan will include an evaluation of audit services in 2027.

ONE's Chief Compliance Officer provided updates on Q2 2026 activities

Compliance activities were very busy with the onboarding of four new PI investors in Q2, in addition to regular ongoing compliance activities. A significant portion of the CCO's job was the direct onboarding of Lambton Shores, New Tecumseth, Front of Younge and Georgina to the ONE Prudent Investment Program in mid-2026.

Staff provided the Committee with an update on the cybersecurity assessment, the compliance task list and risk assessment

Management provided an update on the cyber security assessment, compliance task list and risk assessment, which were unchanged from the previous Committee meeting.

CIBC Mellon quarterly key performance report and RCB Investor Services attestation were reviewed, with all variances being within industry standards

Every quarter, CIBC Mellon releases a performance report that summarizes important service delivery indicators for their fund administration and custody services. Every deviation fell within the bounds of industry norms. The monthly meetings between ONE's CCO and CIBC Mellon will continue. Furthermore, no deviations were noted by the RCB Investor Services attestation.

Staff provided an update on procedures which were put in place to ensure ONE JIB instructions are implemented in a timely manner

Implementation of ONE JIB's direction to move Quinte West's investments from Model D to Model F was delayed. Staff have implemented procedures with PH&N to ensure future ONE JIB instructions are implemented on a timely basis.

Staff gave an update of ONE JIB and ONE Investment Board meetings on April 17, 2026, and May 28, 2026, respectively.

The ONE JIB meeting on April 17, 2026, and the ONE Investment Board meeting on May 28, 2026 are summarized in the report to the Risk and Audit Committee.

5. CONCLUSION

The Committee provides oversight and recommendations to ONE Investment Board and staff. ONE JIB receives updates on the Committee as a mechanism of transparency for ONE JIB on the work its agent is doing.

Drafted by: Donna Herridge, Co-President/Co-CEO, ONE Investment

Approved by: Christina Pavone and Donna Herridge, Co-President/Co-CEO, ONE Investment

To: ONE Joint Investment Board
From: Donna Herridge, Co-President/Co-CEO, ONE Investment
Date: September 10, 2026
Re: Board Governance Self-Evaluation Fall 2026
Report: ONE JIB 2026-039

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.
2. Direct ONE Investment staff to amend the ONE JIB Terms of Reference to provide a minimum biennial review rather than an annual review, as part of the 2027 Governance review.

2. SUMMARY

The ONE JIB Terms of Reference contemplate an annual evaluation of the ONE JIB Board. ONE JIB has conducted annual self-evaluations online since the Fall of 2020. This year's evaluation will be conducted online from September 11 to October 31, 2026.

3. BACKGROUND

ONE JIB's Terms of Reference require an annual self-assessment

Board evaluation is a critical part of good governance and is intended to help boards improve their effectiveness. Evaluation results can inform a board's continuous improvement efforts, identify substantive and procedural strengths and weaknesses, help orient new board members, and validate the board's future priorities.

Section 4.13 of ONE JIB's Terms of Reference, set out below, provides direction that has informed the initial design of the self-assessment.

4.13 – Self Assessment

Annually, ONE JIB must review and assess:

- a) its effectiveness as a board, as well as the effectiveness and contribution of each of its members, including a consideration of:
 - i. the competencies and knowledge each member is expected to bring to ONE JIB;
 - ii. the level of complexity of the issues reasonably expected to be raised by members in connection with the matters under review by ONE JIB;

- iii. continuing education activities and industry knowledge of each member of ONE JIB; and
 - iv. the ability of each member to contribute the necessary time required to serve effectively on ONE JIB;
- b) its structural effectiveness, including a consideration of:
- i. the frequency of meetings;
 - ii. the substance of meeting agendas;
 - iii. the policies and procedures that ONE Investment has established to refer matters to ONE JIB;
 - iv. the usefulness of the materials provided to members of ONE JIB; and
 - v. the collective experience and background of the members of ONE JIB;
- c) The written minutes of ONE JIB meetings at which these assessments take place shall form the basis of the records of such assessments. ONE JIB may also establish a process for and determine the frequency of additional assessments as it sees fit. ONE JIB shall consider how to respond appropriately to address any weaknesses found in a self-assessment.

ONE JIB completed its most recent annual board governance self-evaluation in Fall 2025. The results of the evaluation and ONE Investment's responses are documented in Report 2025-049. The 2026 version of the survey remains unchanged but reflects the OCIO model, which was implemented beginning in Q3 2024

4. ANALYSIS

Progress has been made on Board priorities in 2026

There were three priorities established for ONE JIB for 2026 as identified in Table 1.

- Approve model portfolios which provide a useful framework for translating municipal reserves into effective investment strategies.
- Review core documents (deferred to 2027), and
- Approve a sound performance reporting framework.

ONE JIB members also continue to actively participate in some municipal conferences where they meet existing investors and municipal representatives who are interested in investment opportunities for their municipalities.

Table 1 - ONE JIB Priorities

Key ONE JIB Areas of Focus	ONE Investment Response
The model portfolios are an effective means of translating municipal reserves and investment objectives into asset allocations.	There is high support amongst ONE JIB for the model portfolios. This new business model is also allowing ONE Investment to scale up as municipal interest increases.

Key ONE JIB Areas of Focus	ONE Investment Response
The core documents (Municipal Client Questionnaire, Investment Policy Statement template, Investment Plan template) are adequately designed to meet ONE JIB's needs.	Consistently identified by ONE JIB as an area of focus. ONE Investment continues to work on the core documents to ease use by municipalities.
ONE JIB has a sound performance reporting framework in place	With the business model transition, ONE Investment is working with PH&N on strengthening the performance reporting framework.

The self-evaluation will enable the Board to continue building on what has been accomplished

The ONE JIB is a groundbreaking collective effort. The growth of assets under management and in the number of Participating Municipalities demonstrates the value of ONE JIB in the municipal sector. Undertaking a self-evaluation is a critical part of the continuous improvement process. The self-evaluation questions are designed to identify where improvements could be made, celebrate successes, and plan the future work of ONE JIB.

The self-evaluation will be done online

ONE Investment staff will use an online survey tool to deliver the self-evaluation survey for ONE JIB members. It will open September 11, 2026, and be available until October 31, 2026. ONE Investment staff will aggregate the results of Sections A, B, C and D of the survey and report back to ONE JIB with recommendations for the next steps.

Move evaluation to biennial

ONE JIB's Term of Reference originally contemplated an annual self-evaluation. Given that the ONE JIB and the Prudent Investment program are now focused on growth in municipalities and that the governance structure and foundational documents/processes are stable, staff are recommending that the ONE JIB move to a biennial evaluation. As part of the governance review, which was deferred to 2027, staff will look at amending the ONE JIB Terms of Reference to provide a minimum biennial rather than annual review.

5. CONCLUSION

The proposed self-evaluation will fulfill the requirements set out in the Terms of Reference and help ONE JIB ensure it is still on course for the future.

Drafted by: Donna Herridge, Co-President/Co-CEO, ONE Investment

Approved by: Christina Pavlone and Donna Herridge, Co-Presidents/Co-CEO, ONE Investment

To: ONE Joint Investment Board
From: Evelyn Foo, Chief Compliance Officer, ONE Investment
Date: September 10, 2026
Re: Compliance Report – Asset Class and Target Weight Allocations Q2 2026
Report: ONE JIB 2026-047

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

The compliance report provided by the External Investment Manager (PH&N Institutional) assists ONE JIB in monitoring the weights of investment holdings and asset classes relative to their targets for each Participating Municipality under the Prudent Investment Offering.

3. BACKGROUND

The Investment Manager's system produces a report to monitor allocation weights under the Prudent Investment Offering

The report is reviewed by ONE Investment staff and CCO on a regular basis in their oversight responsibilities. There is no commentary offered unless a metric is above or below the target value by more than two percentage points.

The report found in Attachment 1 "Investment Queue" summarizes those municipalities that are awaiting fulfillment of their assigned funds in their Investment Plan. It is anticipated that the timeline for fulfilment for the RBC Commercial Mortgage Fund is 8-12 months and PH&N Private Debt Corporate Placement is up to 3 months. This report provides an overview for all the municipalities on one page and replaces the previous report that was presented at the municipality level.

4. ANALYSIS

The following activities took place in June 2026 successfully:

New Accounts

Account Name	Total Trade Amount	Trade Date
ONE Investment - Front of Yonge - Model G	\$493,962	June 17, 2026
ONE Investment - Lambton Shores - Model G	\$6,000,000	June 16, 2026
ONE Investment - Georgina - Model G	\$20,000,001	June 16, 2026
ONE Investment - New Tecumseth - Model E	\$8,000,001	June 16, 2026

Additional Inflows

Account Name	Total Trade Amount	Trade Date
ONE Investment - Huntsville - Model D	\$3,500,001	June 16, 2026
ONE Investment - Central Frontenac - Model F	\$500,000	June 5, 2026

5. CONCLUSION

The Investment Manager Asset Class and Target Weight Allocation report continues to provide the ONE JIB with the ability to monitor allocations in the ONE JIB approved model portfolios in the Prudent Investment Offering. The attached report provides ONE JIB with the tools to monitor the positioning of asset classes and individual holdings relative to their intended targets.

ATTACHMENTS

Attachment 1: Investment Queue Q2 2026

Drafted by: Evelyn Foo, Chief Compliance Officer

Approved by: Donna Herridge & Christina Pavone, Co-President/CEOs, ONE Investment

Attachment 1

Investment Queue for Q2 2026

Portfolio Name	RBC Commercial Mortgage Fund	% of Total Portfolio	PH&N Private Placement Corporate Debt Fund	% of Total Portfolio
Durham Short	\$ -	-	\$ -	-
Durham Medium	\$ 472,815.26	0.62%	\$ 38,615.47	0.05%
Durham Long	\$ 19,346,869.03	1.00%	\$ 1,232,919.19	0.06%
Central Frontenac - Model F	\$ 163,719.68	3.60%	\$ -	-
Red Lake - Model D	\$ 45,570.22	1.68%	\$ 5,350.97	0.20%
Aurora - Model E	\$ 3,076,653.62	4.99%	\$ 74,924.88	0.12%
Aylmer - Model E+	\$ 219,103.50	10.00%	\$ 3,312.91	0.15%
Bracebridge - Model G	\$ 995,834.21	10.00%	\$ -	-
Huntsville - Model D	\$ 642,271.65	3.92%	\$ 373,797.66	2.28%
Innisfil - Model C	\$ 3,433,961.94	4.82%	\$ 76,225.57	0.11%
Kenora CPTF - Model E+	\$ 5,160,619.47	10.00%	\$ 68,161.49	0.13%
Kenora General - Model E	\$ 2,752,572.43	10.00%	\$ 33,354.05	0.12%
Muskoka - Model E	\$ 8,327,271.09	5.00%	\$ 206,522.53	0.12%
Neebing - Model E	\$ 48,494.10	1.42%	\$ 9,480.76	0.28%
Quinte West - Model D	\$ 479,707.60	1.25%	\$ -	-
Thunder Bay - Model E+	\$ 15,493,281.44	10.00%	\$ 204,312.96	0.13%
Whitby - Model D	\$ 5,181,703.84	2.27%	\$ 427,415.45	0.19%
Lambton Shores - Model G	\$ 600,120.99	10.00%	\$ -	-
Georgian Bay - Model D	\$ 695,207.35	10.00%	\$ 5,976.67	0.09%
Olivier Paipoonge - Model F	\$ 450,413.08	10.00%	\$ -	-
Georgina - Model G	\$ 2,000,403.43	10.00%	\$ -	-
Front of Yonge - Model G	\$ 49,507.28	10.00%	\$ -	-
New Tecumseh - Model E	\$ 800,900.43	10.00%	\$ 600,675.32	7.50%

CMF estimated time to full deployment	8-12 months, with regular capital calls throughout the period
PPCDF estimated time to full deployment	0-3 months, with regular capital calls throughout the period

To: ONE Joint Investment Board
From: Jason Hagan, Program Manager
Date: September 10, 2026
Re: Strategic Plan – Q2 2026 Progress
Report: ONE JIB 2026-042

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

ONE JIB approved a Strategic Plan for 2023-2027. A tracking tool has been developed for ONE JIB to track progress on the key initiatives of the Strategic Plan. All initiatives from the workplan are currently on track.

3. BACKGROUND

Futures List and Strategic Plan implementation tracking

ONE JIB has an approved work plan for the current year, known as the Futures List, that identifies key initiatives and normal business operations of ONE JIB. Tracking these initiatives allows ONE JIB to monitor its progress against the Futures List and the ONE JIB-approved ONE Investment Strategic Plan for 2023 to 2027, which identifies four strategic imperatives:

- (1) Growth of Assets Under Management - develop our data and analytics capabilities.
- (2) Participating Municipalities - grow our people and capabilities.
- (3) Engagement and Conversion - grow our brand, awareness, and education; and,
- (4) Profiles of Municipalities - drive investment maturity.

ONE JIB uses this tool to monitor the progress of implementing the Plan.

4. ANALYSIS

The importance of a strategic reporting tool

This Futures List tracks the annual workplan of ONE JIB. Being able to monitor progress on the workplan allows ONE JIB to ensure its business objectives are achieved over the course of the year. This allows ONE JIB to evaluate progress towards achieving strategic

imperatives. Measuring the implementation of the Strategic Plan improves accountability for all stakeholders in the Strategic Plan (ONE JIB, ONE Investment Board and ONE staff), helping to ensure that everyone is working towards the same goals and objectives.

The Strategic Plan is a long-term document, five years in this instance, which may require course correction over time. Monitoring allows timely course corrections when needed.

The strategic reporting tool uses a simple colour scheme to allow ONE JIB to monitor quickly what is on track (green), delayed (yellow), cancelled (red) or has changed in scope (purple). The tool looks back on the previous quarter.

For Q2 2026 all initiatives are on track, with a focus on onboarding four municipalities that were approved at the May meeting and supporting others through the council consideration processes, with a goal of being considered at the September and November meetings. A summary can be found in Attachment 1 to this report.

5. CONCLUSION

The use of a strategic reporting tool helps ONE JIB track the implementation of key initiatives supporting the strategic imperatives of the Strategic Plan and provides assurance that progress towards goals is being made.

ATTACHMENTS

Attachment 1: Q2 2026 Strategic Reporting Tool for ONE JIB Futures List

Drafted by: Jason Hagan, Program Manager

Approved by: Donna Herridge and Christina Pavone, Co-President/Co-CEOs, ONE Investment

Attachment 1

Q2 2026 Strategic Reporting Tool for ONE JIB Futures List and Strategic Plan

Agenda	Topics	References by Color Coding	Notes
Board Governance & Administrative Matters	Board Governance Self-Evaluation Survey	On Track	
Strategy and Policy	Municipal Insights	On Track	Staff are tracking all operational engagements and lead activity with a goal of developing standardized approaches and support for future leads
	Quarterly Futures List Review	On Track	
	Data Strategy	On Track	
Investment Oversight	Municipal:		
	Q2 Investment reports	On Track	Implementation being tracked for 4 investors approved at last JIB meeting Port Hope is being considered at this meeting, with additional municipalities presented in PI pipeline update
	Investment Plan Implementation Update	On Track	
	Investor Onboarding	On Track	
	IPS and MCQ review and Investment Plan Approval	On Track	
	External Investment Manager:		
	Quarterly Investment Manager Performance	On Track	
	Quarterly Compliance	On Track	
	Investment Manager Presentation	On Track	

To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investment Services, MFOA
Date: September 10, 2026
Re: Municipal Performance Reports Q2 2026
Report: ONE JIB 2026-044

RECOMMENDATIONS

It is recommended that the Board:

1. Receive this report.

SUMMARY

This report confirms that Q2 2026 municipal performance reports were issued to all Participating Municipalities within the expected six-week timeline following quarter-end.

The reports provide municipalities and ONE JIB with consistent information on investment performance, benchmark comparisons, portfolio positioning, and market commentary. Attachment 1 includes an executive summary of the quarterly reporting package. The report also clarifies that “performance since inception” may use different start dates depending on whether the table reflects the initial investment of money not required immediately or the later transition to ONE JIB-approved model portfolio allocations.

BACKGROUND

Prudent Investment reporting uses a standardized format

Client reporting follows the standardized format established by the External Investment Manager. Each quarterly investment management report includes investment performance, benchmark comparisons, portfolio positioning, and macroeconomic and capital market commentary. The reporting packages are available in the resource library for ONE JIB members, and Attachment 1 provides an executive summary. Performance figures in reports to municipalities and ONE JIB are presented gross of fees. Supporting materials are also available in the resource library to assist ONE JIB members in reviewing performance.

ANALYSIS

All quarterly investment reports for Participating Municipalities were delivered within the expected timeline

ONE Investment issued Q2 2026 quarterly reports to all Participating Municipalities on July 23, 2026. This met the expected timeline of delivery within six weeks after quarter-end. The reports support municipal oversight by providing timely information on investment performance and portfolio activity.

Inception date reporting for consolidated holdings and model performance may differ

The Executive Summary (Attachment 1) includes “performance since inception” information that may require context. For consolidated holdings, inception returns generally begin when money not required immediately (MNRI) was first invested by the External Investment Manager, rather than when the municipality moved to the approved model portfolio allocation. For Participating Municipalities who joined ONE JIB prior to June 2024, this date is March 6, 2025 which is the day they moved from the old program to the new program.

Municipalities were initially invested in an asset mix that mirrored their 2024 ONE JIB investment plans and then later moved to the ONE JIB-approved model portfolios later in 2025. As a result, model portfolio performance may have a different inception date. That date varies by municipality and depends on the timing of its 2025 Annual Review by ONE JIB.

CONCLUSION

Q2 2026 reporting was completed on time and in the standardized format expected by ONE JIB. The reports provide the Board and Participating Municipalities with timely, consistent information to support oversight of municipal investment performance. No Board decision is required beyond receiving this report for information. Staff will continue to provide quarterly reporting and support materials to assist the Board in its review of municipal performance.

ATTACHMENTS

Attachment 1: Executive Summary for ONE JIB for the Period Ending June 30, 2026

Drafted by: Jennifer Hess, Manager Investment Services, MFOA

Approved by: Donna Herridge and Christina Pavone, Co-President/Co-CEOs, ONE Investment

Attachment 1



Investment Management Report for **Executive Summary for ONE JIB**

For Period Ending June 30, 2026

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Governance Report

The Implementation & Oversight Group is the senior oversight body responsible for all mandates at RBC GAM. All strategies used in the ONE Investment Program must be approved by this Group and will be subject to enhanced performance and manager oversight.

The table below provides a high-level assessment from the Implementation & Oversight Group based on several qualitative and quantitative factors that typically drive short and long-term performance.

Executive Summary- Implementation & Oversight Group Review

Categories	Comment
Performance: Overall Portfolio	The portfolio is achieving the objective since the beginning of the Mandate.
Performance: Underlying Strategies	Most of the underlying strategies held in the portfolio are achieving their respective long-term performance objectives. Some strategies are under enhanced review and one strategy is currently suspended. Please refer to the next page for details.
Investment team	Patrick Dowling joined the RBC Quantitative Investments team as a Principal Quantitative Data Engineer, bringing 10 years of experience in the industry. Jay Menning, Managing Director & Senior Portfolio Manager on the PH&N Corporate Credit Team, has decided to retire at the end of 2026. Over the coming months, Jay will transition his portfolio management responsibilities gradually to other members of the nine-person Corporate Credit Team, who have worked closely with him for many years. Mayur Nallamala, Managing Director, Chief Executive Officer and Head of Asian Equities at RBC Global Asset Management (Asia) Limited ("RBC GAM Asia"), has retired on April 30, 2026. Serene Sun will replace Mayur as CEO for RBC GAM Asia. Maya Funaki (Portfolio Manager) will manage all Asian developed market equity strategies. Angela Su, Associate Portfolio Manager, will be departing the RBC Emerging Markets Equity team in August 2026.
Firm	-
Fund Compliance Summary	The underlying funds remain in full compliance with their respective policies.

Underlying Strategy and Investment Team Review

The table below provides the Implementation & Oversight Group's assessment of the individual strategies that comprise the ONE Investment Program.

Strategies that are not achieving near-term risk and performance objectives will be placed under enhanced watch. Strategies that are not achieving their long-term risk and return objectives will be suspended for use in the portfolio and a replacement strategy proposed.

Implementation & Oversight Group Assessment of the Individual Strategies

Fixed Income	Under Review	Comments
PH&N Enhanced Total Return Bond Fund		
PH&N Short Term Bond & Mortgage Fund		
PH&N Corporate Bond Trust		
PH&N Private Placement Corporate Debt Fund		
RBC High Yield Bond Fund		
PH&N High Yield Bond Fund		
BlueBay Total Return Credit Fund		
RBC Commercial Mortgage Fund		

Equities

PH&N Canadian Equity Value Fund		
PH&N Canadian Equity Fund		
RBC QUBE Low Volatility Canadian Equity Fund		
RBC QUBE Canadian Equity Fund		
PH&N U.S. Equity Fund		Strategy was removed from enhanced review as we are satisfied with the management transition to David Tron and Shanthu David that occurred over the past year.
RBC QUBE US Equity Fund		
RBC QUBE Low Volatility US Equity Fund		
RBC International Equity Fund	✓	Strategy is currently under enhanced oversight due to near-term underperformance.
RBC QUBE International Equity Fund		
RBC Emerging Markets Equity Fund		

RBC Emerging Markets Dividend Fund		
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Alternative Investments

RBC Canadian Core Real Estate Fund		
RBC Global Infrastructure Fund		

Compliance Report

One Investment Approved Funds

Fund Name	Month-end compliance status	Notes
PH&N Short Term Bond & Mortgage Fund	Compliant	BROOKFIELD PROPERTY PARTNERS LP downgraded to below the fund's required minimum rating on July 26, 2021. The Fund has an at time of purchase clause.
PH&N Enhanced Total Return Bond Fund	See Notes	SUNOCO LP (CUSIP U8675JAN2 6.00% 20280623 Ba1 by Moody's) is below the minimum BBB rating requirement for maples. It is held through underlying fund PH&N High Yield Bond Fund. This is not deemed as a breach by Investment Policy Team.
PH&N Corporate Bond Trust	Compliant	BROOKFIELD PROPERTY PARTNERS LP downgraded to below the fund's required minimum rating on July 26, 2021. HURON UNIVERSITY COLLEGE was downgraded to below the fund's required minimum rating on March 4, 2025. The Fund has an at time of purchase clause.
Private Placement Corporate Debt Fund	Compliant	BROOKFIELD PROPERTY PARTNERS LP downgraded to below the fund's required minimum rating on July 26, 2021. The Fund has an at time of purchase clause.
RBC Commercial Mortgage Fund	Compliant	
RBC High Yield Bond Fund	Compliant	
PH&N High Yield Bond Fund	Compliant	
BlueBay Total Return Credit Fund	Compliant	
PH&N Canadian Equity Value Fund	Compliant	
PH&N Canadian Equity Fund	Compliant	
RBC QUBE Canadian Equity Fund	Compliant	
RBC QUBE Low Volatility Canadian Equity Fund	Compliant	
PH&N U.S. Equity Fund	Compliant	

RBC QUBE U.S. Equity Fund	Compliant	
RBC QUBE Low Volatility U.S. Equity Fund	Compliant	
RBC International Equity Fund	Compliant	
RBC QUBE International Equity Fund	Compliant	
RBC Emerging Markets Equity Fund	Compliant	Passive Breach of NI 81-102 / PBSA Issuer Exposure rules due to market movements in Taiwan Semiconductor Manufacturing Co Ltd (10.74%). Not breach since the rule applies at time of purchase. SK HYNIX INC was over benchmark +1% (8.67%). Fund received approval on May 13, 2026 to go up to 9% in this name.
RBC Emerging Markets Dividend Fund	Compliant	
RBC Canadian Core Real Estate Fund	Compliant	
RBC Global Infrastructure Fund	See Notes	Cash is over maximum limit of 10% at 18% . Fund in built-out phase.



Paul Purcell, CFA
Managing Director & Portfolio Manager

Executive Summary - Town of Aurora Consolidated

Summary of Assets

Summary of Assets for ONE Investment - Aurora - Consolidated as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	7,270,810	11.8
PH&N Private Placement Corporate Debt Fund	4,547,927	7.4
PH&N Short Term Bond & Mortgage Fund	14,245,313	23.1
RBC Commercial Mortgage Fund	3,087,149	5.0
PH&N Canadian Equity Fund	2,740,931	4.4
PH&N Canadian Equity Value Fund	2,724,316	4.4
RBC QUBE Canadian Equity Fund	2,658,371	4.3
RBC QUBE Low Volatility Canadian Equity Fund	8,192,446	13.3
PH&N U.S. Equity Fund	1,272,851	2.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	2,473,216	4.0
RBC QUBE U.S. Equity Fund	1,249,734	2.0
RBC International Equity Fund (CAD)	3,885,831	6.3
RBC QUBE International Equity Fund	3,900,768	6.3
RBC Emerging Markets Dividend Fund	1,666,651	2.7
RBC Emerging Markets Equity Fund (CAD)	1,721,709	2.8
Total Portfolio	61,638,024	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Aurora - Consolidated as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.13	7.51	15.12	-	-	-	-	-	13.89

* Performance inception date for ONE Investment - Aurora - Consolidated is March 06, 2025.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Town of Aurora

Summary of Assets

Summary of Assets for ONE Investment - Aurora - Model E as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	7,270,810	11.8
PH&N Private Placement Corporate Debt Fund	4,547,927	7.4
PH&N Short Term Bond & Mortgage Fund	14,245,313	23.1
RBC Commercial Mortgage Fund	3,087,149	5.0
PH&N Canadian Equity Fund	2,740,931	4.4
PH&N Canadian Equity Value Fund	2,724,316	4.4
RBC QUBE Canadian Equity Fund	2,658,371	4.3
RBC QUBE Low Volatility Canadian Equity Fund	8,192,446	13.3
PH&N U.S. Equity Fund	1,272,851	2.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	2,473,216	4.0
RBC QUBE U.S. Equity Fund	1,249,734	2.0
RBC International Equity Fund (CAD)	3,885,831	6.3
RBC QUBE International Equity Fund	3,900,768	6.3
RBC Emerging Markets Dividend Fund	1,666,651	2.7
RBC Emerging Markets Equity Fund (CAD)	1,721,709	2.8
Total Portfolio	61,638,024	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Aurora - Model E as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.13	7.51	-	-	-	-	-	-	10.26
<i>Benchmark**</i>	<i>4.47</i>	<i>6.69</i>	-	-	-	-	-	-	<i>10.40</i>
Relative Performance	+1.66	+0.82	-	-	-	-	-	-	-0.14

* Performance inception date for ONE Investment - Aurora - Model E is September 24, 2025.

** ONE JIB Reference Portfolio E, which is 50% S&P/TSX Capped Composite and 50% FTSE Canada Universe Bond Index.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Town of Aylmer Consolidated

Summary of Assets

Summary of Assets for ONE Investment - Aylmer - Consolidated as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	155,863	7.1
PH&N Private Placement Corporate Debt Fund	51,463	2.3
PH&N Short Term Bond & Mortgage Fund	620,550	28.3
PH&N Canadian Equity Fund	97,572	4.5
PH&N Canadian Equity Value Fund	96,772	4.4
RBC QUBE Canadian Equity Fund	97,557	4.5
RBC QUBE Low Volatility Canadian Equity Fund	280,819	12.8
PH&N U.S. Equity Fund	45,423	2.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	86,120	3.9
RBC QUBE U.S. Equity Fund	45,015	2.1
RBC International Equity Fund (CAD)	139,102	6.3
RBC QUBE International Equity Fund	137,941	6.3
RBC Emerging Markets Dividend Fund	62,342	2.8
RBC Emerging Markets Equity Fund (CAD)	64,463	2.9
RBC Canadian Core Real Estate Fund	103,613	4.7
RBC Global Infrastructure Fund LP	106,421	4.9
Total Portfolio	2,191,035	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Aylmer - Consolidated as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.16	7.70	18.12	-	-	-	-	-	17.12

* Performance inception date for ONE Investment - Aylmer - Consolidated is March 06, 2025.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Town of Aylmer

Summary of Assets

Summary of Assets for ONE Investment - Aylmer - Model E+ as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	155,863	7.1
PH&N Private Placement Corporate Debt Fund	51,463	2.3
PH&N Short Term Bond & Mortgage Fund	620,550	28.3
PH&N Canadian Equity Fund	97,572	4.5
PH&N Canadian Equity Value Fund	96,772	4.4
RBC QUBE Canadian Equity Fund	97,557	4.5
RBC QUBE Low Volatility Canadian Equity Fund	280,819	12.8
PH&N U.S. Equity Fund	45,423	2.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	86,120	3.9
RBC QUBE U.S. Equity Fund	45,015	2.1
RBC International Equity Fund (CAD)	139,102	6.3
RBC QUBE International Equity Fund	137,941	6.3
RBC Emerging Markets Dividend Fund	62,342	2.8
RBC Emerging Markets Equity Fund (CAD)	64,463	2.9
RBC Canadian Core Real Estate Fund	103,613	4.7
RBC Global Infrastructure Fund LP	106,421	4.9
Total Portfolio	2,191,035	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Aylmer - Model E+ as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.16	7.70	-	-	-	-	-	-	8.46
<i>Benchmark**</i>	<i>4.72</i>	<i>7.13</i>	-	-	-	-	-	-	<i>8.34</i>
Relative Performance	+1.44	+0.57	-	-	-	-	-	-	+0.12

* Performance inception date for ONE Investment - Aylmer - Model E+ is November 26, 2025.

** ONE JIB Reference Portfolio E+, which is 55% S&P/TSX Capped Composite and 45% FTSE Canada Universe Bond Index. Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Town of Bracebridge Consolidated

Summary of Assets

Summary of Assets for ONE Investment - Bracebridge - Consolidated as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
PH&N Short Term Bond & Mortgage Fund	2,910,546	29.2
PH&N Canadian Equity Fund	997,565	10.0
PH&N Canadian Equity Value Fund	996,823	10.0
RBC QUBE Canadian Equity Fund	985,182	9.9
RBC QUBE Low Volatility Canadian Equity Fund	502,598	5.0
PH&N U.S. Equity Fund	305,134	3.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	608,236	6.1
RBC QUBE U.S. Equity Fund	310,474	3.1
RBC International Equity Fund (CAD)	823,282	8.3
RBC QUBE International Equity Fund	815,330	8.2
RBC Emerging Markets Dividend Fund	345,346	3.5
RBC Emerging Markets Equity Fund (CAD)	357,825	3.6
Total Portfolio	9,958,342	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Bracebridge - Consolidated as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	7.64	9.68	19.76	-	-	-	-	-	18.17

* Performance inception date for ONE Investment - Bracebridge - Consolidated is March 06, 2025.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Town of Bracebridge

Summary of Assets

Summary of Assets for ONE Investment - Bracebridge - Model G as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
PH&N Short Term Bond & Mortgage Fund	2,910,546	29.2
PH&N Canadian Equity Fund	997,565	10.0
PH&N Canadian Equity Value Fund	996,823	10.0
RBC QUBE Canadian Equity Fund	985,182	9.9
RBC QUBE Low Volatility Canadian Equity Fund	502,598	5.0
PH&N U.S. Equity Fund	305,134	3.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	608,236	6.1
RBC QUBE U.S. Equity Fund	310,474	3.1
RBC International Equity Fund (CAD)	823,282	8.3
RBC QUBE International Equity Fund	815,330	8.2
RBC Emerging Markets Dividend Fund	345,346	3.5
RBC Emerging Markets Equity Fund (CAD)	357,825	3.6
Total Portfolio	9,958,342	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Bracebridge - Model G as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	7.64	9.68	-	-	-	-	-	-	10.60
<i>Benchmark**</i>	5.46	8.47	-	-	-	-	-	-	10.36
Relative Performance	+2.18	+1.21	-	-	-	-	-	-	+0.24

* Performance inception date for ONE Investment - Bracebridge - Model G is November 26, 2025.

** ONE JIB Reference Portfolio G, which is 70% S&P/TSX Capped Composite and 30% FTSE Canada Universe Bond Index.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Township of Central Frontenac

Summary of Assets

Summary of Assets for ONE Investment - Central Frontenac - Model F as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	451,006	9.9
PH&N Short Term Bond & Mortgage Fund	1,064,663	23.4
RBC Commercial Mortgage Fund	291,376	6.4
PH&N Canadian Equity Fund	298,712	6.6
PH&N Canadian Equity Value Fund	299,178	6.6
RBC QUBE Canadian Equity Fund	296,378	6.5
RBC QUBE Low Volatility Canadian Equity Fund	457,071	10.0
PH&N U.S. Equity Fund	114,700	2.5
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	230,857	5.1
RBC QUBE U.S. Equity Fund	113,470	2.5
RBC International Equity Fund (CAD)	327,146	7.2
RBC QUBE International Equity Fund	325,302	7.1
RBC Emerging Markets Dividend Fund	138,151	3.0
RBC Emerging Markets Equity Fund (CAD)	142,948	3.1
Total Portfolio	4,550,959	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Central Frontenac - Model F as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.90	8.54	17.38	-	-	-	-	-	16.84
<i>Benchmark**</i>	<i>4.97</i>	<i>7.58</i>	<i>20.38</i>	-	-	-	-	-	<i>19.49</i>
Relative Performance	+1.93	+0.96	-3.00	-	-	-	-	-	-2.65

* Performance inception date for ONE Investment - Central Frontenac - Model F is January 14, 2025.

** ONE JIB Reference Portfolio F, which is 60% S&P/TSX Capped Composite and 40% FTSE Canada Universe Bond Index. Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Municipality of Clarington

Summary of Assets

Summary of Assets for ONE Investment - Clarington - Model G+ as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
PH&N Short Term Bond & Mortgage Fund	5,193,278	20.0
PH&N Canadian Equity Fund	2,975,983	11.5
PH&N Canadian Equity Value Fund	2,975,102	11.5
RBC QUBE Canadian Equity Fund	2,918,018	11.3
PH&N U.S. Equity Fund	1,234,786	4.8
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	778,869	3.0
RBC QUBE U.S. Equity Fund	1,249,299	4.8
RBC International Equity Fund (CAD)	2,176,966	8.4
RBC QUBE International Equity Fund	2,087,907	8.1
RBC Emerging Markets Dividend Fund	955,454	3.7
RBC Emerging Markets Equity Fund (CAD)	987,789	3.8
RBC Canadian Core Real Estate Fund	1,167,995	4.5
RBC Global Infrastructure Fund LP	1,209,559	4.7
Total Portfolio	25,911,005	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Clarington - Model G+ as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	8.25	10.18	20.24	-	-	-	-	-	18.89
<i>Benchmark**</i>	<i>5.71</i>	<i>8.92</i>	<i>24.08</i>	-	-	-	-	-	<i>22.58</i>
Relative Performance	+2.54	+1.26	-3.84	-	-	-	-	-	-3.69

* Performance inception date for ONE Investment - Clarington - Model G+ is January 14, 2025.

** December 1, 2025 to Present: ONE JIB Reference Portfolio G+, which is 75% S&P/TSX Capped Composite and 25% FTSE Canada Universe Bond Index.

Prior to December 1, 2025: ONE JIB Reference Portfolio G, which is 70% S&P/TSX Capped Composite and 30% FTSE Canada Universe Bond Index.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Regional Municipality of Durham Consolidated

Summary of Assets

Summary of Assets for ONE Investment Durham Consolidated as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	307,894,468	14.6
PH&N Corporate Bond Trust	21,060,677	1.0
PH&N Enhanced Total Return Bond Fund	326,957,646	15.5
PH&N High Yield Bond Fund	2,708,377	0.1
PH&N Private Placement Corporate Debt Fund	205,060,709	9.7
PH&N Short Term Bond & Mortgage Fund	415,654,469	19.7
RBC Commercial Mortgage Fund	186,459,391	8.8
RBC High Yield Bond Fund	2,623,315	0.1
PH&N Canadian Equity Fund	54,802,299	2.6
PH&N Canadian Equity Value Fund	54,877,573	2.6
RBC QUBE Canadian Equity Fund	54,113,114	2.6
RBC QUBE Low Volatility Canadian Equity Fund	164,979,371	7.8
PH&N U.S. Equity Fund	54,785,352	2.6
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	102,046,582	4.8
RBC QUBE U.S. Equity Fund	53,688,713	2.5
RBC International Equity Fund (CAD)	55,705,205	2.6
RBC QUBE International Equity Fund	51,582,601	2.4
Total Portfolio	2,114,999,862	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment Durham Consolidated as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	3.97	4.80	9.75	-	-	-	-	-	9.48

* Performance inception date for ONE Investment Durham Consolidated is July 17, 2024.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Regional Municipality of Durham Long

Summary of Assets

Summary of Assets for ONE Investment - Durham Long as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	280,640,608	14.5
PH&N Enhanced Total Return Bond Fund	326,957,646	16.9
PH&N Private Placement Corporate Debt Fund	192,105,799	9.9
PH&N Short Term Bond & Mortgage Fund	337,038,362	17.4
RBC Commercial Mortgage Fund	173,991,849	9.0
PH&N Canadian Equity Fund	52,806,326	2.7
PH&N Canadian Equity Value Fund	52,839,814	2.7
RBC QUBE Canadian Equity Fund	52,143,769	2.7
RBC QUBE Low Volatility Canadian Equity Fund	158,885,527	8.2
PH&N U.S. Equity Fund	52,758,547	2.7
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	98,269,067	5.1
RBC QUBE U.S. Equity Fund	51,660,343	2.7
RBC International Equity Fund (CAD)	53,654,651	2.8
RBC QUBE International Equity Fund	49,634,876	2.6
Total Portfolio	1,933,387,185	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Durham Long as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	4.10	4.96	10.08	-	-	-	-	-	9.78
<i>Benchmark**</i>	<i>3.49</i>	<i>4.90</i>	<i>11.65</i>	-	-	-	-	-	<i>10.77</i>
Relative Performance	+0.61	+0.06	-1.57	-	-	-	-	-	-0.99

* Performance inception date for ONE Investment - Durham Long is July 17, 2024.

** ONE JIB Reference Portfolio C, which is 30% S&P/TSX Capped Composite and 70% FTSE Canada Universe Bond Index.
Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Asset Mix

Asset Mix for ONE Investment - Durham Long as of June 30, 2026 (%)

Sector Allocations	Minimum	Maximum	Target	Current Quarter	Previous Quarter
BlueBay Total Return Credit Fund (Canada)	13.5	16.5	15.0	14.5	14.6
PH&N Enhanced Total Return Bond Fund	16.0	19.0	17.5	16.9	17.2
PH&N Private Placement Corporate Debt Fund	9.0	11.0	10.0	9.9	10.1
PH&N Short Term Bond & Mortgage Fund	16.0	19.0	17.5	17.4	20.8
RBC Commercial Mortgage Fund	9.0	11.0	10.0	9.0	6.4
PH&N Canadian Equity Value Fund	1.5	3.5	2.5	2.7	2.7

Asset Mix

Asset Mix for ONE Investment - Durham Long as of June 30, 2026 (%)

Sector Allocations	Minimum	Maximum	Target	Current Quarter	Previous Quarter
PH&N Canadian Equity Fund	1.5	3.5	2.5	2.7	2.7
RBC QUBE Canadian Equity Fund	1.5	3.5	2.5	2.7	2.7
RBC QUBE Low Volatility Canadian Equity Fund	6.5	8.5	7.5	8.2	8.0
PH&N U.S. Equity Fund	1.5	3.5	2.5	2.7	2.4
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	4.0	6.0	5.0	5.1	5.2
RBC QUBE U.S. Equity Fund	1.5	3.5	2.5	2.7	2.3
RBC International Equity Fund (CAD)	1.5	3.5	2.5	2.8	2.5
RBC QUBE International Equity Fund	1.5	3.5	2.5	2.6	2.4

Due to rounding some data may not add to 100%.

Executive Summary - Regional Municipality of Durham Medium

Summary of Assets

Summary of Assets for ONE Investment - Durham Medium as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	11,134,167	14.6
PH&N Private Placement Corporate Debt Fund	7,589,489	9.9
PH&N Short Term Bond & Mortgage Fund	26,474,212	34.7
RBC Commercial Mortgage Fund	7,155,289	9.4
PH&N Canadian Equity Fund	1,995,973	2.6
PH&N Canadian Equity Value Fund	2,037,759	2.7
RBC QUBE Canadian Equity Fund	1,969,345	2.6
RBC QUBE Low Volatility Canadian Equity Fund	6,093,844	8.0
PH&N U.S. Equity Fund	2,026,805	2.7
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	3,777,515	5.0
RBC QUBE U.S. Equity Fund	2,028,370	2.7
RBC International Equity Fund (CAD)	2,050,554	2.7
RBC QUBE International Equity Fund	1,947,725	2.6
Total Portfolio	76,281,046	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Durham Medium as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	3.88	4.74	9.99	-	-	-	-	-	9.75
<i>Benchmark**</i>	3.49	4.90	11.65	-	-	-	-	-	10.77
Relative Performance	+0.39	-0.16	-1.66	-	-	-	-	-	-1.02

* Performance inception date for ONE Investment - Durham Medium is July 17, 2024.

** ONE JIB Reference Portfolio C, which is 30% S&P/TSX Capped Composite and 70% FTSE Canada Universe Bond Index.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Asset Mix

Asset Mix for ONE Investment - Durham Medium as of June 30, 2026 (%)

Sector Allocations	Minimum	Maximum	Target	Current Quarter	Previous Quarter
BlueBay Total Return Credit Fund (Canada)	13.5	16.5	15.0	14.6	14.7
PH&N Private Placement Corporate Debt Fund	9.0	11.0	10.0	10.0	10.0
PH&N Short Term Bond & Mortgage Fund	33.0	37.0	35.0	34.7	35.7
RBC Commercial Mortgage Fund	9.0	11.0	10.0	9.4	9.5
PH&N Canadian Equity Value Fund	1.5	3.5	2.5	2.7	2.6
PH&N Canadian Equity Fund	1.5	3.5	2.5	2.6	2.6
RBC QUBE Canadian Equity Fund	1.5	3.5	2.5	2.6	2.5

Asset Mix

Asset Mix for ONE Investment - Durham Medium as of June 30, 2026 (%)

Sector Allocations	Minimum	Maximum	Target	Current Quarter	Previous Quarter
RBC QUBE Low Volatility Canadian Equity Fund	6.5	8.5	7.5	8.0	7.8
PH&N U.S. Equity Fund	1.5	3.5	2.5	2.7	2.4
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	4.0	6.0	5.0	5.0	5.1
RBC QUBE U.S. Equity Fund	1.5	3.5	2.5	2.7	2.3
RBC International Equity Fund (CAD)	1.5	3.5	2.5	2.7	2.5
RBC QUBE International Equity Fund	1.5	3.5	2.5	2.6	2.4

Due to rounding some data may not add to 100%.

Executive Summary - Regional Municipality of Durham Short

Summary of Assets

Summary of Assets for ONE Investment - Durham Short as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	16,119,694	15.3
PH&N Corporate Bond Trust	21,060,677	20.0
PH&N High Yield Bond Fund	2,708,377	2.6
PH&N Private Placement Corporate Debt Fund	5,365,420	5.1
PH&N Short Term Bond & Mortgage Fund	52,141,895	49.5
RBC Commercial Mortgage Fund	5,312,252	5.0
RBC High Yield Bond Fund	2,623,315	2.5
Total Portfolio	105,331,631	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Durham Short as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	1.82	2.02	4.35	-	-	-	-	-	5.50
<i>Benchmark**</i>	<i>2.01</i>	<i>2.24</i>	<i>3.46</i>	-	-	-	-	-	<i>4.32</i>
Relative Performance	-0.19	-0.22	+0.89	-	-	-	-	-	+1.18

* Performance inception date for ONE Investment - Durham Short is July 17, 2024.

** ONE JIB Reference Portfolio A, which is 100% FTSE Canada Universe Bond Index.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Asset Mix

Asset Mix for ONE Investment - Durham Short as of June 30, 2026 (%)

Sector Allocations	Minimum	Maximum	Target	Current Quarter	Previous Quarter
BlueBay Total Return Credit Fund (Canada)	13.5	16.5	15.0	15.3	15.1
PH&N Corporate Bond Trust	18.5	21.5	20.0	20.0	19.9
PH&N High Yield Bond Fund	1.5	3.5	2.5	2.6	2.6
PH&N Private Placement Corporate Debt Fund	4.0	6.0	5.0	5.1	5.1
PH&N Short Term Bond & Mortgage Fund	48.0	52.0	50.0	49.5	49.8
RBC Commercial Mortgage Fund	4.0	6.0	5.0	5.0	5.0
RBC High Yield Bond Fund	1.5	3.5	2.5	2.5	2.5

Due to rounding some data may not add to 100%.

Executive Summary - Town of Huntsville Consolidated

Summary of Assets

Summary of Assets for ONE Investment - Huntsville - Consolidated as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	2,546,946	15.5
PH&N Enhanced Total Return Bond Fund	28,091	0.2
PH&N Private Placement Corporate Debt Fund	1,266,149	7.7
PH&N Short Term Bond & Mortgage Fund	4,709,246	28.7
RBC Commercial Mortgage Fund	997,675	6.1
PH&N Canadian Equity Fund	563,216	3.4
PH&N Canadian Equity Value Fund	564,277	3.4
RBC QUBE Canadian Equity Fund	560,809	3.4
RBC QUBE Low Volatility Canadian Equity Fund	1,703,017	10.4
PH&N U.S. Equity Fund	436,027	2.7
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	855,108	5.2
RBC QUBE U.S. Equity Fund	433,965	2.6
RBC International Equity Fund (CAD)	872,054	5.3
RBC QUBE International Equity Fund	862,890	5.3
Total Portfolio	16,399,471	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Huntsville - Consolidated as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	4.71	5.76	11.96	-	-	-	-	-	11.16

* Performance inception date for ONE Investment - Huntsville - Consolidated is March 06, 2025.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Town of Huntsville

Summary of Assets

Summary of Assets for ONE Investment - Huntsville - Model D as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	2,546,946	15.5
PH&N Enhanced Total Return Bond Fund	28,091	0.2
PH&N Private Placement Corporate Debt Fund	1,266,149	7.7
PH&N Short Term Bond & Mortgage Fund	4,709,246	28.7
RBC Commercial Mortgage Fund	997,675	6.1
PH&N Canadian Equity Fund	563,216	3.4
PH&N Canadian Equity Value Fund	564,277	3.4
RBC QUBE Canadian Equity Fund	560,809	3.4
RBC QUBE Low Volatility Canadian Equity Fund	1,703,017	10.4
PH&N U.S. Equity Fund	436,027	2.7
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	855,108	5.2
RBC QUBE U.S. Equity Fund	433,965	2.6
RBC International Equity Fund (CAD)	872,054	5.3
RBC QUBE International Equity Fund	862,890	5.3
Total Portfolio	16,399,471	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Huntsville - Model D as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	4.71	5.76	11.97	-	-	-	-	-	11.59
<i>Benchmark**</i>	<i>3.98</i>	<i>5.79</i>	<i>14.50</i>	-	-	-	-	-	<i>12.92</i>
Relative Performance	+0.73	-0.03	-2.53	-	-	-	-	-	-1.33

* Performance inception date for ONE Investment - Huntsville - Model D is March 06, 2025.

** June 11, 2025 to Present: ONE JIB Reference Portfolio D, which is 40% S&P/TSX Capped Composite and 60% FTSE Canada Universe Bond Index.

Prior to June 11, 2025 the performance reflects investments based on the Contingency Outcome

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Town of Innisfil Consolidated

Summary of Assets

Summary of Assets for ONE Investment - Innisfil - Consolidated as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	10,386,576	14.6
PH&N Private Placement Corporate Debt Fund	7,051,765	9.9
PH&N Short Term Bond & Mortgage Fund	27,153,559	38.1
RBC Commercial Mortgage Fund	3,694,029	5.2
PH&N Canadian Equity Fund	1,816,231	2.5
PH&N Canadian Equity Value Fund	1,817,373	2.5
RBC QUBE Canadian Equity Fund	1,792,549	2.5
RBC QUBE Low Volatility Canadian Equity Fund	5,432,454	7.6
PH&N U.S. Equity Fund	1,562,616	2.2
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	2,914,838	4.1
RBC QUBE U.S. Equity Fund	1,531,290	2.1
RBC International Equity Fund (CAD)	3,193,160	4.5
RBC QUBE International Equity Fund	2,933,470	4.1
Total Portfolio	71,279,909	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Innisfil - Consolidated as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	4.05	4.85	11.39	-	-	-	-	-	11.21

* Performance inception date for ONE Investment - Innisfil - Consolidated is March 06, 2025.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Town of Innisfil

Summary of Assets

Summary of Assets for ONE Investment - Innisfil - Model C as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	10,386,576	14.6
PH&N Private Placement Corporate Debt Fund	7,051,765	9.9
PH&N Short Term Bond & Mortgage Fund	27,153,559	38.1
RBC Commercial Mortgage Fund	3,694,029	5.2
PH&N Canadian Equity Fund	1,816,231	2.5
PH&N Canadian Equity Value Fund	1,817,373	2.5
RBC QUBE Canadian Equity Fund	1,792,549	2.5
RBC QUBE Low Volatility Canadian Equity Fund	5,432,454	7.6
PH&N U.S. Equity Fund	1,562,616	2.2
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	2,914,838	4.1
RBC QUBE U.S. Equity Fund	1,531,290	2.1
RBC International Equity Fund (CAD)	3,193,160	4.5
RBC QUBE International Equity Fund	2,933,470	4.1
Total Portfolio	71,279,909	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Innisfil - Model C as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	4.05	4.85	-	-	-	-	-	-	6.49
<i>Benchmark**</i>	<i>3.49</i>	<i>4.90</i>	-	-	-	-	-	-	<i>7.05</i>
Relative Performance	+0.56	-0.05	-	-	-	-	-	-	-0.56

* Performance inception date for ONE Investment - Innisfil - Model C is September 24, 2025.

** ONE JIB Reference Portfolio C, which is 30% S&P/TSX Capped Composite and 70% FTSE Canada Universe Bond Index.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - City of Kenora Consolidated

Summary of Assets

Summary of Assets for ONE Investment - Kenora - Consolidated as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	6,953,481	8.8
PH&N Private Placement Corporate Debt Fund	3,253,069	4.1
PH&N Short Term Bond & Mortgage Fund	22,453,609	28.4
PH&N Canadian Equity Fund	3,462,883	4.4
PH&N Canadian Equity Value Fund	3,438,340	4.3
RBC QUBE Canadian Equity Fund	3,431,606	4.3
RBC QUBE Low Volatility Canadian Equity Fund	10,199,664	12.9
PH&N U.S. Equity Fund	1,649,393	2.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	3,149,659	4.0
RBC QUBE U.S. Equity Fund	1,632,782	2.1
RBC International Equity Fund (CAD)	5,046,743	6.4
RBC QUBE International Equity Fund	4,989,306	6.3
RBC Emerging Markets Dividend Fund	2,218,558	2.8
RBC Emerging Markets Equity Fund (CAD)	2,294,046	2.9
RBC Canadian Core Real Estate Fund	2,446,240	3.1
RBC Global Infrastructure Fund LP	2,512,540	3.2
Total Portfolio	79,131,919	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Kenora - Consolidated as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.15	7.61	13.90	-	-	-	-	-	12.81

* Performance inception date for ONE Investment - Kenora - Consolidated is March 06, 2025.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - City of Kenora General Consolidated

Summary of Assets

Summary of Assets for ONE Investment - Kenora General - Consolidated as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	3,270,801	11.9
PH&N Private Placement Corporate Debt Fund	2,031,075	7.4
PH&N Short Term Bond & Mortgage Fund	7,849,101	28.5
PH&N Canadian Equity Fund	1,195,789	4.3
PH&N Canadian Equity Value Fund	1,186,806	4.3
RBC QUBE Canadian Equity Fund	1,165,621	4.2
RBC QUBE Low Volatility Canadian Equity Fund	3,569,681	13.0
PH&N U.S. Equity Fund	576,984	2.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	1,116,416	4.1
RBC QUBE U.S. Equity Fund	569,997	2.1
RBC International Equity Fund (CAD)	1,762,631	6.4
RBC QUBE International Equity Fund	1,732,601	6.3
RBC Emerging Markets Dividend Fund	736,743	2.7
RBC Emerging Markets Equity Fund (CAD)	761,476	2.8
Total Portfolio	27,525,724	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Kenora General - Consolidated as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.11	7.44	15.30	-	-	-	-	-	14.28

* Performance inception date for ONE Investment - Kenora General - Consolidated is March 06, 2025.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - City of Kenora General

Summary of Assets

Summary of Assets for ONE Investment - Kenora General - Model E as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	3,270,801	11.9
PH&N Private Placement Corporate Debt Fund	2,031,075	7.4
PH&N Short Term Bond & Mortgage Fund	7,849,101	28.5
PH&N Canadian Equity Fund	1,195,789	4.3
PH&N Canadian Equity Value Fund	1,186,806	4.3
RBC QUBE Canadian Equity Fund	1,165,621	4.2
RBC QUBE Low Volatility Canadian Equity Fund	3,569,681	13.0
PH&N U.S. Equity Fund	576,984	2.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	1,116,416	4.1
RBC QUBE U.S. Equity Fund	569,997	2.1
RBC International Equity Fund (CAD)	1,762,631	6.4
RBC QUBE International Equity Fund	1,732,601	6.3
RBC Emerging Markets Dividend Fund	736,743	2.7
RBC Emerging Markets Equity Fund (CAD)	761,476	2.8
Total Portfolio	27,525,724	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Kenora General - Model E as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.11	7.44	-	-	-	-	-	-	8.01
<i>Benchmark**</i>	<i>4.47</i>	<i>6.69</i>	-	-	-	-	-	-	<i>7.67</i>
Relative Performance	+1.64	+0.75	-	-	-	-	-	-	+0.34

* Performance inception date for ONE Investment - Kenora General - Model E is November 26, 2025.

** ONE JIB Reference Portfolio E, which is 50% S&P/TSX Capped Composite and 50% FTSE Canada Universe Bond Index. Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - City of Kenora CPTF Consolidated

Summary of Assets

Summary of Assets for ONE Investment - Kenora CPTF - Consolidated as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	3,682,681	7.1
PH&N Private Placement Corporate Debt Fund	1,221,993	2.4
PH&N Short Term Bond & Mortgage Fund	14,604,508	28.3
PH&N Canadian Equity Fund	2,267,094	4.4
PH&N Canadian Equity Value Fund	2,251,534	4.4
RBC QUBE Canadian Equity Fund	2,265,985	4.4
RBC QUBE Low Volatility Canadian Equity Fund	6,629,983	12.8
PH&N U.S. Equity Fund	1,072,409	2.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	2,033,244	3.9
RBC QUBE U.S. Equity Fund	1,062,784	2.1
RBC International Equity Fund (CAD)	3,284,111	6.4
RBC QUBE International Equity Fund	3,256,705	6.3
RBC Emerging Markets Dividend Fund	1,481,814	2.9
RBC Emerging Markets Equity Fund (CAD)	1,532,570	3.0
RBC Canadian Core Real Estate Fund	2,446,240	4.7
RBC Global Infrastructure Fund LP	2,512,540	4.9
Total Portfolio	51,606,195	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Kenora CPTF - Consolidated as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.17	7.70	13.18	-	-	-	-	-	12.05

* Performance inception date for ONE Investment - Kenora CPTF - Consolidated is March 06, 2025.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - City of Kenora CPTF

Summary of Assets

Summary of Assets for ONE Investment - Kenora CPTF - Model E+ as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	3,682,681	7.1
PH&N Private Placement Corporate Debt Fund	1,221,993	2.4
PH&N Short Term Bond & Mortgage Fund	14,604,508	28.3
PH&N Canadian Equity Fund	2,267,094	4.4
PH&N Canadian Equity Value Fund	2,251,534	4.4
RBC QUBE Canadian Equity Fund	2,265,985	4.4
RBC QUBE Low Volatility Canadian Equity Fund	6,629,983	12.8
PH&N U.S. Equity Fund	1,072,409	2.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	2,033,244	3.9
RBC QUBE U.S. Equity Fund	1,062,784	2.1
RBC International Equity Fund (CAD)	3,284,111	6.4
RBC QUBE International Equity Fund	3,256,705	6.3
RBC Emerging Markets Dividend Fund	1,481,814	2.9
RBC Emerging Markets Equity Fund (CAD)	1,532,570	3.0
RBC Canadian Core Real Estate Fund	2,446,240	4.7
RBC Global Infrastructure Fund LP	2,512,540	4.9
Total Portfolio	51,606,195	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Kenora CPTF - Model E+ as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.17	7.70	-	-	-	-	-	-	8.15
<i>Benchmark**</i>	<i>4.72</i>	<i>7.13</i>	-	-	-	-	-	-	<i>8.34</i>
Relative Performance	+1.45	+0.57	-	-	-	-	-	-	-0.19

* Performance inception date for ONE Investment - Kenora CPTF - Model E+ is November 26, 2025.

** ONE JIB Reference Portfolio E+, which is 55% S&P/TSX Capped Composite and 45% FTSE Canada Universe Bond Index. Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - District Municipality of Muskoka Consolidated

Summary of Assets

Summary of Assets for ONE Investment - Muskoka - Consolidated as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	19,648,495	11.8
PH&N Private Placement Corporate Debt Fund	12,296,049	7.4
PH&N Short Term Bond & Mortgage Fund	38,496,076	23.1
RBC Commercial Mortgage Fund	8,342,824	5.0
PH&N Canadian Equity Fund	7,407,037	4.4
PH&N Canadian Equity Value Fund	7,362,136	4.4
RBC QUBE Canadian Equity Fund	7,200,515	4.3
RBC QUBE Low Volatility Canadian Equity Fund	22,169,266	13.3
PH&N U.S. Equity Fund	3,439,726	2.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	6,692,721	4.0
RBC QUBE U.S. Equity Fund	3,377,256	2.0
RBC International Equity Fund (CAD)	10,500,995	6.3
RBC QUBE International Equity Fund	10,541,359	6.3
RBC Emerging Markets Dividend Fund	4,538,165	2.7
RBC Emerging Markets Equity Fund (CAD)	4,688,335	2.8
Total Portfolio	166,700,956	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Muskoka - Consolidated as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.14	7.51	15.64	-	-	-	-	-	14.53

* Performance inception date for ONE Investment - Muskoka - Consolidated is March 06, 2025.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - District Municipality of Muskoka

Summary of Assets

Summary of Assets for ONE Investment - Muskoka - Model E as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	19,648,495	11.8
PH&N Private Placement Corporate Debt Fund	12,296,049	7.4
PH&N Short Term Bond & Mortgage Fund	38,496,076	23.1
RBC Commercial Mortgage Fund	8,342,824	5.0
PH&N Canadian Equity Fund	7,407,037	4.4
PH&N Canadian Equity Value Fund	7,362,136	4.4
RBC QUBE Canadian Equity Fund	7,200,515	4.3
RBC QUBE Low Volatility Canadian Equity Fund	22,169,266	13.3
PH&N U.S. Equity Fund	3,439,726	2.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	6,692,721	4.0
RBC QUBE U.S. Equity Fund	3,377,256	2.0
RBC International Equity Fund (CAD)	10,500,995	6.3
RBC QUBE International Equity Fund	10,541,359	6.3
RBC Emerging Markets Dividend Fund	4,538,165	2.7
RBC Emerging Markets Equity Fund (CAD)	4,688,335	2.8
Total Portfolio	166,700,956	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Muskoka - Model E as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.14	7.51	-	-	-	-	-	-	10.25
<i>Benchmark**</i>	<i>4.47</i>	<i>6.69</i>	-	-	-	-	-	-	<i>10.40</i>
Relative Performance	+1.67	+0.82	-	-	-	-	-	-	-0.15

* Performance inception date for ONE Investment - Muskoka - Model E is September 24, 2025.

** ONE JIB Reference Portfolio E, which is 50% S&P/TSX Capped Composite and 50% FTSE Canada Universe Bond Index.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Municipality of Neebing

Summary of Assets

Summary of Assets for ONE Investment - Neebing - Model E as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	403,202	11.8
PH&N Private Placement Corporate Debt Fund	246,893	7.2
PH&N Short Term Bond & Mortgage Fund	668,353	19.6
RBC Commercial Mortgage Fund	293,337	8.6
PH&N Canadian Equity Fund	152,006	4.4
PH&N Canadian Equity Value Fund	151,083	4.4
RBC QUBE Canadian Equity Fund	151,978	4.4
RBC QUBE Low Volatility Canadian Equity Fund	454,264	13.3
PH&N U.S. Equity Fund	70,600	2.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	137,138	4.0
RBC QUBE U.S. Equity Fund	69,313	2.0
RBC International Equity Fund (CAD)	215,478	6.3
RBC QUBE International Equity Fund	216,324	6.3
RBC Emerging Markets Dividend Fund	92,664	2.7
RBC Emerging Markets Equity Fund (CAD)	95,680	2.8
Total Portfolio	3,418,313	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Neebing - Model E as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.15	7.52	14.93	-	-	-	-	-	13.83
<i>Benchmark**</i>	<i>4.47</i>	<i>6.69</i>	<i>17.41</i>	-	-	-	-	-	<i>16.52</i>
Relative Performance	+1.68	+0.83	-2.48	-	-	-	-	-	-2.69

* Performance inception date for ONE Investment - Neebing - Model E is March 06, 2025.

** ONE JIB Reference Portfolio E, which is 50% S&P/TSX Capped Composite and 50% FTSE Canada Universe Bond Index.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - City of Quinte West

Summary of Assets

Summary of Assets for ONE Investment - Quinte West - Model F as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	3,721,218	9.7
PH&N Short Term Bond & Mortgage Fund	7,807,710	20.3
RBC Commercial Mortgage Fund	3,359,481	8.8
PH&N Canadian Equity Fund	2,561,549	6.7
PH&N Canadian Equity Value Fund	2,561,435	6.7
RBC QUBE Canadian Equity Fund	2,526,008	6.6
RBC QUBE Low Volatility Canadian Equity Fund	3,849,697	10.0
PH&N U.S. Equity Fund	1,004,656	2.6
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	1,929,024	5.0
RBC QUBE U.S. Equity Fund	1,022,739	2.7
RBC International Equity Fund (CAD)	2,842,860	7.4
RBC QUBE International Equity Fund	2,770,106	7.2
RBC Emerging Markets Dividend Fund	1,197,443	3.1
RBC Emerging Markets Equity Fund (CAD)	1,237,963	3.2
Total Portfolio	38,391,890	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Quinte West - Model F as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	5.92	6.98	13.25	-	-	-	-	-	12.13
<i>Benchmark**</i>	<i>4.50</i>	<i>6.32</i>	<i>15.08</i>	-	-	-	-	-	<i>13.96</i>
Relative Performance	+1.42	+0.66	-1.83	-	-	-	-	-	-1.83

* Performance inception date for ONE Investment - Quinte West - Model F is March 06, 2025.

** April 28, 2026 to going forward: ONE JIB Reference Portfolio F, which is 60% S&P/TSX Capped Composite and 40% FTSE Canada Universe Bond Index.

Prior to April 28, 2026: ONE JIB Reference Portfolio D, which is 40% S&P/TSX Capped Composite and 60% FTSE Canada Universe Bond Index.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Municipality of Red Lake

Summary of Assets

Summary of Assets for ONE Investment - Red Lake - Model D as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	396,631	14.6
PH&N Private Placement Corporate Debt Fund	266,633	9.8
PH&N Short Term Bond & Mortgage Fund	710,904	26.1
RBC Commercial Mortgage Fund	226,414	8.3
PH&N Canadian Equity Fund	93,331	3.4
PH&N Canadian Equity Value Fund	93,100	3.4
RBC QUBE Canadian Equity Fund	91,545	3.4
RBC QUBE Low Volatility Canadian Equity Fund	279,027	10.3
PH&N U.S. Equity Fund	72,025	2.6
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	132,113	4.9
RBC QUBE U.S. Equity Fund	72,940	2.7
RBC International Equity Fund (CAD)	144,930	5.3
RBC QUBE International Equity Fund	140,245	5.2
Total Portfolio	2,719,838	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Red Lake - Model D as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	4.72	5.75	11.99	-	-	-	-	-	12.46
<i>Benchmark**</i>	<i>3.98</i>	<i>5.79</i>	<i>14.50</i>	-	-	-	-	-	<i>14.34</i>
Relative Performance	+0.74	-0.04	-2.51	-	-	-	-	-	-1.88

* Performance inception date for ONE Investment - Red Lake - Model D is January 14, 2025.

** ONE JIB Reference Portfolio D, which is 40% S&P/TSX Capped Composite and 60% FTSE Canada Universe Bond Index. Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - City of Thunder Bay Consolidated

Summary of Assets

Summary of Assets for ONE Investment - Thunder Bay - Consolidated as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	11,043,784	7.1
PH&N Private Placement Corporate Debt Fund	3,669,007	2.4
PH&N Short Term Bond & Mortgage Fund	43,850,206	28.3
PH&N Canadian Equity Fund	6,833,880	4.4
PH&N Canadian Equity Value Fund	6,784,125	4.4
RBC QUBE Canadian Equity Fund	6,831,522	4.4
RBC QUBE Low Volatility Canadian Equity Fund	19,887,575	12.8
PH&N U.S. Equity Fund	3,216,842	2.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	6,099,003	3.9
RBC QUBE U.S. Equity Fund	3,187,973	2.1
RBC International Equity Fund (CAD)	9,851,158	6.4
RBC QUBE International Equity Fund	9,768,949	6.3
RBC Emerging Markets Dividend Fund	4,441,206	2.9
RBC Emerging Markets Equity Fund (CAD)	4,593,016	3.0
RBC Canadian Core Real Estate Fund	7,337,845	4.7
RBC Global Infrastructure Fund LP	7,536,722	4.9
Total Portfolio	154,932,814	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Thunder Bay - Consolidated as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.16	7.70	14.79	-	-	-	-	-	13.62

* Performance inception date for ONE Investment - Thunder Bay - Consolidated is March 06, 2025.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - City of Thunder Bay

Summary of Assets

Summary of Assets for ONE Investment - Thunder Bay - Model E+ as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	11,043,784	7.1
PH&N Private Placement Corporate Debt Fund	3,669,007	2.4
PH&N Short Term Bond & Mortgage Fund	43,850,206	28.3
PH&N Canadian Equity Fund	6,833,880	4.4
PH&N Canadian Equity Value Fund	6,784,125	4.4
RBC QUBE Canadian Equity Fund	6,831,522	4.4
RBC QUBE Low Volatility Canadian Equity Fund	19,887,575	12.8
PH&N U.S. Equity Fund	3,216,842	2.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	6,099,003	3.9
RBC QUBE U.S. Equity Fund	3,187,973	2.1
RBC International Equity Fund (CAD)	9,851,158	6.4
RBC QUBE International Equity Fund	9,768,949	6.3
RBC Emerging Markets Dividend Fund	4,441,206	2.9
RBC Emerging Markets Equity Fund (CAD)	4,593,016	3.0
RBC Canadian Core Real Estate Fund	7,337,845	4.7
RBC Global Infrastructure Fund LP	7,536,722	4.9
Total Portfolio	154,932,814	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Thunder Bay - Model E+ as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.16	7.70	-	-	-	-	-	-	8.25
<i>Benchmark**</i>	4.72	7.13	-	-	-	-	-	-	7.63
Relative Performance	+1.44	+0.57	-	-	-	-	-	-	+0.62

* Performance inception date for ONE Investment - Thunder Bay - Model E+ is November 26, 2025.

** ONE JIB Reference Portfolio E+, which is 55% S&P/TSX Capped Composite and 45% FTSE Canada Universe Bond Index. Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Town of Whitby Consolidated

Summary of Assets

Summary of Assets for ONE Investment - Whitby - Consolidated as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	33,257,080	14.6
PH&N Private Placement Corporate Debt Fund	22,388,985	9.8
PH&N Short Term Bond & Mortgage Fund	61,247,141	26.8
RBC Commercial Mortgage Fund	17,634,697	7.7
PH&N Canadian Equity Fund	7,825,499	3.4
PH&N Canadian Equity Value Fund	7,805,868	3.4
RBC QUBE Canadian Equity Fund	7,676,147	3.4
RBC QUBE Low Volatility Canadian Equity Fund	23,394,798	10.3
PH&N U.S. Equity Fund	6,089,959	2.7
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	11,088,797	4.9
RBC QUBE U.S. Equity Fund	6,167,404	2.7
RBC International Equity Fund (CAD)	12,152,872	5.3
RBC QUBE International Equity Fund	11,434,757	5.0
Total Portfolio	228,164,004	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Whitby - Consolidated as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	4.70	5.77	11.96	-	-	-	-	-	11.08

* Performance inception date for ONE Investment - Whitby - Consolidated is March 06, 2025.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Town of Whitby

Summary of Assets

Summary of Assets for ONE Investment - Whitby - Model D as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	33,257,080	14.6
PH&N Private Placement Corporate Debt Fund	22,388,985	9.8
PH&N Short Term Bond & Mortgage Fund	61,247,141	26.8
RBC Commercial Mortgage Fund	17,634,697	7.7
PH&N Canadian Equity Fund	7,825,499	3.4
PH&N Canadian Equity Value Fund	7,805,868	3.4
RBC QUBE Canadian Equity Fund	7,676,147	3.4
RBC QUBE Low Volatility Canadian Equity Fund	23,394,798	10.3
PH&N U.S. Equity Fund	6,089,959	2.7
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	11,088,797	4.9
RBC QUBE U.S. Equity Fund	6,167,404	2.7
RBC International Equity Fund (CAD)	12,152,872	5.3
RBC QUBE International Equity Fund	11,434,757	5.0
Total Portfolio	228,164,004	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Whitby - Model D as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	4.70	5.77	11.97	-	-	-	-	-	10.33
<i>Benchmark**</i>	3.98	5.79	14.50	-	-	-	-	-	12.92
Relative Performance	+0.72	-0.02	-2.53	-	-	-	-	-	-2.59

* Performance inception date for ONE Investment - Whitby - Model D is March 06, 2025.

** June 11, 2025 to Present: ONE JIB Reference Portfolio D, which is 40% S&P/TSX Capped Composite and 60% FTSE Canada Universe Bond Index.

Prior to June 11, 2025 the performance reflects investments based on the Cash Outcome

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Municipality of Oliver Paipoonge

Summary of Assets

Summary of Assets for ONE Investment - Oliver Paipoonge - Model F as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	431,141	9.6
PH&N Short Term Bond & Mortgage Fund	1,295,726	28.8
PH&N Canadian Equity Fund	303,824	6.7
PH&N Canadian Equity Value Fund	302,842	6.7
RBC QUBE Canadian Equity Fund	299,125	6.6
RBC QUBE Low Volatility Canadian Equity Fund	458,321	10.2
PH&N U.S. Equity Fund	118,699	2.6
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	224,574	5.0
RBC QUBE U.S. Equity Fund	117,668	2.6
RBC International Equity Fund (CAD)	328,478	7.3
RBC QUBE International Equity Fund	320,450	7.1
RBC Emerging Markets Dividend Fund	149,035	3.3
RBC Emerging Markets Equity Fund (CAD)	154,248	3.4
Total Portfolio	4,504,131	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Oliver Paipoonge - Model F as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	6.87	-	-	-	-	-	-	-	5.76
<i>Benchmark**</i>	<i>4.97</i>	-	-	-	-	-	-	-	<i>4.66</i>
Relative Performance	+1.90	-	-	-	-	-	-	-	+1.10

* Performance inception date for ONE Investment - Oliver Paipoonge - Model F is January 16, 2026.

** ONE JIB Reference Portfolio F, which is 60% S&P/TSX Capped Composite and 40% FTSE Canada Universe Bond Index. Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Township of Georgian Bay

Summary of Assets

Summary of Assets for ONE Investment - Georgian Bay - Model D as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	1,016,413	14.6
PH&N Private Placement Corporate Debt Fund	689,231	9.9
PH&N Short Term Bond & Mortgage Fund	2,375,103	34.2
PH&N Canadian Equity Fund	236,140	3.4
PH&N Canadian Equity Value Fund	235,373	3.4
RBC QUBE Canadian Equity Fund	232,482	3.3
RBC QUBE Low Volatility Canadian Equity Fund	717,223	10.3
PH&N U.S. Equity Fund	181,049	2.6
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	352,955	5.1
RBC QUBE U.S. Equity Fund	183,350	2.6
RBC International Equity Fund (CAD)	368,755	5.3
RBC QUBE International Equity Fund	364,000	5.2
Total Portfolio	6,952,074	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Georgian Bay - Model D as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	4.69	-	-	-	-	-	-	-	3.87
<i>Benchmark**</i>	<i>3.98</i>	-	-	-	-	-	-	-	<i>3.65</i>
Relative Performance	+0.71	-	-	-	-	-	-	-	+0.22

* Performance inception date for ONE Investment - Georgian Bay - Model D is January 16, 2026.

** ONE JIB Reference Portfolio D, which is 40% S&P/TSX Capped Composite and 60% FTSE Canada Universe Bond Index. Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Municipality of Lambton Shores

Summary of Assets

Summary of Assets for ONE Investment - Lambton Shores - Model G as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
PH&N Short Term Bond & Mortgage Fund	1,802,514	30.0
PH&N Canadian Equity Fund	593,710	9.9
PH&N Canadian Equity Value Fund	594,630	9.9
RBC QUBE Canadian Equity Fund	589,587	9.8
RBC QUBE Low Volatility Canadian Equity Fund	299,336	5.0
PH&N U.S. Equity Fund	182,893	3.0
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	363,057	6.0
RBC QUBE U.S. Equity Fund	182,226	3.0
RBC International Equity Fund (CAD)	487,562	8.1
RBC QUBE International Equity Fund	485,542	8.1
RBC Emerging Markets Dividend Fund	208,737	3.5
RBC Emerging Markets Equity Fund (CAD)	211,416	3.5
Total Portfolio	6,001,210	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Lambton Shores - Model G as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	-	-	-	-	-	-	-	-	0.02
<i>Benchmark**</i>	-	-	-	-	-	-	-	-	<i>-0.87</i>
Relative Performance	-	-	-	-	-	-	-	-	+0.89

* Performance inception date for ONE Investment - Lambton Shores - Model G is June 17, 2026.

** ONE JIB Reference Portfolio G, which is 70% S&P/TSX Capped Composite and 30% FTSE Canada Universe Bond Index.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Township of Front of Yonge

Summary of Assets

Summary of Assets for ONE Investment - Front of Yonge - Model G as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
PH&N Short Term Bond & Mortgage Fund	148,386	30.0
PH&N Canadian Equity Fund	48,849	9.9
PH&N Canadian Equity Value Fund	48,841	9.9
RBC QUBE Canadian Equity Fund	48,531	9.8
RBC QUBE Low Volatility Canadian Equity Fund	25,116	5.1
PH&N U.S. Equity Fund	15,276	3.1
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	30,359	6.1
RBC QUBE U.S. Equity Fund	15,219	3.1
RBC International Equity Fund (CAD)	40,395	8.2
RBC QUBE International Equity Fund	40,224	8.1
RBC Emerging Markets Dividend Fund	16,814	3.4
RBC Emerging Markets Equity Fund (CAD)	17,062	3.4
Total Portfolio	495,073	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Front of Yonge - Model G as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	-	-	-	-	-	-	-	-	0.22
<i>Benchmark**</i>	-	-	-	-	-	-	-	-	-0.29
Relative Performance	-	-	-	-	-	-	-	-	+0.51

* Performance inception date for ONE Investment - Front of Yonge - Model G is June 18, 2026.

** ONE JIB Reference Portfolio G, which is 70% S&P/TSX Capped Composite and 30% FTSE Canada Universe Bond Index.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Town of New Tecumseth

Summary of Assets

Summary of Assets for ONE Investment - New Tecumseth - Model E as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	997,636	12.5
PH&N Enhanced Total Return Bond Fund	601,960	7.5
PH&N Short Term Bond & Mortgage Fund	2,404,354	30.0
PH&N Canadian Equity Fund	329,509	4.1
PH&N Canadian Equity Value Fund	330,020	4.1
RBC QUBE Canadian Equity Fund	327,221	4.1
RBC QUBE Low Volatility Canadian Equity Fund	997,788	12.5
PH&N U.S. Equity Fund	162,572	2.0
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	322,717	4.0
RBC QUBE U.S. Equity Fund	161,978	2.0
RBC International Equity Fund (CAD)	487,562	6.1
RBC QUBE International Equity Fund	485,542	6.1
RBC Emerging Markets Dividend Fund	198,798	2.5
RBC Emerging Markets Equity Fund (CAD)	201,348	2.5
Total Portfolio	8,009,004	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - New Tecumseth - Model E as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	-	-	-	-	-	-	-	-	0.11
<i>Benchmark**</i>	-	-	-	-	-	-	-	-	<i>-0.54</i>
Relative Performance	-	-	-	-	-	-	-	-	+0.65

* Performance inception date for ONE Investment - New Tecumseth - Model E is June 17, 2026.

** ONE JIB Reference Portfolio E, which is 50% S&P/TSX Capped Composite and 50% FTSE Canada Universe Bond Index. Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Town of Georgina

Summary of Assets

Summary of Assets for ONE Investment - Georgina - Model G as of June 30, 2026

	Market Value (\$) June 30, 2026	Market Value (%)
PH&N Short Term Bond & Mortgage Fund	6,008,380	30.0
PH&N Canadian Equity Fund	1,979,033	9.9
PH&N Canadian Equity Value Fund	1,982,101	9.9
RBC QUBE Canadian Equity Fund	1,965,289	9.8
RBC QUBE Low Volatility Canadian Equity Fund	997,788	5.0
PH&N U.S. Equity Fund	609,644	3.0
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	1,210,190	6.0
RBC QUBE U.S. Equity Fund	607,419	3.0
RBC International Equity Fund (CAD)	1,625,208	8.1
RBC QUBE International Equity Fund	1,618,474	8.1
RBC Emerging Markets Dividend Fund	695,792	3.5
RBC Emerging Markets Equity Fund (CAD)	704,719	3.5
Total Portfolio	20,004,034	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Georgina - Model G as of June 30, 2026 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	-	-	-	-	-	-	-	-	0.02
<i>Benchmark**</i>	-	-	-	-	-	-	-	-	<i>-0.87</i>
Relative Performance	-	-	-	-	-	-	-	-	+0.89

* Performance inception date for ONE Investment - Georgina - Model G is June 17, 2026.

** ONE JIB Reference Portfolio G, which is 70% S&P/TSX Capped Composite and 30% FTSE Canada Universe Bond Index.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.



TORONTO

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REPORT

To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investment Services, MFOA
Date: September 10, 2026
Re: Investment Plan Implementation Report Q2 2026
Report: ONE JIB 2026-040

RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report for information.

SUMMARY

This report provides the Board with a quarterly update on noteworthy trading activity related to client cash flows and the implementation of Investment Plans approved by ONE JIB. At the May 28, 2026 meeting, ONE JIB reviewed and approved eight Investment Plans: four annual reviews and four plans for new participating municipalities. Approved MNRI contributions have been invested in accordance with those plans, including new municipality contributions totalling \$34,493,964 and additional MNRI of \$4,000,001 for existing participants.

BACKGROUND

A summary of trading activity is provided to ONE JIB every quarter

This report highlights transactions related to client cash flows and the implementation of Investment Plans approved by ONE JIB. It intentionally excludes routine trading activities, such as account rebalancing or the deployment of MNRI into less liquid investment funds over time, which may be discussed in other ONE JIB reports.

ANALYSIS

Eight Investment Plans were reviewed and approved at the last ONE JIB meeting

At the May 28, 2026 meeting, ONE JIB reviewed and approved four annual Investment Plan reviews and four Investment Plans for new participating municipalities. MNRI has been invested in accordance with the approved plans as summarized in Table 1.

Table 1 – Q2 2026 ONE JIB Investment Plan Reviews/New Plans

Municipality	Review Type	MNRI Contribution	Model Portfolio	Trading Date	Notes
Town of Aurora	Annual	\$0	Model E	N/A	No change to Model
Municipality of Clarington	Annual	\$0	Model G+	N/A	No change to Model
Township of Central Frontenac	Annual	\$500,000	Model F	June 5, 2026	No change to Model, additional MNRI invested
Town of Huntsville	Annual	\$3,500,001	Model D	June 16, 2026	No change to Model, additional MNRI invested
Town of Innisfil	Annual	\$0	Model C	N/A	No change to Model
Township of Front of Yonge	New	\$493,962	Model G	June 17, 2026	New municipality
Town of Georgina	New	\$20,000,001	Model G	June 16, 2026	New municipality
Municipality of Lambton Shores	New	\$6,000,000	Model G	June 16, 2026	New municipality
Town of New Tecumseth	New	\$8,000,001	Model E	June 16, 2026	New municipality

CONCLUSION

Implementation of approved Investment Plans is complete for Q2 activity summarized in this report

The trading activity summarized in Table 1 reflects implementation of the Investment Plans approved by ONE JIB. No model portfolio changes were required for the annual reviews, and MNRI contributions for new and existing participants were invested consistent with the approved plans. This report is provided for the Board's information and supports ongoing monitoring of Investment Plan implementation.

Drafted by: Jennifer Hess, Manager, Investment Services, MFOA

Approved by: Donna Herridge and Christina Pavone, Co-President/Co-CEOs, ONE Investment

To: ONE Joint Investment Board
From: Denis Kelly, Board Secretary
Date: September 10, 2026
Re: 2027-2028 ONE JIB Meeting Dates
Report: ONE JIB 2026-049

1. RECOMMENDATIONS

It is recommended that the Board:

1. Approve the 2027 and 2028 ONE JIB schedule of meetings as follows:

Feb 25, 2027
May 27, 2027
Sept 16, 2027
Nov 23, 2027

Feb 24, 2028
May 25, 2028
Sept 14, 2028
Nov 28, 2028

2. SUMMARY

ONE JIB's Procedure By-law provides that the Board shall hold a minimum of four meetings each year. The Board's current schedule of meetings ends with the meeting scheduled for November 24, 2026. This report provides a recommended schedule of meetings for 2027 and 2028.

3. BACKGROUND

A two-year meeting schedule allows for better long-term planning

Subsection 9(3) of ONE JIB's Procedure By-law provides that the Board shall hold a minimum of four meetings each calendar year.

The draft schedule provides for four meetings of the Board in each of 2027 and 2028. It mirrors the timing of the Board's meeting dates in 2025 and 2026.

The meetings would be generally on Thursdays. This is to accommodate the Council and Committee meeting dates of the municipal Board Members, staff, PH&N Institutional band AMO Large Boardroom availability. The only two exceptions are in November of 2027 and 2028 when the meetings would be on Tuesdays to avoid conflict with scheduled AMO

meetings. The meetings have also been scheduled for nine weeks from each quarter end to allow for timely analysis and reporting on quarterly investment returns for the Participating Municipalities.

A survey of the Board Members indicates that all or almost all the Board Members' schedules can accommodate each of the recommended meeting dates. There is no flexibility in the recommended dates, largely due to challenges regarding municipal schedules and boardroom availability.

As per the Board's previous practice, meetings are being scheduled for the next two years to allow for appropriate agenda planning and to provide ONE JIB members sufficient notice to plan around other obligations. Additional meetings can be called, if necessary, by the Board Chair or by a decision of the Board or petition of a majority of the Board Members.

Meetings will be planned as in-person unless health protection or other considerations make it necessary to hold them virtually. The Procedure By-law also permits Board Members to participate electronically if the Board Chair determines that there are exceptional circumstances.

As indicated above, most ONE JIB meeting dates will be on Thursdays, with time allocation for each meeting to be approximately 10:00 a.m. to 3:00 p.m.

4. CONCLUSION

The proposed meeting schedule provides for four meetings in each of 2027 and 2028. It has been designed to accommodate other meeting schedules and timely analysis and reporting on investment returns for the Participating Municipalities.

The 2027 and 2028 meeting schedule, once approved, will be posted on the ONE JIB website.

Drafted by: Denis Kelly, Board Secretary, and Jennie Song, Board Coordinator
Approved by: Donna Herridge and Christina Pavone, Co-Presidents/CEO

To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investment Services, MFOA
Date: September 10, 2026
Re: 2026 Investment Plan Annual Review for the Regional Municipality of Durham
Report: ONE JIB 2026-041

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the Regional Municipality of Durham's Investment Policy Statement and Municipal Client Questionnaire included as Attachments 1 and 2 of this report.
2. Approve the Regional Municipality of Durham's 2026 Investment Plan included as Attachment 3 of this report.

2. SUMMARY

This report recommends that the ONE Joint Investment Board receive Durham Region's updated Investment Policy Statement and Municipal Client Questionnaire and approve Durham's 2026 Investment Plan. Durham's existing money not required immediately (MNRI) remains aligned with the current short, medium, and long-term custom allocations, and no changes are recommended for those accounts.

Durham's updated Investment Policy also establishes separate sinking fund account requirements in advance of the first annual sinking fund payment due October 31, 2026. For the first year of the sinking fund, a 100% Money Market allocation is recommended to preserve capital, meet policy constraints, and reduce the likelihood of unplanned annual top-ups, while allowing the investment approach to be reviewed as the account grows.

3. BACKGROUND

The Regional Municipality of Durham (Durham) has three investment portfolios with ONE JIB that are tailored to meet its requirements in its Investment Policy

Durham joined ONE JIB in mid-2024 as the first investor with PH&N Institutional as the external investment manager. Its investments are held in three accounts—short, medium, and long term—reflecting different investment horizons. These customized allocations were designed to meet Durham's specific needs and differ slightly from the model portfolios used for other Participating Municipalities.

Durham Council has approved an update to its Investment Policy in preparation for its first sinking fund payment in October 2026

Durham's 2025 long-term debt issuance included a sinking fund for debt issued by Durham, on behalf of Durham, the City of Pickering, and the Municipality of Clarington. The first annual sinking fund payment of \$6,055,471 is due October 31, 2026. As an upper-tier municipality, Durham issues debt for its lower-tier municipalities, which cannot issue debt directly. The *Municipal Act* includes sinking funds as MNRI. Any sinking fund would be held in a separate account to support required reporting and audit requirements.

Durham's investment horizon, risk tolerance, and objectives for its existing MNRI remain largely unchanged from the 2025 review.

The bulk of Durham's investments continue to have a long-term horizon.

Table 1 below summarizes the MNRI investment horizon, as outlined in more detail in Durham's Municipal Client Questionnaire (MCQ).

Table 1: Summary of the investment horizon of MNRI, adapted from Table 5.1 of the MCQ

Description	Total MNRI	Investment Horizon < 5 Years	Investment Horizon 5 – 10 Years	Investment Horizon > 10 Years
Total MNRI (000's)	\$1,927,221	\$101,218	\$68,774	\$1,757,229

Discussions with Regional Staff did not indicate any significant changes in Durham's circumstances. Durham staff confirmed their preference to maintain the current short, medium, and long-term account structure and the existing custom allocations, rather than move to a single account or model portfolio.

Other than the Sinking Fund payments, no other contributions were identified in 2026. No withdrawals are needed in 2026 or 2027. There is a possibility of a withdrawal in the three to five-year range.

Investment Income can help provide Participating Municipalities with an additional source of revenue

Ontario municipalities face increasing pressure to deliver infrastructure and services while limiting property tax increases. Rising costs and growing demand make it more difficult to fund capital projects through grants, taxes, rates, or debt alone.

Investment income can help reduce pressure on the tax base, support service levels, and fund capital priorities in a financially sustainable manner. In Durham, a one percent property tax increase generates approximately \$12.6 million in additional annual revenue, highlighting the value of investment income as a complementary funding source.

4. ANALYSIS

Durham's Investment Policy provides constraints on the allocations that limit the amount of equity exposure permitted

Section 5.2.1 of Durham's Investment Policy limits cumulative equity exposure for MNRI to 40%.

The Policy also sets account-specific downside risk limits. The 7.5% and 10% thresholds shown in Table 2 effectively limit equity exposure in the medium- and long-term accounts to 30%, which constrains the allocation available for Durham's MNRI.

Table 2: Investment Constraints detailed in section 5.2.1 of Durham's Policy

Category	Objective	Risk Tolerance	Investment Horizon
Short-Term	• Preservation of capital • Highly Liquid	Low Risk (5% annual downside risk loss)	3 - 5 Years
Medium-Term	• Contributions towards capital projects, mitigating inflation impacts and meeting target funding requirements; • Liquidity	Low to moderate risk (7.5% annual downside risk loss)	6 – 10 Years
Long-Term	• Contributions towards capital projects, mitigating inflation impacts and meeting target funding • Emphasis on long-term inflation adjusted growth	Moderate risk (10% annual downside risk loss)	>10 years

Section 5.3 of Durham's Policy establishes specific sinking fund constraints, including the following:

- Sinking funds shall not be combined with any other funds. All investment accounts will be separate.
- At minimum 95% of each sinking fund account, shall be invested in fixed income securities and/or fixed income funds.
- Total equity exposure in each sinking fund account shall not exceed 5%.
- Adherence to Section 409 of the Act and Section 4 of the Regulation when managing investments for the sinking fund portfolios.

No changes to the asset allocations assigned to the Durham Short, Medium and Long accounts are being recommended

The investment solution established when Durham joined ONE JIB in 2024 remains appropriate. Durham's Investment Policy does not permit alternative investments, and no changes are recommended to the existing short, medium, or long-term MNRI allocations. Details are included in Attachment 3.

The External Investment Manager reviewed the current allocations and confirmed they remain appropriate and efficient for Durham's circumstances.

For Year 1 of the Sinking Fund, 100% Money Market allocation is being proposed

The allocation options for the Durham sinking fund were discussed at the August 5, 2026 meeting of the [ONE JIB Investment Policy Committee](#).

The Committee recommended a 100% Money Market allocation for Years 1 and 2, with the option to consider a Money Market / Short-term Bond mix in later years as cumulative investment returns grow. This approach reflects Durham's policy constraints and its sensitivity to unplanned annual contributions caused by market fluctuations. It reduces, but does not eliminate, the risk of annual top-ups, while preserving the ability of the investment solution to add value over time.

This is a custom recommendation for Durham and is not a proposed model recommendation for any future sinking funds. Each sinking fund situation will be looked at independently.

5. CONCLUSION

Durham's 2026 Investment Plan remains aligned with its Investment Policy, Municipal Client Questionnaire, investment objectives, and risk tolerance. No changes are recommended for Durham's existing MNRI accounts.

The recommended 100% Money Market allocation for the first year of the sinking fund is appropriate given Durham's policy constraints, the early stage of the account, and the objective of reducing the risk of unplanned top-up contributions. Staff recommend that the Board receive the Investment Policy and Municipal Client Questionnaire and approve Durham's 2026 Investment Plan.

ATTACHMENTS

Attachment 1: Durham Region 2026 Investment Policy
Attachment 2: Durham Region 2026 Municipal Client Questionnaire
Attachment 3: Durham Region 2026 Investment Plan

Drafted by: Jennifer Hess CPA CMA, Manager Investment Services, MFOA

Approved by: Donna Herridge and Christina Pavone, Co-President/Co-CEO, ONE Investment



Regional Municipality of Durham
 Finance Department
 Finance Policy and Procedures

Title: Investment Policy Statement		
Policy #: N/A	Issued: December 2007	Page #: 1 of 30
Revised and Restated: April 29, 2026 (effective July 15, 2026)		
Approved by: Regional Council		
Responsibility: Commissioner of Finance/Treasurer		Section: Investment Portfolio

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1. DEFINITIONS

The following capitalized terms are defined terms which have the meanings set out below:

Act: means the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended from time to time.

Agent: means any administrator, Custodian, payment servicer, investment counsel, consultant, banker, broker, dealer or other service provider engaged or appointed by ONE JIB and authorized by ONE JIB to exercise any of the functions of ONE JIB pursuant to a written agreement, in the manner and to the extent provided in the Regulation and without limiting the generality of the foregoing, Agent includes ONE Investment, and the Sub-Investment Manager.

Alternative Assets: means investments outside traditional investments such as equities, fixed income, and cash which may include, hedge funds, private equity, natural resources, real estate and infrastructure. Alternative investments are typically less liquid than traditional investments, are appropriate only for allocations with a long investment horizon.

Asset Class: means a specific category of assets or investments, such as cash, fixed income, equities, alternative investments, real estate etc.

Asset Mix (or Asset Allocation): means the proportion of each Asset Class in a portfolio.

Authorizing By-law: means a by-law of the Municipality that authorizes it to invest its money and investments that it does not require immediately in the Outsourced Chief Investment Officer (OCIO) offering of ONE JIB pursuant to section 418.1 of the Act, to approve various documents, the entering into of agreements including a Prudent Effective Date Agreement and the delegation of certain powers and duties to ONE JIB/ONE Investment.

Benchmark: means an index that is representative of a specific securities market (e.g. the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc.) against which investment performance can be compared. Performance benchmarks refer to total return indices in Canadian dollar terms.

CHUMS Financing Corporation (CHUMS): means a subsidiary of Municipal Finance Officers' Association of Ontario (MFOA) which, in conjunction with LAS, established ONE Investment.

CFA Institute: refers to the global, not-for-profit professional association that administers the Chartered Financial Analyst (CFA) and the Certificate in Investment Performance Measurement (CIPM) curricula and examination programs worldwide, publishes research, conducts professional development programs, and sets voluntary, ethics-based professional and performance reporting standards for the investment industry.

Credit Risk: means the risk to an investor that an issuer will default in the timely payment of interest and/or principal on a security.

Custodian: means a specialized financial institution that is responsible for safeguarding a municipality's investments and is not engaged in "traditional" commercial or consumer/retail banking. Global custodians hold securities for their clients in multiple jurisdictions around the

world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

Designated Funds means source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Designated Funds are listed in Schedule B of this IPS.

Diversification: means a risk management technique that mixes a variety of investment types within a portfolio to help mitigate portfolio risk. A diversified portfolio holds different kinds of investments to improve the risk adjusted returns.

Derivative: means a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.

Environmental, Social and Governance (ESG) Investing: means considering and integrating ESG factors into the investment process, rather than eliminating investments based on ESG factors alone. Integrating ESG information can lead to a more comprehensive analysis of a company.

External Portfolio Managers: means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a Pooled Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.

Internal Controls: means a system of controls that may include authorities, policies, procedures, separation and segregation of duties, compliance checks, performance measurement and attribution, reporting protocols, measures for safekeeping of property and data, and the audit process.

Investment Portfolio Division: means the Manager, Investment Portfolio, Senior Investment Analyst or other staff as designated by the Commissioner of Finance/Treasurer or Director of Financial Solutions, Utility Finance and Portfolio Management to implement the investment mandate.

Interest Rate Risk: means the risk associated with declines or increases in interest rates that cause an investment in a fixed-income security to increase or decrease in value.

Investment Plan: means the investment plan applicable to the MNRI and adopted by ONE JIB under the Regulation, as it may be amended from time to time.

Investment Policy Statement (IPS): means the investment policy applicable to the Municipality's investments adopted and maintained by the Council of the Municipality for MNRI under the Regulation, and for MRI, as the same may be amended from time to time. The IPS may also apply to the money and investments held by the Municipality for the benefit of persons other than the Municipality itself and may make reference to source(s) of money in which the Municipality may have an indirect interest but which the Municipality has no authority to invest.

JIB: is short for Joint Investment Board and means a joint municipal service board that is established under section 202 of the Act by two or more municipalities for the purposes of Part II of the Regulation.

Legal List Securities: means the securities and other investments and financial instruments that are included from time to time in Part I of the Regulation.

Leverage: means an investment strategy of using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage also tends to increase investment risks.

Liquidity: means the ability to turn an investment into cash relatively quickly, without a substantial loss in value. For example, a savings account is more liquid than real estate.

Local Municipality: has the same meaning as lower-tier municipality or area municipality.

Local Authority Services (LAS): means an entity which, in conjunction with MFOA/CHUMS, established ONE Investment.

Local Distribution Corporation or LDC: means a corporation incorporated under Section 142 of the *Electricity Act, 1998*.

Market Value: means the price at which a security is trading and could presumably be sold. Also known as Fair Value it represents the current value of the investment.

Maturity: means the date upon which the principal or stated value of an investment becomes due.

Money not Required Immediately (MNRI): means the money that is not required immediately by the Municipality, i.e., long-term funds, that will be under the control and management of ONE JIB and as defined in this IPS that will be invested in accordance with the Prudent Investor Standard.

Money Required Immediately (MRI): means the money that is required immediately by the Municipality, i.e., short-term funds, that remains under the control and management of the Municipality and, that can be invested in accordance with the Legal List Securities or other applicable legislation.

Municipal Services Corporation (MSC): means a corporation established under section 203 of the Act in accordance with the applicable regulation (Ontario Regulation 599/06).

Municipality: means The Regional Municipality of Durham.

OCIO Offering: means the comprehensive investment program made available through ONE Investment as agent for ONE JIB, where a qualified investment manager is engaged to advise a Participating Municipality with regard to the investment of the Participating Municipality's MNRI and to invest and manage such MNRI in accordance with the terms and conditions set out in the ONE JIB Agreement.

ONE Investment: means the not-for-profit corporation established by CHUMS and LAS which provides certain management, administrative and other services to ONE JIB as its agent.

ONE JIB: means ONE Joint Investment Board, established by certain founding municipalities under section 202 of the Act as a JIB for purposes of Part II of the Regulation, which is the duly appointed JIB for the Municipality, as constituted from time to time and which acts in accordance with the Act, the Regulation, the ONE JIB Agreement, including the Terms of Reference, this IPS and the Investment Plan.

ONE JIB Agreement: means the agreement effective as of the Prudent Effective Date, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Municipality's MNRI.

Participating Municipality: means from time to time each of the municipalities for whom ONE JIB acts as the JIB under the terms of the ONE JIB Agreement.

Pooled Fund: means a unit trust established under a trust instrument, generally not available to the public, in which institutional, sophisticated or high net worth investors contribute monies that are invested and managed by the Sub investment manager. Monies are pooled or combined with monies of other investors.

Portfolio: means any collection of funds that are grouped together and available to support the infrastructure needs of the Municipality.

Proxy Voting: means a legal transfer to another party of a shareholder's right to vote thereby allowing shareholders who cannot attend meetings to participate. The Sub investment manager usually vote proxies on behalf of their clients.

Prudent Effective Date: means the mutually agreed-upon date by the Municipality and ONE Investment on which the prudent investor regime applies to the Municipality. The Prudent Effective Date as defined in By-law Number 2024-021 of the Municipality, shall be July 15, 2024.

Prudent Effective Date Agreement: means an agreement entered into by the Municipality and ONE Investment that sets out the day on which the prudent investor regime starts to apply to the Municipality

Prudent Investor Standard: means the standard that applies when the Municipality invests money that it does not require immediately under section 418.1 of the Act. It requires the Municipality to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and the standard does not restrict the securities in which the Municipality can invest. The Prudent Investor Standard applies the standard of prudence to the entire portfolio in respect of the Municipality's MNRI rather than to individual securities. It identifies the fiduciary's central consideration as the trade-off between risk and return as found in the CFA Institute Standards of Practice Handbook.

Rebalancing: means the process of realigning the weightings of a portfolio of assets. Rebalancing involves periodically buying or selling securities in a portfolio to maintain an original or desired level of asset allocation or risk.

Regulation: means Ontario Regulation 438/97.

Restricted Special Assets: means investments specified by this IPS and held by the Municipality on or after the Prudent Effective Date, where ONE JIB is not able to exercise control. Restricted Special Assets are listed in Schedule A of this IPS and are not considered to be MNRI.

Risk: means the uncertainty of future investment returns or chance of loss of capital.

Risk Tolerance: means the financial ability and willingness to absorb a loss in return for greater potential for gains.

Safekeeping: means the holding of assets (e.g., securities) by a financial institution.

Securities Lending: means lending a security to another market participant. The borrower is required to deliver to the lender, as security for the loan, acceptable collateral with value greater than the value of the securities loaned. The Securities Lending program is managed by the Custodian or another appointed agent on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional incremental returns on the total portfolio.

Sinking Fund: means a fund established to fulfil the requirements to make annual contributions in respect of various debenture issues wherein money is to be regularly set aside for the payment of the principal of the debentures at maturity.

Sinking Fund Required Contributions (Annual Sinking Fund Requirement): means the amount of money to be set aside each year for deposit into a sinking fund or a retirement fund, as applicable, for each sinking fund debenture issue in accordance with the Municipality's debenture by-laws.

Sinking Fund Required Earnings: means the investment earnings needed for the Sinking Fund Contributions to continue to grow to a value sufficient to repay the principal at maturity for each issue of sinking fund debentures.

Sinking Fund Excess Earnings: means the investment earnings in excess of the required earnings.

Sub-Investment Manager: means an asset management firm or investment consultant, acting as a sub-investment manager for ONE JIB that provides investment advice and professional services and is involved in the implementation and operational aspects of the OCIO Offering, and that has full responsibility for the investment and management of a Participating Municipality's MNRI through ONE Investment, based on an IPS approved by the Council of the municipality.

Third-Party Trust Funds means money over which the Municipality exercises both management and policy control but whose assets are not owned by the Municipality. These funds are governed by a variety of agreements and, in some cases, by legislation. Some funds may have externally mandated investment policies, and some may have investment policies that are determined by the Municipality. Third-Party Trust Funds are listed in Schedule B of this IPS.

Trust Fund: means a fund which consists of assets that have been conveyed or assigned to a trustee to be administered as directed by agreement or statute. As a result, a trustee holds title to the assets for the purpose of providing benefits, and being accountable, to a beneficiary. The Municipality is the trustee of funds that are to be used for specific purposes by the Municipality or any related parties.

2. PURPOSE AND LEGISLATIVE FRAMEWORK

2.1 Purpose

This IPS governs the investment of the Municipality's MNRI (long-term funds) and MRI (short-term funds) that comprise its investment portfolio. It is intended, among other things, to direct the Treasurer in the investment of MRI and to direct the ONE Joint Investment Board (ONE JIB) in the investment of MNRI by implementing the Authorizing By-law pursuant to which the Municipality authorized the establishment of guidelines for the prudent management of the Municipality's MNRI pursuant to section 418.1 of the Act. Restricted Special Assets, listed in Schedule A of this IPS are not considered to be MNRI.

In addition to the Municipality's MRI and MNRI, the Municipality is from time to time entrusted with the management of money and investments for a third-party beneficiary, or Third-Party Trust Funds. The Municipality's Third-Party Trust Funds are listed in Schedule B of this IPS.

There are also source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Such source(s) of money, referred to in this IPS as "Designated Funds", are listed in Schedule B of this IPS. Designated Funds are identified in this IPS for the sole purpose of enabling the Municipality to better see, on an aggregated basis, the various financial assets in which the Municipality has an interest.

ONE JIB is not responsible for the investment activities or performance of Third-Party Trust Funds, Designated Funds or Restricted Special Assets.

The goals of this IPS are to:

- Define and assign responsibilities for investment of MRI and MNRI;
- Describe the Municipality's responsibilities with respect to Restricted Special Assets, Third-Party Trust Funds and Designated Funds;
- Ensure compliance with the applicable legislation;
- Direct ONE JIB as to the Municipality's investment goals and risk tolerance;

- Provide guidance and limitations regarding the investments and their underlying risks;
- Establish a basis of evaluating investment performance and the underlying risks; and,
- Establish a reporting standard to Council.

This IPS applies to employees of the Municipality, to ONE JIB and to the employees of ONE Investment. ONE JIB, the Treasurer, and any agent, sub-investment manager, or advisor providing services to ONE JIB in connection with the investment of the portfolio shall accept and strictly adhere to this IPS.

2.2 Governing Legislation

Investments of MRI will only be made in Legal List Securities in accordance with this IPS and Section 418 of the Act. Investments of MNRI are governed by the Prudent Investor Standard in accordance with Section 418.1 of the Act. This standard is similar to that which governs trustees and pension fund administrators and creates a fiduciary responsibility. Prudent investment in compliance with the Act and the Regulation enhances the potential for the Municipality to enhance risk-adjusted rates of return.

The Act provides that the Municipality, and therefore ONE JIB, must consider the following criteria in planning investments of MNRI, in addition to other criteria relevant to the circumstances:

- General economic conditions;
- The possible effect of inflation or deflation;
- The role that each investment plays within the Municipality's total portfolio of investments;
- The expected total return from income and the appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital.

Money and investments that the Municipality holds as Restricted Special Assets, Third-Party Trust Funds or has an interest in as Designated Funds will be subject to applicable legislation and any related agreements or instruments.

2.3 Prudent Investor Standard

For MNRI, the standard to be used by the Municipality and ONE JIB shall be the Prudent Investor Standard as required by section 418.1 of the Act and Part II of the Regulation in the context of managing the Municipality's MNRI and investments thereof. Investments shall be made with the care, skill, diligence, and judgment, taking into account the prevailing circumstances, that persons of prudence, discretion and integrity would exercise in the management of investments, considering the necessity of preserving capital as well as the need for income and appreciation of capital. The Act includes a duty to obtain the advice that a prudent investor would obtain under comparable circumstances.

Officers, employees and investment agents acting in accordance with written procedures and the IPS and exercising due diligence shall take all necessary actions to optimize performance of investments on a portfolio basis, taking into account the prescribed risk and other parameters set out in this IPS and market factors. The Municipality's staff acting in accordance with written procedures and this IPS, shall be relieved of personal responsibility for an investment's performance, provided underperformance relative to expectations is reported to Council and the liquidation or sale of investments is carried out in accordance with this IPS.

3. MONEY REQUIRED IMMEDIATELY AND MONEY NOT REQUIRED IMMEDIATELY

3.1 Determination of MNRI and MRI

Determination of the Municipality's MNRI is the responsibility of Council. In making the determination, Council may consider:

- the time horizon within which the monies are needed to meet financial obligations;
- the purpose for which the monies have been collected or set aside and are to be used;
- the source of the money; or
- any combination of the foregoing

The Municipality has defined MNRI as money from its own reserves, reserve funds and/or sinking funds that will be used to meet financial obligations that become due more than three years from the date of receipt of such money. The purpose of the money is to fund the municipality's future capital, operational, and contingency needs.

For certainty, all money and investments of the Municipality that have not been identified as MNRI (other than Restricted Special Assets, Third-Party Trust Funds and any Designated Funds listed in Schedules A and B) shall be deemed for purposes of this IPS to be MRI.

Determination of the Municipality's MNRI and MRI may be modified at any time and from time to time by action of Council and with respect to specific money by the Treasurer in accordance with the provisions of Section 6.2.

Any changes in this IPS regarding the Municipality's MNRI and MRI must be communicated immediately in writing to ONE JIB.

3.2 Overview of Portfolios

The Municipality's portfolios represent funds available to support Municipal needs. A high-level description of each of these portfolios and their objectives is provided in Section 5 below. This IPS applies to the following money of the Municipality, its agencies, boards and commissions including:

- MRI which is invested in Legal List Securities; and/or
- MNRI which is invested under the Prudent Investor Standard.

4. ROLES AND RESPONSIBILITIES

4.1 Role of ONE JIB

ONE JIB has been appointed by the Municipality in accordance with the requirements of the Act and the Regulation and on the terms and conditions set out in the ONE JIB Agreement attached as Schedule C to Prudent Investor Enabling By-law [#2024-021](#).

ONE JIB exercises control and management of the Municipality's MNRI and the investments made by it in accordance with the objectives and risk tolerance established in this IPS.

Among the responsibilities of ONE JIB are the following:

- Reviewing this IPS;
- Adopting and maintaining an Investment Plan that complies with this IPS;
- Engaging Custodians, administrators and other investment professionals (i.e. Agents);
- Allocating the money and investments under its control and management in compliance with this IPS;
- Monitoring the performance of the OCIO Offering and Agents; and,
- Reporting to the Municipality.

The foregoing is subject to the more detailed terms and conditions contained in the ONE JIB Agreement.

4.2 Role of Municipal Staff

This IPS is approved and adopted by Council with input from the Treasurer, and from ONE JIB with respect to MNRI. MRI of the Municipality, in addition to any Third-Party Trust Funds, Designated Funds and Restricted Special Assets identified in Schedules A and B, remain under the control and management of the Treasurer.

Consistent with this IPS, the Treasurer is responsible for the implementation of the investment program and the establishment of investment procedures including:

- Investment management of MRI and any Third-Party Trust Funds, Designated Funds and Restricted Special Assets by, or under the direction of, the Treasurer;
- The deposit or withdrawal of MNRI, under the explicit delegation of authority regarding MNRI, and the investment thereof, to ONE JIB, which is responsible for the control and management of such funds and investments; and,
- A system of controls exercised by the Treasurer to regulate the activities of the Investment Portfolio Division when investing MRI.

No person including, without limitation, ONE JIB, may engage in an investment transaction except as provided under the terms of this IPS.

In the management of MRI of the Municipality, and any Third-Party Trust Funds, Designated Funds and Restricted Special Assets, the Treasurer may engage one or more agents and service providers.

4.3 Ethics and Conflicts of Interest

Individuals who are responsible for the Municipality's MRI Investment Portfolio shall comply with the Municipality's Employee Code of Conduct or conflict of interest guidelines and any relevant professional codes of conduct (e.g., the CPA Code of Professional Conduct or CFA Institute's Code of Ethics and Standards of Professional Conduct).

ONE JIB, in its capacity as a joint municipal service board, in addition to being a local board of each member Municipality is subject to a Code of Conduct as required by the Act. This Code of Conduct applies to the Chair and the other Members of ONE JIB acting in their capacity as Members of ONE JIB.

5. INVESTMENT

5.1 MRI

The Municipality's MRI is described in Section 3.1. Unless specifically excluded, the Municipality's MRI as described in this IPS consists of money that is needed to meet the short-term financial obligations of the Municipality coming due within three years and are controlled and managed by the Investment Portfolio Division under the direction of the Treasurer.

5.1.1 MRI: Investment Objectives

Investments made with MRI will be actively managed in accordance with any portfolio constraints identified in Appendices 1, 2 and 3, with the objective of optimizing risk-adjusted returns than is available from conventional cash holdings. It is recognized that this will involve a modest increase in risk. This strategy is designed to provide superior short-term investment returns primarily through interest income, realized capital gains and moderate capital appreciation. The returns generated by the investment of these monies contribute to municipal revenues. To the extent possible, the Municipality shall attempt to match its investments with anticipated obligations.

Capital preservation is paramount for MRI investments. Consequently, only high credit quality Legal List Securities will be held in this portfolio. The Municipality aims to maximize returns subject to the constraints set out in Part I of the Regulation, as amended from time to time, with a view to preserving capital, maintaining liquidity, and managing risk through diversification by issuer and credit quality.

The investment objectives for MRI, ranked in priority, are as follows:

a) Eligibility of Investments

All investment activities shall be governed by the Act. Investments, unless further limited by Council, shall be those which are eligible under the Regulation, Part I or as authorized by subsequent provincial regulations.

b) Preservation of Capital

The primary objective for investments made with MRI is to ensure the security of principal as municipalities are custodians of public funds. To minimize the risk of loss, investments shall be subject to high credit quality, minimum credit ratings, and shall be diversified by maturity, type of investment and issuer. Investing activities will be reviewed on a regular basis as actual, revised and forecasted operating and capital plans are completed.

c) Liquidity Requirements

Liquidity is measured by the ease with which securities can be converted to cash to meet forecasted spending or operational cash flow requirements. The investments that are eligible under the Regulation possess different features and thus market prices will vary depending on market conditions, as well as the particular features of the type of investment.

To ensure adequate liquidity, the Municipality's investments shall be diversified by holding securities of various terms to maturity, by various types of investments and issuers, utilizing securities which trade in a reliable secondary market, and to the extent possible, the term of such investments may be staggered to meet unanticipated cash needs and/or financial obligations.

d) Rate of Return

The Municipality's investment approach will seek to maximize or achieve a competitive rate of return on eligible investments within acceptable risk levels while respecting the security of principal, legal constraints and the liquidity needs of the investment portfolio.

The Municipality's risk tolerance for investments made with MRI is low. The Municipality will employ an investment strategy that seeks to minimize risk by diversifying investment holdings amongst high credit quality securities by different issuers, across different sectors, and varying maturities to mitigate the impact of credit and interest rate risk. For example, eligible securities will have constraints to mitigate concentration risk by sector, issuer, and/or security.

The composition of the MRI portfolio, including its term to maturity and type of investments, shall be adjusted within the guidelines of this IPS to take advantage of market opportunities.

5.1.2 MRI: Eligible Investments

MRI may be invested in high quality Legal List Securities available from banks, dealers and other financial institutions permitted under the Regulation, Part I and compliant with MRI as defined by this IPS. Investments issued or guaranteed by approved institutions will be permitted by this IPS, as deemed eligible by the Regulation or as authorized by subsequent provincial regulations. Investments will be limited to securities maintaining a minimum credit rating by an appropriate credit rating agency in compliance with the Regulation.

The Investment Portfolio Division, with the approval of the Treasurer, is permitted to deviate +/- 5% from Short-Term, or MRI, constraints to take advantage of evolving market conditions.

For an example of eligible MRI Investments under this IPS, refer to Appendix 1: Authorized Investments and Sector Guidelines.

5.1.3 MRI: Other Municipal Debt

Notwithstanding the Municipality's assertion that MRI consists of money that is needed to meet the short-term financial obligations of the Municipality coming due within three years, the municipality may periodically acquire and hold long-term debt securities issued by other Canadian municipalities with MRI. The purpose of these investments is to support the municipal sector and encourage viable municipal debt issuances in the capital markets.

Investments in Other Municipal Debt should be held to maturity unless otherwise approved by the Treasurer for disposal. All efforts should be made to balance maturities to manage duration risk and switch between issuers and/or credit ratings at disposition, unless sale proceeds are required for cash flow purposes.

The Region's portfolio holdings of Other Municipal Debt are not considered MNRI.

5.2 MNRI

The Municipality's MNRI is described in Section 3.1. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of MNRI, and the investments made therewith, subject to the constraints outlined in section 5.7 of this IPS.

MNRI managed by ONE JIB will be used to address the longer-term liabilities of the Municipality. Returns generated by investing MNRI will help to fund capital projects, preserve, and replace asset infrastructure, and to cover shortfalls in operating expenses. The risk tolerance for capital losses ranges between low to moderate, and risk needs to be balanced while achieving higher expected returns over a long-term investment horizon.

From time to time, the Municipality may require money immediately to meet financial obligations and may require ONE JIB to liquidate one or more investments to generate

money to meet those obligations. ONE JIB will select the investment(s) to be liquidated. The timing of such liquidation will be determined by ONE JIB in consultation with the Treasurer.

5.2.1 MNRI: Investment Objectives

In setting the objectives noted below, the Municipality has taken into account the following considerations:

- Preservation of Capital;
- Adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements;
- Diversification by asset class, market, sector, issuer, credit quality and term to maturity;
- Income and capital appreciation; and,
- Macro risks, such as inflation, economic growth, and interest rates.

Investment of MNRI is managed by ONE JIB in a way that balances investment objectives, expected returns, and risk to develop asset allocations that achieve the Municipality's financial objectives within stated risk tolerances.

The Municipality has three distinct MNRI portfolios with different investment objectives, risk tolerances, and investment horizons as follows:

Outcome	Objective	Risk Tolerance*	Investment Horizon
Shorter-Term	-Preservation of capital; -High liquidity	Low risk (5% annual loss sensitivity)	3 – 5 years
Medium-Term	-Contributions toward capital projects, mitigating inflation impacts and meeting target funding requirements; -Liquidity	Low to moderate risk (7.5% annual loss sensitivity)	6 – 10 years
Long-Term	-Contributions toward capital projects, mitigating inflation impacts and meeting target funding requirements; -Emphasis on long-term inflation-adjusted growth	Moderate risk (10% annual loss sensitivity)	> 10 years

* Total equity exposure across all MNRI investments shall not exceed 40%.

The MNRI invested with ONE JIB will be broadly diversified to help reduce the volatility of investment returns. Investment returns have an impact on revenues as

well as a longer-term impact on future years' budgets. While at a minimum, returns are expected to keep pace with inflation, MNRI shall be invested with the primary objective of obtaining a rate of return consistent with each portfolio's overall risk and return profile. To the extent possible, investment horizons are aligned with the Municipality's obligations and cash flow requirements and may consist of liquid and non-liquid securities based on future cash flow requirements.

5.2.2 MNRI: Eligible Investments

Eligible investments for MNRI include any Pooled Fund or other collective investment vehicle or institutional investment management product approved or selected by ONE Investment for its OCIO Offering, provided always that the products and the selection of products comply to the extent possible in all material respects with this IPS, with any non-compliance disclosed by the Sub-Investment Manager.

Additionally, nothing in this IPS prevents MNRI from being periodically held in cash and short-term money market instruments, including treasuries or overnight deposits.

5.2.3 MNRI: Ineligible Investments

Municipal Services Corporations ("MSCs")

The ownership in Municipal Services Corporations ("MSCs") established under section 203 of the Act, such as Durham OneNet, Inc., and any future facilities that the Municipality establishes for providing municipal services do not qualify as MNRI investments under the Regulation.

Durham Region Municipal Insurance Pool ("DMIP")

The DMIP was established to protect the member municipalities, or subscribers, from increasing insurance premium costs. The DMIP provides an integrated insurance program which effectively combines the insurance and risk management requirements of the member municipalities into a single common "pool".

Contributions to the pool are restricted for insurance purposes of its subscribers and do not qualify as MNRI.

Durham York Energy Centre ("DYEC")

The DYEC Co-owners Agreement establishes terms to ensure clarity around the Region's and The Regional Municipality of York's shared obligations with respect to the operation of the waste management facility including site servicing and owner obligations and responsibilities with respect to the executed Project Agreement with Covanta.

The Region's share of ownership in the DYEC does not qualify as MNRI.

York Durham Sewage System (“YDSS”)

Under the YDSS Co-Owners Agreement, York and Durham Regions share the cost of operating and maintaining the co-owned assets, and investment in new assets to service growth. An operating agreement outlines the roles and responsibilities for York Region and Durham Region (the Co-owners) and Durham Region (the Operator) of the York Durham Sewage System Primary System to ensure regulatory requirements are met.

The Region’s share of ownership in the YDSS does not qualify as MNRI.

5.3 MNRI: Sinking Funds

Sinking Fund Portfolios established by the Municipality to retire sinking fund debentures issued by the Region on behalf of itself and/or the Local Municipalities are MNRI and managed by ONE JIB. Sinking Funds shall not be combined with other funds, and all investments, bank accounts, reporting and audits will be separate and distinct from other investments made with MNRI. For additional transparency, Sinking Fund investments will be tracked separately and require separate custodial accounts for each separate issuance of sinking fund debentures. In the case of the reopening of a particular sinking fund debenture, the same custodial account used for the original sinking fund debenture shall be used for any subsequent reopening of the debentures.

Annual contributions will be based on the required return to retire outstanding sinking fund debentures at maturity. For effective asset-liability matching, the expected return, net of fees, of the relevant Sinking Fund should, at a minimum, keep pace with the required repayment of the principal of the underlying debt to avoid the need for additional contributions/possibility of annual deficits, preserve capital, and minimize volatility. The funded status (Market value of Assets less the Market value of Liabilities) will be reviewed annually by the Treasurer of the Municipality and the Municipality’s auditor. The Region and/or Local Municipalities must fund their proportionate share of any annual deficits in each respective Sinking Fund account within 12 months.

A minimum of 95% of each Sinking Fund account shall be invested in fixed income securities and/or fixed income funds. Securities and fund holdings must be rated A (low) or higher by Dominion Bond Rating Service (“DBRS”), or equivalent credit rating per Appendix 3. To match the risk characteristics of the underlying debentures, low risk, fixed income securities will be held in the portfolio to minimize volatility and the possibility of annual deficits. Total equity exposure in each Sinking Fund account comprising the Sinking Fund Portfolio shall not exceed 5%.

The Region will consider permitting additional asset classes in the Sinking Fund Portfolio through this IPS as its borrowing program matures.

ONE JIB and/or the Municipality must adhere to Section 409 of the Act and Section 4 of the Regulation when managing investments for the Sinking Fund Portfolio.

5.4 Restricted Special Assets

All assets, listed in Schedule A of this IPS and held by the Municipality on or after the Prudent Effective Date, are Restricted Special Assets, and shall *not* be held by ONE JIB as MNRI. At their discretion, the Treasurer may choose to liquidate these investments and determine that the proceeds are MNRI, to be invested as per this IPS and the approved ONE JIB Investment Plan.

Restricted Special Assets are not MNRI of the Municipality, and such assets are not under the control or management of ONE JIB.

5.4.1 Local Distribution Corporation (“LDCs”)

The direct investment in LDC shares and/or promissory notes, as may be applicable, acquired after the Prudent Effective Date, shall be excluded from MNRI. LDC shares and/or other LDC securities are separate standalone investments, with the subject matter expertise and administrative functions remaining under the purview of the Region. Council would control all acquisition and disposition decisions related to any future LDC assets and any voting related to LDC shares would be undertaken solely by the Municipality.

Any direct investment in LDC shares and/or promissory notes listed in Schedule A of this IPS, are Restricted Special Assets and shall not be held by ONE JIB as MNRI.

5.4.2 Durham Region (Own) Debt

Long-term debt securities issued and acquired by the Region at the time of their issuance, or Own Debt, shall be excluded from MNRI. As part of the Region’s overall debt strategy, debt securities issued by the Region with maturities over three years may be acquired from time to time and are considered long-term investments to be held to maturity.

Any Own Debt listed in Schedule A of this IPS, are Restricted Special Assets and shall not be held by ONE JIB as MNRI.

5.5 Third-Party Trust Funds and Designated Funds

In addition to the Municipality's own money, the Municipality is from time to time entrusted with Third-Party Trust Funds, and the Municipality's responsibilities and obligations with respect thereto may be subject to other legislation and governed by other agreements and instruments. To the extent that there is any conflict or inconsistency between the provisions of this IPS and the terms and conditions contained in such other legislation, agreements or instruments applicable to Third-Party Trust Funds, the latter shall prevail.

For certainty, Third-Party Trust Funds and the Designated Funds listed in Schedule B are not MNRI of the Municipality, and such assets are not under the control or management of ONE JIB.

5.6 Investment Management

5.6.1 Investment Management of MRI

The investment of MRI shall be controlled and managed by the Treasurer in accordance with this IPS.

5.6.2 Investment Management of MNRI

The investment of MNRI shall be controlled and managed by ONE JIB in accordance with this IPS, the ONE JIB Agreement and the Investment Plan.

The selected Sub-Investment Manager shall enter into an agreement with ONE Investment related to the OCIO Offering, that complies with this IPS and Part II of the Regulation and will provide compliance and performance reports to ONE JIB and One Investment. ONE JIB shall make any investment management changes deemed in the best interest of the Municipality.

5.7 Investment Constraints

5.7.1 Environmental, Social and Governance (ESG) Investing

The Municipality supports ESG investing for MRI and MNRI. The Municipality believes that well-managed companies are those that demonstrate high ethical and environmental standards and respect for their employees, human rights, and the communities in which they do business, and that these actions contribute to long term financial performance.

For the investment of MRI, the Municipality has chosen to monitor the developments of ESG factors and will reconsider its approach to ESG investing for the MRI Investment Portfolio as and when appropriate to do so by incorporating the International Capital Market Association's ("ICMAs") Green, Social and Sustainability principles and guidelines.

For the investment of MNRI, ONE JIB is required to explore and consider how the OCIO is implementing responsible investing principles at the time of hiring and during periodic reviews. It may report on results periodically, if requested.

5.7.2 Securities Lending

For investments made with MRI, the Municipality may engage in the practice of securities lending as provided in Section 418 of the Act to enhance returns on the custodial portfolio by lending certain securities to approved borrowers for a fee.

For the investment of MNRI, the Municipality may invest in pooled funds, and other investment funds that are managed by the Sub-Investment Manager who may engage in Securities Lending if the policies of the OCIO permit such an action.

5.7.3 Derivatives

Derivatives shall not be utilized for speculative purposes but as a risk management and mitigation tool to insure against or to protect investments against undesired market and credit risk exposure.

The Region may enter into Forward Rate Agreements (“FRAs”), to reduce the cost or risk associated with short-term investments due to fluctuations in interest rates in accordance with the applicable legislation.

For the investment of MNRI, futures and forwards contracts, options and other derivative instruments may only be used to (a) create an asset mix position that does not leverage the portfolio, (b) replicate the performance of a capital market index, or (c) reduce risk as part of a hedging strategy

5.7.4 Use of Leverage

Nothing in this IPS prevents the use of leverage, provided it is prudent to do so. Leverage is inherent in the use of certain types of investment strategies and instruments. Where leverage is employed, ONE JIB (for MNRI) and the Treasurer (for MRI) shall have in place monitoring procedures to manage overall exposure to any counterparty. Leverage should not be exercised for speculative purposes but may be used as a hedging tool.

5.7.5 Pooled Funds

Investments in open-ended pooled funds, closed-ended pooled funds, limited partnerships and other specialist corporate structures (e.g. LLCs), are permitted provided that the assets of such funds are permissible investments under this IPS.

The Sub-Investment Manager will observe the constraints identified in this IPS to the extent possible within pooled fund investments, however, where satisfying a constraint is not feasible, the Sub-Investment Manager’s policies will take precedence over this IPS.

Any non-compliant investments must be disclosed by the Sub-Investment Manager in a timely manner and alternative options such as substitute funds or custom portfolios will be considered.

5.7.6 Currency Hedging

The MRI Investment Portfolio will not utilize currency hedging.

The Municipality’s funding requirements are in Canadian dollars. However, some exposure to foreign currencies in the MNRI Investment Portfolio may be advantageous to provide diversification and potentially enhance returns. Therefore, it shall not be a violation of this IPS for investments in global mandates to be unhedged, in whole or in part, where the diversification benefits embedded in the currency exposure are considered to be beneficial or desirable by ONE JIB.

5.7.7 Alternative Assets

The applicable legislation does not prevent the direct/ or indirect placement of MNRI in Alternative Assets, however, this IPS restricts investments in alternative investments for the purpose of management of MNRI under ONE JIB.

Alternative Assets, such as infrastructure or real estate, may have uncorrelated return characteristics with traditional asset classes that may improve diversification within the portfolio, which may lead to better risk adjusted returns. Typically, these investments may not be fully liquid and are only appropriate for inclusion in portfolios with long-term investment horizons.

As the Region's Long-Term investment strategy evolves, Alternative Assets as defined in this IPS may be considered for inclusion in the portfolio to further enhance returns and protect against downside risk in future years.

5.7.8 Prohibited Investments

Currently, the Municipality does not have any prohibited investments beyond the constraints outlined in the Regulation, the Act, and this IPS.

5.8 Performance Monitoring, Rebalancing and Management

5.8.1 MRI

Performance benchmarks may vary from time to time, as decided by the Treasurer, subject to the investment constraints listed in the IPS.

5.8.2 MNRI

For the investment of MNRI, ONE JIB shall establish parameters for monitoring investments and rebalancing through policy or directly within the Investment Plan.

Investments in pooled funds are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. At minimum, ONE JIB shall provide reporting described in Section 6.7 below that shows the Municipality's holdings, confirms compliance with this IPS, and reports on the Sub-Investment Manager's performance.

6. ADMINISTRATIVE POLICIES

6.1 Flow of Money and Annual Municipal Budget

6.1.1 Transfer to ONE JIB as Part of Annual Review Process

As part of the Municipality's annual review process, the Municipality shall identify the amount, if any, of MNRI that it holds. Any MNRI not already under the control and management of ONE JIB shall be transferred to ONE JIB as soon as practicable.

6.1.2 Transfer to Municipality as Part of Annual Review Process

On an annual basis, ONE JIB shall be notified by the Treasurer as to the amount, if any, required by the Municipality from the MNRI then under the control and management of ONE JIB for the Municipality's operational purposes. Such amount shall be deemed to be MRI and shall be returned to the Municipality in a lump sum or by way of periodic payments, as directed by the Treasurer.

6.2 Flow of Money Otherwise than through the Budget Process

6.2.1 Surplus Funds

MRI captures revenues received by the Municipality each year after the approval of the Municipality's budget for the year. Any amounts deemed to be MNRI by the Treasurer during the year shall be transferred to ONE JIB. Amounts so transferred will be recorded annually in the Investment Plan and allocated by ONE JIB in accordance with the Investment Plan.

6.2.2 Contingencies

The Treasurer is authorized to direct ONE JIB to return any amounts determined by the Treasurer to be required to meet expenditures for unexpected contingencies not anticipated by the Municipality's budget in force for that year, provided however that the aggregate of the amounts to be returned to the Municipality under this Section 6.2.2 during the year shall not exceed 25% of the MNRI under the control and management of ONE JIB as at the date that the Municipality approved its budget for the current year (the Budgeted MNRI). In determining the Budgeted MNRI for purposes of calculating the 25% limit, any MNRI to be transferred to the control and management of ONE JIB in accordance with that year's annual review pursuant to Section 6.1.1 above shall be included and any amount to be returned by ONE JIB to the Municipality pursuant to Section 6.1.2 shall be excluded. ONE Investment should be made aware of material transactions in advance to ensure the orderly sale of securities to fund withdrawals.

6.3 Valuation of Investments

Investments shall be valued according to the values provided by the Custodian(s). For the investment of MNRI, values of unitized vehicles shall be valued according to the unit values published by the Custodian. Other investments shall be valued at their market value when that is available from regular public trading. If a market valuation of an investment is not available, then a fair value shall be supplied by the Sub-Investment Manager to ONE Investment no less frequently than quarterly.

6.4 Voting Rights

The Sub-Investment Manager shall assume the responsibility of exercising voting rights in respect of the Municipality's MNRI and will report its voting policies to ONE JIB annually. The Municipality may access these policies at any time.

6.5 Internal Controls

The Treasurer shall establish an annual process of review of all investments made under this IPS. This review will provide internal control by assuring compliance with governing legislation and with policies and procedures established by the Treasurer. To the extent ONE JIB's input is needed, these requirements will be communicated in advance to ONE JIB.

6.6 Custodian

All municipal investments and assets of the investment portfolios may be held by a Custodian and any of the Custodian's sub-custodians or nominees. For MNRI, the Custodian shall be acceptable to ONE Investment. For MRI the Custodian shall be acceptable to the Municipality.

6.7 Reporting

6.7.1 MRI

For the investment of MRI, the Treasurer shall report at least annually to Council, the report to be in a form and contain such content as Council may request. The report to Council shall include investment performance during the period covered and any other information required under the Regulation and that the Treasurer may consider to be pertinent.

6.7.2 MNRI

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of MNRI at least annually. This report shall include the following.

- Investment performance during the period covered by the report;
- Asset mix of the total portfolio;
- A listing of individual investments held at the fund level at the end of the reporting period showing, where appropriate, book value, market value, realized/unrealized gains/losses and actual income received;
- A list of all transactions including the security name, trade date, and the purchase and/or sale price;
- A statement by the Treasurer as to whether all investments were made in accordance with the IPS and as to whether all investments were made in accordance with the Investment Plan; and
- Any other pertinent information in the opinion of the Treasurer.

All MNRI invested on behalf of the Municipality by ONE JIB shall be held for safekeeping in the name of the Municipality by a Custodian.

7. APPROVAL, SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE

7.1 Revocation / Amendment of Previous Investment Policy

This IPS amends, and restates as so amended, the existing Investment Policy Statement approved by Council on May 28, 2025.

7.2 Modifications to the IPS

At least annually, Council shall review the IPS and update it, if required. In the course of reviewing the IPS, Council may request comments from the Treasurer with respect to the investment of MRI and from ONE JIB with respect to the investment of MNRI.

Following Council's review of the IPS, ONE JIB shall review the Investment Plan and update it, if required.

At a minimum, the annual IPS review will consider:

- the adequacy of funding for capital works;
- the Municipality's ability to reduce other spending;
- flexibility of the timeframe to payout; and
- sensitivity to loss.

7.3 Effective Date

This IPS is approved as of May 27, 2026, and will be effective July 15, 2026. The Treasurer is directed to deliver a copy of this IPS to ONE JIB to assist in the management of MNRI.

Schedule A: Restricted Special Assets**Own Debt**

Balance as at December 31, 2025):

Issuer	Cusip	Principal	Maturity
The Regional Municipality of Durham	26682CMM2	\$ 1,538,000.00	16-Oct-29
The Regional Municipality of Durham	26682CMN0	\$ 1,602,000.00	16-Oct-30
The Regional Municipality of Durham	26682CMP5	\$ 1,669,000.00	16-Oct-31
The Regional Municipality of Durham	26682CMQ3	\$ 1,740,000.00	16-Oct-32
The Regional Municipality of Durham	26682CMR1	\$ 1,814,000.00	16-Oct-33
The Regional Municipality of Durham	26682CTT0	\$ 1,500,000.00	05-Jul-38
The Regional Municipality of Durham	26682CTU7	\$ 1,571,000.00	05-Jul-39
The Regional Municipality of Durham	26682CTV5	\$ 1,647,000.00	05-Jul-40
The Regional Municipality of Durham	26682CTW3	\$ 1,726,000.00	05-Jul-41
	Total	\$ 14,807,000.00	

Schedule B: Third-Party Trust Funds and Designated Funds**Third-Party Trust Funds**

Balance as at December 31, 2024:

1.	Fairview Lodge Trust	\$ 58,920.95
2.	Hillsdale Estates Trust	\$ 72,357.36
3.	Hillsdale Terraces Trust	\$ 53,729.93
4.	Lakeview Manor Trust	\$ 52,911.04
5.	Department of Social Services Trust	\$ 678,960.77

Designated Funds

Not Applicable

Appendix 1: Authorized Investments and Sector Guidelines

Security or Institution	Minimum Credit Rating	Money Market Rating	Maximum % of Portfolio ¹	Issuer % Limit ¹
Government of Canada Debt ²	n/a	n/a	100%	n/a
Provincial Government Debt ³	A (low)	n/a	75%	25%
Region of Durham Debt	n/a	n/a	25%	25%
Other Canadian Municipal Debt ⁴	A (low)	n/a	30%	10%
Applied Arts, Housing Corporations, Education & Hospitals	AAA	n/a	15%	5%
Other Country Debt	AAA	n/a	10%	5%
Supranational Debt	AAA	n/a	10%	5%
Canadian Corporate Debt	A (low)	n/a	25%	5%
Schedule I Banks ^{5,6,7}	A (low)	R-1 (low)	50%	25%
Schedule II Banks ^{5,6,7}	A (low)	R-1 (mid)	10%	5%
Schedule III Banks ^{5,6,7}	A (low)	R-1 (mid)	5%	2%
Loan or Trust Corporations ^{5,6,7}	A (low)	R-1 (mid)	10%	5%
Credit Unions ^{5,6,7}	n/a	n/a	10%	5%
Asset Backed Securities (< 1 year) ⁹	n/a	R-1 (high)	10%	10%
Asset Backed Securities (> 1 year) ⁹	AAA	n/a	10%	10%
Commercial Paper (< 1 year) ⁹	n/a	R-1 (mid)	10%	10%
ONE Investment High Interest Savings Account ⁷	n/a	n/a	10%	10%
ONE Investment 'Other' ¹⁰	n/a	n/a	10%	5%

Notes:

1 - e.g. Other Canadian Municipal Debt maximum share of the total par value of the portfolio is 30%, and no individual municipality can exceed 10% of the Portfolio.

2 – Includes Agents of the crown, such as Export Development Canada and Canada Housing Trust.

3 - Includes Agents of the crown corporations of provinces where debt is fully guaranteed by the province

4 - Includes BC Municipal Financing Authority, School Boards, Local Boards, & Conservation authorities.

5 - Applies to Debt or Deposit securities, subject to the requirements of the Regulation

6 - Debt securities issued by Schedule I, II and III banks and Loan or Trust Corporations under 2 years must be rated A (low).

7 - Aggregate exposure of the total portfolio par value cannot exceed 50%.

8 - Where total Deposit securities exceed \$250,000, additional Deposit securities maturing beyond 2 years must satisfy the financial indicators prescribed in O. Reg. 438/97. All Debt securities must satisfy the financial indicators prescribed in O. Reg. 438/97.

9 - Investment in these securities is contingent upon the Region maintaining a credit rating at or above AA (low).

10 - ONE Investment 'Other' includes the Canadian Government Bond, & Canadian Corporate Bond portfolios or any other new investment products developed and offered by ONE Investment.

The purchase of eligible securities under Part I of the Regulation not identified above and/or denominated in a foreign currency requires prior approval from the Commissioner of Finance/Treasurer.

Appendix 2: Short-Term Portfolio Term Constraints

Term Limitation*	Percentage	
	Minimum	Maximum
Less than 1 year	25%	100%
1 year - 2 year	0%	50%
2 year - 3 year	0%	50%

*excludes Restricted Special Assets and/or Other Municipal Debt

Appendix 3: Credit Ratings

- Part I of the Regulation specifies that certain eligible securities must have a minimum credit rating provided by: Dominion Bond Rating Service (“DBRS”), Moody’s, Standard and Poor’s (“S&P”) or Fitch Ratings. A summary is provided in Table 2 below.
- Credit ratings for securities held in the Region’s Investment Portfolio will be monitored and, for instruments falling below approved credit qualities (listed in Table 1), disposed of, in accordance with the internal control procedures established in this Policy and the requirements of the Regulation.

Credit Rating Guide*

Credit Quality	DBRS		Moody's		Standard & Poor's		Fitch	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
Superior	AAA	R-1 (high)	Aaa	P-1	AAA	A-1+	AAA	F1+
	AA (high)	R-1 (high)	Aa1	P-1	AA+	A-1+	AA+	F1+
	AA	R-1 (mid)	Aa2	P-1	AA	A-1+	AA	F1+
	AA (low)	R-1 (mid)	Aa3	P-1	AA-	A-1+	AA-	F1+
Good	A (high)	R-1 (low)	A1	P-1	A+	A-1	A+	F1
	A	R-1 (low)	A2	P-1	A	A-1	A	F1
	A (low)	R-1 (low)	A3	P-2	A-	A-2	A-	F2
Adequate	BBB (high)	R-2 (high)	Baa1	P-2	BBB+	A-2	BBB+	F2
	BBB	R-2 (mid)	Baa2	P-2	BBB	A-3	BBB	F3
	BBB (low)	R-2 (low)	Baa3	P-3	BBB-	A-3	BBB-	F3
Speculative	BB (high)	R-3 (high)	Ba1	Not Prime	BB+	B	BB+	B
	BB	R-3 (high)	Ba2	Not Prime	BB	B	BB	B
	BB (low)	R-3 (high)	Ba3	Not Prime	BB-	B	BB-	B
Highly Speculative	B (high)	R-3 (mid)	B1	Not Prime	B+	B	B+	B
	B	R-3 (mid)	B2	Not Prime	B	B	B	B
	B (low)	R-3 (low)	B3	Not Prime	B-	B	B-	B
	CCC	R-3 (low)	Caa	Not Prime	CCC	C	CCC	C

* Credit rating scales for bond rating agencies may change over time.

Municipal Client Questionnaire (MCQ)

The MCQ is part of the ONE Investment / ONE JIB annual Investment Plan review (approval) process. The MCQ along with the Council approved (reviewed) Investment Policy informs ONE JIB of the municipal circumstances to consider with the approval of the Investment Plan.

During the year, outside of the annual review, please update the MCQ within 90 days if the municipality experiences any significant changes, *including a significant change in your municipality's financial circumstances, or significant change in the amount of your municipality's "money that it does not require immediately"*. For changes between annual reviews, provide written notice of changes by using the in-year MCQ update form on the last page of this document.

Section 1 – Client Information

Name of Municipality: The Regional Municipality of Durham

Address: 605 Rossland Road East Whitby, Ontario, L1N 8Y9

Treasurer Information

Name: Nicole Pincombe

Phone Number: 905-668-4113 Extension: 2302

Email: nicole.pincombe@durham.ca

Primary Day to Day Contact Information*☐

Check if same information as Treasurer above

Name: Duane Ramkissoon

Phone Number: 365-688-9753 Extension: _____

Email: duane.ramkissoon@durham.ca

*Primary day-to-day contact should have a comprehensive understanding of your Municipality's financial position and investment needs.

Section 2 - Investment Knowledge and Experience

2.1 Which statement best describes the Municipal staff (person most responsible for managing investments)'s level of investment knowledge and experience with financial markets and products? *Please check one*

- ☐ Very limited knowledge
- ☐ Basic knowledge and minimal experience
- ☐ Good knowledge and some experience
- ☐ Strong knowledge and experience
- ☒ Advanced knowledge and extensive experience

2.2 If Municipal staff have strong or advanced knowledge, please describe where this knowledge was acquired (e.g., education, designations experience).

Duane Ramkissoon, Manager Investment Portfolio. A CPA and CSC holder with over 8 years in municipal investments from the Town of Whitby and the Region. Prior experience from RBC and a small firm. Sujeev Jegatheeswaran, Senior Investment Analyst. Holds the CFA and FRM designation with a background of over 6 years in trading across different asset classes and CAD asset-liability management.

2.3 Please indicate if your municipality has used / held any of the following investment types within the past five years. *Please check all that apply.*

- ☒ Canadian money market securities
- ☒ Locked-in Investments (e.g., GICs, PPNs etc.)
- ☐ Local Distribution Corporation Securities (LDC securities)
- ☒ Securities held in third party trusts (i.e., cemetery trust, legacy fund etc.)
- ☒ Fixed income (government and/or corporate bonds)
- ☒ Equities
- ☐ Other – Please Describe

Section 3 – General Municipal Information

This section provides some high-level demographic information on the municipality

3.1 What is the population of the Municipality? 815,105 estimated as at December 2025

3.2 Is your municipality a single tier, upper tier or lower tier? Upper tier

3.3 How much does a 1% tax rate increase generate? \$13.6M (\$10.5M taxes & \$3.1M user rates)

3.4 Is there any other demographic information about your municipality you would like the ONE JIB to know?
(optional)

Report #2026-INFO-031 Monitoring of Growth Trends:

<https://pub-durhamregion.escribemeetings.com/filestream.ashx?DocumentId=10033>

Section 4 – Municipal MNRI Information

4.1 This section summarizes the current MNRI under the management and control of the ONE JIB and the projected change identified in the annual review. *The total value should equal the total MNRI shown in Question 5.1 Investment Objectives and Horizon*

Description	Value
Portfolio Value (A) - For existing municipalities this is the amount currently invested with ONE JIB as of your last monthly statement. - For new municipalities this should be \$0	\$ 2,093,294,898
Change to MNRI: Additional contribution (+) or withdrawal (-) (B) - For existing municipalities this is the MNRI change identified during the annual review (fund transfers are typically completed with 30 days of ONE JIB's approval of the updated investment plan) - For new municipalities, this equals your initial deposit as of the Prudent effective date (TBD)	\$ 0
Total MNRI under the management and control of ONE JIB (A + B)	\$ 2,093,294,898

☐ Additional details have been included as an attachment to this MCQ (optional).

4.2 Use this *optional* box to provide any additional MNRI details related to 4.1 above (in lieu of a separate attachment)

Section 5 – MNRI Investment Objectives and Liquidity Needs

This section asks about your Municipality's MNRI, the purpose or investment objective and the expected investment horizon or when funds may be required to meet forecasted municipal obligations.

5.1 What is the Municipal *funding objective(s), investment horizon(s) and purpose(s)* for the MNRI? *The total MNRI value should equal the total MNRI shown in Question 4.1 Municipal MNRI Information*

MNRI by Investment Horizon

Description	Total MNRI (\$) (A+B+C) <i>auto calculate</i>	Investment Horizon < 5 Years (A)	Investment Horizon 5-10 Years (B)	Investment Horizon >10 Years (C)
	\$ 0			
	\$ 0			
	\$ 0			
	\$ 0			
	\$ 0			
Total MNRI - <i>auto calculate</i>	\$ 0	\$ 0	\$ 0	\$ 0

Note – Description is up to the municipality, it could be total MNRI (one line) or broken out into the funding objective/investment purpose, or municipal reserve name/group (multiple lines)

☒ Additional details have been included as an attachment to this MCQ (optional).

5.2 Based on *current* municipal forecasts, please provide details that may help inform the ONE JIB about ***potential drawdowns/additions to MNRI*** that may be anticipated in future years.

Cash Flow Projections Potentially Affecting Future MNRI

Description	Next Year	2 years	3-5 years	5-10 years	10 years +
Anticipated MNRI Drawdowns (-)	\$ 0	\$ 0	(\$ 357,097,190)	(\$ 232,464,550)	(\$ 2,720,455,642)
Anticipated MNRI Contributions (+)	\$ 0	\$ 0	\$ 0	0	
Net Change to MNRI	\$ 0	\$ 0	(\$ 357,097,190)	(\$ 232,464,550)	(\$ 2,720,455,642)

5.3 Does the municipal forecasts used (above in 5.2) reflect

- ☐ Drawdowns of current reserve balances, or
- ☒ Drawdowns of current reserve balances inclusive of projected future budgetary contributions

5.4 What *assumptions or factors* do your municipality include in the MNRI cash flow projections? For example, but not limited to, inflation assumptions on capital projects, assumptions on future tax-based reserve contributions, forecasted development charge revenue etc.

- 1) Includes projected interest revenue
- 2) Includes future projected Development Charge receipts (we do not assume indexing of DC rates yet we do assume the phasing/freezing, deferral and exemption impacts re Bill 23, Bill 17 and related legislation)
- 3) Includes future projected Tax levy/User Rate contributions for those contributions that are part of the Region's base budget – we do not include projected tax levy/user rate contributions that result from surplus etc.
- 4) Does not include inflationary assumptions on planned capital expenditures as these are projected to roughly align with the DC indexing rates which are also not included in the assumptions.
- 5) Includes projected debt servicing costs for current and forecasted growth related debt.

5.5 Does your municipality forecast beyond 5 years, if yes, what is the level of accuracy?

Please see attachment #2

5.6 Does your current municipal forecast include any large (or unusual) capital expenditures, which are outside of normal operations?

☒ Yes ☐ No

5.7 Do you anticipate any *potential* change in *liquidity needs* in the future (i.e. within 2 years, within 5 years or beyond 5 years) which may impact on the investment time horizon? An example could be a large capital infrastructure project with timing TBD, or with grant funding pending etc. If yes, please elaborate.

Please see attachment #2

5.8 How does your Municipality manage unanticipated requests for funding? Can you characterize the probability that your municipality may need to draw down MNRI to fund unexpected budget shortfalls?

The Region has a robust, well established long-term financial planning framework that includes Asset Management Plans, detailed 10-year capital plans, and 10-year service strategies for major program areas including police, transit, paramedic and housing and homelessness supports that significantly reduce the risk of unanticipated requests for funding. Should an unanticipated request for funding occur, the Region's MRI balances and associated investment income provide flexibility to respond in a timely manner. In addition, the Region currently has low debt levels which provides additional flexibility to respond to unanticipated requests subject to market conditions. The Region also seeks senior government funding as needed and when available.

5.9 Are there any *other unique circumstances* to your municipality that may impact your cash flow MNRI forecast, return objectives and risk tolerance that the Investment Plan should consider?

Please see attachments #2 & #3



Municipal Client Questionnaire (MCQ)

Section 6 – Acknowledgement

I confirm that information provided to ONE Investment in this form is complete and accurate to the best of my knowledge as at the date below.

Dated this 29 day of Jul y, 2026

Nicole Pincombe, Treasurer


Nicole Pincombe (Jul 29, 2026 08:46:01 EDT)

Name and Signature of Treasurer

Second Signature (if required)

Appendix 1 – In-year MCQ Updates Form

Please provide details below that explain the nature of your requested change. This should describe: the money involved, the timing of transactions required, and any other context to support the change request. This will allow ONE JIB to understand how this update may change the cashflow characteristics or investment horizons of MNRI relative to your current MCQ and Investment Plan.

Acknowledgement

I confirm that information provided to ONE Investment in this form is complete and accurate to the best of my knowledge as at the date below.

Dated this _____ day of _____, 20²⁶

Name and Signature of Treasurer

Second Signature (if required)

Attachment #1 MCQ #5.1

Amount (000's)

Investment Horizon

Total MNRI Amount 3 to 5 years 5 to 10 years 10+ years

(1)				
DC Reserve Funds - Capital	144,529	22,528	66,235	55,766
Gas Tax - Capital	0	0	0	0
Gas Tax - Capital and Operating	0	0	0	0
Grant - Capital	15,787	0	0	15,787
Carryforward - Capital & Operating	818,430	0	0	818,430
Reserves - Capital	441,565	1,322	0	440,243
Reserves - Operating	150,165	0	0	150,165
Stabilization - Capital and Operating	19,905	19,748	0	158
Growth Related - Capital	80,799	0	0	80,799
Stabilization - Capital	219,409	0	0	219,409
Capital Reserve Fund - Capital and Operating	169,898	61,345	5,782	102,771
Stabilization - Operating	0	0	0	0
Discretionary Reserve Fund - Operating	0	0	0	0
Asset Management Reserve Fund - Capital	37,859	0	0	37,859
Capital Reserve Fund - Capital	79,124	29,002	0	50,122
Discretionary Reserve Fund - Capital	23,685	0	0	23,685
Discretionary Reserve Fund - Capital and Operating	47,925	0	0	47,925
Discretionary Reserve Fund - Land	949	0	0	949
Not Allocated Funds - Capital	0	0	0	0
Contingency	-156,734	-29,051	3,483	-131,166
Total	2,093,295	104,894	75,500	1,912,901

(1) - DC Reserve Funds - Capital includes funds related for water/wastewater

Attachment #2: MCQ Questions 5.2, 5.5, 5.7 & 5.9

5.2 Based on current municipal forecasts, please provide details that may help inform the ONE JIB about potential drawdowns/additions to MNRI that may be anticipated in future years.

Projected cash flows in the table currently exceed the MNRI balance allocated to the 3 to 5 and 5 to 10 year buckets. This is because cash flows are based on estimates and could fluctuate materially year over year. In addition, actual drawdowns may not be as high as projected. If required cash outflows exceed the balance in the above-mentioned buckets, the shortfall could be addressed using longer term investments, money not required immediately, debt, etc.

5.5 Does your municipality forecast beyond 5 years, if yes, what is the level of accuracy?

Yes, the Region's long-range forecasts typically cover a 10-year horizon. Long-term capital planning is guided by approved strategic plans and asset management plans to ensure that allocated resources are aligned with regional priorities. The Region's long-term plans incorporate assumptions about economic conditions, funding sources, cost drivers, growth and other key variables. For example, the Asset Management Plan identifies projected capital investment needs to ensure the Region's assets are maintained in a state of good repair and additional capital requirements to maintain service levels are prioritized. The Region also undertakes 10-year Servicing and Financing Studies in key areas. Currently there are completed studies for Durham Region Transit, Region of Durham Paramedic Services, Housing and Homelessness Services and Police Services. These specific studies enhance the completeness of future needs in these areas.

In terms of accuracy, forecasts beyond 3 years are inherently less precise due to increased uncertainty in forecast variables however we aim to maintain reliability through annual updates to incorporate new data or policy changes.

5.7 Do you anticipate any potential change in liquidity needs in the future (i.e. within 2 years, within 5 years or beyond 5 years) which may impact on the investment time horizon? An example could be a large capital infrastructure project with timing TBD, or with grant funding pending etc. If yes, please elaborate.

There are three main potential risks/uncertainties that could impact the Region's liquidity within the next five years. These include:

1. Potential provincial changes regarding development charges and the rate of growth may impact the amount and timing of development charge receipts. The

Region has flexibility to respond to these potential changes by further phasing the Region's capital program, utilizing other Regional reserve funds, increasing projected debt financing and/or increasing property tax and water and sewer user rates.

2. Recent provincial legislative changes have enabled the province to change the governance model for water/sewer services. Should the province opt to direct a change in governance model for Durham Region it is anticipated that the timing of this change would not come into effect for at least two to three years.
3. The province recently announced the appointment of Regional Chairs with strong chair powers. Strong chair powers provide the incoming provincially appointed Regional Chairs with additional powers with respect to setting the annual budget.

In addition to maintaining existing infrastructure and supporting growth, the Region is planning several major capital projects over the next 5–7 years that will significantly impact capital expenditures. These include electrification of the Durham Region Transit fleet, construction of a new transit facility, construction of a number of new police facilities, development and redevelopment of a number of Durham Regional Local Housing Corporation properties, construction of four new GO Transit Stations, and building a District Energy Centre. To support these projects, the Region is actively seeking external funding through grants (e.g., FCM, federal permanent transit fund, building stronger communities fund), debt financing (e.g., CIB, FCM, capital markets), and possible internal borrowing.

5.9 Are there any *other unique circumstances* to your municipality that may impact your cash flow MNRI forecast, return objectives and risk tolerance that the Investment Plan should consider?

The Region is projecting significant capital investments over the next 10 years (front-end loaded in the first five years) due in part to significant growth pressures to achieve provincial housing targets. The capital expenditures are required to provide water and sewer servicing in advance of the receipt of development charge revenues. The 2026 Capital Budget and Nine-Year Forecasts for Water Supply, Sanitary Sewerage and Property Tax Services provide information on projected capital spending levels by year. These expenditures are subject to change based on actual rates of growth.

Attachment #3 Region of Durham Sinking Fund Preferences

Purpose:

Sinking fund portfolios are established to retire sinking fund debentures and satisfy repayment obligations through annual contributions from the Region and/or local area municipalities. Sinking funds are to be invested in high credit quality securities to minimize volatility, must be segregated, and managed separately from the Region's investments made with Money Not Required Immediately (MNRI).

The ongoing management of sinking fund portfolios shall balance the requirement to achieve the target rate of return, net of fees, and minimize annual deficits requiring 'top-ups', while achieving fully funded status on or before the maturity of the underlying debenture.

Objectives:

The primary objective of the Region's sinking fund portfolios is to preserve capital while generating an annual risk-adjusted return that meets/exceeds the prescribed hurdle rate net of fees. Repayment schedules detailing expected cash flows for the Region's October 2025 sinking fund debenture are stipulated in debenture by-laws [2025-039](#), [2025-040](#), [2025-041](#) and [2025-042](#). The Region's risk appetite for sinking fund investments is low to moderate, depending on the remaining term to maturity of the underlying debt. At all times, the investment strategy should be designed to mitigate risk, and minimize the probability of cumulative deficits to ensure sufficient assets are available to retire the debt at maturity. Sinking fund portfolios should be managed conservatively to minimize deficits, i.e., where the current balance is insufficient compared to actuarial projections required to retire the debt. In deficit scenarios, the Region and any participating local area municipalities must fund their proportionate share of sinking fund deficiencies in the respective sinking fund within 12 months.

Asset Mix and Investment Strategy:

Sinking Fund contributions may initially be invested in less volatile model portfolios (e.g., 75% to 100% money market exposure) to establish growth with a conservative risk profile such that cumulative losses shall not exceed 5%. Should surplus balances accumulate, subject to the certification of required balances by the auditor, defined as the excess market value over the minimum annual debt target calculated using the prescribed discount rate, the investment strategy may transition to portfolios with a moderate level of risk (e.g., 25% to 50% money market exposure) subject to capital markets conditions. Any such transition should be undertaken prudently and only where the outstanding surplus provides adequate cushion against market volatility and potential losses.

Constraints:

Sinking fund portfolio holdings must comply with the Council approved [Investment Policy](#).

Attachment 3

INVESTMENT PLAN FOR

Regional Municipality of Durham

DATE: September 10, 2026



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1

DEFINITIONS

Definitions applicable to this Investment Plan can be found on the ONE Investment webpage under Education & Training / Glossary.

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PURPOSE

As required under the prudent investor regime authorized by the Municipal Act, 2001 (Act), and Ontario Regulation 438/97 (Regulation), this Investment Plan (Plan) establishes how ONE JIB will invest the Regional Municipality of Durham's Money Not Required Immediately (MNRI) as defined in Section 3.1 of Durham's Investment Policy (Policy).

This Plan applies to all investments controlled and managed by ONE JIB on behalf of the Regional Municipality of Durham.

3

RESPONSIBILITY FOR PLAN

This Plan is the responsibility of ONE JIB, which has authorized its agent, ONE Investment, to exercise its administrative investment functions in accordance with the Regulation. ONE JIB oversees ONE Investment staff using procedures, reports, and regular reviews to monitor compliance with the Act, the Regulation and the District Municipality of Durham's Policy.

ONE Investment has engaged PH&N Institutional to provide OCIO services. PH&N Institutional is the business division of RBC Global Asset Management responsible for managing assets for Canadian institutional clients. PH&N Institutional will be involved in implementing the Investment Plan, monitoring and reporting investments, and providing ancillary services to support the OCIO Offering.

RBC GAM's investment professionals are committed to providing each client with investment solutions that are appropriately tailored to address the client's investment situation. This means understanding macroeconomic trends and strategies and the diverse and evolving investment needs of clients.

4

INVESTMENT GOALS AND OBJECTIVES

The Regional Municipality of Durham's investment needs, as described in its Investment Policy, provide Council's guidance to ONE JIB in determining investment allocations. Further guidance from the Municipal Client Questionnaire (MCQ) and dialogue with the Treasurer inform ONE JIB about the municipality's current goals, objectives, circumstances, and risk tolerance, and help determine investment allocations. The allocation of Durham's MNRI in this Plan is consistent with the details as disclosed in their Policy and MCQ. Section 5.2.1 of their Policy provides specific information that characterizes the objectives for MNRI, as detailed in Table 1 below.

Table 1: The investment objectives for MNRI.

Category	Objective & Risk Tolerance
Objectives for overall MNRI	• Preservation of capital • Provide adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements • Diversification by asset class, market sector, issuer, credit quality, and term to maturity • Achieve capital appreciation and income while managing risk to an appropriate level.

The MNRI invested with ONE JIB will be broadly diversified across asset class, market, sector, issuer, credit quality, and term to maturity to help reduce investment return volatility. Returns impact revenues and have a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. The MNRI shall be invested to obtain a progressively higher rate of return for longer-term investment horizons, commensurate with stated risk tolerances.

Table 2 provides additional detail on investment objectives, based on the segmentation of MNRI by time horizon for the Durham Short, Durham Medium and Durham Long accounts. The Investment policy states that total equity exposure across all MNRI investments shall not exceed 40%.

Table 2: Objectives of MNRI based on investment horizon

Category	Objective	Risk Tolerance*	Investment Horizon
Short-Term	• Preservation of capital • Highly Liquid	Low Risk (5% annual downside risk loss)	3 - 5 Years
Medium-Term	• Contributions towards capital projects, mitigating inflation impacts and meeting target funding requirements; • Liquidity	Low to moderate risk (7.5% annual downside risk loss)	6 – 10 Years
Long-Term	• Contributions towards capital projects, mitigating inflation impacts and meeting target funding • Emphasis on long-term inflation adjusted growth	Moderate risk (10% annual downside risk loss)	>10 years

* Risk tolerances as disclosed in IPS. For the purpose of portfolio construction, the maximum annual loss (i.e. risk tolerance) for each horizon is translated into a corresponding statistical measure called Conditional Value at Risk (CVaR95), which represents the expected loss during the worst 5% of return outcomes. PH&N Institutional will calculate this measure for each portfolio to compare to the limits shown above, based on its capital market assumptions. Investors should be aware of the limitations of using forward-looking assumptions, as there is no guarantee that future performance will meet any ex-ante expectations.

Special Consideration – Sinking Funds

Per Durham's Investment Policy:

- Sinking Funds shall not be combined with other funds, and all investments, bank accounts, reporting and audits will be separate and distinct from other investments made with MNRI.
- Annual contributions will be based on the required return to retire outstanding sinking fund debentures at maturity.
- For asset-liability matching, the expected return, net of fees, of the relevant Sinking Fund should, at minimum, keep pace with the required repayment of the principal of the underlying debt to avoid the need for additional contributions/possibility of annual deficits, preserve capital, and minimize volatility.
- A minimum of 95% of each Sinking Fund account, shall be invested in fixed income securities and/or fixed income funds.
- Securities and fund holdings must be rated A(low) or higher by DBRS (or equivalent).
- Total equity exposure in each Sinking Fund account shall not exceed 5%.
- The Region will consider permitting additional asset classes in the Sinking Fund portfolio through the Policy as its borrowing matures.
- ONE JIB and/or the Municipality must adhere to Section 409 of the Act and Section 4 of the Regulation when managing investments for the Sinking Fund Portfolio.

5

INVESTMENT PORTFOLIO

Asset allocations are typically expected to be relatively stable until the next annual review. Any contributions or withdrawals of MNRI must be communicated to ONE JIB formally as outlined in the ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy

5.1 Account Structure

MNRI Investment Horizon	Risk Tolerance	Allocation as of July 31, 2026
3 – 5 Years	Risk tolerance is low	\$104,775,466
6 – 10 Years	Risk tolerance is low to moderate	\$76,318,194
10+ Years	Risk tolerance is low to moderate	\$1,930,664,877
Sinking Fund *	Risk tolerance is low (Year 1) to moderate depending on remaining term to maturity	\$0

**First annual contribution of \$6,055,471 is expected on October 31, 2026 into the Sinking Fund*

5.2 Portfolio Constraints

MNRI Investment Horizon	Constraints
3 – 5 Years	No allocation to equities No allocation to Canadian Core Real Estate No allocation to Global Infrastructure
6 – 10 Years	30% allocation to equities No allocation to Canadian Core Real Estate No allocation to Global Infrastructure
10+ Years	30% allocation to equities Inclusion of a Canadian Universe Bonds allocation No allocation to Canadian Core Real Estate No allocation to Global Infrastructure
Sinking Fund (Year 1)	Custom Portfolio

Other considerations:

- Durham's total equity exposure is effectively limited to 30% of its overall allocation based on its risk tolerance.

- There are no planned withdrawals this year, the Sinking Fund will have its first annual contribution in October 2026.
- Durham has identified there are no significant changes to their current MNRI invested through ONE JIB.
- The Investment Policy does not permit Alternative Investments.

5.3 Allocations

MNRI Horizon 3-5 Years (Durham Short)			
Asset Classes	Minimum (%)	Target Weight	Maximum (%)
Short Term Bonds	40	50%	60
Corporate Bonds	15	20%	25
Private Placement Corporate Debt	3	5%	7
Commercial Mortgages	3	5%	7
High Yield Bonds	3	5%	7
Global Multi-Asset Credit	10	15%	20
Total		100%	

MNRI Horizon 6-10 Years (Durham Medium)			
Asset Classes	Minimum (%)	Target Weight	Maximum (%)
Short Term Bonds	25	35%	45
Private Placement Corporate Debt	5	10%	15
Commercial Mortgages	5	10%	15
Global Multi-Asset Credit	10	15%	20
Canadian Equities	5	7.5%	10
Canadian Low Volatility Equities	5	7.5%	10
US Equities	3	5%	7

MNRI Horizon 6-10 Years (Durham Medium)			
Asset Classes	Minimum (%)	Target Weight	Maximum (%)
US Low Volatility Equities	3	5%	7
International Equities	3	5%	7
Total		100%	

MNRI Horizon 10+ Years (Durham Long)			
Asset Classes	Minimum (%)	Target Weight	Maximum (%)
Short Term Bonds	15	17.5%	20
Universe Bonds	15	17.5%	20
Private Placement Corporate Debt	5	10%	15
Commercial Mortgages	5	10%	15
Global Multi-Asset Credit	10	15%	20
Canadian Equities	5	7.5%	10
Canadian Low Volatility Equities	5	7.5%	10
US Equities	3	5%	7
US Low Volatility Equities	3	5%	7
International Equities	3	5%	7
Total		100%	

MNRI Sinking Fund Year 1			
Asset Classes	Minimum (%)	Target Weight	Maximum (%)
Money Market	100	100%	100
Total		100%	

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APPLICABLE ONE JIB POLICIES

The Plan adheres to the following ONE JIB Policies subject to periodic review and updating and are posted to the ONE Investment website.

- ONE Anti-Money Laundering Policy
- ONE JIB Fund Deviation Policy
- ONE JIB Principles of Good Benchmarks Policy
- ONE JIB Withdrawals of MNRI Policy
- ONE JIB In-Kind Securities Policy
- ONE JIB Responsible Investment Policy
- ONE JIB Policy for Reviewing the External Sub-Investment Manager
- ONE JIB OCIO Compliance Monitoring Policy

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ELIGIBLE FUNDS

The eligible funds are listed under Schedule “A” of the Investment Management Agreement between RBC Global Asset Management Inc. and ONE Investment, which may be reviewed and updated periodically.

In asset classes where more than one fund is eligible for investment, the OCIO will be responsible for determining which fund(s) to include in the client portfolio after due consideration for (1) the individual characteristics of the fund, (2) prevailing market conditions impacting the fund’s liquidity and capacity, and (3) its alignment with the Municipality’s investment objectives and philosophy.

The Manager shall manage the RBC GAM Fund(s) according to the pooled fund investment mandate including the investment guidelines contained therein developed by the Manager in respect of each RBC GAM Fund (each, an “Investment Mandate”).

Asset Classes	Sub-Asset Classes	Eligible Fund Names (Schedule “A” of IMA)
	Fixed Income	
Cash & Equivalent	Money Market	PH&N Canadian Money Market Fund
Canadian Fixed Income	Short-Term Bonds	PH&N Short Term Bond & Mortgage Fund RBC Vision Fossil Fuel Free Short Term Bond Fund
	Universe Bonds	PH&N Bond Fund PH&N Enhanced Total Return Bond Fund RBC Vision Bond Fund RBC Vision Fossil Fuel Free Bond Fund
	Corporate Bonds	PH&N Corporate Bond Trust*
	Private Placement Corporate Debt	PH&N Private Placement Corporate Debt Fund*
	Commercial Mortgages	PH&N Mortgage Pension Trust* RBC Commercial Mortgage Fund*
Global Fixed Income and Credit	High-Yield Bonds	RBC High Yield Bond Fund PH&N High Yield Bond Fund
	Global Multi-Asset Credit	BlueBay Total Return Credit Fund
	Global Bonds	RBC Global Bond Fund
	Emerging Markets Bonds	RBC Emerging Markets Bond Fund

	Equities	
Canadian Equities	Canadian Equities	PH&N Canadian Equity Value Fund PH&N Canadian Equity Fund RBC Vision Canadian Equity Fund RBC QUBE Canadian Equity Fund
	Canadian Low Volatility Equities	RBC Vision QUBE Fossil Fuel Free Low Volatility Canadian Equity Fund RBC QUBE Low Volatility Canadian Equity Fund
Global Equities	U.S. Equities	PH&N US Equity Fund RBC QUBE US Equity Fund
	U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Fund
	International Equities	RBC International Equity Fund RBC International Equity Index Fund RBC QUBE International Equity Fund
	Global Equities	RBC Global Equity Focus Fund RBC Global Equity Leaders Fund RBC Vision Global Equity Fund RBC Vision Fossil Fuel Free Global Equity Fund RBC QUBE Global Equity Fund
	Global Low Volatility Equities	RBC QUBE Low Volatility Global Equity Fund
	Emerging Markets Equities	RBC Emerging Markets Equity Fund RBC Emerging Markets Dividend Fund
Alternatives	Real Estate	RBC Canadian Core Real Estate Fund
	Infrastructure	RBC Global Infrastructure Fund

8

REBALANCING

The OCIO is authorized to execute trades, as appropriate, to maintain compliance with the Investment Plan.

Rebalancing shall occur in accordance with the Participating Municipality's Investment Policy Statement and Investment Plan.

Rebalancing plans and exact timing should account for upcoming material changes that may impact the Investment Plans, such as updates to the Investment Policy Statement or the Municipal Client Questionnaire.

As appropriate, the size and frequency of trading activities shall be minimized to help reduce the administration and costs of trading.

9

IMPLEMENTATION

9.1 Custodian

All marketable investments under the control and management of ONE JIB, shall be held for safekeeping by ONE Investment's Custodian.

9.2 Sinking Fund Implementation Plan

Timeline	Implementation Details
October 2026	First annual contribution of \$6,055,471 on October 31, 2026 to be invested as per the approved Plan.

9.3 Accommodating Cashflow needs

Income from investments will be automatically reinvested as per the ONE Distribution Policy PI and cashflow needs of Muskoka are expected to be financed with the sale of units of the pooled funds. Payment of OCIO Fees and Governance fees will also be financed with the sale of investment pool units.



REPORT

To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investment Services, MFOA
Date: September 10, 2026
Re: External Investment Manager Oversight Q2 2026
Report: ONE JIB 2026-045

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report for information.

2. SUMMARY

This report provides ONE Joint Investment Board with an update on Q2 2026 oversight of the External Investment Manager from an operational perspective. ONE Investment staff, including the CCO, reviewed the quarterly materials and related reporting. No significant performance or compliance concerns were identified. Compliance and performance reporting continue to be refined to support the current business model, including related compliance processes and oversight by ONE's Risk and Audit Committee.

Based on this review, ONE Investment confirms that Participating Municipalities' money not required immediately (MNRI) continues to be invested in accordance with ONE JIB-approved Investment Plans and the ONE JIB Agreement.

3. BACKGROUND

ONE JIB and ONE Investment are responsible for the oversight of the activities of the External Investment Manager

ONE JIB is responsible for the control and management of MNRI for Participating Municipalities. This includes investment oversight, regular performance reviews, and supervision of agents that support ONE JIB's fiduciary responsibilities. ONE Investment staff and the CCO review the External Investment Manager's activities and report significant issues to ONE JIB as required.

As part of the oversight role provided by ONE Investment, the operation and execution of investment management activities are monitored

Ongoing monitoring confirms that Investment Plans and related administration are implemented effectively. Operational matters are also discussed with ONE's Risk and Audit Committee as part of the oversight process.

The “Policy for Reviewing the Prudent Investment Offering External Investment Manager” provides for a comprehensive review of the External Investment Manager by an external consultant

An external consultant supports the periodic review of the External Investment Manager, supplementing ongoing oversight by ONE Investment staff and the CCO. The most recent external review was received at the May 28, 2026 ONE JIB meeting. The next review is scheduled for 2028.

4. ANALYSIS

PH&N Institutional provides quarterly reports on the Prudent Investment program

The quarterly reports from PH&N Institutional include market commentary, investment performance information, portfolio positioning, and key investment themes. Attachment 1 provides excerpts from the Q2 2026 client commentary and additional fund-level performance information on the topics listed below:

- Macroeconomic and capital markets context
- Summary of investment performance
- A review of key investment themes and activities.

Appendix 1 is available to ONE JIB members in the resource library, as are the full quarterly reports.

All investments have been made in accordance with the terms set out in the ONE JIB Agreement

ONE Investment reviewed recurring reports from the External Investment Manager and custodian, including monthly statements, quarterly client reports, proxy voting information, and related materials. No significant concerns were identified. Through this report, ONE Investment confirms that Participating Municipalities’ MNRI is invested in accordance with ONE JIB-approved Investment Plans, as shown in Figure 1.

Figure 1 – ONE Investment Confirmation

Under the terms of section 8.02 of the ONE JIB Agreement, ONE Investment confirms as follows:

For the quarter ended June 30, 2026, to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipalities under the management and control of ONE JIB under the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the Investment Policy Statement and the Investment Plan of each Participating Municipality.

5. CONCLUSION

ONE Investment's Q2 2026 oversight review did not identify any significant concerns with the External Investment Manager's activities or related reporting. The review supports continued confidence that investment management activities are being carried out in accordance with approved Investment Plans and the ONE JIB Agreement. Staff will continue regular monitoring and will report any significant issues to ONE JIB as required.

ATTACHMENTS

Attachment 1: ONE Investment Quarterly Commentaries for the Period Ending June 30, 2026

Drafted by: Jennifer Hess CPA CMA, Manager Investment Services, MFOA

Approved by: Donna Herridge and Christina Pavone, Co-President/Co-CEOs, ONE Investment

Attachment 1



Investment Management Report for **ONE Investment - Quarterly Commentaries**

For Period Ending June 30, 2026

Macroeconomic and Capital Markets Commentary and Outlook

The following commentary summarizes meaningful trends and events that we've observed over the past quarter.

The **economic backdrop** has remained surprisingly resilient through the first half of the year. Despite the ongoing closure of the Strait of Hormuz and resulting energy price shock, economic data in both the U.S. and the G10 is better than it was a year ago. Important tailwinds related to AI spending, fiscal stimulus, and increased productivity are all contributing to an improving outlook for corporate profits. In

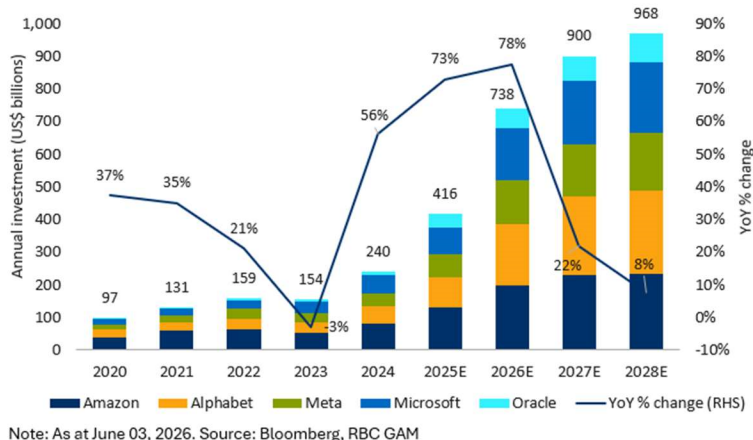
particular, the incredible surge in AI-related capital spending from tech leaders building out new models continues to rise at a remarkable pace, materially supporting U.S. economic growth in 2026 with further upside ahead. Although we do anticipate a headwind to the global economy from the energy shock, we also expect any dip in growth to be fairly mild and partially reversed later. Our growth forecasts are still primarily above consensus and we deem the risk of recession to be low.

The near-term **inflation** outlook has been raised due to the leap in energy prices, as well as some additional lingering pressure from the lagged effect of last year's tariff hikes. U.S. consumer price inflation has accelerated to 4.2% on a year-over-year basis from 2.4% just before the war, and the core measure that excludes energy also inched higher to 2.9% from 2.5%.

Although the war itself could soon be resolved, energy futures markets are

pricing in some scarring in the form of energy prices that do not fully normalize post-conflict and some spillover via higher transportation costs. Inflation should remain elevated through 2026, and will likely remain so through the spring of 2027 before the mechanics of falling energy prices help pull inflation closer to target over the remainder of that year.

Hyperscalers are expected to continue ramping up CapEx



Global inflation has risen sharply since the start of Iran War



The era of **monetary easing** that marked the past several years is seemingly coming to an end.

Central banks are now thinking more about rate hikes than cuts due to the combination of still-resilient economic growth paired not just with higher energy prices, but some broadening of inflation pressures. As a result, pricing in various markets has backed out any prior expectation of interest-rate cuts for this year and now

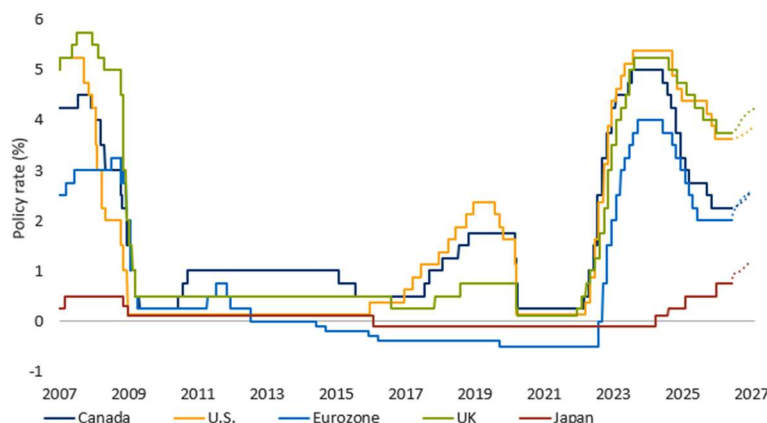
expects modest tightening. The market looks for two more hikes by the European Central Bank, two hikes from the Bank of Canada, and one hike from the Fed over the next 12 months. Any interest-rate decisions will ultimately depend on the course of inflation and, should inflation pressures prove substantially temporary as we expect, some central banks may not need to hike as much as current pricing implies.

Turning to capital markets, **global equities** staged a strong recovery from the Iran war-driven sell-off of the first quarter as investors looked past geopolitical headwinds and refocused on the enduring growth potential of AI. After shedding nearly 10% in March and finishing the first quarter in negative territory, the MSCI World Index rallied over the course of the second quarter and returned 15.6% over the period.

Technology stocks led markets higher, with semiconductor stocks at the forefront as demand for AI infrastructure continued to build, pushing corporate earnings estimates sharply higher. The U.S. and emerging markets countries closest to the AI CapEx cycle delivered the strongest returns. While the outlook remains rosy, it is undeniable that stocks have had an impressive run and that valuations are now demanding. As a result, should the enthusiasm around AI fade, stocks would be vulnerable especially in regions with higher AI-related exposure.

In the **U.S.**, the S&P 500 Index returned 17.5% in the second quarter. While the Energy sector declined -11.8% over the period, its modest 3.7% weight muted the impact on the overall index. The Information Technology sector, meanwhile, returned an astonishing 34.4% over the period, and given its nearly 40% weight in the index, this had an outsized impact on broad market returns. Among technology stocks, semiconductors and memory manufacturers performed especially well, in some cases experiencing triple-

G7 central bank policy rates are expected to rise



Note: As of June 03, 2026. Dotted lines indicate futures pricing. Source: Bloomberg, RBC GAM

Equity Indices Performance Comparison as of June 30, 2026 (%)

	3 Mo	1 Yr
S&P/TSX Composite Index (C\$)	6.96	32.88
S&P 500 Index (C\$)	17.45	27.40
MSCI World Index (C\$)	15.65	26.16
MSCI EAFE Index (\$C)	12.66	25.01
MSCI Emerging Markets Index (C\$)	26.11	49.21

Source: RBC GAM

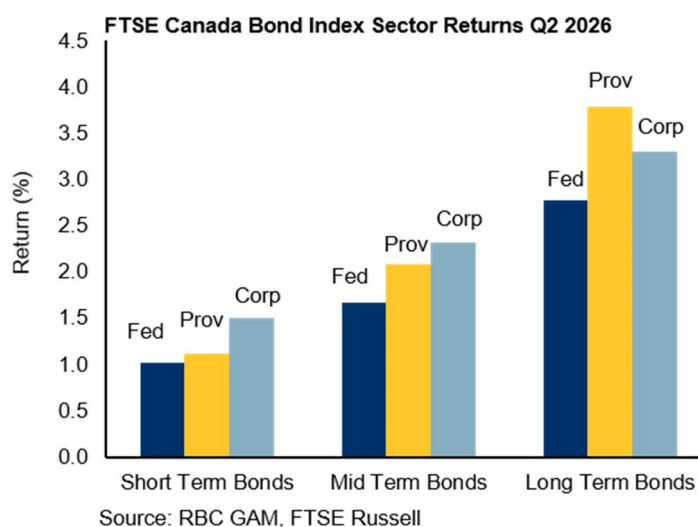
digit earnings per share (EPS) expansion. At the same time, some concerns around AI-driven disruption have persisted within the sector, and some software names remained under pressure as a result.

In **Canada**, the S&P/TSX Composite Index lagged other major equity indices over the quarter with a 7.0% return. Canada's resource-heavy market was a source of weakness in the second quarter as previous strength in index heavyweights Energy and Materials reversed course over the period; the two sectors returned -5.0% and -11.5%, respectively. This underperformance was more than offset by strength from the index's largest sector, Financials, which accounts for 35% of the index and returned 25.6% over the quarter, led by the banks.

Emerging market equities were the top performer over the period, with the MSCI Emerging Markets Index returning 26.1% over the quarter and 49.2% over the past year. Nowhere was the surge in technology stocks more impactful than here; the Information Technology sector makes up nearly 45% of the index and returned a staggering 76.2% over the quarter and 173.0% over the past year. Predictably, South Korea and Taiwan were the top performers among EM nations. While superior earnings growth in EM markets over the past several years has undoubtedly been driven in large part by AI CapEx and the broader AI-related infrastructure cycle, it has also been supported by the broader energy transition, defense spending, and industrial CapEx.

Global fixed income markets delivered positive results during the second quarter of 2026, despite volatility over the period. U.S. Treasury yields rose for much of the quarter amid higher energy prices and expectations that the U.S. Federal Reserve would keep interest rates elevated for longer, although yields retraced somewhat toward quarter-end as growth concerns resurfaced. International developed market bonds also faced headwinds, with performance varying across regions as central banks responded differently to evolving inflation and economic conditions. Emerging market debt generally outperformed developed market bonds, supported by resilient fundamentals, attractive carry, and selective strength in local currency markets despite ongoing global uncertainty.

In **Canada**, declining Government of Canada (GoC) bond yields and tightening credit spreads drove fixed income gains in the second quarter, and the FTSE Canada Universe Bond Index delivered a positive return of 2.01% for the period. GoC yields fell across all maturities, though to a slightly greater extent for longer maturities versus shorter maturities, leading to a modest flattening of the yield curve over the second quarter. Overall, long-term bonds outperformed short- and mid-term bonds. From a sector perspective, corporate bonds performed better than federal and provincial bonds, except in the long end due to their shorter duration profile (and thus, lower sensitivity to falling yields).



While bond markets were volatile in the second quarter, driven by a confluence of geopolitical, inflationary, and trade-related uncertainties that are likely to persist into the near term, these headwinds are offset by several supportive factors that can drive economic growth, such as expansionary fiscal stimulus, AI-related CapEx, and resilient corporate earnings. The bond market is pricing in moderately higher yields for Canada over the next 12 months, particularly in the front end of the curve. Overall, bond yields are likely to remain volatile in the near to medium term as investors balance these competing dynamics.

Second Quarter Review

Duration and Yield Curve

The ongoing war in the Middle East continued to be a key driver of financial markets during the second quarter. While a temporary ceasefire and interim peace deal was signed by U.S. and Iranian officials in mid-June, the Strait of Hormuz continues to operate well below pre-war capacity. The situation remains highly fluid, however energy prices have declined substantially from their peak, easing inflation expectations. We remain cautiously optimistic about a near-term resolution, though full unwinding of the supply shock is likely to materialize more gradually.

While the war dominated headlines, uncertainty surrounding trade policy continued to cast a significant shadow on cross-border commerce. Following discussions with trade representatives from Canada and Mexico at their highly anticipated July 1st meeting, U.S. officials opted not to extend the Canada-U.S.-Mexico Agreement (CUSMA), a decision that was widely expected. While the trilateral trade pact remains in place until its expiration in 2036, the inability to secure a renewal triggers annual reviews until then, which can be expected to weigh on economic activity. Shifting to economic data, Canada's inflation print has been on an upward trend while Q1 GDP contracted slightly, though we saw improvement in per capita GDP, the unemployment rate, and consumer spending. While Canada's prospects for growth may not be as robust as its neighbours to the south, there are tailwinds, including government stimulus, that support cautious optimism for the economy over the medium term.

Elsewhere in policy rates, the BoC maintained its overnight target rate at 2.25% at its May and June meetings in an effort to balance economic slack with rising inflation pressure. While maintaining their patient approach, BoC policymakers stated a willingness and ability to move nimbly in either direction (cut or hike) should further trade-related weakness materialize or inflationary pressures broaden. The bond market is pricing in one rate hike by the BoC for 2026. The U.S. Federal Reserve (Fed) also remained on hold during the quarter, keeping its federal funds target range unchanged at 3.50-3.75%. The Fed's June meeting ushered in new Fed Chair Kevin Warsh, which marked a significant shift in communication strategy, eliminating forward guidance in favour of a facts-only statement and stating that market pricing should help inform Fed policy rather than the other way around. Market expectations for any easing by the Fed fully dissolved during the quarter amid resilient growth and broadening inflation pressures, with the bond market pricing in one rate hike by the Fed in 2026. Overall, shorter-term Government of Canada (GoC) bond yields declined less than those of longer-term maturities, resulting in a lower and slightly flatter yield curve.

In terms of positioning, the portfolio began the second quarter with a longer duration than its benchmark, a tactical position initiated in March that was predicated primarily on technical signals suggesting yields were oversold. As yields moved sideways through mid-April, we closed the long duration position and shifted the portfolio to a short duration, aligning with our medium-term view on rates. This position was then tactically managed, with the portfolio ending the quarter short duration relative to the benchmark. The portfolio's yield curve positioning remains structured to benefit from a further flattening of the yield

curve. We maintain a belief that market participants are too pessimistic on the Canadian economy over the medium term, given the lagged effects of significant monetary policy easing by the BoC, expansionary fiscal policy, tight immigration policy, and the potential tailwinds of AI-related capital expenditure. Positive surprises in key economic data have the potential to accelerate BoC rate hikes expectations and thus result in short-term yields rising. Overall, the combination of the portfolio's tactical duration and yield curve positioning detracted slightly from relative performance over the quarter.

The bond market is pricing in modestly higher yields across the curve over the next 12 months, with yields on short- and medium-term tenors expected to increase more than longer-term maturities. While a higher and flatter yield curve is consistent with our current positioning, we believe market expectations for rate hikes remain underpriced, and that yields are likely to remain volatile over the short to medium term. As such, we remain positioned to opportunistically adjust the portfolio while maintaining a nimble and disciplined approach to duration and yield curve management.

Government of Canada Yields (%)					
	1 Yr	2 Yr	5 Yr	10 Yr	30 Yr
June 30, 2026	2.53	2.75	3.02	3.38	3.78
Forward Curve for June 30, 2027	3.00	3.06	3.23	3.54	3.84
Implied Change (1 year)	+0.47	+0.31	+0.21	+0.16	+0.06

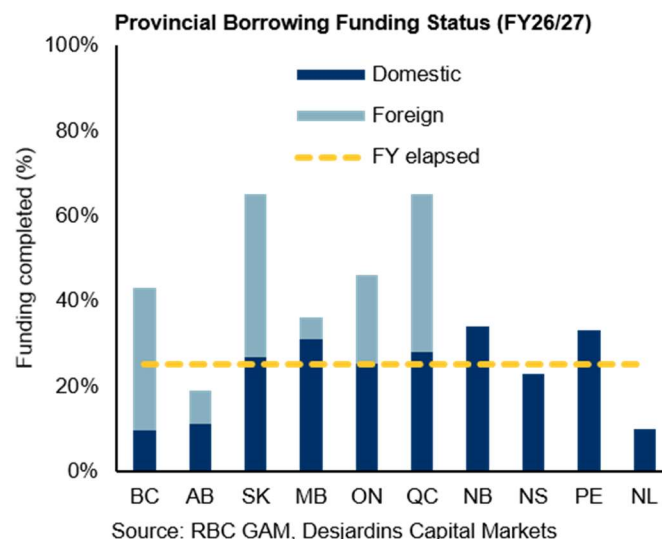
Source: RBC GAM (BondLab), Bloomberg.

Foreign Sovereign Bonds

We may choose to hold a tactical position in foreign sovereign bonds, such as U.S. Treasury bonds and U.S. T-bills, when they are attractively valued and/or because of their diversification benefits. While we do not currently hold a position in foreign sovereign bonds, we will continue to monitor this strategy as market conditions evolve.

Quasi-Government Bonds

Provincial bond issuance was strong to start the 2026/27 fiscal year, with approximately \$30 billion of bonds issued in the primary market in the second quarter, capitalizing on favourable market conditions. In aggregate, the provinces have already completed 45% of their funding requirements despite having only completed a quarter of the current fiscal year. Alberta is a notable exception, displaying limited issuance urgency following substantial revenue gains from elevated oil prices experienced earlier in the year. The provinces have capitalized on strong demand from international markets, which now represent 50% of funding completed this fiscal year.



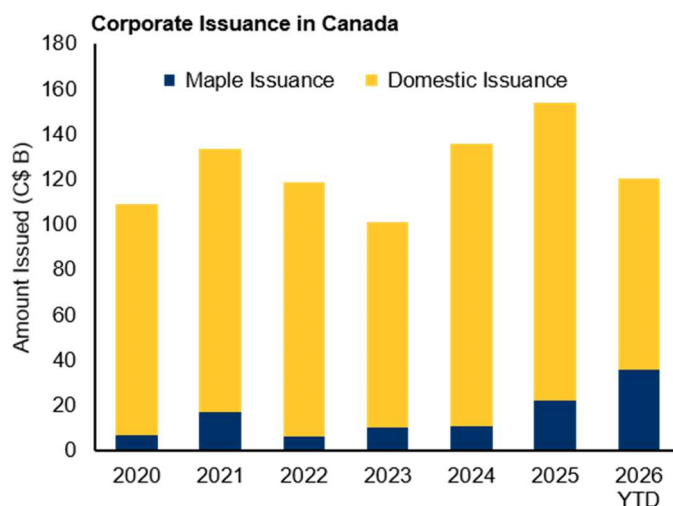
This international appetite eases pressure off the domestic market and supports spreads. Overall, provincial bond spreads tightened by approximately 5bps over the quarter.

In terms of positioning, the portfolio decreased its overweight exposure to quasi-government bonds over the quarter. We reduced the overweight exposure to Alberta to near-neutral levels relative to the benchmark, with oil prices subsequently declining and spreads widening. While current valuation levels appear reasonable, we remain cautious given the province's sensitivity to volatility in commodity prices and potential changes in borrowing needs. Conversely, we increased the portfolio's exposure to Quebec following late-April political developments that reduced separation risk and drove spreads tighter; we began adding back at favourable entry points as market concerns dissipated. Overall, Ontario bonds remain the largest overweight in the portfolio as they offer better liquidity compared to other provinces, providing flexibility to capitalize on more attractive opportunities as they arise. The portfolio remained underweight the rest of the smaller provincial issuers in aggregate, given their less favourable liquidity profiles. Lastly, the portfolio's exposures to federal agency bonds, such as AAA-rated Canada Housing Trust bonds, remained unchanged as we continue to have limited exposure to this segment of the market in favour of higher-yielding strategies.

Overall, the portfolio has a moderate overweight exposure to quasi-government bonds, with a meaningful bias toward provincials due to their yield advantage over federal agency bonds. This overweight exposure contributed to relative performance over the quarter as spreads tightened.

Investment Grade Corporate Bonds

After weakening in the first quarter of 2026, the Canadian corporate bond market rebounded in the second quarter, as spreads tightened back near the levels witnessed at the start of the year. Earnings reports released over the quarter displayed solid resilience, showing limited evidence of negative impact from higher input costs related to the ongoing geopolitical tensions in the Middle East, thus further supporting investor appetite for risk assets. The primary market responded to the positive investor sentiment with a whopping \$72 billion of new issue supply in the second quarter, bolstered by record-breaking inaugural Canadian dollar bond deals (Maple bonds) from



Source: RBC GAM, Bloomberg

Alphabet and Amazon – the largest corporate bond deals in domestic market history. This level of activity brought year-to-date supply to approximately \$120 billion, which is around 65% higher than the same period last year. Despite this substantial volume, investment grade corporate bond spreads tightened by approximately 10bps, with valuations back near their most expensive levels since 2007.

In terms of risks to the domestic economy, Canada's high level of household indebtedness and its impact on consumer spending growth remains a key vulnerability. Elevated debt levels stemming from higher housing costs have left many Canadian consumers more exposed to financial shocks. Elevated debt payments along with potentially weaker employment conditions, particularly in certain pockets of the Canadian economy exposed to trade policy uncertainty, and higher costs of living could constrain consumer spending growth. While these risks remain, consumer spending has been resilient despite higher energy prices, and the most recent GDP per-capita print showed an increase over Q1.

Turning to Canadian corporations, fundamentals have shown few signs of stress so far, giving some support to spreads that continue to hover near their tightest levels since 2007. While there are signs of an improving fundamental backdrop, businesses with significant leverage are particularly vulnerable if earnings growth falters and is unable to offset increasingly elevated debt payments. The outlook for corporate earnings growth is uncertain, and the ongoing trade uncertainty will test the financial resilience of businesses, particularly those in industries tied to trade. Overall, certain issuers – particularly those with businesses more sensitive to changes in the economy, household spending rates, or cross-border exposure – could be more affected by trade-related economic impacts than others. The portfolio has limited exposure to industries directly impacted by tariffs, including manufacturing, steel, and aluminium, though these industries have limited presence in the Canadian investment grade corporate bond market.

Technical conditions remained issuer-friendly, with lower government yields (relative to their peak in late 2023), historically tight credit spreads, and healthy investor demand continuing to drive record issuance levels. However, attractively valued opportunities for investors in the primary market remain scarce as valuations continue to appear expensive. After a robust first half of the year, 2026 seems poised to reach

another record of annual supply if hospitable financing conditions persist. We have seen many new issuers enter the primary market this year, with Maple bond issuance increasing markedly on the back of hyperscaler capital expenditure initiatives. We identified and participated in two compelling Maple bond offerings from Amazon and Alphabet. We like both issuers due to their strong fundamentals, and both are highly rated, increase industry diversification to the portfolio, and provide strong relative value versus other high-quality Canadian corporate issuers. Year-to-date, Maple bond issuance has significantly outpaced historical levels and has comprised approximately one-third of investment grade corporate bond issuance in Canada, a trend we believe may continue following their index inclusion, which occurred at the start of 2025. Along with increased debt-funded M&A activity, this could introduce some uncertainty in supply/demand dynamics, with potential implications for corporate bond valuations that could result in some attractively priced investment opportunities.

Overall, the portfolio's medium overweight exposure to investment grade corporate bonds was modestly decreased over the quarter in favour of higher quality, liquid segments of the broader Canadian bond market in order to remain well positioned to capture more attractive opportunities. As mentioned, we continued to add to high-quality, stable issuers given the market backdrop and scarcity of attractive opportunities. We also continued to leverage our strong working relationships with dealers, affording us the ability to be deeply connected throughout the process of certain deals that came to market, resulting in meaningful value added for the portfolio. As previously mentioned, valuations appear expensive following a prolonged period of strong performance. Longer-term corporate bonds look particularly expensive, with the spread premium over mid-term corporate bonds close to historically tight levels. Therefore, we continue to prefer shorter-term credit in the portfolio, where we believe the reward-for-risk balance is more favourable. Overall, while the portfolio maintains its broadly cautious positioning, it remains overweight corporate bonds as we continue to appreciate the yield accrual offered by the sector as spreads could remain near current levels for an extended period.

Furthermore, we maintained the portfolio's high-quality bias, prioritizing issuers that are less sensitive to changes in the economy and the strength of Canadian consumers. We favour the Infrastructure and Power Generation sectors, where issuers are typically regulated and generate stable, predictable cash flows with strong government support. The portfolio remains underweight the Financials sector due to its exposure to highly indebted Canadian consumers. Tariffs have dampened business activity and loan growth, increasing the risk of higher credit losses. While there are signs that we may be past peak tariff uncertainty, trade policy remains a risk to the economy and Canadian consumer strength in the event that trade negotiations with the U.S. deteriorate. We are also cautious about the Communications sector, which faces multiple headwinds such as pricing competition, high corporate leverage near rating agency downgrade thresholds, elevated dividend payout ratios, high capital expenditures, and stalling population growth. These factors leave the sector potentially more exposed to an economic downturn.

Going forward, we will continue to look to capitalize on attractive opportunities in the bond market where the compensation is commensurate to the underlying fundamental risks. Overall, the portfolio's overweight position in corporate bonds was a positive contributor to relative performance over the quarter as a result of tighter credit spreads and strong yield accrual.

Private Placement Corporate Debt

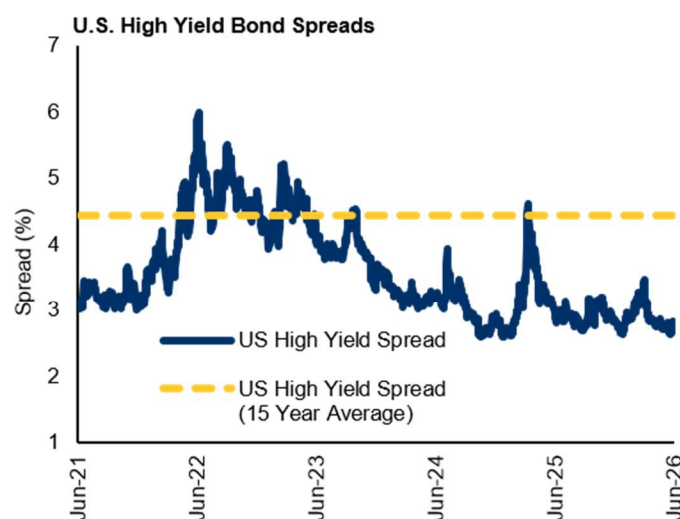
The portfolio has exposure to private placement corporate debt securities; these are investment grade bonds that are issued privately rather than through the public bond market, and many are not included in the benchmark. While many of these bonds are rated by rating agencies, like public bonds, unrated issues undergo the same extensive analysis by our corporate credit team. The team then assigns the bond an internal rating, which must be of investment grade quality to be included in the portfolio. One of the benefits of investing in private debt is the opportunity to expand and diversify investment opportunities. While many of the issues are infrastructure related, the private debt market encompasses many industries and sub-industries not available in the public markets. In addition, private placements often provide attractive illiquidity premiums for investors, as they do not tend to have an active secondary market.

We source private placement corporate bond opportunities via the private placement desks of bond dealers that are our traditional counterparties in public corporate bond markets. Our expectations for yield enhancement within this sector are 50–75 bps over comparable public market opportunities of similar credit quality. Like the public primary market, the private sector was also active in the second quarter, and we made a new addition to the portfolio. We participated in a private placement from a company that develops and operates senior retirement housing and long-term care facilities in Ontario. The bond is fully secured, represents a loan-to-value (LTV) ratio of 61% on the property it is secured against, and has full recourse to the issuer. Additionally, the essential nature of long-term care services makes them relatively resilient to economic cycles.

Private placement corporate bonds outperformed comparable-term public securities within the Canadian investment grade corporate bond market over the quarter due to their enhanced yield profile, providing strong yield accrual to the portfolio. We expect that the extra yield spread from private placement corporate bonds will continue to provide a return tailwind to the portfolio over the long term and contribute to stability during downturns.

High Yield Corporate Bonds

In the second quarter, high yield bonds delivered positive performance driven by spread compression. In April, spreads tightened sharply as risk sentiment improved on signs of progress in U.S.-Iran negotiations. Uncertainty returned in May as ceasefire headlines dominated news flow, though falling oil prices and optimism surrounding a resolution supported modest spread tightening. June alternated between gains and headwinds. Overall, despite monthly swings, high yield bond spreads tightened significantly over the second quarter, reflecting the renewed risk-on environment, with spreads finishing the period at similar levels to where they began 2026.



Source: RBC GAM, Bloomberg. US High Yield spread represented by ICE BofA US High Yield index

Capital market activity for high yield bonds remained relatively strong through the second quarter as market conditions stabilized and refinancing conditions remained favourable. April saw net issuance reach its highest level since April 2020, while investor inflows returned to the asset class for the first time this year, reflecting renewed positive investor sentiment. Credit fundamentals remained resilient, while default and distressed exchange activity stayed notably contained, underscoring the asset class's broadly resilient credit quality. Of note, May reinforced this theme, recording no payment defaults or distressed exchanges, a milestone not seen since August 2018.

The portfolio's allocation to high yield remained unchanged over the quarter and was a positive contributor to relative performance. While valuation levels appear stretched, there remain attractive reward-for-risk opportunities in carefully selected high yield bonds. Overall, the portfolio's high yield position will be adjusted as necessary depending on how market dynamics evolve.

Mortgages

The Canadian conventional commercial mortgage market remains in good health as evidenced by solid credit fundamentals, and borrower demand is returning after multiple periods of low activity. Though spreads are tight, mortgage rates remain elevated relative to recent history due to higher underlying GoC bond yields, which increases the income return for commercial mortgage investors.

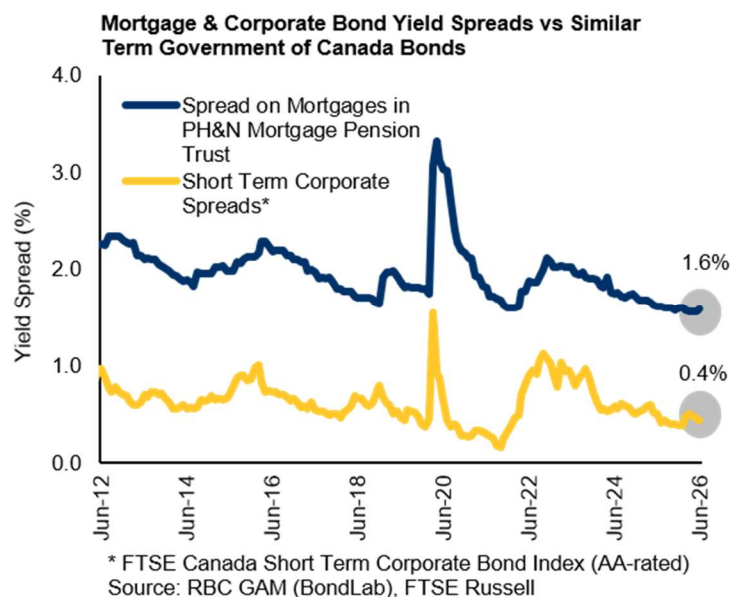
Performance in commercial real estate continues to be driven by both market and property-type-specific factors. The industrial market is normalizing after several strong years, with vacancy rates ticking up modestly

as demand softens, though limited new construction is helping to suppress supply. Retail has been the most resilient performer, particularly grocery-anchored properties, which benefit from stable tenant bases and consistent customer traffic even during economic uncertainty. Office fundamentals are improving as occupancy rises and new supply remains limited, creating opportunities for experienced investment managers to deliver returns by focusing on higher-quality buildings in strong locations. Multi-residential is easing from historically tight conditions as new projects are completed, but Canada's ongoing housing shortage continues to support demand across the sector.

Commercial mortgage spreads remain tight across all property types as investors compete for a limited pool of deals, though the asset class continues to provide a meaningful spread premium over corporate bonds of similar risk. Notably, grocery-anchored retail has seen the most compression as the sector has proved resilient with strong fundamentals and increased transaction activity, including Choice and KingSett's acquisition of First Capital REIT.

In terms of portfolio positioning, the industrial sector remains the largest exposure at 44%. Most of this allocation was originated during a period of stronger sector fundamentals and higher spreads, allowing us to capture attractive risk-adjusted returns. Over the last four years, the portfolio's average originated spread for industrial loans was approximately 155bps, well above today's market spread of around 120bps. We are maintaining this industrial exposure steady and focusing on other areas where we have strong conviction like grocery-anchored retail, multi-residential, and selective office opportunities.

As we look ahead to the remainder of 2026, we remain confident in the strong credit fundamentals underpinning the conventional commercial mortgage market and the mortgages held within the portfolio, which are secured by high-quality, income-producing properties across Canada. The level of cash flows and property values supporting the mortgages have significant insulation, as evidenced by the high debt service coverage ratio (DSC) of 1.5x and low loan-to-value ratio (LTV) of 53%.



ONE Joint Investment Board

Quarterly Meeting: September 10, 2026

Presented by:

Martin Leclair, CFA, Vice President & Institutional Portfolio Manager
Paul Purcell, CFA, Managing Director & Institutional Portfolio Manager
Katherine Rusin, CFA, Institutional Portfolio Manager

Guest speaker:

Findlay Franklin, Portfolio Manager

PH&N Institutional Team for ONE Investment & Ontario Municipalities



Paul Purcell, CFA
Managing Director &
Institutional Portfolio Manager

39 years of experience

CFA (1996); FSA (1989); FCIA (1989); BSc (Actuarial Science) (1987), Western University, Canada.

Paul is a managing director and an institutional portfolio manager at PH&N Institutional. He works closely with fiduciaries to develop and implement asset and risk management strategies. Prior to joining the firm in 2015, Paul was Managing Director, Institutional Clients and LDI Strategist at a large international asset management firm. Previous to that he had spent 19 years at a global consulting firm where he was the consulting actuary and held various leadership roles. He has served on board/investment committee for two large Canadian charitable organizations.



Martin Leclair, CFA
Vice President &
Institutional Portfolio Manager

30 years of experience

CFA (2000); BBA (1996), Université du Québec à Montréal, Canada.

Martin is a vice president and an institutional portfolio manager at PH&N Institutional. Martin also takes a leadership role in the development and implementation of Total Portfolio Solutions, RBC GAM's end-to-end outsourced CIO business for institutional clients. He joined the firm in 2017 with over 20 years of experience working alongside institutional investors across Canada at both asset management firms and consultancies. Prior to RBC GAM, Martin was vice president at an independent consulting firm, where he provided investment consulting and governance solutions to pension plans.



Katherine Rusin, CFA
Institutional Portfolio Manager

14 years of experience

CFA (2018); BBA (2012), Simon Fraser University, Canada.

Katherine is an institutional portfolio manager at PH&N Institutional, where she collaborates with clients and consultants to structure and manage a diverse array of investment mandates. While her primary focus lies in broader equity and multi-asset strategies, she also serves as a capability specialist for quantitative equity strategies. Katherine began her investment career with the firm in 2012, notably contributing to the RBC Quantitative Investments team during a six-month rotation. In that role, she supported fund managers by leveraging her expertise in security research, portfolio positioning, and pre-execution trade analysis.

Agenda

- Platform update
- Market update & model performance
- Fund performance
- BlueBay Total Return Credit Fund

Platform update

Activities since last ONE JIB meeting

June 5	<u>Additional inflow:</u> Central Frontenac: \$500,000 cash inflow (Model F)
June 16	<u>New municipalities:</u> Lambton Shores: \$6,000,000 cash inflow (Model G) Georgina: \$20,000,001 cash inflow (Model G) New Tecumseth: \$8,000,001 cash inflow (Model E) <u>Additional inflow:</u> Huntsville: \$3,500,001 cash inflow (Model D)
June 17	<u>New municipality:</u> Front of Yonge: \$493,962 cash inflow (Model G)

Model portfolios – allocations

Number of client portfolios →

1

1

4

5

3

4

3

1

Approved on Sept. 4 2025	A	B	C	D	E	F	G	D+	E+	F+	G+	Durham Med	Durham Long
Fixed Income	100%	80%	70%	60%	50%	40%	30%	50%	40%	30%	20%	70%	70%
Canadian Money Market													
Short-Term Bonds	50%	50%	35%	25%	20%	20%	20%	20%	20%	20%	20%	35%	17.5%
Universe Bond													17.5%
Corporate Bonds	20%												
Private Placement Corporate Debt	5%	10%	10%	10%	7.5%			5%	2.5%			10%	10%
Commercial Mortgages	5%	10%	10%	10%	10%	10%	10%	10%	10%	10%		10%	10%
High Yield Bonds	5%												
Global Multi-Asset Credit	15%	10%	15%	15%	12.5%	10%		15%	7.5%			15%	15%
Equities	20%	30%	40%	50%	60%	70%		40%	50%	60%	70%	30%	30%
Canadian Equities		5%	7%	10%	12.5%	20%	30%	10%	12.5%	20%	35%	7.5%	7.5%
Canadian Low Volatility Equities		5%	7%	10%	12.5%	10%	5%	10%	12.5%	10%		7.5%	7.5%
U.S. Equities		2%	4%	5%	4%	5%	6%	5%	4%	5%	9%	5%	5%
U.S. Low Volatility Equities		2%	4%	5%	4%	5%	6%	5%	4%	5%	3%	5%	5%
International Equities		6%	8%	10%	12%	14%	16%	10%	12%	14%	16%	5%	5%
Emerging Market Equities					5%	6%	7%		5%	6%	7%		
Alternatives								10%	10%	10%	10%		
Canadian Core Real Estate								5%	5%	5%	5%		
Global Infrastructure								5%	5%	5%	5%		

What's in a model portfolio?

Capital market assumptions (CMA)

10-yr forward-looking capital market forecasts (Return, volatility, downside risk, correlations). Adjusted quarterly or as required to reflect future market conditions.

Asset classes

Capital market exposures representing a broad opportunity set.

Modelling constraints

Promote diversification, address liquidity concerns, ensure feasibility.

Strategy fulfillment

Diversification of investment styles to optimize long-term active management efficiency.

Reviewed annually

Commercial mortgage fund queue (August 25, 2026)

Account	Municipality	Queued Allocation	% Funded
ML102	Durham Short	\$0	100%
ML103	Durham Medium	\$502,081	93%
ML104	Durham Long	\$19,789,054	90%
ML122	Central Frontenac - Model F	\$167,863	64%
ML132	Red Lake - Model D	\$47,168	83%
ML146	Aurora- Model E	\$3,114,246	50%
ML153	Aylmer - Model E+	\$220,913	0%
ML164	Bracebridge - Model G	\$1,010,197	0%
ML172	Huntsville - Model D	\$653,323	61%
ML185	Innisfil - Model C	\$3,466,174	52%
ML195	Kenora CPTF - Model E+	\$5,202,866	0%
ML196	Kenora General - Model E	\$2,772,815	0%
ML207	Muskoka - Model E	\$8,428,459	50%
ML212	Neebing - Model E	\$50,262	85%
ML222	Quinte West - Model F	\$512,479	87%
ML237	Thunder Bay - Model E+	\$15,620,394	0%
ML242	Whitby - Model D	\$5,318,782	77%
ML252	Lambton Shores	\$608,715	0%
ML262	Georgian Bay – Model D	\$700,918	0%
ML272	Oliver Paipoonge – Model F	\$455,293	0%
ML282	Georgina - Model G	\$2,029,051	0%
ML292	Front of Yonge - Model G	\$50,221	0%
ML302	New Tecumseth - Model E	\$806,899	0%

Commercial Mortgage Update

Market Update

- The Canadian commercial mortgage market remains in good health, with most recent distress concentrated in higher-risk segments.
- Property performance varies by sector: Multi-residential easing but supported by housing shortage; office improving with rising occupancy; industrial normalizing with softening demand; retail most resilient, especially grocery-anchored; land/construction recalibrating with thinning supply favoring experienced end-user focused developers.
- Transaction activity has since picked back up as conditions have stabilized, and borrowers have returned to the table with greater conviction.
- Lender demand for yield has sustained lender appetite, keeping the environment competitive. Pricing on new mortgage opportunities has tightened in recent periods due to higher underlying GoC bond yields.

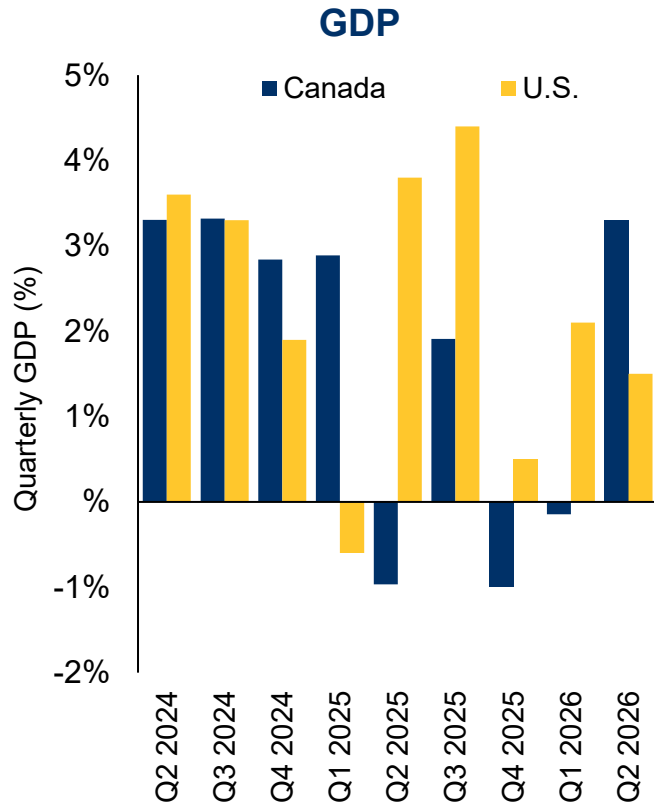
Origination Update

- We work with 7 national origination partners. We have strategically selected our partners where each specializes in a different part of the mortgage market, ensuring they complement rather than compete with each other.
- Comprehensive coverage across the entire risk spectrum (conventional, conventional-plus, high-yield), different property stages (construction, bridge financing, stabilized assets), and diverse geographic markets across Canada.
- Throughout the period, we reviewed \$7.8Bn across the platform and funded \$565M across all mortgage strategies; As a result, the CMF has called in \$157 million of investor capital year-to-date and is expecting a material capital call in September.
- We've been able to deploy ~\$132M on behalf of ONE; **we anticipate that ONE's queue will be fully drawn in in the next 6-8 months.**

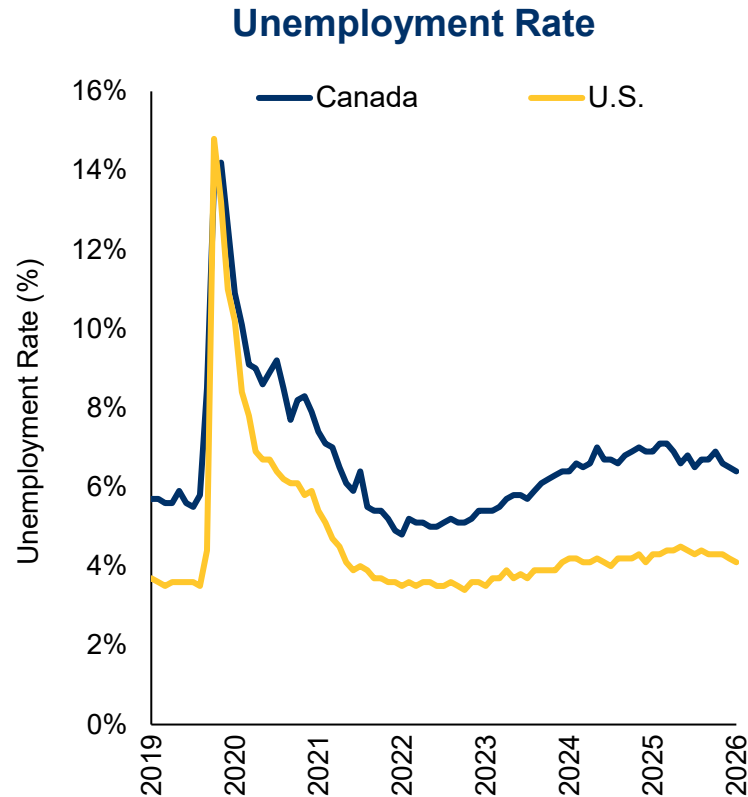
Market update & model performance

U.S. & Canada economic snapshot

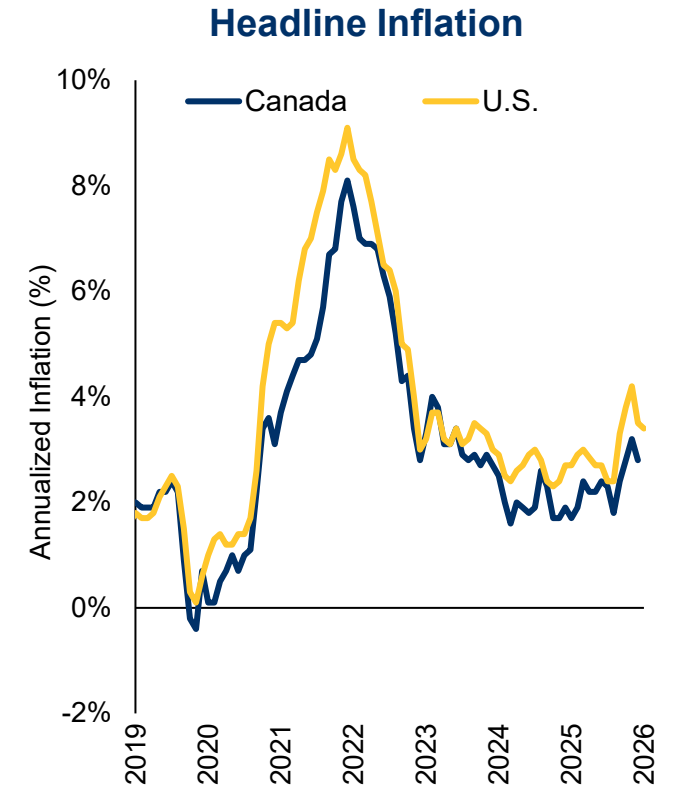
Recovery in Canadian growth, jobs market resilient, inflation rises amid war in Iran



Source: RBC GAM, Bloomberg. As of August 28, 2026.



Source: RBC GAM, Bloomberg. As of July 31, 2026



Source: RBC GAM, Bloomberg. US, CPI as of July 31, 2026, Canada CPI as of June 30, 2026.

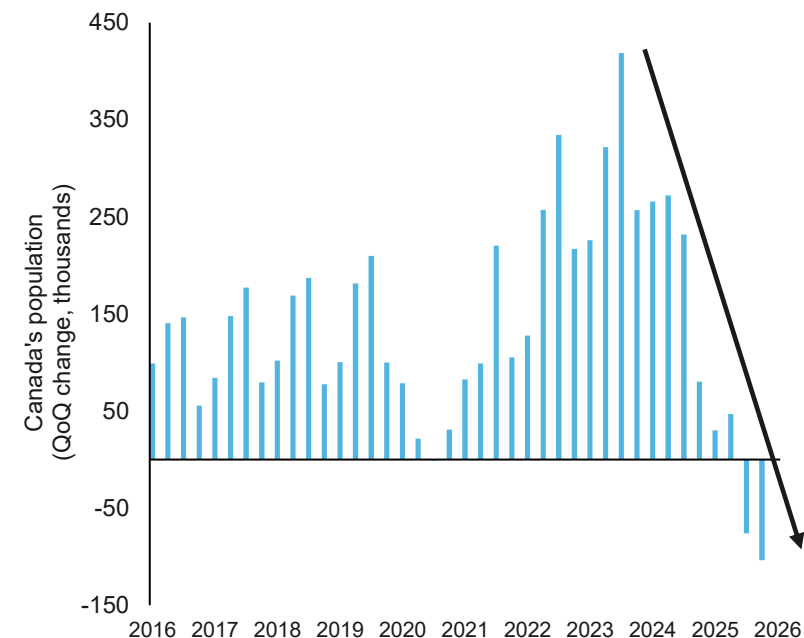
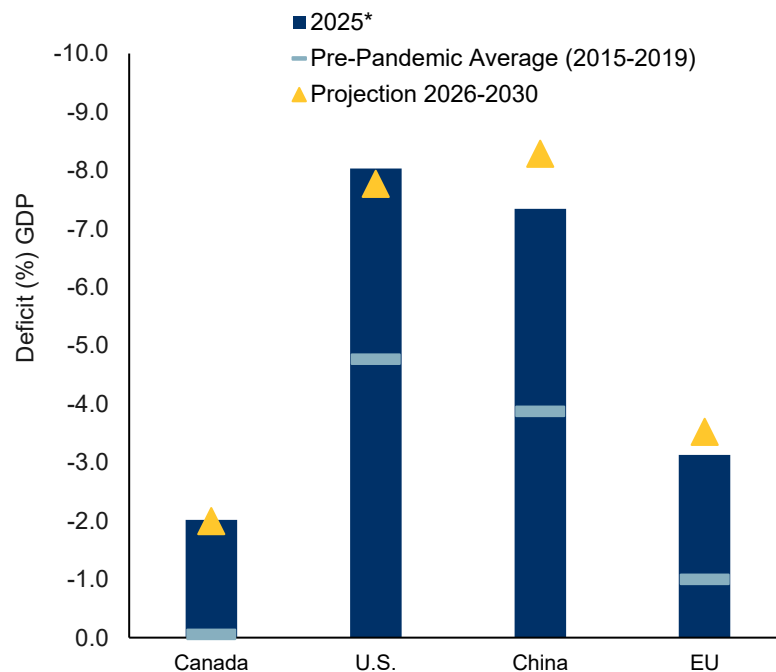
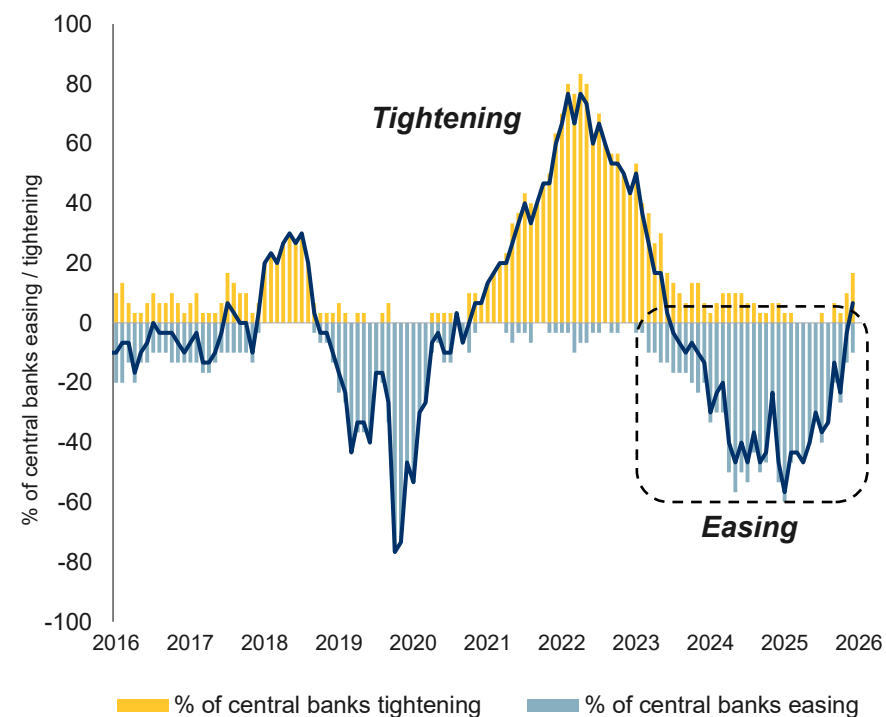
Upside risks to inflation

Potential upward pressure on the front-end of sovereign yield curves

Prior accommodative monetary policy provides support

Global expansionary fiscal policy likely here to stay¹

Tight immigration policy could push wages higher



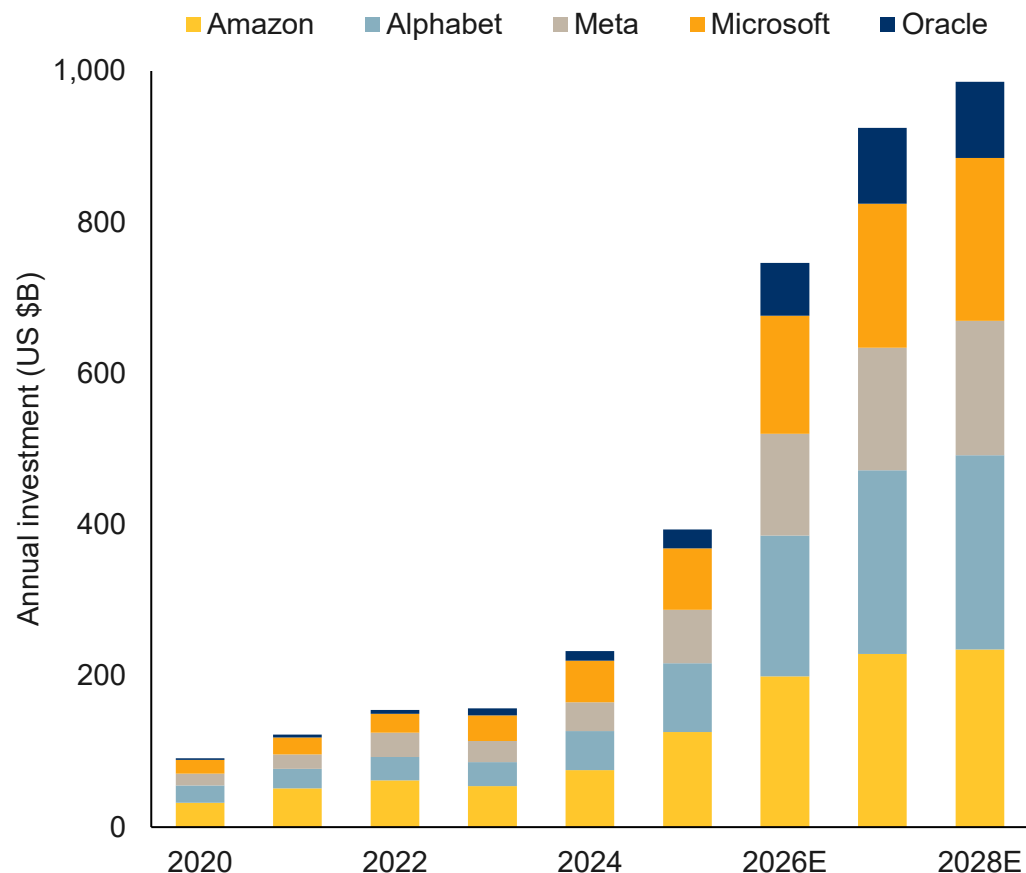
Source: RBC GAM, IMF, World Economic Outlook database, Bloomberg, Statistics Canada

¹ General Government Fiscal Balance (% of GDP): The 2025 estimates are based on IMF staff assessments of current policies and statistical information available through October 14, 2025, but may not reflect the latest published data in all cases.

Hyperscalers expected to continue ramping up CapEx

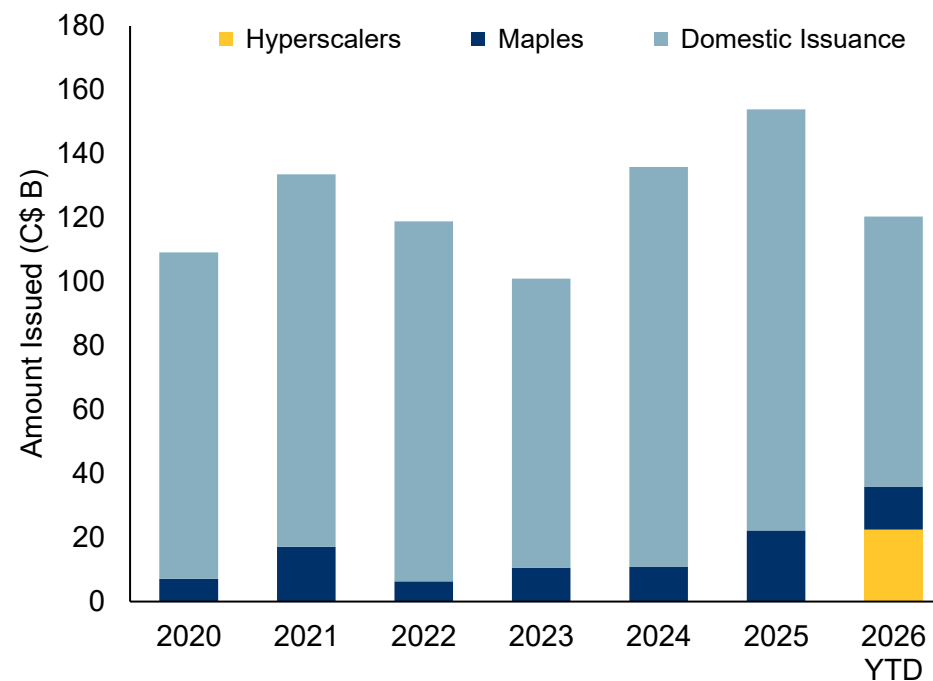
Have issued record amounts of bonds across various markets, including Canada

CapEx from Hyperscalers... also inflationary?



Source: RBC GAM, Bondlab, Bloomberg

Corporate Issuance in Canada



Trend in Maple bond issuance

- Inclusion of Maple bonds in Canadian indices provide support for Maple bond issuance
- Total issuance from hyperscalers in Q2 2026 alone has surpassed total Maple issuance in 2025

Potential tariff economic impact

- Exports subject to Section 338 tariffs account for ~0.5% of Canadian GDP
- Significant layoffs in exposed sectors could add ~0.4 pts to Canada's unemployment rate
- Retaliatory tariffs could add 0.1 - 0.2% to Canadian inflation
- Our models suggest Canadian GDP could be 0.3% lower from tariffs and retaliation (perhaps 0.2% lower with fiscal offset)
- Return of trade policy uncertainty could weigh on investment



U.S. long-term yields on the rise

Rising bond yield environment



Note: As of August 25, 2026. Shaded area represents recession. Source: U.S. Department of Treasury, Macrobond, RBC GAM

Why?

- Big fiscal deficit
- **National debt hits \$40 trillion**
- Era of quantitative easing is over
- Crowding from AI-related corporate borrowing
- Declining trust in U.S. policy
 - Monetary policy
 - Fiscal and public policy
- **Some inflation concerns**
- Changing Treasury buyer base
 - Less demand from reserve managers
 - Japan pivots to defending yen
 - More reliant on rate-sensitive private investors

Versus:

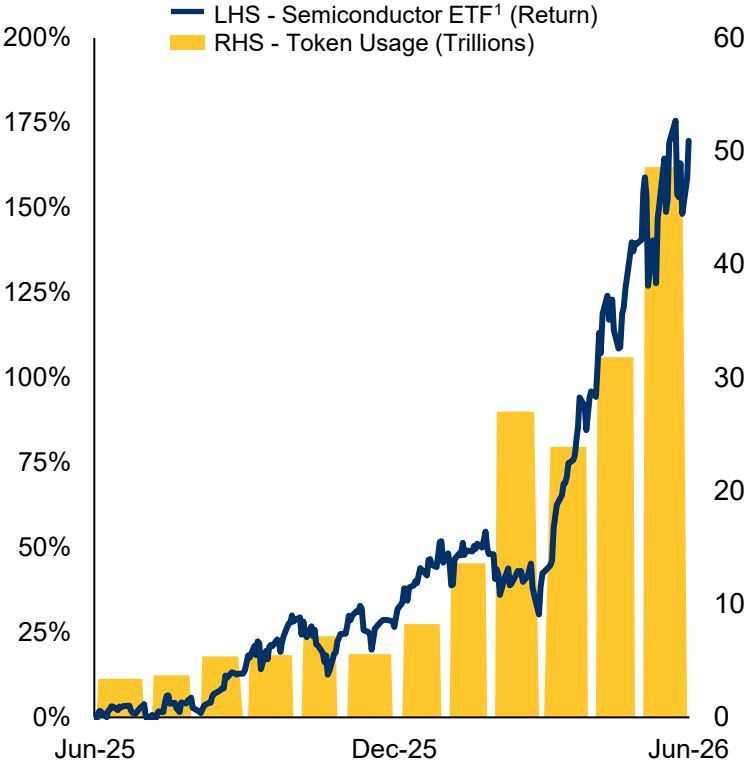
- Shift to shorter duration issuance
- New bond buy-back plan

Note: As at August 24, 2026. Source: RBC GAM

Three key market themes

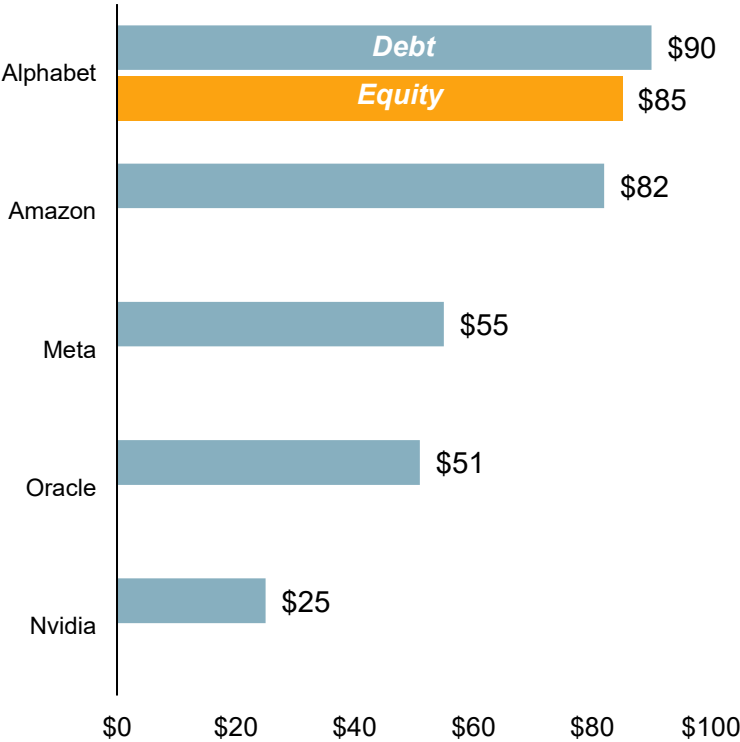
Geopolitics, AI concentration and build-out

1 AI Bottlenecks Drive Concentration

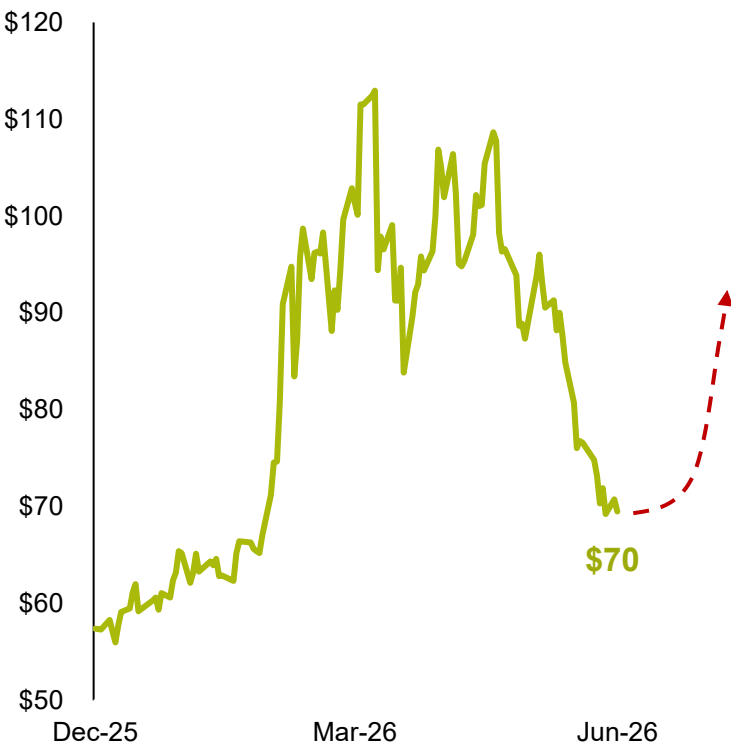


¹iShares Semiconductor ETF
As of June 30, 2026
Source: RBC GAM, Bloomberg, Open Router. All returns and prices in U.S. dollars.

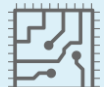
2 Record New Issuance (\$ Billions)



3 Oil Almost Completes Round Trip



Growth impulses: the transition from 2026 to 2027

	U.S.	Canada	Rest of developed world
 Monetary policy / rates	+ → -	+ → •	+ → •
 Fiscal policy	++ → +	++ → ++	++ → ++
 Energy shock	- → •	• → •	-- → +
 Stock market wealth effect	++ → +	++ → +	++ → +
 AI CapEx	+ → +	• → •	• → •
 AI productivity	+ → ++	+ → +	+ → +
Overall	+ → +	+ → +	+ → +

Note: As of August 3, 2026. Source: RBC GAM

Capital markets & platform exposures

Index returns as of June 30, 2026

Total Return and Volatility (%)	3M	1 YR	3 YR	5 YR	1 YR VOL	3 YR VOL	Platform Exposure (%)	Quarterly observations
FTSE Canada Short Term Overall Bond Index**	1.19	3.13	5.02	2.25	1.63	1.96	29.25	Investor sentiment improved; Lower short-term GoC yields and tighter credit spreads drove Q2 gains.
S&P/TSX Capped Composite Index	6.96	32.87	23.48	14.85	10.14	10.68	18.25	Easing geopolitical risks and strong Canadian macro data boosted performance, led by Financials. Lagged other major equity indices.
Global Multi-Asset Credit *	3.22	6.29	8.61	3.77	3.79	4.09	13.43	Credit markets rallied on tightening spreads; Emerging market debt outperformed developed market bonds.
FTSE Canada Universe Bond Index	2.01	3.46	4.42	0.80	3.81	5.05	10.82	GoC yields fell across all maturities; Long-term bonds outperformed short- and mid-term bonds.
S&P 500 Total Return Index (CAD)	17.45	27.40	23.39	16.50	11.23	11.84	9.71	Rallied amid easing geopolitical tensions; Dominated by a narrow set of semiconductor stocks.
FTSE Canada All Corporate Bond Index	2.08	4.43	6.34	2.41	2.93	4.05	9.31	Credit spreads remain tight; Investment grade corporate bond market experienced unprecedented supply.
MSCI EAFE Total Return Net Index (CAD)	12.66	25.01	19.18	12.05	12.09	9.99	7.17	Recovered from challenging first quarter; Optimism on AI infrastructure powered the market higher.
MSCI Emerging Markets Index (CAD)	26.11	49.21	25.92	10.15	21.16	15.71	1.14	Momentum continues in AI-related tech; Korean equities delivered their best quarter performance since 1998.
MSCI/REALPAC Canada Annual Property Index (Standing Investments Only) TR (1 Month Lagged)	1.15	2.46	2.00	2.90	1.35	1.56	0.37	Sustained positive momentum; Office sector recovery accelerated driven by return-to-office mandates and increased transaction volumes.
Global Infrastructure*	3.96	11.96	-	-	2.37	-	0.38	Strong risk diversification with income generation: Underlying investments provide distributions to the Fund (target 3.5%).
ICE BofA BB-B US High Yield Index (CAD Hedged)	2.03	4.15	6.94	2.90	2.18	4.03	0.18	High yield market recovered following Q1 volatility; Corporate credit risk is below average.

*Fund data shown in lieu of Primary Benchmarks

** Platform exposures includes the commercial mortgage holdings

Model portfolios – performance (June 30, 2026)

Model Portfolio Return (%)*	3 Months	1 Year	Volatility (1 Yr)	AUM**	Expected Return (CMA 2025)	Expected Volatility (CMA 2025)
Model A - 0% Equities	1.81	4.39	2.03	105,331,631	4.5	3.3
Reference Portfolio A	2.01	3.46	3.81			
Model B - 20% Equities	3.16	8.06	3.11	-	5.2	4.0
Reference Portfolio B	2.99	8.86	4.74			
Model C - 30% Equities	4.05	10.13	3.79	71,279,909	5.6	5.2
Reference Portfolio C	3.49	11.65	5.32			
Model D - 40% Equities	4.79	12.22	4.47	254,235,386	6.0	6.4
Reference Portfolio D	3.98	14.50	5.94			
Model D+ - 40% Equities	4.88	12.58	4.24	-	6.3	6.3
Reference Portfolio D+	4.23	15.95	6.26			
Model E - 50% Equities	6.21	15.24	5.57	267,292,022	6.4	7.6
Reference Portfolio E	4.47	17.41	6.60			
Model E+ - 50% Equities	6.20	15.46	5.27	208,730,044	6.6	7.2
Reference Portfolio E+	4.72	18.89	6.93			
Model F - 60% Equities	7.01	17.78	6.22	47,446,980	6.6	8.8
Reference Portfolio F	4.97	20.38	7.28			
Model F+ - 60% Equities	6.95	18.30	5.88	-	6.7	8.2
Reference Portfolio F+	5.22	21.89	7.62			
Model G - 70% Equities	7.73	20.29	6.88	36,458,659	6.7	9.9
Reference Portfolio G	5.46	23.41	7.97			
Model G+ - 70% Equities	8.37	21.49	6.89	25,911,005	6.9	10.2
Reference Portfolio G+	5.71	24.95	8.33			

** AUM excludes Durham Long and Durham Medium as they are not invested per model portfolios.

Reference Portfolios are comprised of Canadian equity (S&P/TSX) and Canadian fixed income (FTSE Canada Universe Bond Index) reflecting each model's bond and equity allocate weights.

3-Month Performance Attribution

Fixed income reference portfolio:

FTSE Canada Universe Bond Index → 2.01%

- Geopolitical tensions in the Middle East eased in the second quarter, improving investor sentiment and reducing energy prices from peak levels.
- Global credit markets posted positive returns during the quarter (3.22%). Tightening credit spreads, reflecting renewed investor optimism, drove the positive performance.
- The model portfolios' allocation to private placement corporate bonds was additive to performance driven by lower government yields, tighter credit spreads, and yield accrual.
- The shorter duration holdings in model portfolios underperformed relative to the reference portfolio benchmark. Returns ranged from 1.26% (Short Term Bonds) to 1.45% (Commercial mortgages).

Equity reference portfolio:

S&P/TSX Capped Composite Index → 6.96%

- Global equity markets staged a sharp recovery, led by semiconductor stocks, particularly AI memory chips and equipment manufacturers.
- The Canadian market underperformed the other key equity indices. Diversification provided all model portfolio with higher return for the quarter.
- The Emerging Markets exposure (+26% in Q2), where permitted, provided the strongest value added.

Alternatives portfolio (for + Models):

- The Real Estate and Infrastructure holdings continued to reduce the volatility of the models but slightly lagged the reference portfolio quarterly return.

Performance attribution vs Reference Portfolio (Model E)

Q2 2026						
	Portfolio Return	Reference Return	Return Difference	Portfolio Weight	Value Added	
MODEL E	6.21	4.47	1.66	100.00	1.66	
FIXED INCOME	2.05	2.01	0.04	39.08	0.03	FTSE Canada Universe Bond Index
PH&N Private Placement Corporate Debt Fund	2.21	2.01	0.19	7.30	0.02	
BlueBay Total Return Credit Fund (Canada)	3.22	2.01	1.19	12.37	0.15	
PH&N Short Term Bond & Mortgage Fund	1.26	2.01	-0.74	19.42	-0.14	
PRIVATE MARKETS	1.45	2.01	-0.55	9.72	-0.05	
RBC Commercial Mortgage Fund	1.45	2.01	-0.55	9.72	-0.05	
EQUITY	10.49	6.96	3.30	51.20	1.68	S&P/TSX
CANADIAN EQUITIES	6.83	6.96	-0.12	25.15	-0.03	
PH&N Canadian Equity Fund	7.50	6.96	0.51	4.22	0.02	
PH&N Canadian Equity Value Fund	7.08	6.96	0.11	4.21	0.00	
RBC QUBE Canadian Equity Fund	6.12	6.96	-0.78	4.21	-0.03	
RBC QUBE Low Volatility Canadian Equity Fund	6.77	6.96	-0.18	12.51	-0.03	
EAFE EQUITIES	12.71	6.96	5.38	12.35	0.65	
RBC International Equity Fund	15.49	6.96	7.98	6.26	0.49	
RBC QUBE International Equity Fund	9.92	6.96	2.77	6.08	0.17	
EMERGING MARKETS EQUITIES	24.42	6.96	16.33	5.61	0.83	
RBC Emerging Markets Dividend Fund	22.68	6.96	14.70	2.80	0.38	
RBC Emerging Markets Equity Fund	26.16	6.96	17.96	2.80	0.46	
US EQUITIES	9.88	6.96	2.73	8.10	0.22	
PH&N U.S. Equity Fund	18.40	6.96	10.70	2.15	0.22	
RBC QUBE Low Volatility U.S. Equity Fund	1.24	6.96	-5.35	3.81	-0.22	
RBC QUBE U.S. Equity Fund	18.64	6.96	10.92	2.14	0.22	

Fund performance

Fixed income (June 30, 2026)

Fixed Income Solutions - Total Return (%)	3 Months	1 Year	3 Year	5 Year	ONE AUM ¹	3 Months	1 Year	3 Years	5 Years
PH&N Short Term Bond & Mortgage Fund	1.26	3.38	5.16	2.65	660,820,087	Q3	Q3	Q4	Q3
<i>FTSE Canada Short Term Overall Bond Index</i>	1.19	3.13	5.02	2.25					
<i>Value Add</i>	0.07	0.25	0.14	0.40					
PH&N Enhanced Total Return Bond Fund	2.21	4.19	4.97	1.39	327,587,698	Q2	Q2	Q3	Q2
<i>FTSE Canada Universe Bond Index</i>	2.01	3.46	4.42	0.80					
<i>Value Add</i>	0.20	0.73	0.55	0.59					
PH&N Corporate Bond Trust	2.05	4.54	6.29	2.59	21,060,677	Q4	Q3	Q4	Q4
<i>FTSE Canada All Corporate Bond Index</i>	2.08	4.43	6.34	2.41					
<i>Value Add</i>	-0.03	0.11	-0.05	0.18					
PH&N Private Placement Corporate Debt Fund	2.21	5.35	7.00	2.90	260,787,880	Q4	Q3	Q3	Q4
<i>FTSE Canada All Corporate Bond Index</i>	2.08	4.43	5.41	1.37					
<i>Value Add</i>	0.13	0.92	1.59	1.53					
RBC Commercial Mortgage Fund	1.45	5.27	6.67	-	224,386,374	Q2	Q2	Q2	
<i>FTSE Canada Short Term Overall Bond Index</i>	1.19	3.13	5.02	-					
<i>Value Add</i>	0.26	2.14	1.65	-					
RBC High Yield Bond Fund	2.11	5.53	7.63	3.46	2,623,315	Q3	Q3	Q3	Q4
<i>FTSE Canada Short Term Overall Bond Index²</i>	1.19	3.13	4.50	0.85					
<i>Value Add</i>	0.92	2.40	3.13	2.61					
PH&N High Yield Bond Fund	2.31	7.05	9.64	5.54	2,708,377	Q2	Q1	Q1	Q1
<i>FTSE Canada Short Term Overall Bond Index³</i>	1.19	3.13	3.69	0.37					
<i>Value Add</i>	1.12	3.92	5.95	5.17					
BlueBay Total Return Credit Fund (Canada)	3.22	6.29	8.61	3.77	406,574,749	Q1	Q1	Q1	Q2
<i>FTSE Canada 91 Day T-Bill Index</i>	0.61	2.48	3.81	3.09					
<i>Value Add</i>	2.61	3.81	4.80	0.68					

1. AUM as of June 30 2026

2. Current benchmark as of March 1, 2024: 100% FTSE Canada Short-Term Overall Bond Index. Prior benchmark: 100% FTSE Canada Universe Bond Index

3. Current benchmark as of October 1, 2023: 100% FTSE Canada Short-Term Overall Bond Index. Prior benchmark: 100% FTSE Canada Universe Bond Index

Quartile ranking source: eVestment

Equities (June 30, 2026)

Equity Solutions - Total Return (%)	3 Months	1 Year	3 Year	5 Year	ONE AUM ¹	3 Months	1 Year	3 Years	5 Years
RBC QUBE Canadian Equity Fund	6.12	31.89	25.17	15.93	94,793,533	Q4	Q2	Q1	Q2
<i>S&P/TSX Capped Composite Index</i>	6.96	32.87	23.48	14.85					
<i>Value Add</i>	-0.84	-0.98	1.69	1.08					
PH&N Canadian Equity Value Fund	7.08	29.62	22.53	16.04	96,041,308	Q3	Q2	Q2	Q2
<i>S&P/TSX Capped Composite Index</i>	6.96	32.87	23.48	14.85					
<i>Value Add</i>	0.12	-3.25	-0.95	1.19					
PH&N Canadian Equity Fund	7.50	29.86	22.31	14.66	96,119,758	Q2	Q2	Q2	Q2
<i>S&P/TSX Capped Composite Index</i>	6.96	32.87	23.48	14.85					
<i>Value Add</i>	0.54	-3.01	-1.17	-0.19					
PH&N U.S. Equity Fund	18.40	26.48	23.04	16.48	76,570,224	Q2	Q2	Q2	Q2
<i>S&P 500 Total Return Index (CAD)</i>	17.45	27.40	23.39	16.50					
<i>Value Add</i>	0.95	-0.92	-0.35	-0.02					
RBC QUBE U.S. Equity Fund	18.64	23.52	23.27	16.91	75,420,229	Q2	Q3	Q2	Q1
<i>S&P 500 Total Return Index (CAD)</i>	17.45	27.40	23.39	16.50					
<i>Value Add</i>	1.19	-3.88	-0.12	0.41					
RBC International Equity Fund	15.49	21.32	16.98	10.09	111,215,741	Q1	Q3	Q4	Q4
<i>MSCI EAFE Total Return Net Index (CAD)</i>	12.66	25.01	19.18	12.05					
<i>Value Add</i>	2.83	-3.69	-2.20	-1.96					
RBC QUBE International Equity Fund	9.92	39.11	27.74	17.14	105,821,488	Q4	Q1	Q1	Q1
<i>MSCI EAFE Total Return Net Index (CAD)</i>	12.66	25.01	19.18	12.05					
<i>Value Add</i>	-2.74	14.10	8.56	5.09					

1.AUM as of June 30, 2026
Quartile ranking source: eVestment

Equities (June 30, 2026)

Equity Solutions - Total Return (%)	3 Months	1 Year	3 Year	5 Year	ONE AUM ¹	3 Months	1 Year	3 Years	5 Years
RBC Emerging Markets Equity Fund	26.16	50.61	25.30	12.91	17,472,565	Q2	Q3	Q3	Q2
MSCI Emerging Markets Total Return Net Index	26.11	49.21	25.92	10.15					
Value Add	0.05	1.40	-0.62	2.76					
RBC Emerging Markets Dividend Fund	22.68	59.10	30.23	14.26	16,925,155	Q3	Q2	Q1	Q1
MSCI Emerging Markets Total Return Net Index	26.11	49.21	25.92	10.15					
Value Add	-3.43	9.89	4.31	4.11					

1.AUM as of June 30, 2026
Quartile ranking source: eVestment



Alternatives / real assets (June 30, 2026)

Real Assets Solutions - Total Return (%)	3 Months	1 Year	3 Year	5 Year	ONE AUM ¹	3 Months	1 Year	3 Years	5 Years
RBC Global Infrastructure Fund LP	3.96	11.96	-	-	11,365,243				
<i>Canadian CPI (Non-Seasonally Adjusted) 1M Lag + 4% (Custom)</i>	3.19	7.23	-	-					
<i>Value Add</i>	0.77	4.73	-	-					
RBC Canadian Core Real Estate Fund	1.27	3.62	1.25	4.53	11,055,694	Q2	Q2	Q2	Q3
<i>MSCI/REALPAC Canada Annual Property Index (Standing Investments Only) TR (1 Month Lagged)</i>	1.15	2.46	2.00	2.90					
<i>Value Add</i>	0.12	1.16	-0.75	1.63					

1.AUM as of June 30, 2026
 Quartile ranking source: eVestment



Equities – low volatility (June 30, 2026)

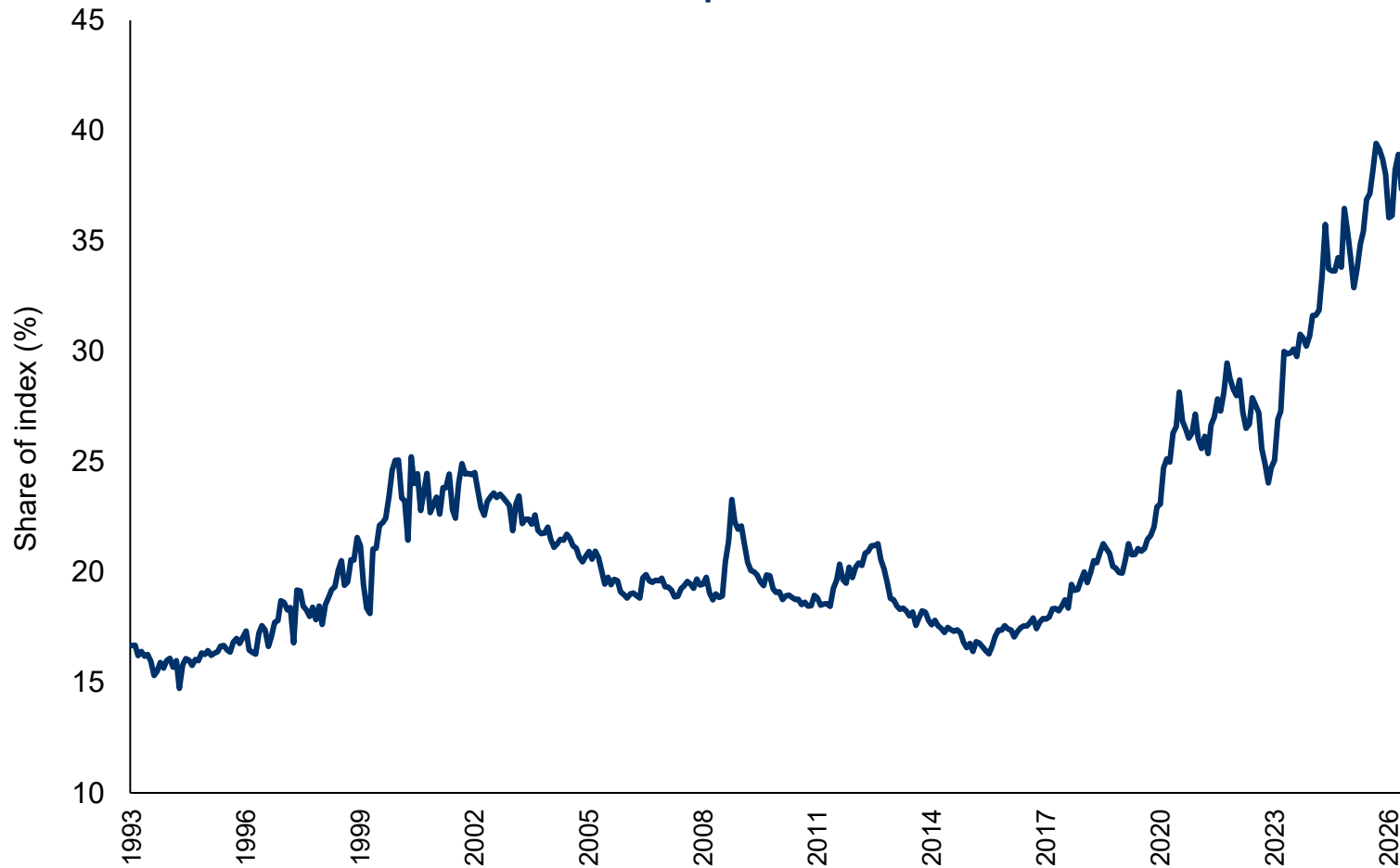
Total Return (%)	3 Months	1 Year	3 Year	5 Year	ONE AUM ¹
RBC QUBE Low Volatility Canadian Equity Fund	6.77	23.26	20.84	14.99	265,277,640
MSCI Canada Minimum Volatility Gross Index (CAD)	6.88	22.26	19.60	14.64	
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	1.24	12.10	13.57	11.06	141,726,133
MSCI USA Minimum Volatility Net Index (CAD)	6.30	8.26	12.82	9.68	

1. AUM as of June 30, 2026

2. Volatility is the annualized deviation of monthly returns. Note that the annualized deviation of monthly returns is not calculated for periods less than 12 months.

U.S. market concentration

Concentration of the top 10 names in the S&P 500 index

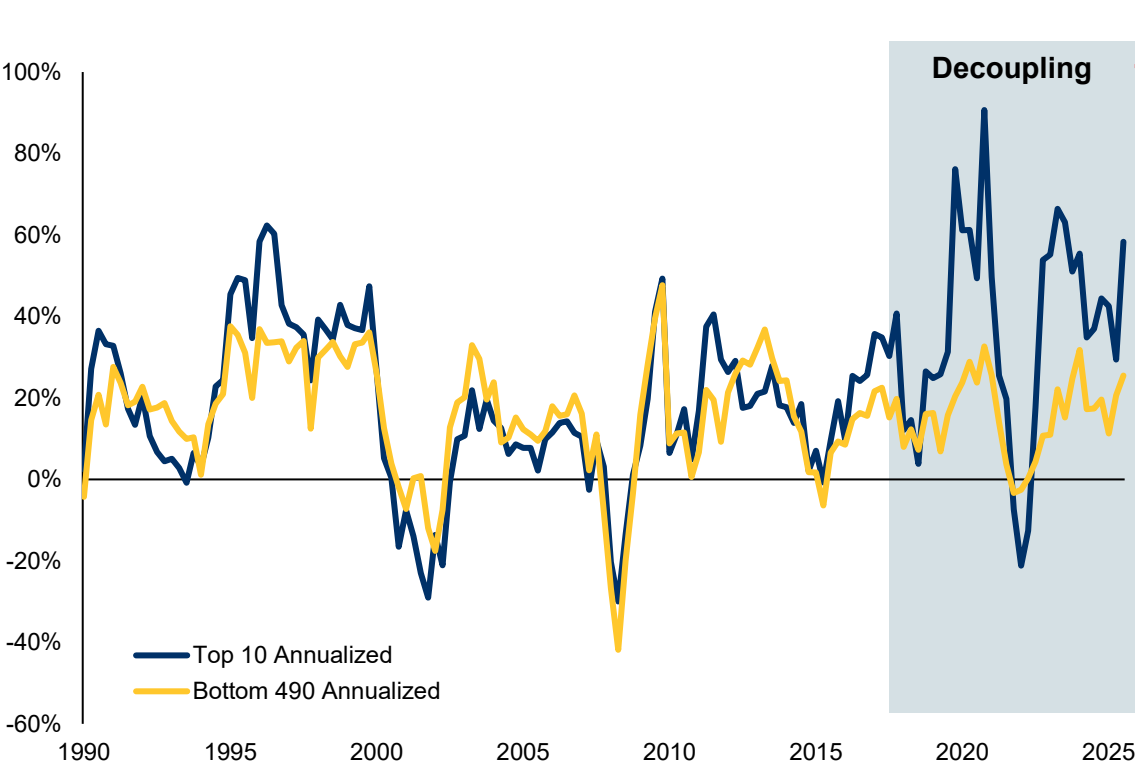


As of June 30, 2026
Source: RBC GAM, Bloomberg

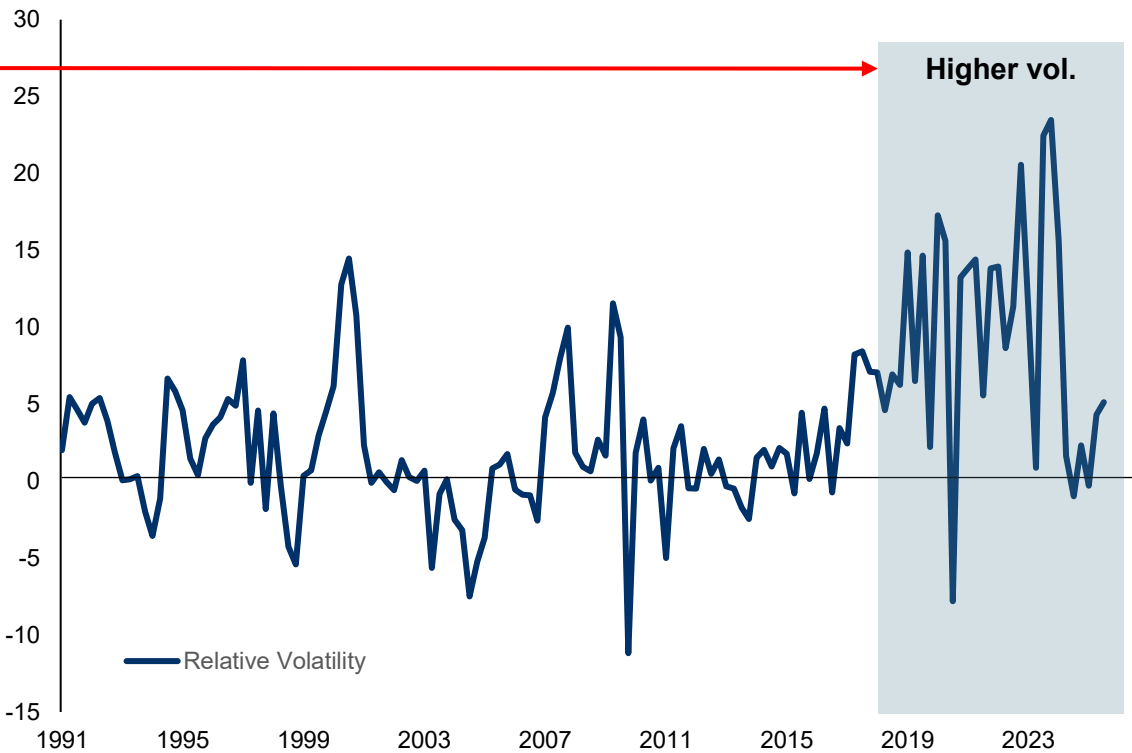
June 30, 2026	
Nvidia	8%
Apple	7%
Alphabet	6%
Microsoft	5%
Amazon	4%
Broadcom	3%
Micron	2%
Meta	2%
Tesla	2%
Eli Lilly	1%
Total	39%

Market concentration drives returns and volatility

Performance of the top 10 and bottom 490 stocks in the index



Relative volatility of the top 10 and bottom 490 stocks in the index

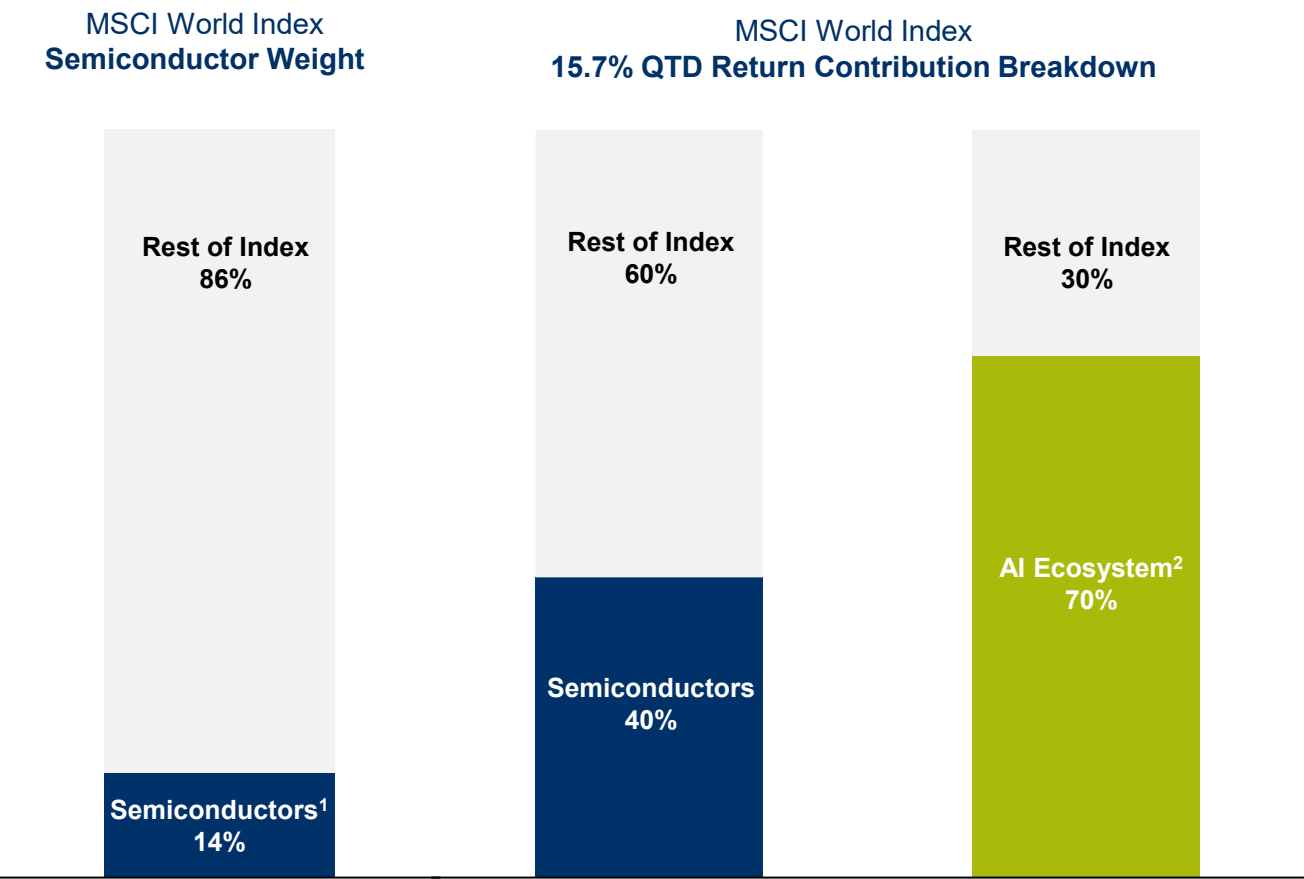


As of June 30, 2026
Source: RBC GAM, Bloomberg



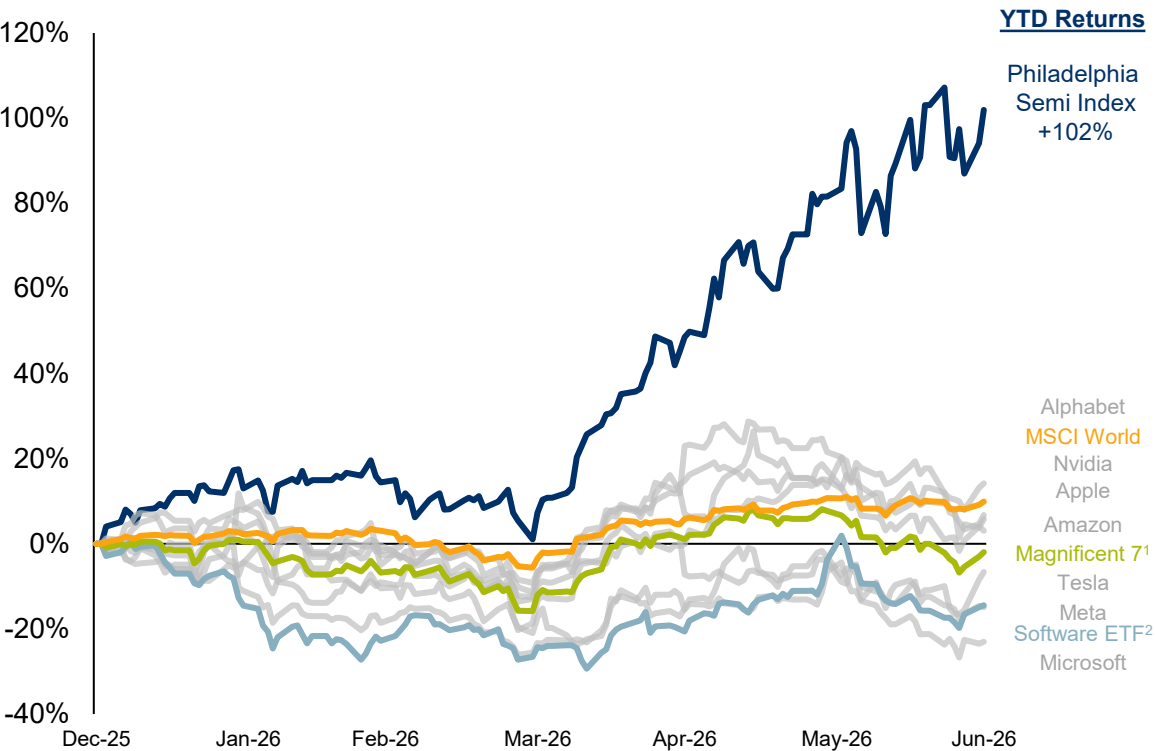
Global market concentration

Return contribution dominated by semis and stocks related to AI ecosystem



Source: RBC GAM, Bloomberg. As of June 30, 2026. All returns in Canadian dollars.
¹Semiconductors represented by Semiconductors & Semiconductor Equipment GICS® industry
²AI Ecosystem represented by Communications Equipment; Technology Hardware, Storage & Peripherals; Electronic Equipment, Instruments & Components; Semiconductors & Semiconductor Equipment; Electrical Equipment GICS® industries & Hyperscalers: Amazon, Microsoft & Alphabet

Semiconductors surged amid Mag 7 and Software declines:
72% of Technology stocks underperformed the broader sector



As at June 30, 2026
Source: RBC GAM, Bloomberg. Benchmark: MSCI World. All returns in U.S. dollars.
¹Bloomberg Magnificent 7 Equal Weighted Index
²iShares Expanded Tech-Software Sector ETF



BlueBay Total Return Credit Fund (Canada)

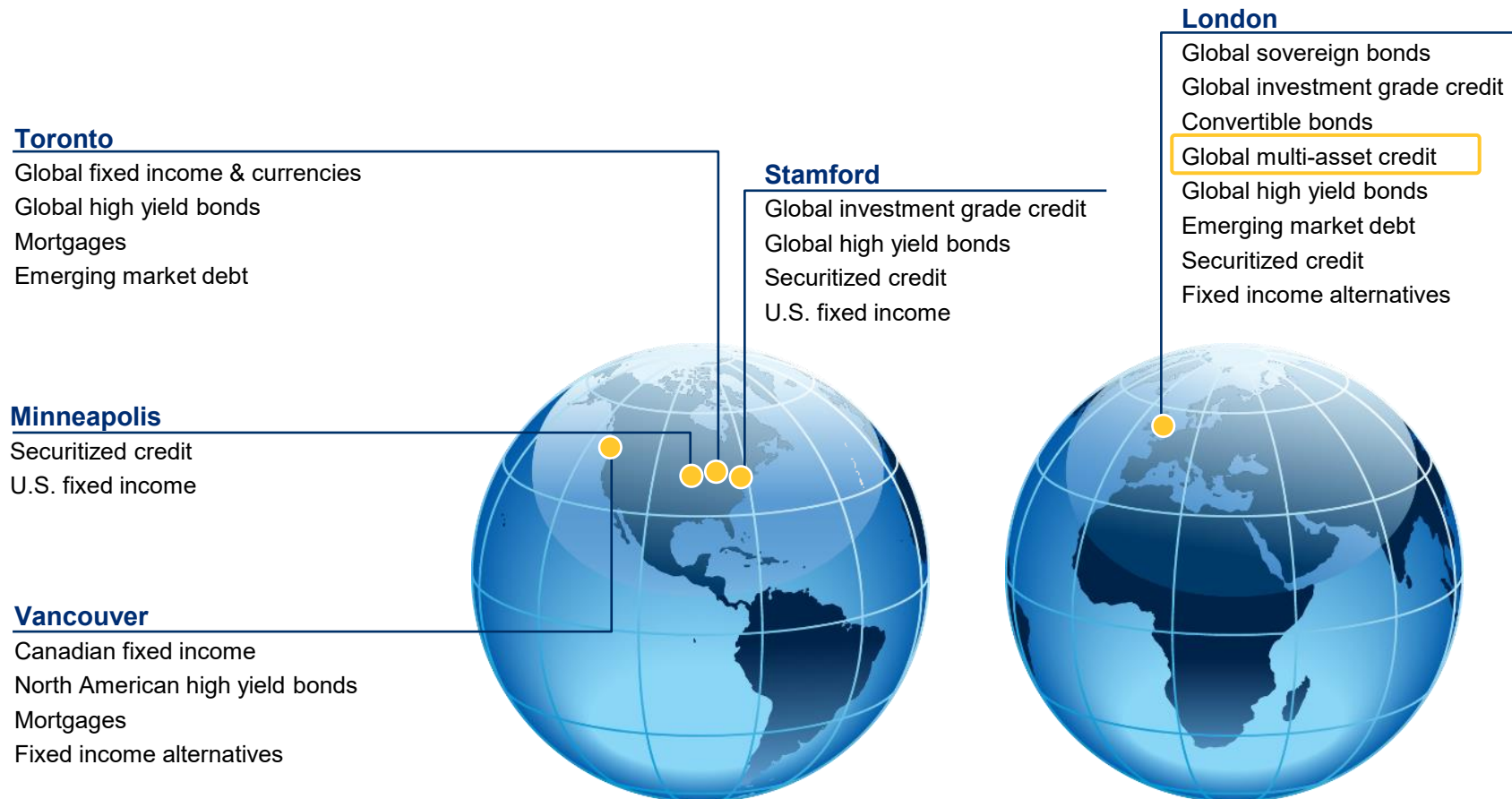
Presented by:

Findlay Franklin, Portfolio Manager, BlueBay Fixed Income, Multi-Asset Credit, RBC Global Asset Management (UK) Limited

Strategy overview

Global Fixed Income at RBC GAM

Wide range of strategies managed by five teams across five global offices



As of June 30, 2026.

Investment strategies are managed by five distinct teams that comprise employees of RBC Global Asset Management Inc. in Vancouver and Toronto, RBC Global Asset Management (U.S.) Inc. in Minneapolis and Stamford, and RBC Global Asset Management (UK) Limited in London. Slide indicates location of the investment capability only; the availability of each strategy to clients may vary by jurisdiction globally.

BlueBay Fixed Income Team¹

Fixed income specialist delivering tailored investment solutions

The BlueBay Fixed Income Team's investment platform is part of RBC Global Asset Management and supports a global client base.

The team is structured to deliver outcomes tailored to meet clients' needs, offering a unique blend of traditional and alternative investment strategies.

BlueBay Fixed Income Team's AuM (C\$m)

\$221bn²

By strategy

80.1bn	Investment Grade	16.5bn	Multi-Asset Credit (MAC)
15.2bn	Leveraged Finance	12.2bn	Securitized Credit
24.4bn	Emerging Markets (EM)	71.3bn	U.S. Fixed Income
1.0bn	Special Situations		



142³

Investment professionals



50

Specialist strategies

Source: RBC Global Asset Management, as of June 30, 2026.

Notes: Leveraged Finance consists of High Yield and Leveraged Loans; Multi-asset Credit AuM includes C\$5.25 billion of Leveraged Finance assets, C\$1.80 billion of Securitized Credit assets and C\$0.13 billion of Convertible assets. Securitized Credit AuM reflects BlueBay managed CLOs including those in warehouse stage in the US

¹ Employees of RBC Global Asset Management (UK) Limited and RBC Global Asset Management (U.S.) Inc. (RBC GAM-US)

² AuM shown incorporates funds managed by BlueBay Fixed Income Team (BlueBay) and RBC GAM-US which are managed within the BlueBay Fixed Income Team investment platform. A small proportion of the AuM are provisional figures and may have a non-material difference with the finalized AuM; ³ The number of investment professionals includes BlueBay Fixed Income team and RBC GAM-US Fixed Income (FI) investment professionals.

Multi-Asset Credit

Accessing a range of credit asset classes through a single dynamic allocation



**Credit
markets**



**Global
opportunity set**



**Targeting
attractive yields**



**Dynamic asset
allocation**

Convenient **access to
multiple asset classes**
through a single portfolio

Flexibility to **rotate between
sectors** in response to
evolving market conditions

**Integrated portfolio
construction and risk
management** across a
range of opportunities

BlueBay Total Return Credit Fund (Canada)

A broad array of asset classes

Focused primarily on credit within the BBB, BB, B rating brackets

Global high yield

Bonds issued by companies with a non-investment grade rating (BB and below)

Securitized credit

Bonds and loans backed by corporations, mortgages, auto loans, leases and other assets

Financial capital bonds

Subordinated bank debt issued by financial institutions

Convertible bonds

Bonds that can convert to a company's equity under certain conditions

Investment grade credit

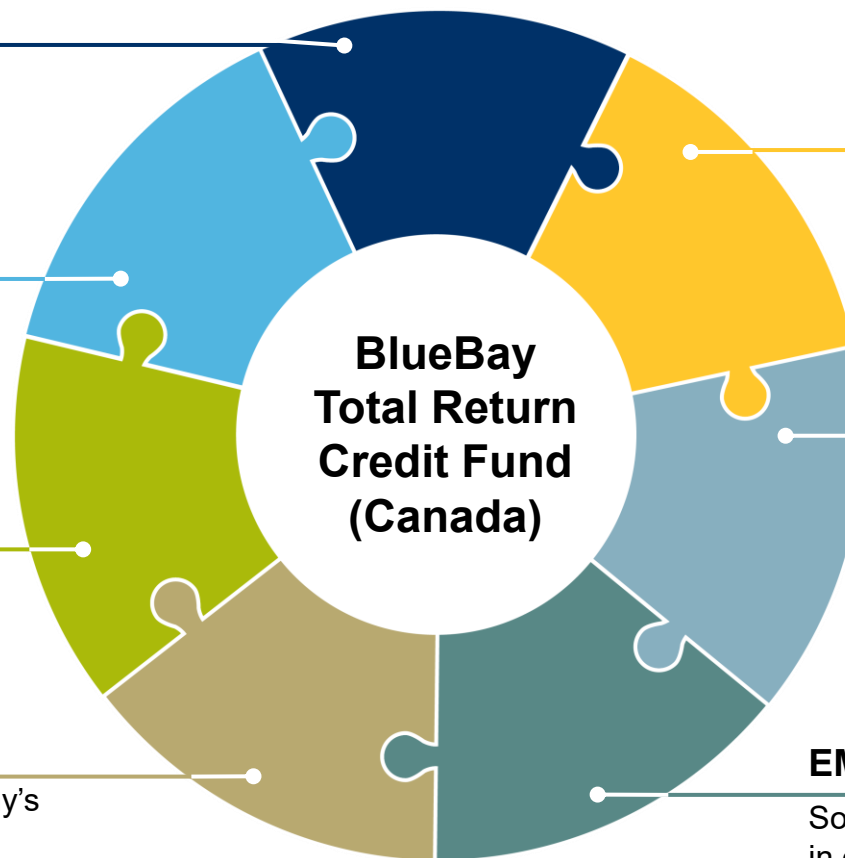
Bonds issued by companies and sovereigns rated BBB and above

EMD local currency

Sovereign and corporate bonds issued in emerging markets with payments denominated in the local currency

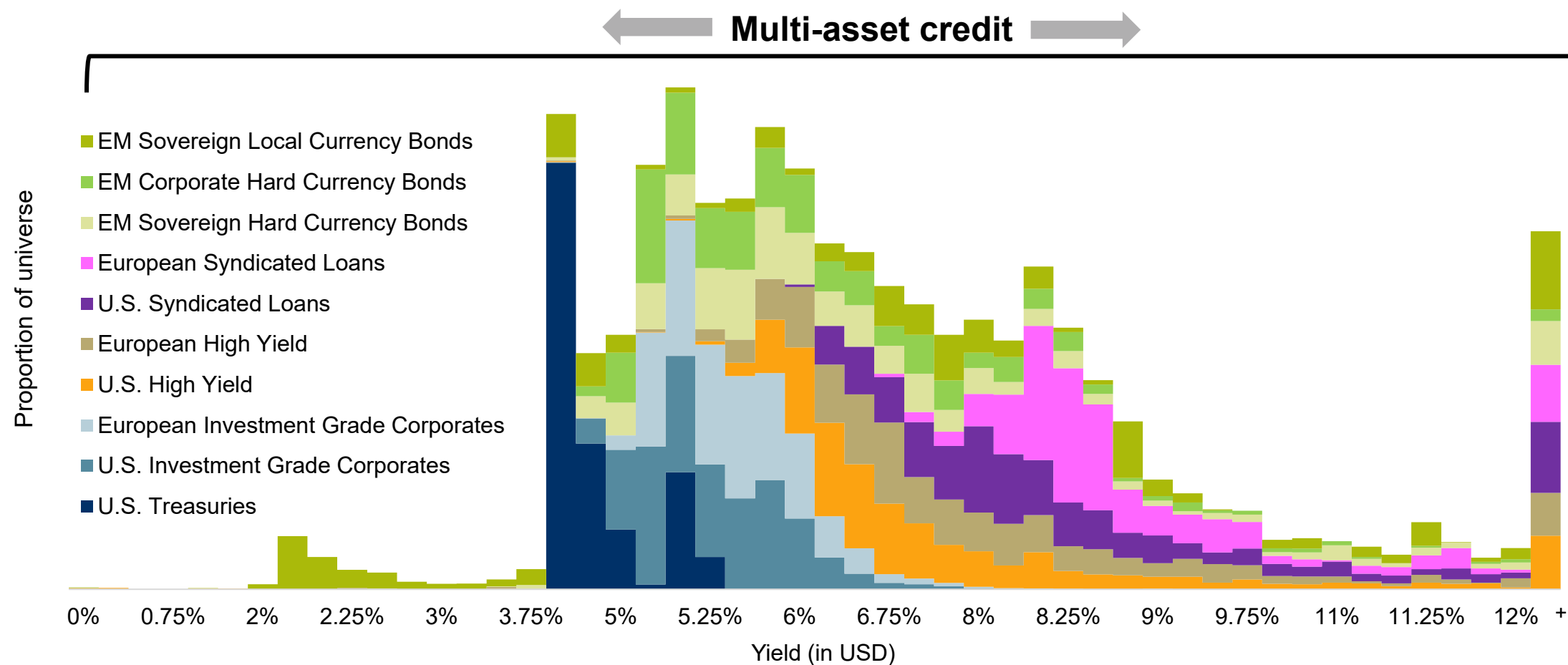
EMD hard currency

Sovereign and corporate bonds issued in emerging markets with payments usually denominated in U.S. dollars



EMD: Emerging Market Debt

Multi-asset credit gives investors a whole spectrum of opportunity



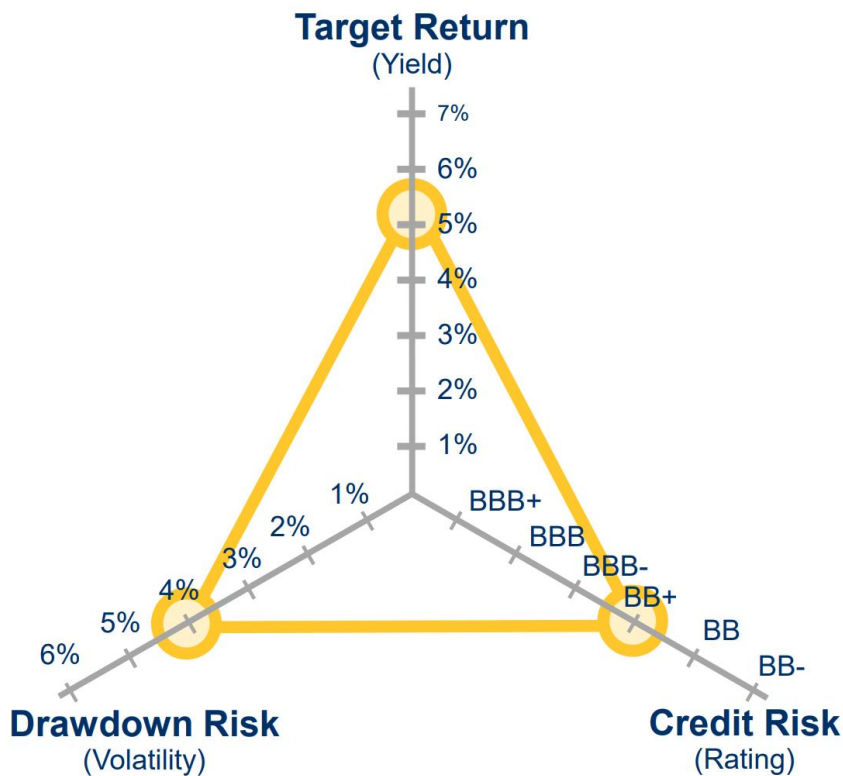
Note: Please refer to the Appendix for full index names. EUR yields are adjusted by +2.04% and GBP yields by -0.04% (using prevailing annualised 3-month FX forwards as at March 31 2025). Note that each asset class has been given an equal weight in the chart, albeit some asset classes are much bigger than others.

How we bring it all together into a single portfolio

Relative value between asset classes

	Less positive			↔	More positive		
High yield					Neutral		
Securitized credit						+1	
Financial capital bonds						+1	
Convertibles					Neutral		
EMD hard currency (sovereign & corporates)						+1	
EMD local currency (sovereign & corporates)						+1	
Investment grade			-1				
Cash			-1				

Triangle of efficiency



Source: RBC GAM, as of June 30, 2026.



Team Resources

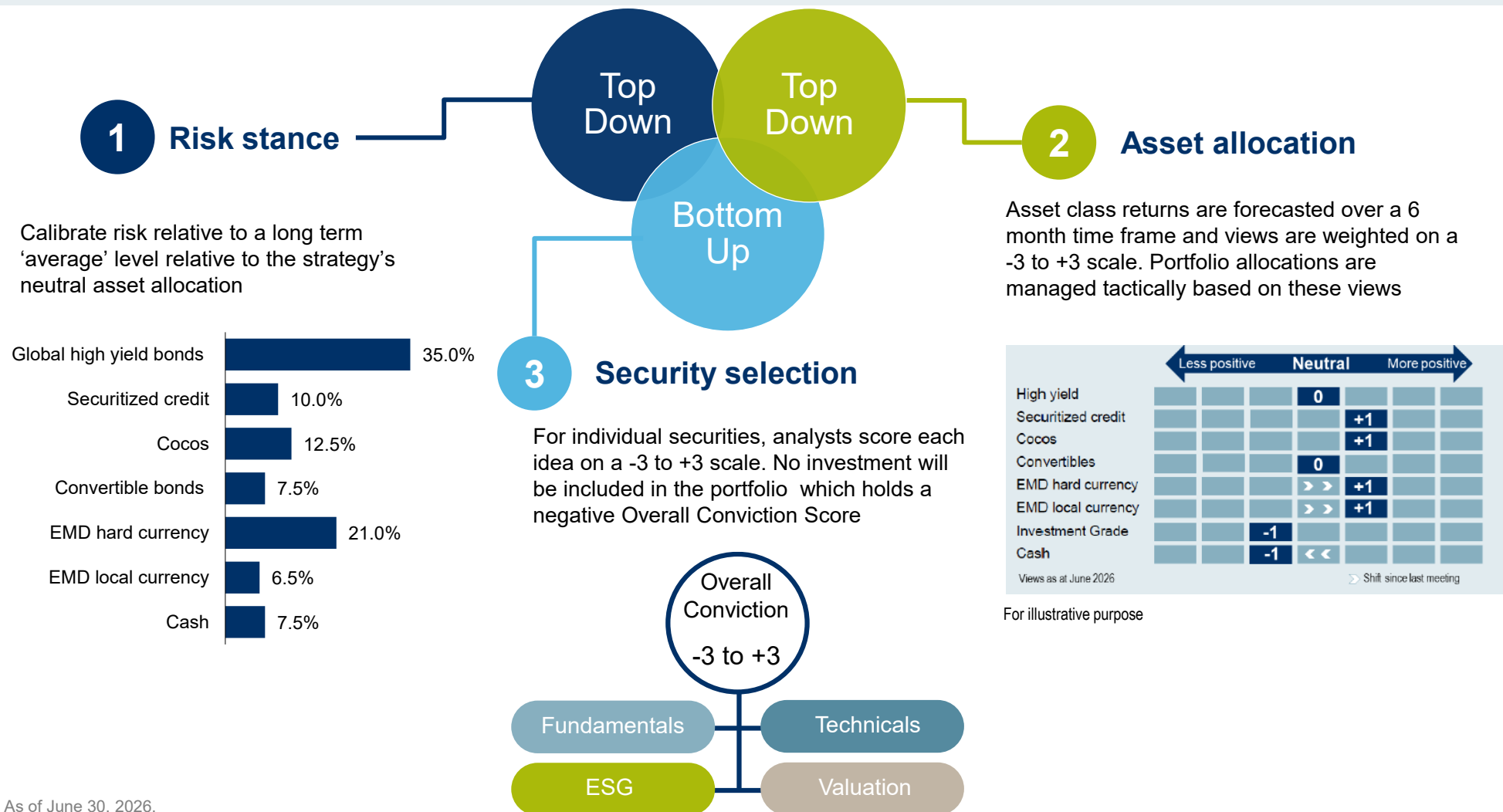
Blending Top-down and Bottom-up expertise



As of June 30, 2026. Employees of RBC Global Asset Management (UK) Limited and RBC Global Asset Management (U.S.) Inc. PM = Portfolio Manager. Certain individuals support multiple investment desks, however are only reflected in one category in the figures above. The individuals listed lead on Responsible Investment in fixed income but are part of the larger RBC GAM Responsible Investment (RI) team. Other RI team members not listed also support BlueBay's RI investment efforts.

Our approach to Multi-Asset Credit

Investment process focused on prudent risk-taking and security selection



Source: RBC GAM. As of June 30, 2026.

Performance & positioning

BlueBay Total Return Credit Fund (Canada)

Performance

Performance to June 30, 2026	3 Months	1 Year	2 Year	3 Year	5 Year	Since Inception
BlueBay Total Return Credit Fund (Canada)	3.22	6.29	8.35	8.61	3.77	3.79
FTSE Canada 91 Day T-Bill Index	0.61	2.48	3.15	3.81	3.09	3.01
<i>Relative Performance</i>	+2.61	+3.81	+5.20	+4.80	+0.68	+0.78
Secondary Benchmark¹	3.14	6.30	7.47	7.92	3.07	3.22
<i>Relative Performance</i>	+0.08	-0.01	+0.88	+0.69	+0.70	+0.57

Inception date of the BlueBay Total Return Credit Fund (Canada), Series O is May 10, 2021. Performance is shown in Canadian dollars.
Returns more than one year are annualized, Series O, gross of fee. Past performance is not indicative of future results.

Portfolio positioning changes in Q2 2026

- Overall portfolio risk increased slightly, reflecting cautious optimism for a resolution in Iran (beta 1.1)
- Conviction towards EM assets has improved. Valuations remain attractive versus developed markets
- Credit hedges remain within the portfolio as tail risks remain. We believe inflation risk is underpriced

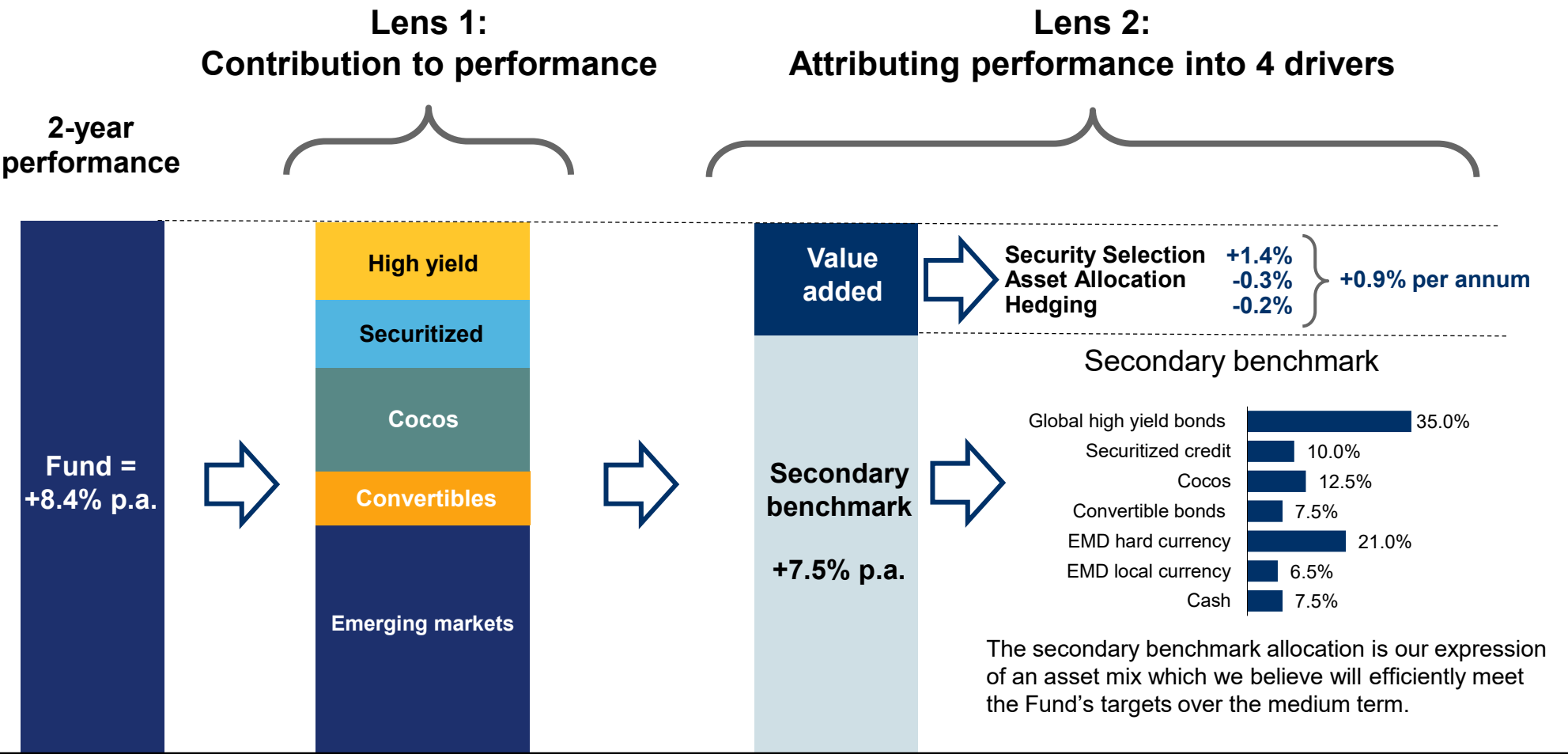
Past performance is not indicative of future results and is calculated in CAD. As of June 30, 2026

Source: RBC Global Asset Management, FTSE Russell. All Performance is for Series O and is presented gross of investment management fees but net of fund expenses. All returns for periods greater than one year are shown on an annualized basis.

¹ The secondary benchmark for the fund is indicative of an asset mix that represents the fund's neutral asset allocation. It is included to provide a reference point for short-term relative performance of the fund given that the primary benchmark is not representative of credit market returns. Secondary Benchmark: 35% ICE BofA Non-Financial Developed Markets High Yield Constrained Index (Hedged to CAD), 12.5% ICE BofA Contingent Capital Index (Hedged to CAD), 10.5% JP Morgan EMBI Global Diversified Index (Hedged to CAD), 10.5% JP Morgan CEMBI Diversified Index (Hedged to CAD), 6.5% JP Morgan GBI-EM Global Diversified Index (CAD Unhedged), 7.5% Refinitiv Global Convertible Focus Index (Hedged to CAD), and 17.5% ICE BofA Canadian Dollar 1-Month Deposit Offered Rate Constant Maturity Index.

BlueBay Total Return Credit Fund (Canada)

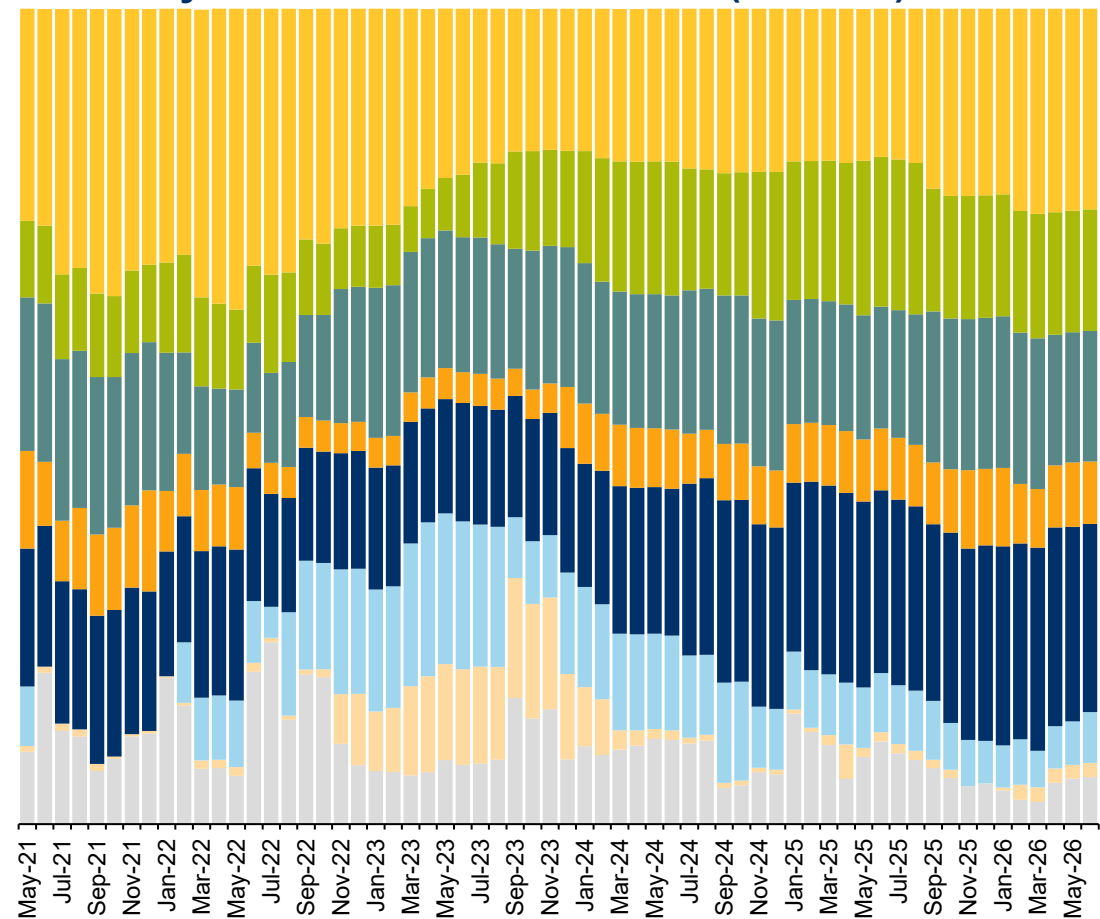
2-year performance attribution ending June 30, 2026



BlueBay Total Return Credit Fund (Canada)

Portfolio positioning and current asset class views

Tactical asset allocation BlueBay Total Return Credit Fund (Canada)



Source: RBC GAM, as of June 30, 2026

Views as of June 30, 2026

	Underweight				Overweight		
High yield	---	--	-	Neutral	+	++	+++
Securitized credit	---	--	-	Neutral	+	++	+++
Cocos	---	--	-	Neutral	+	++	+++
Convertibles	---	--	-	Neutral	+	++	+++
EMD Hard Currency (sovereign & corporates)	---	--	-	Neutral	➔ +	++	+++
EMD Local Currency (sovereign & corporates)	---	--	-	Neutral	➔ +	++	+++
Investment Grade	---	--	-	Neutral	+	++	+++
Cash	---	--	-	Neutral	➔ +	++	+++

- Improved investment conviction in EM debt, slight increase in total portfolio risk

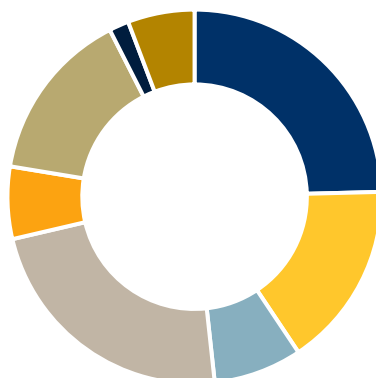
BlueBay Total Return Credit Fund (Canada)

Portfolio characteristics as of June 30, 2026

Portfolio statistics

Interest rate duration	3.73 years
Credit spread duration	2.93 years
Current yield ¹	5.67%
Yield to maturity ¹	5.39%
Number of issuers	310
Average rating	BB+
Foreign currency exposure	0.98%

Asset distribution



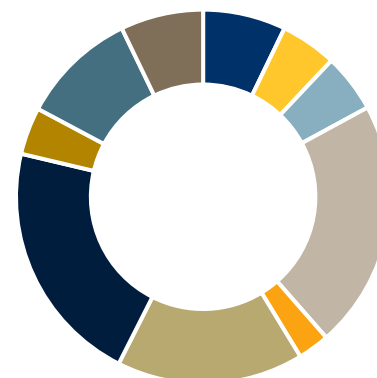
- Global High Yield, 24.6%
- Financial Capital Bonds (Cocos), 16.0%
- Convertible Bonds, 7.6%
- Emerging Markets Hard Currency, 23.1%
- Emerging Markets Local Currency, 6.2%
- Securitized Credit, 14.9%
- Opportunistic, 1.7%
- Other, 5.8%

Rating distribution



- A & above, 6.0%
- BBB, 26.8%
- BB, 35.5%
- B, 19.6%
- CCC & Below, 4.9%
- Unrated, 0.0%
- Cash, 7.2%

Regional distribution²



- Africa / Middle East, 7.2%
- Asia ex Japan, 4.9%
- Eastern Europe, 5.1%
- Europe ex UK, 21.5%
- Japan, 2.7%
- Latin America, 16.2%
- North America, 21.2%
- United Kingdom, 4.1%
- Other, 10.1%
- Cash, 7.2%

¹Yields shown are calculated based on the market price of the fund's securities

²"Other" within Regional Breakdown includes currency forward contracts used to hedge currency exposure.

A negative balance indicates negative mark-to-market associated with these contracts.

Totals may not add to 100% due to rounding

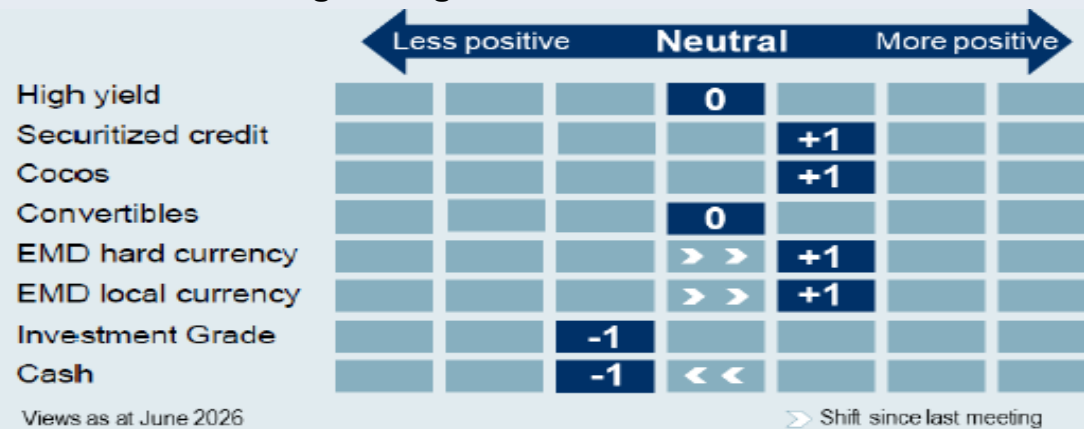
Current key investment views

Investment views . . .

Markets remain dominated by two dynamics:

- a fragile US-Iran peace agreement which has driven the S&P 500 Index to record levels and supported positive fixed income returns, though the inflationary consequences of the conflict we believe are underpriced by the market.
- artificial intelligence and associated IPO momentum persist as a dominant market thematic, yet the impact for the labour market, growth trajectory, and ultimate profitability of this sector are still evolving.

Asset Allocation target weights versus Neutral Asset Allocation



BlueBay calibrates asset class views on a -3 to +3 scale and we would expect to be overweight, versus the Neutral Asset Allocation, asset classes with positive scores, and vice versa. Views are calibrated over a 3 - 6 month time horizon.

- We have become more positive on emerging markets across both hard and local currency. We maintain an overweight allocation to this asset class, viewing it as offering the most diverse range of opportunities in today's fixed income landscape.
- We have lowered our conviction in cash, as we prefer the carry (yield) available elsewhere in credit markets.

Source: RBC Global Asset Management, as of June 30, 2026.

Appendix

Index names and yield conventions

Asset class	Index	Yield convention	Spread convention
US Treasuries	Bloomberg US Treasury Index (LUATTRUU Index)	Yield to maturity	OAS to Govt
U.S. Investment Grade Corporates	ICE BofA US Corporate Index (C0A0 Index)	Yield to maturity	OAS to Govt
Euro Investment Grade Corporates	ICE BofA Euro Corporate Index (ER00 Index)	Yield to maturity	OAS to Govt
U.S. High Yield	ICE BofA US High Yield Index (H0A0 Index)	Yield to maturity	OAS to Govt
European High Yield	ICE BofA Euro High Yield Index (HP00 Index)	Yield to maturity	OAS to Govt
U.S. Syndicated Loans	JPM Leveraged Loan Index (JLLILLI Index)	Yield to 3-year takeout	Spread to 3-year takeout
European Syndicated Loans	JPM European Leveraged Loan Index (JLLELLI Index)	Yield to 3-year takeout	Spread to 3-year takeout
EM Sovereign Hard Currency	JP Morgan EMBI Global Diversified Index (JPGCCOMP Index)	Yield to worst	OAS to Govt
EM Sovereign Local Currency	JP Morgan GBI-EM Global Diversified Index (JGENVUUG Index)	Yield to worst	-

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To: ONE Joint Investment Board
 From: Jennifer Hess, Manager of Investment Services, MFOA
 Date: September 10, 2026
 Re: Annual Investment Plan Reviews for the District Municipality of Muskoka, Red Lake, Thunder Bay, and Whitby
 Report: ONE JIB 2026-031

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the Investment Policy Statements and Municipal Client Questionnaires (MCQ) from the following Participating Municipalities, summarized in the table below:

Municipality	MNRI Value July 31, 2026	IPS	MCQ
District Municipality of Muskoka	\$166,590,566	Attachment 1	Attachment 2
Municipality of Red Lake	\$2,722,597	Attachment 4	Attachment 5
City of Thunder Bay	\$154,933,125	Attachment 7	Attachment 8
Town of Whitby	\$228,384,795	Attachment 10	Attachment 11

2. Approve the following Investment Plans, which are summarized in the table below:

Municipality	Contribution (withdrawal) of MNRI	Current Consolidated Equity Exposure	Proposed Model Assigned (equity weight)	Allocation to Alternative Investments	Investment Plan
District Municipality of Muskoka	N/A	Model E (50% Equity)	Model F (60% Equity)	Not Permitted	Attachment 3
Municipality of Red Lake	N/A	Model D (40% Equity)	Unchanged	Not Permitted	Attachment 6
City of Thunder Bay	N/A	Model E+ (50% Equity)	Unchanged	Permitted / Included	Attachment 9
Town of Whitby	N/A	Model D (40% Equity)	Unchanged	Permitted / Not Included	Attachment 12

2. SUMMARY

This report presents a summary of the 2026 annual Investment Plan reviews for four ONE JIB Participating Municipalities.

For Red Lake, Thunder Bay and Whitby, no material changes in circumstances were identified. Their current strategic asset allocations remain appropriate, and no changes to their assigned investment models are recommended.

The District Municipality of Muskoka has changed their definition of Money Not Required Immediately in their policy. Although the amount invested remains the same (even with the change of definition) their overall investment horizon has lengthened. Reserves that had been used for construction financing are being replenished and redirected to longer-term priorities, including Muskoka's share of two hospitals expected to be built 10 or more years from now. Muskoka has also begun issuing long-term debt for completed infrastructure projects, which restores reserve capacity for future projects. These factors support reassigning Muskoka's MNRI from Model E to Model F, increasing its equity allocation to 60%.

3. BACKGROUND

The Investment Plans use ONE JIB-approved model portfolios

Each Investment Plan under review is built using ONE JIB-approved model portfolios. The models offer a range of risk-return profiles appropriate for municipal investors. Some models include alternative investments, such as real estate and infrastructure, where explicitly permitted by municipal council. ONE JIB last reviewed the model portfolios on September 4, 2025, and their overall risk and return profiles remained largely unchanged.

The details of the Model Portfolios considered on September 4, 2025, can be found here: [Model Portfolio Review 2025 – Slide 9.](#)

Investment returns help provide municipalities with an additional source of revenue

The Municipal Act prohibits operating deficits for Municipalities. When funding from grants the tax rate or user fees are insufficient, Municipalities may need to defer, scale back, or debt-finance capital projects

Given practical limits on tax increases, investment income can reduce the need for additional property tax revenue and is an important complementary funding source Municipalities can utilize.

Table 1 shows the revenue generated by a 1% property tax increase in each municipality.

Table 1: Impact of a 1% tax increase on revenues.

Municipality	Revenue impact of a 1% tax increase
District Municipality of Muskoka	\$1,000,000
Municipality of Red Lake	\$112,825
City of Thunder Bay	\$2,400,000
Town of Whitby	\$1,376,083

4. ANALYSIS

Recommended allocations reflect MNRI horizons and relevant qualitative factors

The recommended allocations were reviewed by ONE Investment staff and the External Investment Manager. The review considered each municipality's MNRI profile, investment horizon, risk tolerance, and relevant qualitative factors.

The analysis also considered each municipality's specific circumstances and needs. In some cases, a municipality's ability to assume investment risk, based on the time horizon of its MNRI, may differ from its willingness to accept risk. Input from the MCQ and discussions with municipal staff helped determine whether adjustments to the model portfolio were appropriate.

Muskoka's longer investment horizon supports a higher equity allocation

In 2026, the District Municipality of Muskoka Council extended the MNRI definition in its Council approved Investment Policy from 18 months to 36 months. This theoretically indicates that municipal MNRI would reduce, however additional factors discussed in their MCQ conclude that the overall MNRI amount for Muskoka is not changing.

When comparing the MCQ from last year and this year, the overall investment horizon is moderately longer than in the prior year. Two factors are driving this change. First, Muskoka has established reserves for its share of two future hospitals, which are expected to be constructed in 10 or more years. Second, Muskoka has been using reserves to fund projects during the construction phase of the projects, with the intention of issuing long-term debt once the projects are completed. Muskoka is now issuing long-term debt for these completed infrastructure projects. As reserves are restored, they are being redirected to longer-term future projects.

As a result, the MNRI allocation in Table 5.1 of Muskoka's MCQ has changed materially. Reserves identified with a 10+ year horizon increased by approximately \$57 million compared with last year. A higher equity allocation is therefore being recommended; from the current Model E to **Model F**, which has a 60% equity allocation. Table 2 reflects this

allocation based on the AUM balance as of July 31, 2026, and Table 3 provides a target weight comparison between Model E and Model F.

Table 2: Muskoka's Allocation Summary

60% EQUITY MODEL (F)		
Asset Classes	Target Weight	Total Invested
Cash & Equivalent	0%	\$0
Canadian Fixed Income	30%	\$49,977,170
Global Fixed Income and Credit	10%	\$16,659,057
Canadian Equities	30%	\$49,977,170
Global Equities	30%	\$49,977,170
Alternatives	0%	\$0
Total	100%	\$166,590,566

Table 3: Comparison of Target Weights for Model E (Current) and Model F (Recommended)

Comparison of Model E to F		
Asset Classes	Target Weight Model E	Target Weight Model F
Cash & Equivalent	0.0%	0.0%
Canadian Fixed Income	37.5%	30.0%
Global Fixed Income and Credit	12.5%	10.0%
Canadian Equities	25.0%	30.0%
Global Equities	25.0%	30.0%
Alternatives	0.0%	0.0%
Total	100.0%	100.0%

Red Lake's allocation remains appropriate despite mining-sector growth and a slightly shorter MNRI horizon

Gold mining remains a key industry in the Red Lake area. Higher gold prices have supported increased regional mining activity, employment, and commercial activity. While most mining operations are outside municipal boundaries, the related economic activity has benefited Red Lake and increased demand for municipal services.

Red Lake's Council chose not to make any changes to its investment policy in 2026 during its annual review.

Red Lake's MNRI and cash flow forecasts remain broadly consistent with last year, although the MNRI investment horizon has shortened slightly. The MCQ projects significant drawdowns over the next five years; however, the timing remains uncertain because some growth-related infrastructure projects may be deferred.

Although the updated forecasts could support a modest reduction in equity exposure, maintaining the current allocation of Model D with a 40% equity allocation is recommended until there is greater certainty about the timing and size of expected drawdowns.

Table 3 summarizes the proposed allocation for Red Lake under Model D based on the AUM balance as of July 31, 2026.

Table 3: Red Lake's Allocation Summary

40% EQUITY MODEL (D)		
Asset Classes	Target Weight	Total Invested
Cash & Equivalent	0%	\$0
Canadian Fixed Income	45%	\$1,225,169
Global Fixed Income and Credit	15%	\$408,390
Canadian Equities	20%	\$544,519
Global Equities	20%	\$544,519
Alternatives	0%	\$0
Total	100%	\$2,722,597

Thunder Bay's circumstances remain broadly unchanged, and no allocation change is recommended

Thunder Bay's Council chose not to make any changes to its investment policy in 2026 during its annual review.

Thunder Bay's annual review identified only minor changes in MNRI, forecasts, and municipal circumstances compared with the prior review. The investment horizon associated with Thunder Bay's MNRI remains unchanged.

Based on Table 5.2 of the MCQ, no material MNRI drawdowns are expected within the next 10 years. This suggests Thunder Bay's investment horizon may be longer than indicated by the reserve mapping in Table 5.1. The current allocation to **Model E+**, with 50% equity and 10% alternatives, remains appropriate and is recommended.

Table 4 below summarizes the proposed allocation for Thunder Bay under Model E+

based on the AUM balance as of July 31,2026.

Table 4: Thunder Bay's Allocation Summary

50% EQUITY MODEL (E+)		
Asset Classes	Target Weight	Total Invested
Cash & Equivalent	0%	\$0
Canadian Fixed Income	32.5%	\$50,353,266
Global Fixed Income and Credit	7.5%	\$11,619,984
Canadian Equities	25%	\$38,733,281
Global Equities	25%	\$38,733,281
Alternatives	10%	\$15,493,313
Total	100%	\$154,933,125

Whitby's allocation remains appropriate despite lower Development Charge revenues

Whitby's Council chose not to make any changes to its investment policy in 2026 during its annual review.

Whitby continues to expect significant long-term population growth. However, housing activity has slowed over the past two years, resulting in a significant decline in Development Charge revenues. This may affect liquidity needs if the trend continues, although the Town has deferred some growth-related capital projects in response.

Whitby's MCQ reflects this uncertainty. Table 5.2 projects drawdowns of more than \$80 million over the next five years, based on an assumption that Development Charge revenue remains depressed for the next several years. Municipal staff believe this provides a conservative view of potential liquidity needs if growth remains slow, the magnitude of actual drawdowns remains uncertain.

Although Whitby's Investment Policy permits alternative investments, the uncertainty around near-term drawdowns means that alternatives with their lack of liquidity should be deferred to future Investment Plans. It is recommended that the current allocation to **Model D**, with 40% equity, remains appropriate for Whitby's circumstances and needs.

Table 5 below summarizes the proposed allocation for Whitby under Model D based on the AUM balance as of July 31, 2026.

Table 5: Whitby's Allocation Summary

40% EQUITY MODEL (D)		
Asset Classes	Target Weight	Total Invested
Cash & Equivalent	0%	\$0
Canadian Fixed Income	45%	\$102,773,158
Global Fixed Income and Credit	15%	\$34,257,719
Canadian Equities	20%	\$45,676,959
Global Equities	20%	\$45,676,959
Alternatives	0%	\$0
Total	100%	228,384,795

5. CONCLUSION

Annual Investment Plan reviews for ONE JIB were completed for four Participating Municipalities in response to their annual Municipal Council review of their Investment Policy. For Red Lake, Thunder Bay, and Whitby, investment horizons, objectives, and circumstances have not materially changed, and no model portfolio allocation changes are recommended. The District Municipality of Muskoka review identified a change to their definition of MNRI and a longer MNRI investment horizon. To reflect this change, Muskoka's MNRI is recommended to transition from Model E, with 50% equity allocation, to **Model F**, with a 60% equity allocation.

None of the four municipalities will make MNRI contributions or withdrawals as part of this annual review.

ATTACHMENTS

Attachment 1- Muskoka 2026 Investment Policy
Attachment 2: Muskoka 2026 Municipal Client Questionnaire
Attachment 3: Muskoka 2026 Investment Plan
Attachment 4: Red Lake 2026 Investment Policy
Attachment 5: Red Lake 2026 Municipal Client Questionnaire
Attachment 6: Red Lake 2026 Investment Plan
Attachment 7: Thunder Bay 2026 Investment Policy
Attachment 8: Thunder Bay 2026 Municipal Client Questionnaire
Attachment 9: Thunder Bay 2026 Investment Plan
Attachment 10: Whitby 2026 Investment Policy
Attachment 11: Whitby 2026 Municipal Client Questionnaire
Attachment 12: Whitby 2026 Investment Plan

Drafted by: Jennifer Hess CPA CMA, Manager Investment Services, MFOA
Approved by: Donna Herridge and Christina Pavlone, Co-President/Co-CEO, ONE Investment



POLICY

Name: Investment Policy Statement

Policy Number: FI-009-2026

Administrative Approval Date: July 16, 2026

Council Approval Date: TBD

Supersedes: FI-009-2025

Most Recent Approval Date: TBD

Effective Date: TBD

Policy Statement

1. The District Municipality of Muskoka strives to optimize utilization of its cash resources within statutory limitations while recognizing the importance of protecting and preserving capital together with the need to maintain solvency and liquidity to meet ongoing financial requirements. Funds that are defined as money not required immediately are to be invested within the scope of the Prudent Investor Standard where diversification and potential for the growth of investments play a prominent role.

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Glossary and Definitions

The following capitalized terms are defined terms which have the meanings set out below:

Act: means the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended from time to time.

Agent: means any administrator, Custodian, payment servicer investment counsel, consultant, banker, broker, dealer or other service provider engaged or appointed by ONE JIB and authorized by ONE JIB to exercise any of the functions of ONE JIB pursuant to a written agreement, in the manner and to the extent provided in the Regulation and without limiting the generality of the foregoing, Agent includes ONE Investment, and the Sub-Investment Manager

Alternative Asset: means investments outside traditional investments such as equities, fixed income, and cash which may include, hedge funds, private equity, natural resources, real estate and infrastructure. Alternative investments are typically less liquid than traditional investments, and are appropriate only for allocations with a long investment horizon.

Asset Class: means a specific category of assets or investments, such as cash, fixed income, equities, alternative investments, real estate etc.

Asset Mix (or Asset Allocation): means the proportion of each Asset Class in a portfolio.

Authorizing By-law: means a by-law of the Municipality that authorizes it to invest its money and investments that it does not require immediately in the OCIO offering of ONE JIB pursuant to section 418.1 of the Act, to approve various documents, the entering into of agreements including a Prudent Effective Date Agreement and the delegation of certain powers and duties to ONE JIB/ONE Investment.

Benchmark: means an index that is representative of a specific securities market (e.g. the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc.) against which investment performance can be compared. Performance benchmarks refer to total return indices in Canadian dollar terms.

CHUMS Financing Corporation (CHUMS): means a subsidiary of Municipal Finance Officers' Association of Ontario (MFOA) which, in conjunction with LAS, established ONE Investment.

CFA Institute: refers to the global, not-for-profit professional association that administers the Chartered Financial Analyst (CFA) and the Certificate in Investment Performance Measurement (CIPM) curricula and examination programs worldwide, publishes research, conducts professional development programs, and sets voluntary, ethics-based professional and performance reporting standards for the investment industry.

Custodian: means a specialized financial institution that is responsible for safeguarding a municipality's investments and is not engaged in "traditional" commercial or consumer/retail banking. Global custodians hold securities for their clients in multiple jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

Designated Funds: means source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Designated Funds are listed in Schedule "B" of this IPS.

Diversification: means a risk management technique that mixes a variety of investment types within a portfolio to help mitigate portfolio risk. A diversified portfolio holds different kinds of investments to improve the risk adjusted returns.

Derivative: means a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.

Environmental, Social and Governance (ESG) Investing: means considering and integrating ESG factors into the investment process, rather than eliminating investments based on ESG factors alone. Integrating ESG information can lead to more comprehensive analysis of a company.

External Portfolio Managers: means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a Pooled Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.

Internal Controls: means a system of controls that may include authorities, policies, procedures, separation and segregation of duties, compliance checks, performance measurement and attribution, reporting protocols, measures for safekeeping of property and data, and the audit process.

Investment Plan: means the investment plan applicable to the MNRI and adopted by ONE JIB under the Regulation, as it may be amended from time to time.

Investment Policy Statement (IPS): means the investment policy applicable to the Municipality's investments adopted and maintained by the Council of the Municipality for MNRI under the Regulation, and for MRIMRI, as the same may be amended from time to time. The IPS may also apply to the money and investments held by the Municipality for the benefit of persons other than the Municipality itself and may make reference to source(s) of money in which the Municipality may have an indirect interest but which the Municipality has no authority to invest.

JIB: is short for Joint Investment Board and means a joint municipal service board that is established under section 202 of the Act by two or more municipalities for the purposes of Part II of the Regulation.

Legal List Securities: means the securities and other investments and financial instruments that are included from time to time in Part I of the Regulation.

Leverage: means an investment strategy of using borrowed money - specifically, the use of various financial instruments or borrowed capital - to increase the potential return of an investment. Typically leverage also tends to increase investment risks.

Liquidity: means the ability to turn an investment into cash relatively quickly, without a substantial loss in value. For example, a savings account is more liquid than real estate.

Local Authority Services (LAS): means an entity which, in conjunction with MFOA/CHUMS, established ONE Investment.

Local Distribution Corporation or LDC: means a corporation incorporated under section 142 of the *Electricity Act, 1998*.

Market Value: means the price at which a security is trading and could presumably be sold. Also known as Fair Value it represents the current value of the investment.

Maturity: means the date upon which the principal or stated value of an investment becomes due.

Money Not Required Immediately (MNRI): means the money that is not required immediately by the Municipality that will be under the control and management of ONE JIB and as defined in this IPS that will be invested in accordance with the Prudent Investor Standard.

Money Required Immediately (MRI): means the money that is required immediately by the Municipality that remains under the control and management of the Municipality and, that can be invested in accordance with the Legal List Securities or other applicable legislation.

Municipal Services Corporation (MSC): means a corporation established under section 203 of the Act in accordance with the applicable regulation (Ontario Regulation 599/06).

Municipality: means The District Municipality of Muskoka.

OCIO Offering: means the comprehensive investment program made available through ONE Investment as agent for ONE JIB, where a qualified investment manager is engaged to advise a Participating Municipality with regard to the investment of the Participating Municipality's MNRI and to invest and manage such MNRI in accordance with the terms and conditions set out in the ONE JIB Agreement.

ONE Investment: means the not-for-profit corporation established by CHUMS and LAS which provides certain management, administrative and other services to ONE JIB as its agent.

ONE JIB: means ONE Joint Investment Board, established by certain founding municipalities under section 202 of the Act as a JIB for purposes of Part II of the Regulation, which is the duly appointed JIB for the Municipality, as constituted from time to time and which acts in accordance with the Act, the Regulation, the ONE JIB Agreement, including the Terms of Reference, this IPS and the Investment Plan.

ONE JIB Agreement: means the agreement effective as of the Prudent Effective Date, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Municipality's MNRI.

Participating Municipality: means from time to time each of the municipalities for whom ONE JIB acts as the JIB under the terms of the ONE JIB Agreement.

Pooled Fund: means a unit trust established under a trust instrument, generally not available to the public, in which institutional, sophisticated or high net worth investors contribute monies that are invested and managed by an External Portfolio Manager. Monies are pooled or combined with monies of other investors.

Portfolio: means any collection of funds that are grouped together and available to support the infrastructure needs of the Municipality.

Proxy Voting: means a legal transfer to another party of a shareholder's right to vote thereby allowing shareholders who cannot attend meetings to participate. External Portfolio Managers usually vote proxies on behalf of their clients.

Prudent Effective Date: means the mutually agreed-upon date by the Municipality and ONE Investment on which the prudent investor regime applies to the Municipality. The Prudent Effective Date shall be on or after ONE JIB approves the Municipality as a participating municipality.

Prudent Effective Date Agreement: means an agreement entered into by the Municipality and ONE Investment that sets out the day on which the prudent investor regime starts to apply to the Municipality

Prudent Investor Standard: means the standard that applies when the Municipality invests money that it does not require immediately under section 418.1 of the Act. It requires the Municipality to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and the standard does not restrict the securities in which the Municipality can invest. The Prudent Investor Standard applies the standard of prudence to the entire portfolio in respect of the Municipality's MNRI rather than to individual securities. It identifies the fiduciary's central consideration as the trade-off between risk and return as found in the CFA Institute Standards of Practice Handbook.

Rebalancing: means the process of realigning the weightings of a portfolio of assets. Rebalancing involves periodically buying or selling securities in a portfolio to maintain an original or desired level of asset allocation or risk.

Regulation: means Ontario Regulation 438/97.

Restricted Special Assets: means investments specified by this IPS and held by the Municipality as of the Prudent Effective Date, where ONE JIB is not able to exercise control. Restricted Special Assets are listed in Schedule A of this IPS and are not considered to be MNRI.

Risk: means the uncertainty of future investment returns or chance of loss of capital.

Risk Tolerance: means the financial ability and willingness to absorb a loss in return for greater potential for gains.

Safekeeping: means the holding of assets (e.g., securities) by a financial institution.

Securities Lending: means lending a security to another market participant. The borrower is required to deliver to the lender, as security for the loan, acceptable collateral with value greater than the value of the securities loaned. The Securities Lending program is managed by the Custodian or another appointed agent on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional incremental returns on the total portfolio.

Treasurer: means the Treasurer as appointed by by-law of The District Municipality of Muskoka or their designate.

Sinking Fund: means a fund established to fulfil the requirements to make annual contributions in respect of various debenture issues wherein money is to be regularly set aside for the payment of the principal of the debentures at maturity.

Sinking Fund Required Contributions (Annual Sinking Fund Requirement): means the amount of money to be set aside each year for deposit into a sinking fund or a retirement fund, as applicable, for each sinking fund debenture issue in accordance with the Municipality's debenture by-laws.

Sinking Fund Required Earnings: means the investment earnings needed for the Sinking Fund Contributions to continue to grow to a value sufficient to repay the principal at maturity for each issue of sinking fund debentures.

Sinking Fund Excess Earnings: means the investment earnings in excess of the required earnings.

Sub-Investment Manager: means an asset management firm or investment consultant, acting as a sub-investment manager for ONE JIB that provides investment advice and professional services and is involved in the implementation and operational aspects of the OCIO Offering, and that has full responsibility for the investment and management of a Participating Municipality's MNRI through ONE Investment, based on an IPS approved by the Council of the municipality.

Third-Party Trust Funds: means money over which the Municipality exercises both management and policy control but whose assets are not owned by the Municipality.

These funds are governed by a variety of agreements and, in some cases, by legislation. Some funds may have externally mandated investment policies, and some may have investment policies that are determined by the Municipality. Third-Party Trust Funds are listed in Schedule “B” of this IPS.

Trust Fund: means a fund which consists of assets that have been conveyed or assigned to a trustee to be administered as directed by agreement or statute. As a result, a trustee holds title to the assets for the purpose of providing benefits, and being accountable, to a beneficiary. The Municipality is the trustee of funds that are to be used for specific purposes by the Municipality or any related parties.

Purpose

1. This IPS governs the investment of the Municipality's MNRI and MRI. It is intended, among other things, to direct the Treasurer (or appointed designate) in the investment of MRI and to direct ONE Joint Investment Board (ONE JIB) in the investment of MNRI by implementing the Authorizing By-law 2020-6 pursuant to which the Municipality authorized the establishment of guidelines for the prudent management of the Municipality's MNRI pursuant to section 418.1 of the Act.
2. In addition to the Municipality's MRI and MNRI, the Municipality is from time to time entrusted with the management of money and investments for a third-party beneficiary, or Third-Party Trust Funds. The Municipality's Third-Party Trust Funds are listed in Schedule “B” of this IPS. There are also source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Such source(s) of money, referred to in this IPS as “Designated Funds”, are listed in Schedule “B” of this IPS. The Designated Funds and the Restricted Special Assets, listed in Schedule “A” of this IPS, are identified in this IPS for the sole purpose of enabling the Municipality to better see, on an aggregated basis, the various financial assets in which the Municipality has an interest. ONE JIB is not responsible for the investment activities or performance of Third-Party Trust Funds, Designated Funds or Restricted Special Assets.
3. The goals of this IPS are to:
 - 3.1. Define and assign responsibilities for investment of MRI and MNRI;
 - 3.2. Describe the Municipality's responsibilities with respect to Restricted Special Assets, Third-Party Trust Funds and Designated Funds;
 - 3.3. Ensure compliance with the applicable legislation;
 - 3.4. Direct ONE JIB as to the Municipality's investment goals and risk tolerance;

- 3.5. Provide guidance and limitations regarding the investments and their underlying risks;
- 3.6. Establish a basis of evaluating investment performance and the underlying risks; and,
- 3.7. Establish a reporting standard to Council.

Scope

4. This IPS applies to employees of the Municipality, to ONE JIB and to the employees of ONE Investment. ONE JIB, the Treasurer (or appointed designate), and any agent, sub-investment manager, or advisor providing services to ONE JIB in connection with the investment of the portfolio shall accept and strictly adhere to this IPS.

Legislative Authority

5. Investments of MRI will only be made in Legal List Securities in accordance with this IPS and Section 418 of the Act.
6. Investments of MNRI are governed by the Prudent Investor Standard in accordance with Section 418.1 of the Act. This standard is similar to that which governs trustees and pension fund administrators and creates a fiduciary responsibility. Prudent investment in compliance with the Act and the Regulation enhances the potential for the Municipality to earn improved risk-adjusted rates of return.
7. Money and investments that the Municipality holds as Restricted Special Assets, Third-Party Trust Funds or has an interest in as Designated Funds will be subject to applicable legislation and any related agreements or instruments.
8. The Act provides that the Municipality, and therefore ONE JIB, must consider the following criteria in planning investments of MNRI, in addition to other criteria relevant to the circumstances:
 - 8.1. General economic conditions;
 - 8.2. The possible effect of inflation or deflation;
 - 8.3. The role that each investment plays within the Municipality's total portfolio of investments;
 - 8.4. The expected total return from income and the appreciation of capital; and
 - 8.5. Needs for liquidity, regularity of income and preservation or appreciation of capital.

Standards of Care

9. For MNRI, the standard to be used by the Municipality and ONE JIB shall be the Prudent Investor Standard as required by section 418.1 of the Act and Part II of the Regulation in the context of managing the Municipality's MNRI and investments thereof. Investments shall be made with the care, skill, diligence, and judgment, taking into account the prevailing circumstances, that persons of prudence, discretion and integrity would exercise in the management of investments, considering the necessity of preserving capital as well as the need for income and appreciation of capital. The Act includes a duty to obtain the advice that a prudent investor would obtain under comparable circumstances.
10. Officers, employees and investment agents acting in accordance with written procedures and the IPS and exercising due diligence shall take all necessary actions to optimize performance of investments on a portfolio basis, taking into account the prescribed risk and other parameters set out in this IPS and market factors. The Municipality's staff, acting in accordance with written procedures and this IPS, shall be relieved of personal responsibility for an investment's performance, provided underperformance relative to expectations is reported to Council and the liquidation or sale of investments is carried out in accordance with this IPS.

Money Required Immediately and Money Not Required Immediately

11. Determination of the Municipality's MNRI is the responsibility of Council. In making the determination, Council may consider:
 - 11.1. the time horizon within which the monies are needed to meet financial obligations;
 - 11.2. the purpose for which the monies have been collected or set aside and are to be used;
 - 11.3. the source of the money; or
 - 11.4. any combination of the foregoing.
12. The Municipality has defined MNRI as money from the municipality's own reserves, reserve funds, sinking funds and current ONE Investment investments that will not be required to meet financial obligations that become due more than thirty-six (36) months from the date of receipt of such money. The purpose of the money is to fund the municipality's future capital, operational, and contingency needs.
13. For certainty, all money and investments of the Municipality that have not been identified as MNRI (other than Restricted Special Assets, Third-Party Trust Funds and any Designated Funds referenced in section 2) shall be deemed for purposes of this IPS to be MRI.

14. Determination of the Municipality's MNRI and MRI may be modified at any time and from time to time by action of Council and with respect to specific money by the Treasurer (or appointed designate), in accordance with the provisions of Section 34.3.
15. Any changes in this IPS regarding the Municipality's MNRI and MRI must be communicated immediately in writing to ONE JIB.

Overview of Portfolios

16. The Municipality's portfolios represent funds available to support Municipal needs. A high-level description of each of these portfolios and their objectives is provided in section 19.3 and section 22. This IPS applies to the following money of the Municipality, its agencies, boards and commissions including:
 - 16.1. MRI which is invested in Legal List Securities; and/or
 - 16.2. MNRI which is invested under the Prudent Investor Standard.

Roles and Responsibilities

17. No person including, without limitation, ONE JIB, may engage in an investment transaction except as provided under the terms of this IPS.

Role of ONE JIB

- 17.1. ONE JIB has been appointed by the Municipality in accordance with the requirements of the Act and the Regulation and on the terms and conditions set out in the ONE JIB Agreement (Appendix 1).
- 17.2. ONE JIB exercises control and management of the Municipality's MNRI and the investments made by it in accordance with the objectives and risk tolerance established in this IPS.
- 17.3. Among the responsibilities of ONE JIB are the following:
 - 17.3.1. Reviewing this IPS;
 - 17.3.2. Adopting and maintaining an Investment Plan that complies with this IPS;
 - 17.3.3. Engaging Custodians, administrators and other investment professionals (i.e. Agents);
 - 17.3.4. Allocating the money and investments under its control and management in compliance with this IPS;
 - 17.3.5. Monitoring the performance of the OCIO Offering and Agents; and,

17.3.6. Reporting to the Municipality.

17.4. The foregoing is subject to the more detailed terms and conditions contained in the ONE JIB Agreement.

18. Role of Municipal Staff

18.1. This IPS is approved and adopted by Council with input from the Treasurer (or appointed designate), and from ONE JIB with respect to MNRI. MRI of the Municipality, in addition to any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in section 2, remain under the control and management of the Treasurer (or appointed designate).

18.2. Consistent with this IPS, the Treasurer (or appointed designate) is responsible for the implementation of the investment program and the establishment of investment procedures which shall include:

18.2.1. Investment management of MRI and any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in section 2 by, or under the direction of, the Treasurer (or appointed designate);

18.2.2. In the management of MRI of the Municipality, and any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in section 2, the Treasurer (or appointed designate) may engage one or more agent(s) and service provider(s). ONE Investment can assist with the investment of the Municipality's MRI, in Legal List Securities and with the investment of Third-Party Trust Funds, in accordance with the terms of the applicable trust, if permitted, at the request of the Municipality;

18.2.3. The deposit or withdrawal of MNRI, under the explicit delegation of authority regarding MNRI, and the investment thereof, to ONE JIB, which is responsible for the control and management of such funds and investments;

18.3. A system of controls exercised by the Treasurer (or appointed designate) to regulate the activities of subordinate officials; and

18.4. Authorized individuals acting in accordance with this policy and exercising due diligence shall be relieved of personal liability and responsibility for an individual security's credit risk or market price change.

Ethics and Conflicts of Interest

- 18.5. Individuals who are responsible for The District Municipality of Muskoka's MRI Investment Portfolio shall comply with The District Municipality of Muskoka's Conflict of Interest guidelines and any relevant professional codes of conduct (e.g., the CPA Code of Professional Conduct).
- 18.6. ONE JIB, in its capacity as a joint municipal service board, in addition to being a local board of each member Municipality is subject to a Code of Conduct as required by the Act. This Code of Conduct applies to the Chair and the other Members of ONE JIB acting in their capacity as Members of ONE JIB.

Investment

19. MRI: Money Required Immediately

- 19.1. The Municipality's MRI described in this IPS consists of money that is needed to meet the short-term financial obligations of the Municipality and are controlled and managed by the Treasurer (or appointed designate).

19.2. MRI: Investment Objectives

The main focus of the investment of MRI is cash management, and the interest income generated by the investment of these monies contribute to municipal revenues. To the extent possible, the Municipality shall attempt to match its investments with anticipated obligations.

- 19.3. Capital preservation is the paramount objective for MRI investments, and these investments need to be highly liquid. Consequently, only high quality investments that are also Legal List Securities will be held in this portfolio. The Municipality may invest in fully liquid money market securities and deposit accounts. The Municipality aims to maximize returns subject to the constraints set out in Part I of the Regulation, as amended from time to time, with a view to preserving capital and to further manage risk through diversification by issuer and credit quality.

The investment objectives for MRI, ranked in priority, are as follows:

a) Security of Principal

The primary objective for MRI is to ensure the security of principal. To minimize the risk of loss, investments shall be subject to minimum credit ratings and shall be diversified by maturity, type of investment and issuer. Investing activities will be reviewed on a regular basis as actual, revised and forecasted operating and capital plans are completed. Maturity dates should be structured so that investment cash inflows occur when needed.

b) Liquidity Requirements

Liquidity is measured by the ease with which securities can be converted to cash to meet forecast spending. The investments that are eligible under the Regulation possess different features and thus market prices will vary depending on market conditions, as well as the particular features of the type of investment.

To ensure adequate liquidity, the Municipality's investments shall be diversified by holding securities of various terms to maturity and by various types of investments and issuers and to the extent possible, the term of such investments shall match the forecasted requirements for such monies to meet expenditures.

c) Rate of Return

The Municipality's money shall be invested to maximize the rate of return within acceptable risk levels while respecting the security of principal, legal constraints and the liquidity needs of each investment portfolio.

The composition of each portfolio, including its term to maturity and type of investments, shall be adjusted within the guidelines of this IPS to take advantage of market opportunities. Such changes shall be made with the periodic interest rate outlook and target portfolio structure approved by the Treasurer (or appointed designate).

20. **MRI: Eligible Investments**

20.1. MRI may be invested in high quality, investments that are also Legal List Securities available from banks, dealers and other financial institutions. Investments issued or guaranteed by approved institutions will be permitted by this IPS, as deemed eligible by the Regulation or as authorized by subsequent provincial regulations. Investments will be limited to securities issues maintaining a minimum credit rating by an appropriate credit rating agency.

Eligible investments include, but are not limited to, the following offerings by ONE Investment:

- ONE Investment High Interest Savings Account; and
- ONE Investment Canadian Government Bond Portfolio

Investment in the foregoing is subject to the Municipality entering into the prescribed Agency Agreement with LAS and CHUMS.

21. **MNRI: Money Not Required Immediately**

21.1. The Municipality's MNRI is described in Section 12. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the MNRI and the investments made therewith.

- 21.2. From time to time, the Municipality may require money immediately to meet financial obligations and may require ONE JIB to liquidate one or more investments in order to generate money to meet those obligations. ONE JIB will select the investment(s) to be liquidated. The timing of such liquidation will be determined by ONE JIB in consultation with the Treasurer (or appointed designate).

22. **MNRI: Investment Objectives**

22.1.1. In setting the objectives noted below, the Municipality has taken into account the following considerations:

- 22.1.1.1. Preservation of capital;
- 22.1.1.2. Adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements;
- 22.1.1.3. Diversification by asset class, market, sector, issuer, credit quality and term to maturity;
- 22.1.1.4. Income and capital appreciation; and,
- 22.1.1.5. Macro risks, such as inflation, economic growth and interest rates.

22.1.2. Investment of MNRI is managed by ONE JIB in a way that balances investment objectives, expected returns, and risk to develop asset allocations that achieve the Municipality's financial objectives within stated risk tolerances.

22.1.3. The municipality's Investment objectives for its MNRI can be achieved via allocations to the Outcomes defined within the ONE JIB's Outcome Framework.

22.1.4. The overall MNRI portfolio investment horizon shall be in line with the nature of the Municipality's forecasts and underlying liabilities. The portfolio should balance risk and the benefits of expected returns over a longer investment horizon.

22.1.5. Investment of MNRI is to be managed by ONE JIB in a way that balances the investment objectives with a level of risk that is appropriate for the municipality. The MNRI invested with ONE JIB will be broadly diversified to help reduce the volatility of investment returns. Returns have an impact on revenues, as well as a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. To the extent possible, the MNRI's investment horizons are aligned with the Municipality's obligations

and cash flow requirements and may consist of liquid and non-liquid securities based on future cash flow requirements.

23. MNRI: *Eligible Investments*

23.1.1. Eligible investments for MNRI include any Pooled Fund or other collective investment vehicle or institutional investment management product approved or selected by ONE Investment for the Prudent Investment Program (OCIO Offering), provided always that the products and the selection of products comply in all material respects with the IPS.

23.1.2. Additionally, nothing in this IPS prevents MNRI from being held in cash, short term money market instruments, including treasuries or overnight deposits.

24. MNRI: Sinking Funds

24.1 Sinking Funds are currently not applicable to the Municipality; however, should any sinking funds be established in the future, they are to be classified as MNRI and will be managed separately by ONE JIB.

25. Local Distribution Corporation (LDC) Securities and Municipal Services Corporation (MSC) Securities

25.1. Not applicable.

26. Restricted Special Assets

26.1. With the exception of the Municipality's investments held in the ONE Investment Legal List Portfolios specified below, all existing assets, listed in Schedule "A" of this IPS and held by the Municipality on the Prudent Effective Date, shall be considered to be Restricted Special Assets, and shall *not* be held by ONE JIB as MNRI. The Treasurer (or appointed designate) may choose to liquidate these investments and determine that the proceeds are MNRI, to be invested as per this IPS and the approved ONE JIB Investment Plan.

26.2. For certainty, Restricted Special Assets are not MNRI of the Municipality, and such assets are not under the control or management of ONE JIB.

26.3. The ONE Investment Legal List Portfolio Investments, held by the Municipality, shall be considered to be MNRI and transferred to ONE JIB to be invested as MNRI, unless deemed by the Municipality to be MRI.

27. Third-Party Trust Funds and Designated Funds

27.1. In addition to the Municipality's own money, the Municipality is from time to time entrusted with Third-Party Trust Funds, and the Municipality's

responsibilities and obligations with respect thereto may be subject to other legislation and governed by other agreements and instruments. To the extent that there is any conflict or inconsistency between the provisions of this IPS and the terms and conditions contained in such other legislation, agreements or instruments applicable to Third-Party Trust Funds, the latter shall prevail.

27.2. The Municipality's Third-Party Trust Funds, the Designated Funds are listed in Schedule "B".

27.3. For certainty, the Third-Party Trust Funds and the Designated Funds are not MNRI of the Municipality, and such assets are not under the control or management of ONE JIB.

28. Investment Management

28.1. Investment Management of MRI

28.1.1. The investment of MRI shall be controlled and managed by the Treasurer (or appointed designate).

28.2. Investment Management of MNRI

28.2.1. The investment of MNRI shall be controlled and managed by ONE JIB in accordance with this IPS and the ONE JIB Agreement.

28.2.2. The selected Sub-Investment Manager shall enter into an agreement with ONE Investment related to the OCIO Offering, that complies with this IPS and Part II of the Regulation and will provide compliance and performance reports to ONE JIB and One Investment. ONE JIB shall make any investment management changes deemed in the best interest of the Municipality.

29. Investment Constraints

29.1. Environmental, Social and Governance (ESG) Investing

29.1.1. The Municipality supports ESG investing for MRI and MNRI. The Municipality believes that well-managed companies are those that demonstrate high ethical and environmental standards and respect for their employees, human rights, and the communities in which they do business, and that these actions contribute to long term financial performance.

29.1.2. For the investment of MRI, the Municipality has chosen to monitor the developments of ESG factors and will reconsider its approach to ESG investing for the MRI Investment Portfolio as and when appropriate to do so.

29.1.3. For the investment of MNRI, ONE JIB is required to explore and consider how the OCIO is implementing responsible investing principles at the time of hiring and during periodic reviews. It may report on results periodically, if requested.

29.2. Securities Lending

29.2.1. For the investment of MNRI, the Municipality may invest in pooled funds, and other investment funds that are managed by the Sub-Investment Manager who may engage in Securities Lending if the policies of the OCIO permit such an action.

29.3. Derivatives

29.3.1. Derivatives shall not be used for the investment of MRI.

29.3.2. For the investment of MNRI, futures and forwards contracts, options and other derivative instruments may only be used to (a) create an asset mix position that does not leverage the portfolio, (b) replicate the performance of a capital market index, or (c) reduce risk as part of a hedging strategy.

29.4. Use of Leverage

29.4.1. Nothing in this IPS prevents the use of leverage, provided it is prudent to do so. Leverage is inherent in the use of certain types of investment strategies and instruments. Where leverage is employed, ONE JIB (for MNRI) and the Treasurer (or appointed designate) (for MRI) shall have in place monitoring procedures to manage overall exposure to any counterparty. Leverages should not be exercised for speculative purposes but may be used as a hedging tool.

29.5. Pooled Funds

29.5.1. Investments in open-ended pooled funds, closed-ended pooled funds, limited partnerships and other specialist corporate structures (e.g. LLCs), are permitted provided that the assets of such funds are permissible investments under this IPS or provided that any non-permitted investments are disclosed by the Sub-Investment Manager. Within pooled funds, the External Portfolio Manager's policies will take precedence over this IPS.

29.6. Currency Hedging

29.6.1. The MRI Investment Portfolio will not utilize currency hedging.

29.6.2. The Municipality's funding requirements are in Canadian dollars. However, some exposure to foreign currencies in the MNRI

Investment Portfolio may be advantageous to provide diversification and potentially enhance returns. Therefore, it shall not be a violation of this IPS for investments in global mandates to be unhedged, in whole or in part, where the diversification benefits embedded in the currency exposure are considered to be beneficial or desirable by ONE JIB.

30. Alternative Asset Classes

- 30.1. The applicable legislation does not prevent the direct / indirect placement of the MNRI in Alternative Assets Classes; this IPS restricts investments in alternative investments for the purpose of management of MNRI under ONE JIB.
- 30.2. Alternative Asset Classes, such as infrastructure or real estate, may have uncorrelated return characteristics with traditional Asset Classes that may improve diversification within the portfolio, which may lead to better risk adjusted returns. Typically, these investments may not be fully liquid and are only appropriate for inclusion in portfolios with long investment horizons.

31. Performance Monitoring, Rebalancing and Management

31.1. MRI

- 31.1.1. The performance benchmarks may vary from time to time, as decided by the Treasurer (or appointed designate), subject to the investment constraints listed in the IPS.
- 31.1.2. Any investments made under the MRI will be reported to District's Council via at least annually via the annual investment report or as needed and directed by Council, or it's assigned committee.

31.2. MNRI

- 31.2.1. For the investment of MNRI, ONE JIB shall establish parameters for monitoring investments and rebalancing through policy or directly within the Investment Plan.
- 31.2.2. Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. At minimum, ONE JIB shall provide reporting described in section 39 below that shows the Municipality's holdings, confirms compliance with this IPS, and reports on the Sub-Investment Manager's performance.

Administrative Policies

32. Flow of Money and Annual Municipal Budget

32.1. Transfer to ONE JIB as Part of Annual Review Process

32.1.1. On an annual basis, as part of the Municipality's Annual Review process, the Municipality shall identify the amount, if any, of MNRI that it holds. Any MNRI not already under the control and management of ONE JIB shall be transferred to ONE JIB as soon as practicable.

32.2. Transfer to Municipality as Part of Annual Review Process

32.2.1. On an annual basis, ONE JIB shall be notified by the Treasurer (or appointed designate) as to the amount, if any, required by the Municipality from the MNRI then under the control and management of ONE JIB for the Municipality's operational purposes. Such amount shall be deemed to be MRI and shall be returned to the Municipality in a lump sum or by way of periodic payments, as directed by the Treasurer (or appointed designate).

32.3. Flow of Money Otherwise than through the Budget Process

32.3.1. Surplus Funds

32.3.1.1. The MRI captures revenues received by the Municipality during each year after the approval of the Municipality's budget for the year. Any amounts deemed to be MNRI by the Treasurer (or appointed designate) at any such time during the year shall be transferred to ONE JIB to be under its management and control as MNRI. Amounts so transferred will be recorded annually in the Investment Plan and allocated by ONE JIB in accordance with the Investment Plan.

32.3.2. Contingencies

32.3.2.1. The Treasurer (or appointed designate) is authorized to direct ONE JIB to return any amounts determined by the Treasurer (or appointed designate) to be required to meet expenditures for unexpected contingencies not anticipated by the Municipality's budget in force for that year, provided however that the aggregate of the amounts to be returned to the Municipality under this section during the year shall not exceed 25% of the MNRI under the control and

management of ONE JIB as at the date that the Municipality approved its budget for the year (the Budgeted MNRI). In determining the Budgeted MNRI for purposes of calculating the 25% limit, any MNRI to be transferred to the control and management of ONE JIB in accordance with that year's Annual Review pursuant to section 34.1 above shall be included and any amount to be returned by ONE JIB to the Municipality pursuant to section 34.2 shall be excluded. ONE Investment should be made aware of material transactions in advance to ensure the orderly sale of securities to fund withdrawals.

33. Valuation of Investments

33.1. Investments shall be valued according to the values provided by the Custodian(s). For the investment of MNRI, values of unitized vehicles shall be valued according to the unit values published by the Custodian. Other investments shall be valued at their market value when that is available from regular public trading. If a market valuation of an investment is not available, then a fair value shall be supplied by the Sub-Investment Manager to ONE Investment no less frequently than quarterly.

34. Voting Rights

34.1. The Sub-Investment Manager shall assume the responsibility of exercising voting rights in respect of the Municipality's MNRI and will report its voting policies to ONE JIB annually. The Municipality may access these policies at any time.

35. Internal Controls

35.1. The Treasurer (or appointed designate) shall establish an annual process of review of all investments made under this IPS. This review will provide internal control by assuring compliance with governing legislation and with policies and procedures established by the Treasurer (or appointed designate). To the extent ONE JIB's input is needed, these requirements will be communicated in advance to ONE JIB.

36. Custodians

36.1. All municipal investments and assets of the investment portfolios may be held by a Custodian and any of the Custodian's sub-custodians or nominees. For MNRI, the Custodian shall be acceptable to ONE Investment. For MRI the Custodian shall be acceptable to ONE Investment if ONE Investment is administering the investment of the Municipality's MRI, otherwise the Custodian shall be acceptable to the Municipality.

37. **Reporting**

37.1. **MRI**

37.1.1. For the investment of MRI, **the Treasurer (or appointed designate) shall report at least annually to Council**, the report to be in a form **and** contain such content as Council may request. The report to Council shall include investment performance during the period covered and any other information required under the Regulation and that the Treasurer (or appointed designate) may consider to be pertinent.

37.2. **MNRI**

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of MNRI at least annually. This report shall include the following.

37.2.1. Investment performance during the period covered by the report;

37.2.2. Asset mix of the total portfolio;

37.2.3. A listing of individual investments held at the fund level at the end of the reporting period showing, where appropriate, book value, market value, realized/unrealized gains/losses and actual income received;

37.2.4. A list of all transactions including the security name, trade date, and the purchase and/or sale price;

37.2.5. A statement by the Treasurer (or appointed designate) as to whether all investments were made in accordance with the IPS and as to whether all investments were made in accordance with the Investment Plan; and

37.2.6. Any other pertinent information in the opinion of the Treasurer (or appointed designate).

All MNRI or MRI invested on behalf of the Municipality by ONE JIB or with the assistance of ONE Investment shall be held for safekeeping in the name of the Municipality by a Custodian.

Approval, Subsequent Modifications and Effective Date

38. **Revocation/Amendment of Previous Investment Policy**

38.1. This IPS amends, and restates, the existing Investment Policy Statement approved by Council on August 21, 2025.

39. **Modifications to the IPS**

- 39.1. At least annually, Council shall review the IPS and update it, if required. In the course of reviewing the IPS, Council may request comments from the Treasurer (or appointed designate) with respect to the investment of MRI and from ONE JIB with respect to the investment of MNRI.
- 39.2. Following the Council's review of the IPS, ONE JIB shall review the Investment Plan and update it, if required.
- 39.3. At a minimum, the annual IPS review will consider:
- 39.3.1.the adequacy of funding for capital works;
 - 39.3.2.the Municipality's ability to reduce other spending;
 - 39.3.3.flexibility of the timeframe to payout; and
 - 39.3.4.sensitivity to loss.

40. **Effective Date**

- 40.1. This IPS is adopted by Council of the Municipality effective **(insert date)**. The Treasurer is directed to sign a copy of this IPS to evidence approval and to deliver a copy of this IPS to ONE JIB.

Signed by

Treasurer

(insert date)

Date

Schedule “A”

Restricted Special Assets

Debt Securities

(For example, bonds, third party debentures, GIC's, promissory notes)

Own Debt Securities

(debentures issued and purchased by the Participating Municipality)

LDC and other MSC Securities

(LDC or MSC shares and debt securities)

Other

(Other investments held as of the prudent effective date, that are not under the management and control of ONE JIB)

Schedule "B"

Third-Party Trust Funds

1. The Pines Residents Trust Funds.

Designated Funds

2. Social housing capital reserves of a non-profit housing corporation which are to be invested in the Housing Services Corporation's pooled capital reserve funds managed by Encasa.

Schedule “A”

Restricted Special Assets

Debt Securities

(For example, bonds, third party debentures, GIC's, promissory notes)

Own Debt Securities

(debentures issued and purchased by the Participating Municipality)

LDC and other MSC Securities

(LDC or MSC shares and debt securities)

Other

(Other investments held as of the prudent effective date, that are not under the management and control of ONE JIB)

Schedule "B"

Third-Party Trust Funds

1. The Pines Residents Trust Funds.

Designated Funds

2. Social housing capital reserves of a non-profit housing corporation which are to be invested in the Housing Services Corporation's pooled capital reserve funds managed by Encasa.

Appendix 1

ONE JIB Agreement

Municipal Client Questionnaire (MCQ)

The MCQ is part of the ONE Investment / ONE JIB annual Investment Plan review (approval) process. The MCQ along with the Council approved (reviewed) Investment Policy informs ONE JIB of the municipal circumstances to consider with the approval of the Investment Plan.

During the year, outside of the annual review, please update the MCQ within 90 days if the municipality experiences any significant changes, *including a significant change in your municipality's financial circumstances, or significant change in the amount of your municipality's "money that it does not require immediately"*. For changes between annual reviews, provide written notice of changes by using the in-year MCQ update form on the last page of this document.

Section 1 – Client Information

Name of Municipality: The District Municipality of Muskoka

Address: 70 Pine Street, Bracebridge ON P1L 1N3

Treasurer Information

Name: Suzanne Olimer

Phone Number: (705) 645-2100 Extension: 4115

Email: Suzanne.olimer@muskoka.on.ca

Primary Day to Day Contact Information*



Check if same information as Treasurer above

Name: _____

Phone Number: _____ Extension: _____

Email: _____

*Primary day-to-day contact should have a comprehensive understanding of your Municipality's financial position and investment needs.

Section 2 - Investment Knowledge and Experience

2.1 Which statement best describes the Municipal staff (person most responsible for managing investments)'s level of investment knowledge and experience with financial markets and products? *Please check one*

- ☐ Very limited knowledge
- ☐ Basic knowledge and minimal experience
- ☒ Good knowledge and some experience
- ☐ Strong knowledge and experience
- ☐ Advanced knowledge and extensive experience

2.2 If Municipal staff have strong or advanced knowledge, please describe where this knowledge was acquired (e.g., education, designations experience).

Muskoka's finance staff hold various designations, such as CPA and CA. The finance team also consists of staff who have prior experience within broader public sector entities, such as education section (school boards) and staff who have worked at audit firms previously.

2.3 Please indicate if your municipality has used / held any of the following investment types within the past five years. *Please check all that apply.*

- ☒ Canadian money market securities
- ☒ Locked-in Investments (e.g., GICs, PPNs etc.)
- ☐ Local Distribution Corporation Securities (LDC securities)
- ☐ Securities held in third party trusts (i.e., cemetery trust, legacy fund etc.)
- ☒ Fixed income (government and/or corporate bonds)
- ☒ Equities
- ☐ Other – Please Describe

Section 3 – General Municipal Information

This section provides some high-level demographic information on the municipality

3.1 What is the population of the Municipality? 66,674

3.2 Is your municipality a single tier, upper tier or lower tier? Upper Tier

3.3 How much does a 1% tax rate increase generate? \$ 1,000,000

3.4 Is there any other demographic information about your municipality you would like the ONE JIB to know?
(optional)

Total population is around 151,074 as of 2021 statistics, with 66,674 making up the permanent population and the rest from seasonal residents. There are 22,377 second home households in Muskoka with a second home population of 84,400.

Section 4 – Municipal MNRI Information

4.1 This section summarizes the current MNRI under the management and control of the ONE JIB and the projected change identified in the annual review. *The total value should equal the total MNRI shown in Question 5.1 Investment Objectives and Horizon*

Description	Value
Portfolio Value (A) - For existing municipalities this is the amount currently invested with ONE JIB as of your last monthly statement. - For new municipalities this should be \$0	\$ 164,375,862
Change to MNRI: Additional contribution (+) or withdrawal (-) (B) - For existing municipalities this is the MNRI change identified during the annual review (fund transfers are typically completed with 30 days of ONE JIB's approval of the updated investment plan) - For new municipalities, this equals your initial deposit as of the Prudent effective date (TBD)	\$ 0
Total MNRI under the management and control of ONE JIB (A + B)	\$ 164,375,862

☐ Additional details have been included as an attachment to this MCQ (optional).

4.2 Use this *optional* box to provide any additional MNRI details related to 4.1 above (in lieu of a separate attachment)

Section 5 – MNRI Investment Objectives and Liquidity Needs

This section asks about your Municipality's MNRI, the purpose or investment objective and the expected investment horizon or when funds may be required to meet forecasted municipal obligations.

5.1 What is the Municipal *funding objective(s), investment horizon(s) and purpose(s)* for the MNRI? *The total MNRI value should equal the total MNRI shown in Question 4.1 Municipal MNRI Information*

MNRI by Investment Horizon

Description	Total MNRI (\$ (A+B+C) <i>auto calculate</i>	Investment Horizon < 5 Years (A)	Investment Horizon 5-10 Years (B)	Investment Horizon >10 Years (C)
DC Reserve Funds	\$ 7,371,270	(\$ 5,970,408)	\$ 8,030,448	\$ 5,311,230
Program Reserve Funds	\$ 116,175,287	\$ 31,507,732	(\$ 774,028)	\$ 85,441,583
Stabilization Reserves	\$ 19,508,139	(\$ 4,860,500)	\$ 24,368,639	\$ 0
Contingency Reserves	\$ 19,242,903	\$ 6,672,149	\$ 6,272,830	\$ 6,297,924
	\$ 0			
Total MNRI - <i>auto calculate</i>	\$ 162,297,599	\$ 27,348,973	\$ 37,897,889	\$ 97,050,737

Note – Description is up to the municipality, it could be total MNRI (one line) or broken out into the funding objective/investment purpose, or municipal reserve name/group (multiple lines)

☐ Additional details have been included as an attachment to this MCQ (optional).

5.2 Based on *current* municipal forecasts, please provide details that may help inform the ONE JIB about ***potential drawdowns/additions to MNRI*** that may be anticipated in future years.

Cash Flow Projections Potentially Affecting Future MNRI

Description	Next Year	2 years	3-5 years	5-10 years	10 years +
Anticipated MNRI Drawdowns (-)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Anticipated MNRI Contributions (+)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change to MNRI	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

5.3 Does the municipal forecasts used (above in 5.2) reflect

- ☐ Drawdowns of current reserve balances, or
- ☐ Drawdowns of current reserve balances inclusive of projected future budgetary contributions

5.4 What *assumptions or factors* do your municipality include in the MNRI cash flow projections? For example, but not limited to, inflation assumptions on capital projects, assumptions on future tax-based reserve contributions, forecasted development charge revenue etc.

Future capital needs, future tax and rate based on reserve contributions, forecasted development charge revenue, and operating reserves.

5.5 Does your municipality forecast beyond 5 years, if yes, what is the level of accuracy?

Yes. Starting 2025 the District has embarked on a multi-year budgeting approach for the operating budget and has been preparing long-term capital forecasts for several years. These forecasts extend beyond five years to support strategic financial planning and compliance with asset management and legislative requirements. The accuracy of these forecasts is monitored and reported through regular variance analysis, which is presented in quarterly and annual financial reports.

5.6 Does your current municipal forecast include any large (or unusual) capital expenditures, which are outside of normal operations?

☒ Yes ☐ No

5.7 Do you anticipate any *potential* change in *liquidity needs* in the future (i.e. within 2 years, within 5 years or beyond 5 years) which may impact on the investment time horizon? An example could be a large capital infrastructure project with timing TBD, or with grant funding pending etc. If yes, please elaborate.

Yes. The District is currently in the process of delivering two (2) significant infrastructure projects: (1) the decommissioning of an existing sewage treatment plant, installation of a new sewage pumping station and forcemain, and receiving facilities for sewage treatment in Huntsville; and (2) the redevelopment of a 162-bed long term care home with an embedded 64-space childcare facility, also in Huntsville. District Council is also considering a series of housing projects and planned phased investment that may have a significant impact on the District's liquidity.

5.8 How does your Municipality manage unanticipated requests for funding? Can you characterize the probability that your municipality may need to draw down MNRI to fund unexpected budget shortfalls?

Unanticipated requests for funding go through the Finance and Corporate Services committee for approval, with further resolution of council.

5.9 Are there any *other unique circumstances* to your municipality that may impact your cash flow MNRI forecast, return objectives and risk tolerance that the Investment Plan should consider?

The Investment Plan should consider the impact of Bill 100, the Better Regional Governance Act, 2026, on the District's budgeting process, investment policy, and overall governance. While staff have sought and anticipate Council approval of the IPS, it is important to take note of the proposed powers of the provincially appointed 'Strong Chair'.



Municipal Client Questionnaire (MCQ)

Section 6 – Acknowledgement

I confirm that information provided to ONE Investment in this form is complete and accurate to the best of my knowledge as at the date below.

Dated this 27 day of July, 2026

Suzanne Olimer

Suzanne
Olimer

Digitally signed by Suzanne
Olimer
Date: 2026.07.27 11:38:39
-04'00'

Name and Signature of Treasurer

Second Signature (if required)

Appendix 1 – In-year MCQ Updates Form

Please provide details below that explain the nature of your requested change. This should describe: the money involved, the timing of transactions required, and any other context to support the change request. This will allow ONE JIB to understand how this update may change the cashflow characteristics or investment horizons of MNRI relative to your current MCQ and Investment Plan.

Acknowledgement

I confirm that information provided to ONE Investment in this form is complete and accurate to the best of my knowledge as at the date below.

Dated this _____ day of _____, 20_____

Name and Signature of Treasurer

Second Signature (if required)

Attachment 3

INVESTMENT PLAN FOR

District Municipality of Muskoka

DATE: September 10, 2026



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1

DEFINITIONS

Definitions applicable to this Investment Plan can be found on the ONE Investment webpage under Education & Training / Glossary.

2

PURPOSE

As required under the prudent investor regime authorized by the Municipal Act, 2001 (Act), and Ontario Regulation 438/97 (Regulation), this Investment Plan (Plan) establishes how ONE JIB will invest the District Municipality of Muskoka's Money Not Required Immediately (MNRI) as defined in Section 3.1 of Muskoka's Investment Policy (Policy).

This Plan applies to all investments controlled and managed by ONE JIB on behalf of the District Municipality of Muskoka.

3

RESPONSIBILITY FOR PLAN

This Plan is the responsibility of ONE JIB, which has authorized its agent, ONE Investment, to exercise its administrative investment functions in accordance with the Regulation. ONE JIB oversees ONE Investment staff using procedures, reports, and regular reviews to monitor compliance with the Act, the Regulation and the District Municipality of Muskoka's Policy.

ONE Investment has engaged PH&N Institutional to provide OCIO services. PH&N Institutional is the business division of RBC Global Asset Management responsible for managing assets for Canadian institutional clients. PH&N Institutional will be involved in implementing the Investment Plan, monitoring and reporting investments, and providing ancillary services to support the OCIO Offering.

RBC GAM's investment professionals are committed to providing each client with investment solutions that are appropriately tailored to address the client's investment situation. This means understanding macroeconomic trends and strategies and the diverse and evolving investment needs of clients.

4

INVESTMENT GOALS AND OBJECTIVES

The District Municipality of Muskoka's investment needs, as described in its Investment Policy, provide Council's guidance to ONE JIB in determining investment allocations. Further guidance from the Municipal Client Questionnaire (MCQ) and dialogue with the Treasurer inform ONE JIB about the municipality's current goals, objectives, circumstances, and risk tolerance, and help determine investment allocations. The allocation of Muskoka's MNRI in this Plan is consistent with the details as disclosed in their Policy and MCQ. Section 5.2.1 of their Policy provides specific information that characterizes the objectives for MNRI, as detailed in Table 1 below:

Table 1: The investment objectives for MNRI.

Category	Objective & Risk Tolerance
Objectives for overall MNRI	• Preservation of capital • Provide adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements • Diversification by asset class, market sector, issuer, credit quality, and term to maturity • Achieve capital appreciation and income while managing risk to an appropriate level.

The MNRI invested with ONE JIB will be broadly diversified across asset class, market, sector, issuer, credit quality, and term to maturity to help reduce investment return volatility. Returns impact revenues and have a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. The MNRI shall be invested to obtain a progressively higher rate of return for longer-term investment horizons, commensurate with stated risk tolerances.

The MNRI balances will be invested primarily to achieve capital growth over time. Achieving returns above inflation is a key investment objective, but near-term liquidity from investments likely will not be required.

5

INVESTMENT PORTFOLIO

Asset allocations are typically expected to be relatively stable until the next annual review. Any contributions or withdrawals of MNRI must be communicated to ONE JIB formally as outlined in the ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy

5.1 Account Structure

MNRI Investment Horizon	Risk Tolerance / Model Assigned	Allocation
Consolidated MNRI Holdings	Model F (60% Equity) assigned.	\$166,590,566

Other considerations:

- Neither contributions nor a withdrawal of MNRI is part of their Plan this year.
- Their definition of MNRI has changed from 18 months to 3 years but there is no reduction to total MNRI.
- Their investment horizon is long which supports a higher equity allocation
- Muskoka has established reserves for its share of two future hospitals, which are expected to be constructed in 10 or more years.
- For cash flow purposes, Muskoka had been using reserves to in-house finance in progress construction projects; these projects are now complete/nearing completion and will be now financed long term by debt. As long-term debt is issued, it replenishes reserves that were temporarily being used, thereby allowing the reserves to be redirected to longer-term future projects.
- Their MCQ has changed materially, the 10+ year horizon has increased by approximately \$57 million compared to 2025.
- Muskoka's Investment Policy does not permit Alternative Investments.
- It is recommended that Muskoka now be invested in Model F instead of Model E (2025).

5.2 Allocations

60% EQUITY MODEL (F)			
Asset Classes	Minimum (%)	Target Weight	Maximum (%)
Cash & Equivalent	0	0%	10
Canadian Fixed Income	20	30%	40
Global Fixed Income and Credit	0	10%	20
Canadian Equities	20	30%	40
Global Equities	20	30%	40
Alternatives	0	0%	0
Total		100%	

* Further details on holdings and benchmarks for this model are detailed in a ONE JIB report approved on September 4, 2025. ([Model Portfolio Review 2025](#)).

6

APPLICABLE ONE JIB POLICIES

The Plan adheres to the following ONE JIB Policies subject to periodic review and updating and are posted to the ONE Investment website.

- ONE Anti-Money Laundering Policy
- ONE JIB Fund Deviation Policy
- ONE JIB Principles of Good Benchmarks Policy
- ONE JIB Withdrawals of MNRI Policy
- ONE JIB In-Kind Securities Policy
- ONE JIB Responsible Investment Policy
- ONE JIB Policy for Reviewing the External Sub-Investment Manager
- ONE JIB OCIO Compliance Monitoring Policy

7

ELIGIBLE FUNDS

The eligible funds are listed under Schedule “A” of the Investment Management Agreement between RBC Global Asset Management Inc. and ONE Investment, which may be reviewed and updated periodically.

In asset classes where more than one fund is eligible for investment, the OCIO will be responsible for determining which fund(s) to include in the client portfolio after due consideration for (1) the individual characteristics of the fund, (2) prevailing market conditions impacting the fund’s liquidity and capacity, and (3) its alignment with the Municipality’s investment objectives and philosophy.

The Manager shall manage the RBC GAM Fund(s) according to the pooled fund investment mandate including the investment guidelines contained therein developed by the Manager in respect of each RBC GAM Fund (each, an “Investment Mandate”).

Asset Classes	Sub-Asset Classes	Eligible Fund Names (Schedule “A” of IMA)
	Fixed Income	
Cash & Equivalent	Money Market	PH&N Canadian Money Market Fund
Canadian Fixed Income	Short-Term Bonds	PH&N Short Term Bond & Mortgage Fund RBC Vision Fossil Fuel Free Short Term Bond Fund
	Universe Bonds	PH&N Bond Fund PH&N Enhanced Total Return Bond Fund RBC Vision Bond Fund RBC Vision Fossil Fuel Free Bond Fund
	Corporate Bonds	PH&N Corporate Bond Trust*
	Private Placement Corporate Debt	PH&N Private Placement Corporate Debt Fund*
	Commercial Mortgages	PH&N Mortgage Pension Trust* RBC Commercial Mortgage Fund*
Global Fixed Income and Credit	High-Yield Bonds	RBC High Yield Bond Fund PH&N High Yield Bond Fund
	Global Multi-Asset Credit	BlueBay Total Return Credit Fund
	Global Bonds	RBC Global Bond Fund
	Emerging Markets Bonds	RBC Emerging Markets Bond Fund

	Equities	
Canadian Equities	Canadian Equities	PH&N Canadian Equity Value Fund PH&N Canadian Equity Fund RBC Vision Canadian Equity Fund RBC QUBE Canadian Equity Fund
	Canadian Low Volatility Equities	RBC Vision QUBE Fossil Fuel Free Low Volatility Canadian Equity Fund RBC QUBE Low Volatility Canadian Equity Fund
Global Equities	U.S. Equities	PH&N US Equity Fund RBC QUBE US Equity Fund
	U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Fund
	International Equities	RBC International Equity Fund RBC International Equity Index Fund RBC QUBE International Equity Fund
	Global Equities	RBC Global Equity Focus Fund RBC Global Equity Leaders Fund RBC Vision Global Equity Fund RBC Vision Fossil Fuel Free Global Equity Fund RBC QUBE Global Equity Fund
	Global Low Volatility Equities	RBC QUBE Low Volatility Global Equity Fund
	Emerging Markets Equities	RBC Emerging Markets Equity Fund RBC Emerging Markets Dividend Fund
Alternatives	Real Estate	RBC Canadian Core Real Estate Fund
	Infrastructure	RBC Global Infrastructure Fund

8

REBALANCING

The OCIO is authorized to execute trades, as appropriate, to maintain compliance with the Investment Plan.

Rebalancing shall occur in accordance with the Participating Municipality's Investment Policy Statement and Investment Plan.

Rebalancing plans and exact timing should account for upcoming material changes that may impact the Investment Plans, such as updates to the Investment Policy Statement or the Municipal Client Questionnaire.

As appropriate, the size and frequency of trading activities shall be minimized to help reduce the administration and costs of trading.

9

IMPLEMENTATION

9.1 Custodian

All marketable investments under the control and management of ONE JIB, shall be held for safekeeping by ONE Investment's Custodian.

9.2 Implementation Plan

Timeline	Implementation Details
September 2026	Once approved by the ONE JIB, PH&N Institutional will commence the required trades as needed to move to Model F.

9.3 Accommodating Cashflow needs

Income from investments will be automatically reinvested as per the ONE Distribution Policy PI and cashflow needs of Muskoka are expected to be financed with the sale of units of the pooled funds. Payment of OCIO Fees and Governance fees will also be financed with the sale of investment pool units.

Attachment 4

INVESTMENT POLICY STATEMENT

FOR

THE MUNICIPALITY OF REDLAKE (the “Municipality”)

OCTOBER 21, 2024

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THE MUNICIPALITY OF REDLAKE

Investment Policy Statement

1. DEFINITIONS

The following capitalized terms are defined terms which have the meanings set out below:

Act: means the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended from time to time.

Agent: means any administrator, Custodian, payment servicer, investment counsel, consultant, banker, broker, dealer or other service provider engaged or appointed by ONE JIB and authorized by ONE JIB to exercise any of the functions of ONE JIB pursuant to a written agreement, in the manner and to the extent provided in the Regulation and without limiting the generality of the foregoing, Agent includes ONE Investment, and the Sub-Investment Manager.

Alternative Assets: means investments outside traditional investments such as equities, fixed income, and cash which may include, hedge funds, private equity, natural resources, real estate and infrastructure. Alternative investments are typically less liquid than traditional investments, are appropriate only for allocations with a long investment horizon.

Asset Class: means a specific category of assets or investments, such as cash, fixed income, equities, alternative investments, real estate etc.

Asset Mix (or Asset Allocation): means the proportion of each Asset Class in a portfolio.

Authorizing By-law: means a by-law of the Municipality that authorizes it to invest its money and investments that it does not require immediately in the OCIO offering of ONE JIB pursuant to section 418.1 of the Act, to approve various documents, the entering into of agreements including a Prudent Effective Date Agreement and the delegation of certain powers and duties to ONE JIB/ONE Investment.

Benchmark: means an index that is representative of a specific securities market (e.g. the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc.) against which investment performance can be compared. Performance benchmarks refer to total return indices in Canadian dollar terms.

CHUMS Financing Corporation (CHUMS): means a subsidiary of Municipal Finance Officers' Association of Ontario (MFOA) which, in conjunction with LAS, established ONE Investment.

CFA Institute: refers to the global, not-for-profit professional association that administers the Chartered Financial Analyst (CFA) and the Certificate in Investment Performance Measurement (CIPM) curricula and examination programs worldwide, publishes research, conducts professional development programs, and sets voluntary, ethics-based professional and performance reporting standards for the investment industry.

Custodian: means a specialized financial institution that is responsible for safeguarding a municipality's investments and is not engaged in "traditional" commercial or consumer/retail banking. Global custodians hold securities for their clients in multiple jurisdictions around the

world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

Designated Funds means source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Designated Funds are listed in Schedule B of this IPS.

Diversification: means a risk management technique that mixes a variety of investment types within a portfolio to help mitigate portfolio risk. A diversified portfolio holds different kinds of investments to improve the risk adjusted returns.

Derivative: means a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.

Environmental, Social and Governance (ESG) Investing: means considering and integrating ESG factors into the investment process, rather than eliminating investments based on ESG factors alone. Integrating ESG information can lead to a more comprehensive analysis of a company.

External Portfolio Managers: means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a Pooled Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.

Internal Controls: means a system of controls that may include authorities, policies, procedures, separation and segregation of duties, compliance checks, performance measurement and attribution, reporting protocols, measures for safekeeping of property and data, and the audit process.

Investment Plan: means the investment plan applicable to the MNRI and adopted by ONE JIB under the Regulation, as it may be amended from time to time.

Investment Policy Statement (IPS): means the investment policy applicable to the Municipality's investments adopted and maintained by the Council of the Municipality for MNRI under the Regulation, and for MRI, as the same may be amended from time to time. The IPS may also apply to the money and investments held by the Municipality for the benefit of persons other than the Municipality itself and may make reference to source(s) of money in which the Municipality may have an indirect interest but which the Municipality has no authority to invest.

JIB: is short for Joint Investment Board and means a joint municipal service board that is established under section 202 of the Act by two or more municipalities for the purposes of Part II of the Regulation.

Legal List Securities: means the securities and other investments and financial instruments that are included from time to time in Part I of the Regulation.

Leverage: means an investment strategy of using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage also tends to increase investment risks.

Liquidity: means the ability to turn an investment into cash relatively quickly, without a substantial loss in value. For example, a savings account is more liquid than real estate.

Local Authority Services (LAS): means an entity which, in conjunction with MFOA/CHUMS, established ONE Investment.

Local Distribution Corporation or LDC: means a corporation incorporated under Section 142 of the *Electricity Act, 1998*.

Market Value: means the price at which a security is trading and could presumably be sold. Also known as Fair Value it represents the current value of the investment.

Maturity: means the date upon which the principal or stated value of an investment becomes due.

Money not Required Immediately (MNRI): means the money that is not required immediately by the Municipality that will be under the control and management of ONE JIB and as defined in this IPS that will be invested in accordance with the Prudent Investor Standard.

Money Required Immediately (MRI): means the money that is required immediately by the Municipality that remains under the control and management of the Municipality and, that can be invested in accordance with the Legal List Securities or other applicable legislation.

Municipal Services Corporation (MSC): means a corporation established under section 203 of the Act in accordance with the applicable regulation (Ontario Regulation 599/06).

Municipality: means the Municipality of Red Lake.

OCIO Offering: means the comprehensive investment program made available through ONE Investment as agent for ONE JIB, where a qualified investment manager is engaged to advise a Participating Municipality with regard to the investment of the Participating Municipality's MNRI and to invest and manage such MNRI in accordance with the terms and conditions set out in the ONE JIB Agreement.

ONE Investment: means the not-for-profit corporation established by CHUMS and LAS which provides certain management, administrative and other services to ONE JIB as its agent.

ONE JIB: means ONE Joint Investment Board, established by certain founding municipalities under section 202 of the Act as a JIB for purposes of Part II of the Regulation, which is the duly appointed JIB for the Municipality, as constituted from time to time and which acts in accordance with the Act, the Regulation, the ONE JIB Agreement, including the Terms of Reference, this IPS and the Investment Plan.

ONE JIB Agreement: means the agreement effective as of the Prudent Effective Date, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Municipality's MNRI.

Participating Municipality: means from time to time each of the municipalities for whom ONE JIB acts as the JIB under the terms of the ONE JIB Agreement.

Pooled Fund: means a unit trust established under a trust instrument, generally not available to the public, in which institutional, sophisticated or high net worth investors contribute monies that are invested and managed by an External Portfolio Manager. Monies are pooled or combined with monies of other investors.

Portfolio: means any collection of funds that are grouped together and available to support the infrastructure needs of the Municipality.

Proxy Voting: means a legal transfer to another party of a shareholder's right to vote thereby allowing shareholders who cannot attend meetings to participate. External Portfolio Managers usually vote proxies on behalf of their clients.

Prudent Effective Date: means the mutually agreed-upon date by the Municipality and ONE Investment on which the prudent investor regime applies to the Municipality. The Prudent Effective Date shall be on or after ONE JIB approves the Municipality as a participating municipality.

Prudent Effective Date Agreement: means an agreement entered into by the Municipality and ONE Investment that sets out the day on which the prudent investor regime starts to apply to the Municipality

Prudent Investor Standard: means the standard that applies when the Municipality invests money that it does not require immediately under section 418.1 of the Act. It requires the Municipality to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and the standard does not restrict the securities in which the Municipality can invest. The Prudent Investor Standard applies the standard of prudence to the entire portfolio in respect of the Municipality's MNRI rather than to individual securities. It identifies the fiduciary's central consideration as the trade-off between risk and return as found in the CFA Institute Standards of Practice Handbook.

Rebalancing: means the process of realigning the weightings of a portfolio of assets. Rebalancing involves periodically buying or selling securities in a portfolio to maintain an original or desired level of asset allocation or risk.

Regulation: means Ontario Regulation 438/97.

Restricted Special Assets: means investments specified by this IPS and held by the Municipality as of the Prudent Effective Date, where ONE JIB is not able to exercise control. Restricted Special Assets are listed in Schedule A of this IPS and are not considered to be MNRI.

Risk: means the uncertainty of future investment returns or chance of loss of capital.

Risk Tolerance: means the financial ability and willingness to absorb a loss in return for greater potential for gains.

Safekeeping: means the holding of assets (e.g., securities) by a financial institution.

Securities Lending: means lending a security to another market participant. The borrower is required to deliver to the lender, as security for the loan, acceptable collateral with value greater than the value of the securities loaned. The Securities Lending program is managed by the Custodian or another appointed agent on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional incremental returns on the total portfolio.

Sinking Fund: means a fund established to fulfil the requirements to make annual contributions in respect of various debenture issues wherein money is to be regularly set aside for the payment of the principal of the debentures at maturity.

Sinking Fund Required Contributions (Annual Sinking Fund Requirement): means the amount of money to be set aside each year for deposit into a sinking fund or a retirement fund, as applicable, for each sinking fund debenture issue in accordance with the Municipality's debenture by-laws.

Sinking Fund Required Earnings: means the investment earnings needed for the Sinking Fund Contributions to continue to grow to a value sufficient to repay the principal at maturity for each issue of sinking fund debentures.

Sinking Fund Excess Earnings: means the investment earnings in excess of the required earnings.

Sub-Investment Manager: means an asset management firm or investment consultant, acting as a sub-investment manager for ONE JIB that provides investment advice and professional services and is involved in the implementation and operational aspects of the OCIO Offering, and that has full responsibility for the investment and management of a Participating Municipality's MNRI through ONE Investment, based on an IPS approved by the Council of the municipality.

Third-Party Trust Funds means money over which the Municipality exercises both management and policy control but whose assets are not owned by the Municipality. These funds are governed by a variety of agreements and, in some cases, by legislation. Some funds may have externally mandated investment policies, and some may have investment policies that are determined by the Municipality. Third-Party Trust Funds are listed in Schedule B of this IPS.

Trust Fund: means a fund which consists of assets that have been conveyed or assigned to a trustee to be administered as directed by agreement or statute. As a result, a trustee holds title to the assets for the purpose of providing benefits, and being accountable, to a beneficiary. The Municipality is the trustee of funds that are to be used for specific purposes by the Municipality or any related parties.

2. PURPOSE AND LEGISLATIVE FRAMEWORK

2.1 Purpose of Policy

This IPS governs the investment of the Municipality's MNRI and MRI. It is intended, among other things, to direct the Treasurer in the investment of MRI and to direct ONE Joint Investment Board (ONE JIB) in the investment of MNRI by implementing the Authorizing By-law 52-2024 Form of Authorizing and Prudent Investor Enabling By-Law pursuant to which the Municipality authorized the establishment of guidelines for the prudent management of the Municipality's MNRI pursuant to section 418.1 of the Act.

In addition to the Municipality's MRI and MNRI, the Municipality is from time to time entrusted with the management of money and investments for a third-party beneficiary, or Third-Party Trust Funds. The Municipality's Third-Party Trust Funds are listed in Schedule B of this IPS.

There are also source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Such source(s) of money, referred to in this IPS as "Designated Funds", are listed in Schedule B of this IPS. The Designated Funds and the Restricted Special Assets, listed in Schedule A of this IPS, are identified in this IPS for the sole purpose of enabling the Municipality to better see, on an aggregated basis, the various financial assets in which the Municipality has an interest.

ONE JIB is not responsible for the investment activities or performance of Third-Party Trust Funds, Designated Funds or Restricted Special Assets.

The goals of this IPS are to:

- Define and assign responsibilities for investment of MRI and MNRI;
- Describe the Municipality's responsibilities with respect to Restricted Special Assets, Third-Party Trust Funds and Designated Funds;
- Ensure compliance with the applicable legislation;
- Direct ONE JIB as to the Municipality's investment goals and risk tolerance;
- Provide guidance and limitations regarding the investments and their underlying risks;
- Establish a basis of evaluating investment performance and the underlying risks; and,
- Establish a reporting standard to Council.

This IPS applies to employees of the Municipality, to ONE JIB and to the employees of ONE Investment. ONE JIB, the Treasurer, and any agent, sub-investment manager, or advisor providing services to ONE JIB in connection with the investment of the portfolio shall accept and strictly adhere to this IPS.

2.2 Governing Legislation

Investments of MRI will only be made in Legal List Securities in accordance with this IPS and Section 418 of the Act. Investments of MNRI are governed by the Prudent Investor Standard in accordance with Section 418.1 of the Act. This standard is similar to that which governs trustees and pension fund administrators and creates a fiduciary responsibility. Prudent investment in compliance with the Act and the Regulation enhances the potential for the Municipality to earn improved risk-adjusted rates of return.

The Act provides that the Municipality, and therefore ONE JIB, must consider the following criteria in planning investments of MNRI, in addition to other criteria relevant to the circumstances:

- General economic conditions;
- The possible effect of inflation or deflation;

- The role that each investment plays within the Municipality's total portfolio of investments;
- The expected total return from income and the appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital.

Money and investments that the Municipality holds as Restricted Special Assets, Third-Party Trust Funds or has an interest in as Designated Funds will be subject to applicable legislation and any related agreements or instruments.

2.3 Prudent Investor Standard

For MNRI, the standard to be used by the Municipality and ONE JIB shall be the Prudent Investor Standard as required by section 418.1 of the Act and Part II of the Regulation in the context of managing the Municipality's MNRI and investments thereof. Investments shall be made with the care, skill, diligence, and judgment, taking into account the prevailing circumstances, that persons of prudence, discretion and integrity would exercise in the management of investments, considering the necessity of preserving capital as well as the need for income and appreciation of capital. The Act includes a duty to obtain the advice that a prudent investor would obtain under comparable circumstances.

Officers, employees and investment agents acting in accordance with written procedures and the IPS and exercising due diligence shall take all necessary actions to optimize performance of investments on a portfolio basis, taking into account the prescribed risk and other parameters set out in this IPS and market factors. The Municipality's staff acting in accordance with written procedures and this IPS, shall be relieved of personal responsibility for an investment's performance, provided underperformance relative to expectations is reported to Council and the liquidation or sale of investments is carried out in accordance with this IPS.

3. MONEY REQUIRED IMMEDIATELY AND MONEY NOT REQUIRED IMMEDIATELY

3.1 Determination of MNRI and MRI

Determination of the Municipality's MNRI is the responsibility of Council. In making the determination, Council may consider:

- the time horizon within which the monies are needed to meet financial obligations;
- the purpose for which the monies have been collected or set aside and are to be used;
- the source of the money; or
- any combination of the foregoing

The Municipality has defined MNRI as money from the municipality's own reserves, reserve funds and current ONE Investment investments that will not be required to meet financial obligations that become due more than three (3) years from the date of receipt

of such money. The purpose of the money is to fund the municipality's future capital, operational, and contingency needs.

For certainty, all money and investments of the Municipality that have not been identified as MNRI (other than Restricted Special Assets, Third-Party Trust Funds and any Designated Funds referenced in Section 2.1) shall be deemed for purposes of this IPS to be MRI.

Determination of the Municipality's MNRI and MRI may be modified at any time and from time to time by action of Council and with respect to specific money by the Treasurer in accordance with the provisions of Section 6.2.

Any changes in this IPS regarding the Municipality's MNRI and MRI must be communicated immediately in writing to ONE JIB.

3.2 Overview of Portfolios

The Municipality's portfolios represent funds available to support Municipal needs. A high-level description of each of these portfolios and their objectives is provided in Section 5 below. This IPS applies to the following money of the Municipality, its agencies, boards and commissions including:

- MRI which is invested in Legal List Securities; and/or
- MNRI which is invested under the Prudent Investor Standard.

4. ROLES AND RESPONSIBILITIES

4.1 Role of ONE JIB

ONE JIB has been appointed by the Municipality in accordance with the requirements of the Act and the Regulation and on the terms and conditions set out in the ONE JIB Agreement (Appendix 1).

ONE JIB exercises control and management of the Municipality's MNRI and the investments made by it in accordance with the objectives and risk tolerance established in this IPS.

Among the responsibilities of ONE JIB are the following:

- Reviewing this IPS;
- Adopting and maintaining an Investment Plan that complies with this IPS;
- Engaging Custodians, administrators and other investment professionals (i.e. Agents);
- Allocating the money and investments under its control and management in compliance with this IPS;
- Monitoring the performance of the OCIO Offering and Agents; and,
- Reporting to the Municipality.

The foregoing is subject to the more detailed terms and conditions contained in the ONE JIB Agreement.

4.2 Role of Municipal Staff

This IPS is approved and adopted by Council with input from the Treasurer, and from ONE JIB with respect to MNRI. MRI of the Municipality, in addition to any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in Section 2.1, remain under the control and management of the Treasurer.

Consistent with this IPS, the Treasurer is responsible for the implementation of the investment program and the establishment of investment procedures which shall include:

- Investment management of MRI and any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in Section 2.1 by, or under the direction of, the Treasurer;
- The deposit or withdrawal of MNRI, under the explicit delegation of authority regarding MNRI, and the investment thereof, to ONE JIB, which is responsible for the control and management of such funds and investments; and,
- A system of controls exercised by the Treasurer to regulate the activities of subordinate officials.

No person including, without limitation, ONE JIB, may engage in an investment transaction except as provided under the terms of this IPS.

In the management of MRI of the Municipality, and any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in Section 2.1, the Treasurer may engage one or more agents and service providers. ONE Investment can assist with the investment of the Municipality's MRI, in Legal List Securities, and with the investment of Third-Party Trust Funds, in accordance with the terms of the applicable trust, if permitted, at the request of the Municipality.

4.3 Ethics and Conflicts of Interest

Individuals who are responsible for the Municipality's MRI Investment Portfolio shall comply with the Municipality's Conflict of Interest guidelines and any relevant professional codes of conduct (e.g., the CPA Code of Professional Conduct).

ONE JIB, in its capacity as a joint municipal service board, in addition to being a local board of each member Municipality is subject to a Code of Conduct as required by the Act. This Code of Conduct applies to the Chair and the other Members of ONE JIB acting in their capacity as Members of ONE JIB.

5. INVESTMENT

5.1 MRI

The Municipality's MRI is described in this IPS consists of money that is needed to meet the short-term financial obligations of the Municipality and are controlled and managed by the Treasurer.

5.1.1 MRI: Investment Objectives

The main focus of the investment of MRI is cash management, and the interest income generated by the investment of these monies contribute to municipal revenues. To the extent possible, the Municipality shall attempt to match its investments with anticipated obligations.

Capital preservation is the paramount objective for MRI investments, and these investments need to be highly liquid. Consequently, only high-quality investments that are also Legal List Securities will be held in this portfolio. The Municipality may invest in fully liquid money market securities and deposit accounts. The Municipality aims to maximize returns subject to the constraints set out in Part I of the Regulation, as amended from time to time, with a view to preserving capital and to further manage risk through diversification by issuer and credit quality.

The investment objectives for MRI, ranked in priority, are as follows:

a) Security of Principal

The primary objective for MRI is to ensure the security of principal. To minimize the risk of loss, investments shall be subject to minimum credit ratings and shall be diversified by maturity, type of investment and issuer. Investing activities will be reviewed on a regular basis as actual, revised and forecasted operating and capital plans are completed. Maturity dates should be structured so that investment cash inflows occur when needed.

b) Liquidity Requirements

Liquidity is measured by the ease with which securities can be converted to cash to meet forecasted spending. The investments that are eligible under the Regulation possess different features and thus market prices will vary depending on market conditions, as well as the particular features of the type of investment.

To ensure adequate liquidity, the Municipality's investments shall be diversified by holding securities of various terms to maturity and by various types of investments and issuers and to the extent possible, the term of such investments shall match the forecasted requirements for such monies to meet expenditures.

c) Rate of Return

The Municipality's money shall be invested to maximize the rate of return within acceptable risk levels while respecting the security of principal, legal constraints and the liquidity needs of each investment portfolio.

The composition of each portfolio, including its term to maturity and type of investments, shall be adjusted within the guidelines of this IPS to take advantage of market opportunities. Such changes shall be made with the periodic interest rate outlook and target portfolio structure approved by the Treasurer.

5.1.2 MRI: Eligible Investments

MRI may be invested in high quality, investments that are also Legal List Securities available from banks, dealers and other financial institutions. Investments issued or

guaranteed by approved institutions will be permitted by this IPS, as deemed eligible by the Regulation or as authorized by subsequent provincial regulations. Investments will be limited to securities issues maintaining a minimum credit rating by an appropriate credit rating agency.

Eligible investments include, but are not limited to, the following offerings by ONE Investment:

- ONE Investment High Interest Savings Account; and
- ONE Investment Canadian Government Bond Portfolio

Investment in the foregoing is subject to the Municipality entering into the prescribed Agency Agreement with LAS and CHUMS.

5.2 MNRI

The Municipality's MNRI is described in Section 3.1. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the MNRI and the investments made therewith.

From time to time, the Municipality may require money immediately to meet financial obligations and may require ONE JIB to liquidate one or more investments in order to generate money to meet those obligations. ONE JIB will select the investment(s) to be liquidated. The timing of such liquidation will be determined by ONE JIB in consultation with the Treasurer.

5.2.1 MNRI: Investment Objectives

In setting the objectives noted below, the Municipality has taken into account the following considerations:

- Preservation of capital;
- Adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements;
- Diversification by asset class, market, sector, issuer, credit quality and term to maturity;
- Income and capital appreciation; and,
- Macro risks, such as inflation, economic growth and interest rates.

Investment of MNRI is managed by ONE JIB in a way that balances investment objectives, expected returns, and risk to develop asset allocations that achieve the Municipality's financial objectives within stated risk tolerances.

The overall MNRI portfolio investment horizon shall be in line with the nature of the Municipality's forecasts and underlying liabilities. The risk tolerance to capital losses is to be minimized while weighing the benefits of higher expected returns over a longer investment horizon.

Investment of MNRI is to be managed by ONE JIB in a way that balances the investment objectives with a level of risk that is appropriate for the municipality. The MNRI invested with ONE JIB will be broadly diversified to help reduce the volatility of investment returns. Returns have an impact on revenues, as well as a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. To the extent possible, the MNRI's investment horizons are aligned with the Municipality's obligations and cash flow requirements and may consist of liquid and non-liquid securities based on future cash flow requirements.

5.2.2 *MNRI: Eligible Investments*

Eligible investments for MNRI include any Pooled Fund or other collective investment vehicle or institutional investment management product approved or selected by ONE Investment for the Prudent Investment Program (OCIO Offering), provided always that the products and the selection of products comply in all material respects with the IPS.

Additionally, nothing in this IPS prevents MNRI from being held in cash, short term money market instruments, including treasuries or overnight deposits.

5.2.3 *MNRI: Sinking Funds*

Not Applicable to this Municipality

5.2.4 *Local Distribution Corporation (LDC) and Municipal Services Corporation (MSC) Securities*

Not Applicable to this Municipality

5.2.5 *Restricted Special Assets*

With the exception of the Municipality's investments held in the ONE Investment Legal List Portfolios specified below, all existing assets, listed in Schedule A of this IPS and held by the Municipality on the Prudent Effective Date, shall be considered to be Restricted Special Assets, and shall *not* be held by ONE JIB as MNRI. The Treasurer may choose to liquidate these investments and determine that the proceeds are MNRI, to be invested as per this IPS and the approved ONE JIB Investment Plan.

For certainty, Restricted Special Assets are not MNRI of the Municipality, and such assets are not under the control or management of ONE JIB.

The ONE Investment Legal List Portfolio Investments, held by the Municipality, shall be considered to be MNRI and transferred to ONE JIB to be invested as MNRI, unless deemed by the Municipality to be MRI.

5.3 *Third-Party Trust Funds and Designated Funds*

In addition to the Municipality's own money, the Municipality is from time to time entrusted with Third-Party Trust Funds, and the Municipality's responsibilities and obligations with respect thereto may be subject to other legislation and governed by other agreements and instruments. To the extent that there is any conflict or

inconsistency between the provisions of this IPS and the terms and conditions contained in such other legislation, agreements or instruments applicable to Third-Party Trust Funds, the latter shall prevail.

The Municipality's Third-Party Trust Funds, the Designated Funds are listed in Schedule B.

For certainty, the Third-Party Trust Funds and the Designated Funds are not MNRI of the Municipality, and such assets are not under the control or management of ONE JIB.

5.4 Investment Management

5.4.1 Investment Management of MRI

The investment of MRI shall be controlled and managed by the Treasurer.

5.4.2 Investment Management of MNRI

The investment of MNRI shall be controlled and managed by ONE JIB in accordance with this IPS and the ONE JIB Agreement.

The selected Sub-Investment Manager shall enter into an agreement with ONE Investment related to the OCIO Offering, that complies with this IPS and Part II of the Regulation and will provide compliance and performance reports to ONE JIB and One Investment. ONE JIB shall make any investment management changes deemed in the best interest of the Municipality.

5.5 Transition to Prudent Investor Regime / OCIO Offering

Until the Prudent Effective Date, the Municipality will continue to control and manage its MRI, MNRI and investments in Legal List Securities. Some Legal List investments were made with MRI and some with MNRI.

During the transition to the OCIO Offering the Chair and Vice-Chair of ONE JIB have discretionary power to approve temporary investments recommended by the Sub-Investment Manager that may not be expressly described in this IPS but are, in the opinion of the Chair and Vice-Chair, in the best interests of the Municipality and are entirely consistent with their fiduciary obligations to the Municipality.

All MNRI that is not Third-Party Trust Funds, Designated Funds or Restricted Special Assets shall be provided to ONE JIB on the Prudent Effective Date.

5.6 Investment Constraints

5.6.1 Environmental, Social and Governance (ESG) Investing

The Municipality supports ESG investing for MRI and MNRI. The Municipality believes that well-managed companies are those that demonstrate high ethical and environmental standards and respect for their employees, human rights, and the communities in which they do business, and that these actions contribute to long term financial performance.

For the investment of MRI, the Municipality has chosen to monitor the developments of ESG factors and will reconsider its approach to ESG investing for the MRI Investment Portfolio as and when appropriate to do so.

For the investment of MNRI, ONE JIB is required to explore and consider how the OCIO is implementing responsible investing principles at the time of hiring and during periodic reviews. It may report on results periodically, if requested.

5.6.2 *Securities Lending*

For the investment of MRI, Securities Lending is not permitted.

For the investment of MNRI, the Municipality may invest in pooled funds, and other investment funds that are managed by the Sub-Investment Manager who may engage in Securities Lending if the policies of the OCIO permit such an action.

5.6.3 *Derivatives*

Derivatives shall not be used for the investment of MRI.

For the investment of MNRI, futures and forwards contracts, options and other derivative instruments may only be used to (a) create an asset mix position that does not leverage the portfolio, (b) replicate the performance of a capital market index, or (c) reduce risk as part of a hedging strategy

5.6.4 *Use of Leverage*

Nothing in this IPS prevents the use of leverage, provided it is prudent to do so. Leverage is inherent in the use of certain types of investment strategies and instruments. Where leverage is employed, ONE JIB (for MNRI) and the Treasurer (for MRI) shall have in place monitoring procedures to manage overall exposure to any counterparty. Leverages should not be exercised for speculative purposes but may be used as a hedging tool.

5.6.5 *Pooled Funds*

Investments in open-ended pooled funds, closed-ended pooled funds, limited partnerships and other specialist corporate structures (e.g. LLCs), are permitted provided that the assets of such funds are permissible investments under this IPS or provided that any non-permitted investments are disclosed by the Sub-Investment Manager. Within pooled funds, the External Portfolio Manager's policies will take precedence over this IPS.

5.6.6 *Currency Hedging*

The MRI Investment Portfolio will not utilize currency hedging.

The Municipality's funding requirements are in Canadian dollars. However, some exposure to foreign currencies in the MNRI Investment Portfolio may be advantageous to provide diversification and potentially enhance returns. Therefore, it shall not be a violation of this IPS for investments in global mandates to be unhedged, in whole or in

part, where the diversification benefits embedded in the currency exposure are considered to be beneficial or desirable by ONE JIB.

5.6.7 *Alternative Asset Classes*

The applicable legislation does not prevent the direct / indirect placement of the MNRI in Alternative Assets Classes; this IPS restricts investments in alternative investments for the purpose of management of MNRI under ONE JIB.

Alternative Asset Classes, such as infrastructure or real estate, may have uncorrelated return characteristics with traditional Asset Classes that may improve diversification within the portfolio, which may lead to better risk adjusted returns. Typically, these investments may not be fully liquid, and are only appropriate for inclusion in portfolios with long investment horizons.

5.6.8 *Prohibited Investments*

Investments are not prohibited, unless they are not compliant under section 418 and section 418.1 of the Municipal Act.

5.7 Performance Monitoring, Rebalancing and Management

5.7.1 *MRI*

The performance benchmarks may vary from time to time, as decided by the Treasurer, subject to the investment constraints listed in the IPS.

5.7.2 *MNRI*

For the investment of MNRI, ONE JIB shall establish parameters for monitoring investments and rebalancing through policy or directly within the Investment Plan.

Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. At minimum, ONE JIB shall provide reporting described in Section 6.7 below that shows the Municipality's holdings, confirms compliance with this IPS, and reports on the Sub-Investment Manager's performance.

6. ADMINISTRATIVE POLICIES

6.1 Flow of Money and Annual Municipal Budget

6.1.1 *Transfer to ONE JIB as Part of Annual Review Process*

On an annual basis, as part of the Municipality's Annual Review process, the Municipality shall identify the amount, if any, of MNRI that it holds. Any MNRI not already under the control and management of ONE JIB shall be transferred to ONE JIB as soon as practicable.

6.1.2 *Transfer to Municipality as Part of Annual Review Process*

On an annual basis, ONE JIB shall be notified by the Treasurer as to the amount, if any, required by the Municipality from the MNRI then under the control and management of ONE JIB for the Municipality's operational purposes. Such amount shall be deemed to be MRI and shall be returned to the Municipality in a lump sum or by way of periodic payments, as directed by the Treasurer.

6.2 Flow of Money Otherwise than through the Budget Process

6.2.1 *Surplus Funds*

The MRI captures revenues received by the Municipality during each year after the approval of the Municipality's budget for the year. Any amounts deemed to be MNRI by the Treasurer at any such time during the year shall be transferred to ONE JIB to be under its management and control as MNRI. Amounts so transferred will be recorded annually in the Investment Plan and allocated by ONE JIB in accordance with the Investment Plan.

6.2.2 *Contingencies*

The Treasurer is authorized to direct ONE JIB to return any amounts determined by the Treasurer to be required to meet expenditures for unexpected contingencies not anticipated by the Municipality's budget in force for that year, provided however that the aggregate of the amounts to be returned to the Municipality under this Section 6.2.2 during the year shall not exceed 25% of the MNRI under the control and management of ONE JIB as at the date that the Municipality approved its budget for the year (the Budgeted MNRI). In determining the Budgeted MNRI for purposes of calculating the 25% limit, any MNRI to be transferred to the control and management of ONE JIB in accordance with that year's Annual Review pursuant to Section 6.1.1 above shall be included and any amount to be returned by ONE JIB to the Municipality pursuant to Section 6.1.2 shall be excluded. ONE Investment should be made aware of material transactions in advance to ensure the orderly sale of securities to fund withdrawals.

6.3 Valuation of Investments

Investments shall be valued according to the values provided by the Sub-Investment Manager. For the investment of MNRI, values of unitized vehicles shall be valued according to the unit values published by the Sub-Investment Manager. Other investments shall be valued at their market value when that is available from regular public trading. If a market valuation of an investment is not available, then a fair value shall be supplied by the Sub-Investment Manager to ONE Investment no less frequently than quarterly.

6.4 Voting Rights

The Sub-Investment Manager shall assume the responsibility of exercising voting rights in respect of the Municipality's MNRI and will report its voting policies to ONE JIB annually. The Municipality may access these policies at any time.

6.5 Internal Controls

The Treasurer shall establish an annual process of review of all investments made under this IPS. This review will provide internal control by assuring compliance with governing legislation and with policies and procedures established by the Treasurer. To the extent ONE JIB's input is needed, these requirements will be communicated in advance to ONE JIB.

6.6 Custodians

All municipal investments and assets of the investment portfolios may be held by a Custodian and any of the Custodian's sub-custodians or nominees. For MNRI, the Custodian shall be acceptable to ONE Investment. For MRI the Custodian shall be acceptable to ONE Investment, if ONE Investment is administering the investment of the Municipality's MRI; otherwise the Custodian shall be acceptable to the Municipality.

6.7 Reporting

6.7.1 MRI

For the investment of MRI, the Treasurer shall report at least annually to Council, the report to be in a form and contain such content as Council may request. The report to Council shall include investment performance during the period covered and any other information required under the Regulation and that the Treasurer may consider to be pertinent.

6.7.2 MNRI

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of MNRI at least annually. This report shall include the following.

- Investment performance during the period covered by the report;
- Asset mix of the total portfolio;
- A listing of individual investments held at the fund level at the end of the reporting period showing, where appropriate, book value, market value, realized/unrealized gains/losses and actual income received;
- A list of all transactions including the security name, trade date, and the purchase and/or sale price;
- A statement by the Treasurer as to whether all investments were made in accordance with the IPS and as to whether all investments were made in accordance with the Investment Plan; and
- Any other pertinent information in the opinion of the Treasurer.

All MNRI or MRI invested on behalf of the Municipality by ONE JIB or with the assistance of ONE Investment shall be held for safekeeping in the name of the Municipality by a Custodian.

7. APPROVAL, SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE

7.1 Revocation / Amendment of Previous Investment Policy

This IPS amends, and restates as so amended, the existing Investment Policy Statement approved by Council on October 21, 2024.

7.2 Modifications to the IPS

At least annually, Council shall review the IPS and update it, if required. In the course of reviewing the IPS, Council may request comments from the Treasurer with respect to the investment of MRI and from ONE JIB with respect to the investment of MNRI.

Following the Council's review of the IPS, ONE JIB shall review the Investment Plan and update it, if required.

At a minimum, the annual IPS review will consider:

- the adequacy of funding for capital works;
- the Municipality's ability to reduce other spending;
- flexibility of the timeframe to payout; and
- sensitivity to loss.

7.3 Effective Date

This IPS is adopted by Council of the Municipality effective October 21, 2024. The Treasurer is directed to sign a copy of this IPS to evidence approval and to deliver a copy of this IPS to ONE JIB.

Rachelle Gagne

Signed by:



[Title: Treasurer]

October 21, 2024

Date

Schedule A

Restricted Special Assets

Not Applicable to the Municipality

Schedule B

Third-Party Trust Funds and Designated Funds

Third-Party Trust Funds

Woodlands Cemetery Trust Fund
Red Lake Cemetery Trust Fund
Memorial Trust Fund
Health Care Trust Fund
Election Trust Fund

Designated Funds

Not applicable to the Municipality

Appendix 1: ONE JIB Agreement

Municipal Client Questionnaire (MCQ)

The MCQ is part of the ONE Investment / ONE JIB annual Investment Plan review (approval) process. The MCQ along with the Council approved (reviewed) Investment Policy informs ONE JIB of the municipal circumstances to consider with the approval of the Investment Plan.

During the year, outside of the annual review, please update the MCQ within 90 days if the municipality experiences any significant changes, *including a significant change in your municipality's financial circumstances, or significant change in the amount of your municipality's "money that it does not require immediately"*. For changes between annual reviews, provide written notice of changes by using the in-year MCQ update form on the last page of this document.

Section 1 – Client Information

Name of Municipality: Municipality of Red Lake

Address: 2 Fifth St, Balmertown, ON P0V1C0

Treasurer Information

Name: Trilbee Stirling-Kattler

Phone Number: (807) 400-4873 Extension: _____

Email: trilbee.stirling-kattler@redlake.ca

Primary Day to Day Contact Information*



Check if same information as Treasurer above

Name: _____

Phone Number: _____ Extension: _____

Email: _____

*Primary day-to-day contact should have a comprehensive understanding of your Municipality's financial position and investment needs.

Section 2 - Investment Knowledge and Experience

2.1 Which statement best describes the Municipal staff (person most responsible for managing investments)'s level of investment knowledge and experience with financial markets and products? *Please check one*

- ☐ Very limited knowledge
- ☒ Basic knowledge and minimal experience
- ☐ Good knowledge and some experience
- ☐ Strong knowledge and experience
- ☐ Advanced knowledge and extensive experience

2.2 If Municipal staff have strong or advanced knowledge, please describe where this knowledge was acquired (e.g., education, designations experience).

2.3 Please indicate if your municipality has used / held any of the following investment types within the past five years. *Please check all that apply.*

- ☒ Canadian money market securities
- ☒ Locked-in Investments (e.g., GICs, PPNs etc.)
- ☐ Local Distribution Corporation Securities (LDC securities)
- ☐ Securities held in third party trusts (i.e., cemetery trust, legacy fund etc.)
- ☒ Fixed income (government and/or corporate bonds)
- ☒ Equities
- ☐ Other – Please Describe

Section 3 – General Municipal Information

This section provides some high-level demographic information on the municipality

3.1 What is the population of the Municipality? 4,100

3.2 Is your municipality a single tier, upper tier or lower tier? Single Tier

3.3 How much does a 1% tax rate increase generate? \$ 112,825

3.4 Is there any other demographic information about your municipality you would like the ONE JIB to know?
(optional)

The Municipality's Industrial class is currently in levy restriction, meaning (very broadly) any tax increases are limited to half of what other classes experience. As an example, if we implemented a 5% tax increase, residential would experience roughly a 5% increase where as the industrial class would only realize a 2.5% increase.

Our municipality has a high number of transient workers (Fly-In, Fly-Out) who work at the mines. These workers provide a limited contribution economically to the municipality as they eat, sleep and work at the mine but utilize our services (recreation, health care etc). This work force is not accounted for in any provincial/federal funding. It is expected that the number of transient workers in the area will increase given the projected economic growth of our area (Berens River bridge connecting Red Lake to 7 first nations and the Frontier Lithium mine north of us, new mine construction and the recently accounted new hydro transmission line)

Section 4 – Municipal MNRI Information

4.1 This section summarizes the current MNRI under the management and control of the ONE JIB and the projected change identified in the annual review. *The total value should equal the total MNRI shown in Question 5.1 Investment Objectives and Horizon*

Description	Value
Portfolio Value (A) - For existing municipalities this is the amount currently invested with ONE JIB as of your last monthly statement. - For new municipalities this should be \$0	\$ 2,642,271
Change to MNRI: Additional contribution (+) or withdrawal (-) (B) - For existing municipalities this is the MNRI change identified during the annual review (fund transfers are typically completed with 30 days of ONE JIB's approval of the updated investment plan) - For new municipalities, this equals your initial deposit as of the Prudent effective date (TBD)	\$ 0
Total MNRI under the management and control of ONE JIB (A + B)	\$ 2,642,271

☐ Additional details have been included as an attachment to this MCQ (optional).

4.2 Use this *optional* box to provide any additional MNRI details related to 4.1 above (in lieu of a separate attachment)

Reserve balances and planning horizon are consistent with 2025

Section 5 – MNRI Investment Objectives and Liquidity Needs

This section asks about your Municipality's MNRI, the purpose or investment objective and the expected investment horizon or when funds may be required to meet forecasted municipal obligations.

5.1 What is the Municipal *funding objective(s), investment horizon(s) and purpose(s)* for the MNRI? *The total MNRI value should equal the total MNRI shown in Question 4.1 Municipal MNRI Information*

MNRI by Investment Horizon

Description	Total MNRI (\$) (A+B+C) <i>auto calculate</i>	Investment Horizon < 5 Years (A)	Investment Horizon 5-10 Years (B)	Investment Horizon >10 Years (C)
Contingency	\$ 550,000			\$ 550,000
Airport	\$ 2,092,271	\$ 1,025,000	\$ 1,067,271	
	\$ 0			
	\$ 0			
	\$ 0			
Total MNRI - <i>auto calculate</i>	\$ 2,642,271	\$ 1,025,000	\$ 1,067,271	\$ 550,000

Note – Description is up to the municipality, it could be total MNRI (one line) or broken out into the funding objective/investment purpose, or municipal reserve name/group (multiple lines)

☐ Additional details have been included as an attachment to this MCQ (optional).

5.2 Based on *current* municipal forecasts, please provide details that may help inform the ONE JIB about ***potential drawdowns/additions to MNRI*** that may be anticipated in future years.

Cash Flow Projections Potentially Affecting Future MNRI

Description	Next Year	2 years	3-5 years	5-10 years	10 years +
Anticipated MNRI Drawdowns (-)	\$ 75,000	\$ 75,000	\$ 875,000	\$ 1,067,271	
Anticipated MNRI Contributions (+)					
Net Change to MNRI	\$ 75,000	\$ 75,000	\$ 875,000	\$ 1,067,271	\$ 0

5.3 Does the municipal forecasts used (above in 5.2) reflect

☒

Drawdowns of current reserve balances, or

☐

Drawdowns of current reserve balances inclusive of projected future budgetary contributions

5.4 What *assumptions or factors* do your municipality include in the MNRI cash flow projections? For example, but not limited to, inflation assumptions on capital projects, assumptions on future tax-based reserve contributions, forecasted development charge revenue etc.

5.5 Does your municipality forecast beyond 5 years, if yes, what is the level of accuracy?

Not presently

5.6 Does your current municipal forecast include any large (or unusual) capital expenditures, which are outside of normal operations?

☒ Yes ☐ No

5.7 Do you anticipate any *potential* change in *liquidity needs* in the future (i.e. within 2 years, within 5 years or beyond 5 years) which may impact on the investment time horizon? An example could be a large capital infrastructure project with timing TBD, or with grant funding pending etc. If yes, please elaborate.

Yes

- Infrastructure to support new housing/commercial development
- New landfill site in partnership with Pikangikum First Nation
- Construction of new arena/renovation of existing arena
- Development of industrial lands

5.8 How does your Municipality manage unanticipated requests for funding? Can you characterize the probability that your municipality may need to draw down MNRI to fund unexpected budget shortfalls?

Unlikely - categorize funds specifically for unplanned expenditures and MRI

Review request and determine financial capacity to achieve. If not feasible, defer to future year or reduce service level

5.9 Are there any *other unique circumstances* to your municipality that may impact your cash flow MNRI forecast, return objectives and risk tolerance that the Investment Plan should consider?

Expansion of mining activity, construction of new hydro transmission line, and Berens River Bridge and Roads project to provide year round access to 7 First Nations and Lithium mine north of Red Lake.

Completed community capacity study in 2025 - anticipated growth from 4,100 to 5,900 over the next 10 years (with peak growth occurring in the next 3 - 5 years). Current housing stock of about 1,800 units, estimated to need an additional 890 prior to 2037. Estimate cost to develop (per ha) is \$850,000.



Municipal Client Questionnaire (MCQ)

Section 6 – Acknowledgement

I confirm that information provided to ONE Investment in this form is complete and accurate to the best of my knowledge as at the date below.

Dated this 25 day of June, 202026

Trilbee Stirling-Kattler

A handwritten signature in black ink, appearing to read "Trilbee Stirling-Kattler", is written over a horizontal line.

Digitally signed by Trilbee
Stirling
Date: 2026.06.25 09:12:35
-05'00'

Name and Signature of Treasurer

Second Signature (if required)

Appendix 1 – In-year MCQ Updates Form

Please provide details below that explain the nature of your requested change. This should describe: the money involved, the timing of transactions required, and any other context to support the change request. This will allow ONE JIB to understand how this update may change the cashflow characteristics or investment horizons of MNRI relative to your current MCQ and Investment Plan.

Acknowledgement

I confirm that information provided to ONE Investment in this form is complete and accurate to the best of my knowledge as at the date below.

Dated this _____ day of _____, 20_____

Name and Signature of Treasurer

Second Signature (if required)

Attachment 6

INVESTMENT PLAN FOR

The Municipality of Red Lake

DATE: September 10, 2026



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1

DEFINITIONS

Definitions applicable to this Investment Plan can be found on the ONE Investment webpage under Education & Training / Glossary.

2

PURPOSE

As required under the prudent investor regime authorized by the Municipal Act, 2001 (Act), and Ontario Regulation 438/97 (Regulation), this Investment Plan (Plan) establishes how ONE JIB will invest The Municipality of Red Lake's Money Not Required Immediately (MNRI) as defined in Section 3.1 of Red Lake's Investment Policy (Policy).

This Plan applies to all investments controlled and managed by ONE JIB on behalf of the Municipality of Red Lake.

3

RESPONSIBILITY FOR PLAN

This Plan is the responsibility of ONE JIB, which has authorized its agent, ONE Investment, to exercise its administrative investment functions in accordance with the Regulation. ONE JIB oversees ONE Investment staff using procedures, reports, and regular reviews to monitor compliance with the Act, the Regulation and the Municipality of Red Lake's Policy.

ONE Investment has engaged PH&N Institutional to provide OCIO services. PH&N Institutional is the business division of RBC Global Asset Management responsible for managing assets for Canadian institutional clients. PH&N Institutional will be involved in implementing the Investment Plan, monitoring and reporting investments, and providing ancillary services to support the OCIO Offering.

RBC GAM's investment professionals are committed to providing each client with investment solutions that are appropriately tailored to address the client's investment situation. This means understanding macroeconomic trends and strategies and the diverse and evolving investment needs of clients.

4

INVESTMENT GOALS AND OBJECTIVES

The Municipality of Red Lake's investment needs, as described in its Investment Policy, provide Council's guidance to ONE JIB in determining investment allocations. Further guidance from the Municipal Client Questionnaire (MCQ) and dialogue with the Treasurer inform ONE JIB about the municipality's current goals, objectives, circumstances, and risk tolerance, and help determine investment allocations. The allocation of Red Lake's MNRI in this Plan is consistent with the details as disclosed in their Investment Policy and MCQ. Section 5.2.1 of their Investment Policy provides specific information that characterizes the objectives for MNRI, as detailed in Table 1 below:

Table 1: The investment objectives for MNRI.

Category	Objective & Risk Tolerance
Objectives for overall MNRI	• Preservation of capital • Provide adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements • Diversification by asset class, market sector, issuer, credit quality, and term to maturity • Achieve capital appreciation and income while managing risk to an appropriate level.

The MNRI invested with ONE JIB will be broadly diversified across asset class, market, sector, issuer, credit quality, and term to maturity to help reduce investment return volatility. Returns impact revenues and have a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. The MNRI shall be invested to obtain a progressively higher rate of return for longer-term investment horizons, commensurate with stated risk tolerances.

The MNRI balances will be invested primarily to achieve capital growth over time. Achieving returns above inflation is a key investment objective, but near-term liquidity from investments likely will not be required.

5

INVESTMENT PORTFOLIO

Asset allocations are typically expected to be relatively stable until the next annual review. Any contributions or withdrawals of MNRI must be communicated to ONE JIB formally as outlined in the ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy

5.1 Account Structure

MNRI Investment Horizon	Risk Tolerance / Model Assigned	Allocation
Consolidated MNRI Holdings	Model D (40% Equity) assigned.	\$2,722,597

Other considerations:

- Red Lake will not be making any contributions this year or in future years.
- It expects to withdraw MNRI of \$75,000 next year and the following year.
- Drawdowns of \$875,000 are expected to occur in 3-5 years, with a further \$1,067,271 needed in years 5-10.
- Red Lake's Policy restricts the use of long-term alternative investments, which will not be used in their allocation.
- A very large portion of MNRI (over \$1 million) represents reserves related to intended spending
- A very large portion of MNRI (over \$1 million) represents reserves related to intended spending on the airport infrastructure.
 - Planning is commencing over the next couple of years
 - Drawdowns for this project *may* start in less than five years.
 - There is some uncertainty about the spending timeline, with the possibility that the spending could be deferred or the full amount projected not being fully spent.
 - Potentially, some of the intended spending might be funded by grants. This creates uncertainty about the size of the intended drawdowns.
- Red Lake's economy is benefiting from the strength in the gold price, which has supported the activity of gold mining in the area.
 - This has supported economic activity for the municipality, and further growth is expected.
- They have completed their community capacity growth plan. Growth had been projected to increase to 15 thousand in the next 10-15 years, but the more realistic target is 6 thousand.
- The potential for large drawdowns beyond 5 years has influenced the allocation assigned.
 - Clarity on the amount of timing of spending on the airport may lead to revisions to the recommended allocation in future years.

- Red Lake's MNRI has been deployed into Model D since January 2025 when funds were originally allocated. This Investment Plan update confirms that an allocation to Model D remains appropriate based on the needs and circumstances.

5.2 Allocations

40% EQUITY MODEL (D)			
Asset Classes	Minimum (%)	Target Weight	Maximum (%)
Cash & Equivalent	0	0%	10
Canadian Fixed Income	35	45%	55
Global Fixed Income and Credit	5	15%	25
Canadian Equities	10	20%	30
Global Equities	10	20%	30
Alternatives	0	0%	0
Total		100%	

* Further details on holdings and benchmarks for this model are detailed in a ONE JIB report approved on September 4, 2025. ([Model Portfolio Review 2025](#)).

6

APPLICABLE ONE JIB POLICIES

The Plan adheres to the following ONE JIB Policies subject to periodic review and updating and are posted to the ONE Investment website.

- ONE Anti-Money Laundering Policy
- ONE JIB Fund Deviation Policy
- ONE JIB Principles of Good Benchmarks Policy
- ONE JIB Withdrawals of MNRI Policy
- ONE JIB In-Kind Securities Policy
- ONE JIB Responsible Investment Policy
- ONE JIB Policy for Reviewing the External Sub-Investment Manager
- ONE JIB OCIO Compliance Monitoring Policy

7

ELIGIBLE FUNDS

The eligible funds are listed under Schedule “A” of the Investment Management Agreement between RBC Global Asset Management Inc. and ONE Investment, which may be reviewed and updated periodically.

In asset classes where more than one fund is eligible for investment, the OCIO will be responsible for determining which fund(s) to include in the client portfolio after due consideration for (1) the individual characteristics of the fund, (2) prevailing market conditions impacting the fund’s liquidity and capacity, and (3) its alignment with the Municipality’s investment objectives and philosophy.

The Manager shall manage the RBC GAM Fund(s) according to the pooled fund investment mandate including the investment guidelines contained therein developed by the Manager in respect of each RBC GAM Fund (each, an “Investment Mandate”).

Asset Classes	Sub-Asset Classes	Eligible Fund Names (Schedule “A” of IMA)
	Fixed Income	
Cash & Equivalent	Money Market	PH&N Canadian Money Market Fund
Canadian Fixed Income	Short-Term Bonds	PH&N Short Term Bond & Mortgage Fund RBC Vision Fossil Fuel Free Short Term Bond Fund
	Universe Bonds	PH&N Bond Fund PH&N Enhanced Total Return Bond Fund RBC Vision Bond Fund RBC Vision Fossil Fuel Free Bond Fund
	Corporate Bonds	PH&N Corporate Bond Trust*
	Private Placement Corporate Debt	PH&N Private Placement Corporate Debt Fund*
	Commercial Mortgages	PH&N Mortgage Pension Trust* RBC Commercial Mortgage Fund*
Global Fixed Income and Credit	High-Yield Bonds	RBC High Yield Bond Fund PH&N High Yield Bond Fund
	Global Multi-Asset Credit	BlueBay Total Return Credit Fund
	Global Bonds	RBC Global Bond Fund
	Emerging Markets Bonds	RBC Emerging Markets Bond Fund

	Equities	
Canadian Equities	Canadian Equities	PH&N Canadian Equity Value Fund PH&N Canadian Equity Fund RBC Vision Canadian Equity Fund RBC QUBE Canadian Equity Fund
	Canadian Low Volatility Equities	RBC Vision QUBE Fossil Fuel Free Low Volatility Canadian Equity Fund RBC QUBE Low Volatility Canadian Equity Fund
Global Equities	U.S. Equities	PH&N US Equity Fund RBC QUBE US Equity Fund
	U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Fund
	International Equities	RBC International Equity Fund RBC International Equity Index Fund RBC QUBE International Equity Fund
	Global Equities	RBC Global Equity Focus Fund RBC Global Equity Leaders Fund RBC Vision Global Equity Fund RBC Vision Fossil Fuel Free Global Equity Fund RBC QUBE Global Equity Fund
	Global Low Volatility Equities	RBC QUBE Low Volatility Global Equity Fund
	Emerging Markets Equities	RBC Emerging Markets Equity Fund RBC Emerging Markets Dividend Fund
Alternatives	Real Estate	RBC Canadian Core Real Estate Fund
	Infrastructure	RBC Global Infrastructure Fund

8

REBALANCING

The OCIO is authorized to execute trades, as appropriate, to maintain compliance with the Investment Plan.

Rebalancing shall occur in accordance with the Participating Municipality's Investment Policy Statement and Investment Plan.

Rebalancing plans and exact timing should account for upcoming material changes that may impact the Investment Plans, such as updates to the Investment Policy Statement or the Municipal Client Questionnaire.

As appropriate, the size and frequency of trading activities shall be minimized to help reduce the administration and costs of trading.

9

IMPLEMENTATION

9.1 Custodian

All marketable investments under the control and management of ONE JIB, shall be held for safekeeping by ONE Investment's Custodian.

9.2 Implementation Plan

Timeline	Implementation Details
Not Applicable	No change to the model portfolio allocation is being proposed

9.3 Accommodating Cashflow needs

Income from investments will be automatically reinvested as per the ONE Distribution Policy PI and cashflow needs of Port Hope are expected to be financed with the sale of units of the pooled funds. Payment of OCIO Fees and Governance fees will also be financed with the sale of investment pool units.

Attachment 7



Corporate Policy

Policy No.

05-01-04

Page

1 of 24

Effective Date

SECTION:

FINANACE

DEPARTMENT/DIVISION:

CORPORATE SERVICES

SUBJECT:

INVESTMENT POLICY STATEMENT

INVESTMENT POLICY STATEMENT

FOR

THE COPORATION OF THE CITY OF THUNDER BAY (the “Municipality”)

JUNE 23, 2026

It is the policy of The Corporation of the City of Thunder Bay to govern the management of the Corporation’s investment portfolio.

PURPOSE

To establish a formal written Investment Policy Statement that summarizes and defines the investment objectives, risk tolerance and liquidity needs and investment horizon for the City’s investment portfolio.

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The Corporation of the City of Thunder Bay

Investment Policy Statement

1. DEFINITIONS

The following capitalized terms are defined terms which have the meanings set out below:

Act: means the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended from time to time.

Agent: means any administrator, Custodian, payment servicer, investment counsel, consultant, banker, broker, dealer or other service provider engaged or appointed by ONE JIB and authorized by ONE JIB to exercise any of the functions of ONE JIB pursuant to a written agreement, in the manner and to the extent provided in the Regulation and without limiting the generality of the foregoing, Agent includes ONE Investment, and the Sub-Investment Manager.

Alternative Assets: means investments outside traditional investments such as equities, fixed income, and cash which may include, hedge funds, private equity, natural resources, real estate and infrastructure. Alternative investments are typically less liquid than traditional investments, are appropriate only for allocations with a long investment horizon.

Asset Class: means a specific category of assets or investments, such as cash, fixed income, equities, alternative investments, real estate etc.

Asset Mix (or Asset Allocation): means the proportion of each Asset Class in a portfolio.

Authorizing By-law: means a by-law of the Municipality that authorizes it to invest its money and investments that it does not require immediately in the OCIO offering of ONE JIB pursuant to section 418.1 of the Act, to approve various documents, the entering into of agreements including a Prudent Effective Date Agreement and the delegation of certain powers and duties to ONE JIB/ONE Investment.

Benchmark: means an index that is representative of a specific securities market (e.g. the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc.) against which investment performance can be compared. Performance benchmarks refer to total return indices in Canadian dollar terms.

CHUMS Financing Corporation (CHUMS): means a subsidiary of Municipal Finance Officers' Association of Ontario (MFOA) which, in conjunction with LAS, established ONE Investment.

CFA Institute: refers to the global, not-for-profit professional association that administers the Chartered Financial Analyst (CFA) and the Certificate in Investment Performance Measurement (CIPM) curricula and examination programs worldwide, publishes research, conducts professional development programs, and sets voluntary, ethics-based professional and performance reporting standards for the investment industry.

City: means The Corporation of the City of Thunder Bay.

Custodian: means a specialized financial institution that is responsible for safeguarding a municipality's investments and is not engaged in "traditional" commercial or consumer/retail banking. Global custodians hold securities for their clients in multiple jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

Designated Funds means source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Designated Funds are listed in Schedule B of this IPS.

Diversification: means a risk management technique that mixes a variety of investment types within a portfolio to help mitigate portfolio risk. A diversified portfolio holds different kinds of investments to improve the risk adjusted returns.

Derivative: means a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.

Environmental, Social and Governance (ESG) Investing: means considering and integrating ESG factors into the investment process, rather than eliminating investments based on ESG factors alone. Integrating ESG information can lead to a more comprehensive analysis of a company.

External Portfolio Managers: means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a Pooled Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.

Internal Controls: means a system of controls that may include authorities, policies, procedures, separation and segregation of duties, compliance checks, performance measurement and attribution, reporting protocols, measures for safekeeping of property and data, and the audit process.

Investment Plan: means the investment plan applicable to the MNRI and adopted by ONE JIB under the Regulation, as it may be amended from time to time.

Investment Policy Statement (IPS): means the investment policy applicable to the Municipality's investments adopted and maintained by the Council of the Municipality for MNRI under the Regulation, and for MRI, as the same may be amended from time to time. The IPS may also apply to the money and investments held by the Municipality for the benefit of persons other than the Municipality itself and may make reference to source(s) of money in which the Municipality may have an indirect interest but which the Municipality has no authority to invest.

JIB: is short for Joint Investment Board and means a joint municipal service board that is established under section 202 of the Act by two or more municipalities for the purposes of Part II of the Regulation.

Legal List Securities: means the securities and other investments and financial instruments that are included from time to time in Part I of the Regulation.

Leverage: means an investment strategy of using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage also tends to increase investment risks.

Liquidity: means the ability to turn an investment into cash relatively quickly, without a substantial loss in value. For example, a savings account is more liquid than real estate.

Local Authority Services (LAS): means an entity which, in conjunction with MFOA/CHUMS, established ONE Investment.

Local Distribution Corporation or LDC: means a corporation incorporated under Section 142 of the *Electricity Act, 1998*.

Market Value: means the price at which a security is trading and could presumably be sold. Also known as Fair Value it represents the current value of the investment.

Maturity: means the date upon which the principal or stated value of an investment becomes due.

Money not Required Immediately (MNRI): means the money that is not required immediately by the Municipality that will be under the control and management of ONE JIB and as defined in this IPS that will be invested in accordance with the Prudent Investor Standard.

Money Required Immediately (MRI): means the money that is required immediately by the Municipality that remains under the control and management of the Municipality and, that can be invested in accordance with the Legal List Securities or other applicable legislation.

Municipal Services Corporation (MSC): means a corporation established under section 203 of the Act in accordance with the applicable regulation (Ontario Regulation 599/06).

Municipality: means The Corporation of the City of Thunder Bay.

OCIO Offering: means the comprehensive investment program made available through ONE Investment as agent for ONE JIB, where a qualified investment manager is engaged to advise a Participating Municipality with regard to the investment of the Participating Municipality's MNRI and to invest and manage such MNRI in accordance with the terms and conditions set out in the ONE JIB Agreement.

ONE Investment: means the not-for-profit corporation established by CHUMS and LAS which provides certain management, administrative and other services to ONE JIB as its agent.

ONE JIB: means ONE Joint Investment Board, established by certain founding municipalities under section 202 of the Act as a JIB for purposes of Part II of the Regulation, which is the duly appointed JIB for the Municipality, as constituted from time to time and which acts in accordance with the Act, the Regulation, the ONE JIB Agreement, including the Terms of Reference, this IPS and the Investment Plan.

ONE JIB Agreement: means the agreement effective as of the Prudent Effective Date, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Municipality's MNRI.

Participating Municipality: means from time to time each of the municipalities for whom ONE JIB acts as the JIB under the terms of the ONE JIB Agreement.

Pooled Fund: means a unit trust established under a trust instrument, generally not available to the public, in which institutional, sophisticated or high net worth investors contribute monies that are invested and managed by an External Portfolio Manager. Monies are pooled or combined with monies of other investors.

Portfolio: means any collection of funds that are grouped together and available to support the infrastructure needs of the Municipality.

Proxy Voting: means a legal transfer to another party of a shareholder's right to vote thereby allowing shareholders who cannot attend meetings to participate. External Portfolio Managers usually vote proxies on behalf of their clients.

Prudent Effective Date: means the mutually agreed-upon date by the Municipality and ONE Investment on which the prudent investor regime applies to the Municipality. The Prudent Effective Date shall be on or after ONE JIB approves the Municipality as a participating municipality.

Prudent Effective Date Agreement: means an agreement entered into by the Municipality and ONE Investment that sets out the day on which the prudent investor regime starts to apply to the Municipality

Prudent Investor Standard: means the standard that applies when the Municipality invests money that it does not require immediately under section 418.1 of the Act. It requires the Municipality to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and the standard does not restrict the securities in which the Municipality can invest. The Prudent Investor Standard applies the standard of prudence to the entire portfolio in respect of the Municipality's MNRI rather than to individual securities. It identifies the fiduciary's central consideration as the trade-off between risk and return as found in the CFA Institute Standards of Practice Handbook.

Rebalancing: means the process of realigning the weightings of a portfolio of assets. Rebalancing involves periodically buying or selling securities in a portfolio to maintain an original or desired level of asset allocation or risk.

Regulation: means Ontario Regulation 438/97.

Restricted Special Assets: means investments specified by this IPS and held by the Municipality as of the Prudent Effective Date, where ONE JIB is not able to exercise control. Restricted Special Assets are listed in Schedule A of this IPS and are not considered to be MNRI.

Risk: means the uncertainty of future investment returns or chance of loss of capital.

Risk Tolerance: means the financial ability and willingness to absorb a loss in return for greater potential for gains.

Safekeeping: means the holding of assets (e.g., securities) by a financial institution.

Securities Lending: means lending a security to another market participant. The borrower is required to deliver to the lender, as security for the loan, acceptable collateral with value greater than the value of the securities loaned. The Securities Lending program is managed by the Custodian or another appointed agent on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional incremental returns on the total portfolio.

Sinking Fund: means a fund established to fulfil the requirements to make annual contributions in respect of various debenture issues wherein money is to be regularly set aside for the payment of the principal of the debentures at maturity.

Sinking Fund Required Contributions (Annual Sinking Fund Requirement): means the amount of money to be set aside each year for deposit into a sinking fund or a retirement fund, as applicable, for each sinking fund debenture issue in accordance with the Municipality's debenture by-laws.

Sinking Fund Required Earnings: means the investment earnings needed for the Sinking Fund Contributions to continue to grow to a value sufficient to repay the principal at maturity for each issue of sinking fund debentures.

Sinking Fund Excess Earnings: means the investment earnings in excess of the required earnings.

Sub-Investment Manager: means an asset management firm or investment consultant, acting as a sub-investment manager for ONE JIB that provides investment advice and professional services and is involved in the implementation and operational aspects of the OCIO Offering, and that has full responsibility for the investment and management of a Participating Municipality's MNRI through ONE Investment, based on an IPS approved by the Council of the municipality.

Tbaytel: means the Municipal Service Board, established by The Corporation of the City of Thunder Bay By-law #257-2004, to govern, control, maintain, operate and manage the City's provision of telecommunication services.

Third-Party Trust Funds means money over which the Municipality exercises both management and policy control but whose assets are not owned by the Municipality. These funds are governed by a variety of agreements and, in some cases, by legislation. Some funds may have externally mandated investment policies, and some may have investment policies that are determined by the Municipality. Third-Party Trust Funds are listed in Schedule B of this IPS.

Treasurer: means the position of City Treasurer.

Trust Fund: means a fund which consists of assets that have been conveyed or assigned to a trustee to be administered as directed by agreement or statute. As a result, a trustee holds title to the assets for the purpose of providing benefits, and being accountable, to a beneficiary. The Municipality is the trustee of funds that are to be used for specific purposes by the Municipality or any related parties.

2. PURPOSE AND LEGISLATIVE FRAMEWORK

2.1 Purpose of Policy

This IPS governs the investment of the Municipality's MNRI and MRI. It is intended, among other things, to direct the Treasurer in the investment of MRI and to direct ONE Joint Investment Board (ONE JIB) in the investment of MNRI by implementing the Authorizing By-law 10/2022 pursuant to which the Municipality authorized the establishment of guidelines for the prudent management of the Municipality's MNRI pursuant to section 418.1 of the Act.

In addition to the Municipality's MRI and MNRI, the Municipality is from time to time entrusted with the management of money and investments for a third-party beneficiary, or Third-Party Trust Funds. The Municipality's Third-Party Trust Funds are listed in Schedule B of this IPS.

There are also source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Such source(s) of money, referred to in this IPS as "Designated Funds", are listed in Schedule B of this IPS. The Designated Funds and the Restricted Special Assets, listed in Schedule A of this IPS, are identified in this IPS for the sole purpose of enabling the Municipality to better see, on an aggregated basis, the various financial assets in which the Municipality has an interest.

ONE JIB is not responsible for the investment activities or performance of Third-Party Trust Funds, Designated Funds or Restricted Special Assets.

The goals of this IPS are to:

- Define and assign responsibilities for investment of MRI and MNRI;
- Describe the Municipality's responsibilities with respect to Restricted Special Assets, Third-Party Trust Funds and Designated Funds;
- Ensure compliance with the applicable legislation;
- Direct ONE JIB as to the Municipality's investment goals and risk tolerance;
- Provide guidance and limitations regarding the investments and their underlying risks;
- Establish a basis of evaluating investment performance and the underlying risks; and,
- Establish a reporting standard to Council.

This IPS applies to employees of the Municipality, to ONE JIB and to the employees of ONE Investment. ONE JIB, the Treasurer, and any agent, sub-investment manager, or advisor providing services to ONE JIB in connection with the investment of the portfolio shall accept and strictly adhere to this IPS.

2.2 Governing Legislation

Investments of MRI will only be made in Legal List Securities in accordance with this IPS and Section 418 of the Act. Investments of MNRI are governed by the Prudent Investor Standard in accordance with Section 418.1 of the Act. This standard is similar to that

which governs trustees and pension fund administrators and creates a fiduciary responsibility. Prudent investment in compliance with the Act and the Regulation enhances the potential for the Municipality to earn improved risk-adjusted rates of return.

The Act provides that the Municipality, and therefore ONE JIB, must consider the following criteria in planning investments of MNRI, in addition to other criteria relevant to the circumstances:

- General economic conditions;
- The possible effect of inflation or deflation;
- The role that each investment plays within the Municipality's total portfolio of investments;
- The expected total return from income and the appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital.

Money and investments that the Municipality holds as Restricted Special Assets, Third-Party Trust Funds or has an interest in as Designated Funds will be subject to applicable legislation and any related agreements or instruments.

2.3 Prudent Investor Standard

For MNRI, the standard to be used by the Municipality and ONE JIB shall be the Prudent Investor Standard as required by section 418.1 of the Act and Part II of the Regulation in the context of managing the Municipality's MNRI and investments thereof. Investments shall be made with the care, skill, diligence, and judgment, taking into account the prevailing circumstances, that persons of prudence, discretion and integrity would exercise in the management of investments, considering the necessity of preserving capital as well as the need for income and appreciation of capital. The Act includes a duty to obtain the advice that a prudent investor would obtain under comparable circumstances.

Officers, employees and investment agents acting in accordance with written procedures and the IPS and exercising due diligence shall take all necessary actions to optimize performance of investments on a portfolio basis, taking into account the prescribed risk and other parameters set out in this IPS and market factors. The Municipality's staff acting in accordance with written procedures and this IPS, shall be relieved of personal responsibility for an investment's performance, provided underperformance relative to expectations is reported to Council and the liquidation or sale of investments is carried out in accordance with this IPS.

3. MONEY REQUIRED IMMEDIATELY AND MONEY NOT REQUIRED IMMEDIATELY

3.1 Determination of MNRI and MRI

Determination of the Municipality's MNRI is the responsibility of Council. In making the determination, Council may consider:

- the time horizon within which the monies are needed to meet financial obligations;
- the purpose for which the monies have been collected or set aside and are to be used;
- the source of the money; or
- any combination of the foregoing

The Municipality has defined MNRI as money from the municipality's own reserves, reserve funds, sinking funds and current ONE Investment holdings that will not be required to meet financial obligations that become due within two years from the date of receipt. The purpose of the money is to fund the municipality's future capital, operational, and contingency needs.

For certainty, all money and investments of the Municipality that have not been identified as MNRI (other than Restricted Special Assets, Third-Party Trust Funds and any Designated Funds referenced in Section 2.1) shall be deemed for purposes of this IPS to be MRI.

Determination of the Municipality's MNRI and MRI may be modified at any time and from time to time by action of Council and with respect to specific money by the Treasurer in accordance with the provisions of Section 6.2.

Any changes in this IPS regarding the Municipality's MNRI and MRI must be communicated immediately in writing to ONE JIB.

3.2 Overview of Portfolios

The Municipality's portfolios represent funds available to support Municipal needs. A high-level description of each of these portfolios and their objectives is provided in Section 5 below. This IPS applies to the following money of the Municipality, its agencies, boards and commissions including:

- MRI which is invested in Legal List Securities; and/or
- MNRI which is invested under the Prudent Investor Standard.

4. ROLES AND RESPONSIBILITIES

4.1 Role of ONE JIB

ONE JIB has been appointed by the Municipality in accordance with the requirements of the Act and the Regulation and on the terms and conditions set out in the ONE JIB Agreement (Appendix 1).

ONE JIB exercises control and management of the Municipality's MNRI and the investments made by it in accordance with the objectives and risk tolerance established in this IPS.

Among the responsibilities of ONE JIB are the following:

- Reviewing this IPS;
- Adopting and maintaining an Investment Plan that complies with this IPS;
- Engaging Custodians, administrators and other investment professionals (i.e. Agents);
- Allocating the money and investments under its control and management in compliance with this IPS;
- Monitoring the performance of the OCIO Offering and Agents; and,
- Reporting to the Municipality.

The foregoing is subject to the more detailed terms and conditions contained in the ONE JIB Agreement.

4.2 Role of Municipal Staff

This IPS is approved and adopted by Council with input from the Treasurer, and from ONE JIB with respect to MNRI. MRI of the Municipality, in addition to any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in Section 2.1, remain under the control and management of the Treasurer.

Consistent with this IPS, the Treasurer is responsible for the implementation of the investment program and the establishment of investment procedures which shall include:

- Investment management of MRI and any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in Section 2.1 by, or under the direction of, the Treasurer;
- The deposit or withdrawal of MNRI, under the explicit delegation of authority regarding MNRI, and the investment thereof, to ONE JIB, which is responsible for the control and management of such funds and investments; and,
- A system of controls exercised by the Treasurer to regulate the activities of municipal staff.

No person including, without limitation, ONE JIB, may engage in an investment transaction except as provided under the terms of this IPS.

In the management of MRI of the Municipality, and any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in Section 2.1, the Treasurer may engage one or more agents and service providers. ONE Investment can assist with the investment of the Municipality's MRI, in Legal List Securities, and with the investment of Third-Party Trust Funds, in accordance with the terms of the applicable trust, if permitted, at the request of the Municipality.

4.3 Ethics and Conflicts of Interest

Individuals who are responsible for the Municipality's MRI Investment Portfolio shall comply with the Municipality's Conflict of Interest guidelines and any relevant professional codes of conduct (e.g., the CPA Code of Professional Conduct).

ONE JIB, in its capacity as a joint municipal service board, in addition to being a local board of each member Municipality is subject to a Code of Conduct as required by the Act. This

Code of Conduct applies to the Chair and the other Members of ONE JIB acting in their capacity as Members of ONE JIB.

5. INVESTMENT

5.1 MRI

The Municipality's MRI is described in this IPS consists of money that is needed to meet the short-term financial obligations of the Municipality and are controlled and managed by the Treasurer.

5.1.1 *MRI: Investment Objectives*

The main focus of the investment of MRI is cash management, and the interest income generated by the investment of these monies contribute to municipal revenues. To the extent possible, the Municipality shall attempt to match its investments with anticipated obligations.

Capital preservation is the paramount objective for MRI investments, and these investments need to be highly liquid. Consequently, only high-quality investments that are also Legal List Securities will be held in this portfolio. The Municipality may invest in fully liquid money market securities and deposit accounts. The Municipality aims to maximize returns subject to the constraints set out in Part I of the Regulation, as amended from time to time, with a view to preserving capital and to further manage risk through diversification by issuer and credit quality.

The investment objectives for MRI, ranked in priority, are as follows:

a) Security of Principal

The primary objective for MRI is to ensure the security of principal. To minimize the risk of loss, investments shall be subject to minimum credit ratings and shall be diversified by maturity, type of investment and issuer. Investing activities will be reviewed on a regular basis as actual, revised and forecasted operating and capital plans are completed. Maturity dates should be structured so that investment cash inflows occur when needed.

b) Liquidity Requirements

Liquidity is measured by the ease with which securities can be converted to cash to meet forecasted spending. The investments that are eligible under the Regulation possess different features and thus market prices will vary depending on market conditions, as well as the particular features of the type of investment.

To ensure adequate liquidity, the Municipality's investments shall be diversified by holding securities of various terms to maturity and by various types of investments and issuers and to the extent possible, the term of such investments shall match the forecasted requirements for such monies to meet expenditures.

c) Rate of Return

The Municipality's money shall be invested to maximize the rate of return within acceptable risk levels while respecting the security of principal, legal constraints and the liquidity needs of each investment portfolio.

The composition of each portfolio, including its term to maturity and type of investments, shall be adjusted within the guidelines of this IPS to take advantage of market opportunities. Such changes shall be made with the periodic interest rate outlook and target portfolio structure approved by the Treasurer.

5.1.2 MRI: Eligible Investments

MRI may be invested in high quality, investments that are also Legal List Securities available from banks, dealers and other financial institutions. Investments issued or guaranteed by approved institutions will be permitted by this IPS, as deemed eligible by the Regulation or as authorized by subsequent provincial regulations. Investments will be limited to securities issues maintaining a minimum credit rating by an appropriate credit rating agency.

Eligible investments include, but are not limited to, the following offerings by ONE Investment:

- ONE Investment High Interest Savings Account; and
- ONE Investment Canadian Government Bond Portfolio

Investment in the foregoing is subject to the Municipality entering into the prescribed Agency Agreement with LAS and CHUMS.

5.2 MNRI

The Municipality's MNRI is described in Section 3.1. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the MNRI and the investments made therewith.

From time to time, the Municipality may require money immediately to meet financial obligations and may require ONE JIB to liquidate one or more investments in order to generate money to meet those obligations. ONE JIB will select the investment(s) to be liquidated. The timing of such liquidation will be determined by ONE JIB in consultation with the Treasurer.

5.2.1 MNRI: Investment Objectives

In setting the objectives noted below, the Municipality has taken into account the following considerations:

- Preservation of capital;
- Adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements;
- Diversification by asset class, market, sector, issuer, credit quality and term to maturity;

- Income and capital appreciation; and,
- Macro risks, such as inflation, economic growth and interest rates.

Investment of MNRI is managed by ONE JIB in a way that balances investment objectives, expected returns, and risk to develop asset allocations that achieve the Municipality's financial objectives within stated risk tolerances.

The overall MNRI portfolio investment horizon shall be in line with the nature of the Municipality's forecasts and underlying liabilities. The portfolio should balance risk and the benefits of higher expected returns over a longer investment horizon.

Investment of MNRI is to be managed by ONE JIB in a way that balances the investment objectives with a level of risk that is appropriate for the municipality. The MNRI invested with ONE JIB will be broadly diversified to help reduce the volatility of investment returns. Returns have an impact on revenues, as well as a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. To the extent possible, the MNRI's investment horizons are aligned with the Municipality's obligations and cash flow requirements and may consist of liquid and non-liquid securities based on future cash flow requirements.

5.2.2 MNRI: Eligible Investments

Eligible investments for MNRI include any Pooled Fund or other collective investment vehicle or institutional investment management product approved or selected by ONE Investment for the Prudent Investment Program (OCIO Offering), provided always that the products and the selection of products comply in all material respects with the IPS.

Additionally, nothing in this IPS prevents MNRI from being held in cash, short term money market instruments, including treasuries or overnight deposits.

5.2.3 MNRI: Sinking Funds

Not Applicable to this Municipality

5.2.4 Local Distribution Corporation (LDC) and Municipal Services Corporation (MSC) Securities

The Thunder Bay Hydro Corporation is wholly owned by the City and provides regulated and unregulated electric utility services and complimentary commercial services. Thunder Bay Hydro Corporation includes its majority-owned subsidiary SYNERGY NORTH Corporation and its wholly-owned subsidiaries Thunder Bay Hydro Utility Services Inc. and Thunder Bay Hydro Renewable Power Incorporated. The investment in Thunder Bay Hydro Corporation included in the City's 2023 Consolidated Financial Statements is \$100.9 million. Included in this investment is a promissory note of \$16.5 million.

The LDC shares and the promissory note are considered restricted, special assets and remain in the custody of the City. The LDC shares and the promissory note are to be viewed as separate standalone investments with the subject matter expertise and administrative functions remaining under the purview of the City. Council retains direct,

de facto control of the LDC shares and the promissory note and ONE JIB shall adhere to all terms and conditions as directed. More specifically, Council controls all acquisition and disposition decisions related to current and future LDC assets. Any voting related to the LDC shares will be undertaken solely by the City.

The direct investment in LDC/MSD shares and/or promissory notes, as listed in Schedule A, shall be considered to be Restricted Special Assets and shall not be held by ONE JIB as MNRI.

ONE JIB is prohibited from selling, transferring, assigning or pledging either the LDC shares or the promissory note without the authority of the Municipality.

5.2.5 *Restricted Special Assets*

With the exception of the Municipality's investments held in the ONE Investment Legal List Portfolios specified below, all existing assets, listed in Schedule A of this IPS and held by the Municipality on the Prudent Effective Date, shall be considered to be Restricted Special Assets, and shall *not* be held by ONE JIB as MNRI. The Treasurer may choose to liquidate these investments and determine that the proceeds are MNRI, to be invested as per this IPS and the approved ONE JIB Investment Plan.

For certainty, Restricted Special Assets are not MNRI of the Municipality, and such assets are not under the control or management of ONE JIB.

The ONE Investment Legal List Portfolio Investments, held by the Municipality, shall be considered to be MNRI and transferred to ONE JIB to be invested as MNRI, unless deemed by the Municipality to be MRI.

5.3 Third-Party Trust Funds and Designated Funds

In addition to the Municipality's own money, the Municipality is from time to time entrusted with Third-Party Trust Funds, and the Municipality's responsibilities and obligations with respect thereto may be subject to other legislation and governed by other agreements and instruments. To the extent that there is any conflict or inconsistency between the provisions of this IPS and the terms and conditions contained in such other legislation, agreements or instruments applicable to Third-Party Trust Funds, the latter shall prevail.

The Municipality's Third-Party Trust Funds, the Designated Funds are listed in Schedule B.

For certainty, the Third-Party Trust Funds and the Designated Funds are not MNRI of the Municipality, and such assets are not under the control or management of ONE JIB.

5.4 Investment Management

5.4.1 *Investment Management of MRI*

The investment of MRI shall be controlled and managed by the Treasurer.

5.4.2 Investment Management of MNRI

The investment of MNRI shall be controlled and managed by ONE JIB in accordance with this IPS and the ONE JIB Agreement.

The selected Sub-Investment Manager shall enter into an agreement with ONE Investment related to the OCIO Offering, that complies with this IPS and Part II of the Regulation and will provide compliance and performance reports to ONE JIB and One Investment. ONE JIB shall make any investment management changes deemed in the best interest of the Municipality.

5.5 Transition to Prudent Investor Regime / OCIO Offering

Until the Prudent Effective Date, the Municipality will continue to control and manage its MRI, MNRI and investments in Legal List Securities. Some Legal List investments were made with MRI and some with MNRI.

During the transition to the OCIO Offering the Chair and Vice-Chair of ONE JIB have discretionary power to approve temporary investments recommended by the Sub-Investment Manager that may not be expressly described in this IPS but are, in the opinion of the Chair and Vice-Chair, in the best interests of the Municipality and are entirely consistent with their fiduciary obligations to the Municipality.

All MNRI that is not Third-Party Trust Funds, Designated Funds or Restricted Special Assets shall be provided to ONE JIB on the Prudent Effective Date.

5.6 Investment Constraints

5.6.1 Environmental, Social and Governance (ESG) Investing

The Municipality supports ESG investing for MRI and MNRI. The Municipality believes that well-managed companies are those that demonstrate high ethical and environmental standards and respect for their employees, human rights, and the communities in which they do business, and that these actions contribute to long term financial performance.

For the investment of MRI, the Municipality has chosen to monitor the developments of ESG factors and will reconsider its approach to ESG investing for the MRI Investment Portfolio as and when appropriate to do so.

For the investment of MNRI, ONE JIB is required to explore and consider how the OCIO is implementing responsible investing principles at the time of hiring and during periodic reviews. It may report on results periodically, if requested.

5.6.2 Securities Lending

For the investment of MRI, Securities Lending is not permitted.

For the investment of MNRI, the Municipality may invest in pooled funds, and other investment funds that are managed by the Sub-Investment Manager who may engage in Securities Lending if the policies of the OCIO permit such an action.

5.6.3 Derivatives

Derivatives shall not be used for the investment of MRI.

For the investment of MNRI, futures and forwards contracts, options and other derivative instruments may only be used to (a) create an asset mix position that does not leverage the portfolio, (b) replicate the performance of a capital market index, or (c) reduce risk as part of a hedging strategy

5.6.4 Use of Leverage

Nothing in this IPS prevents the use of leverage, provided it is prudent to do so. Leverage is inherent in the use of certain types of investment strategies and instruments. Where leverage is employed, ONE JIB (for MNRI) and the Treasurer (for MRI) shall have in place monitoring procedures to manage overall exposure to any counterparty. Leverages should not be exercised for speculative purposes but may be used as a hedging tool.

5.6.5 Pooled Funds

Investments in open-ended pooled funds, closed-ended pooled funds, limited partnerships and other specialist corporate structures (e.g. LLCs), are permitted provided that the assets of such funds are permissible investments under this IPS or provided that any non-permitted investments are disclosed by the Sub-Investment Manager. Within pooled funds, the External Portfolio Manager's policies will take precedence over this IPS.

5.6.6 Currency Hedging

The MRI Investment Portfolio will not utilize currency hedging.

The Municipality's funding requirements are in Canadian dollars. However, some exposure to foreign currencies in the MNRI Investment Portfolio may be advantageous to provide diversification and potentially enhance returns. Therefore, it shall not be a violation of this IPS for investments in global mandates to be unhedged, in whole or in part, where the diversification benefits embedded in the currency exposure are considered to be beneficial or desirable by ONE JIB.

5.6.7 Alternative Asset Classes

The applicable legislation does not prevent the direct / indirect placement of the MNRI in Alternative Assets Classes; this IPS permits investments in alternative investments for the purpose of management of MNRI under ONE JIB.

Alternative Asset Classes, such as infrastructure or real estate, may have uncorrelated return characteristics with traditional Asset Classes that may improve diversification within the portfolio, which may lead to better risk adjusted returns. Typically, these investments may not be fully liquid, and are only appropriate for inclusion in portfolios with long investment horizons.

5.6.8 Prohibited Investments

Investments in no event may be made in foreign direct investment in countries subject to Canadian or UN economic sanctions.

5.7 Performance Monitoring, Rebalancing and Management

5.7.1 MRI

Performance monitoring, rebalancing and management of MRI is the responsibility of the Treasurer, subject to the investment constraints listed in the IPS.

Monitoring will include a review of portfolio performance, compliance with the MRI definition, and liquidity alignment with updated municipal cash flow forecasts on at least an annual basis. If material changes to the municipality's financial obligations are identified, the Treasurer may direct the reallocation of MRI assets to maintain appropriate liquidity and risk exposure. All MRI activity will be reported in accordance with the Municipality's Investment Policy.

5.7.2 MNRI

For the investment of MNRI, ONE JIB shall establish parameters for monitoring investments and rebalancing through policy or directly within the Investment Plan.

Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. At minimum, ONE JIB shall provide reporting described in Section 6.7 below that shows the Municipality's holdings, confirms compliance with this IPS, and reports on the Sub-Investment Manager's performance.

6. ADMINISTRATIVE POLICIES

6.1 Flow of Money and Annual Municipal Budget

6.1.1 Transfer to ONE JIB as Part of Annual Review Process

On an annual basis, as part of the Municipality's Annual Review process, the Municipality shall identify the amount, if any, of MNRI that it holds. Any MNRI not already under the control and management of ONE JIB shall be transferred to ONE JIB as soon as practicable.

6.1.2 Transfer to Municipality as Part of Annual Review Process

On an annual basis, ONE JIB shall be notified by the Treasurer as to the amount, if any, required by the Municipality from the MNRI then under the control and management of ONE JIB for the Municipality's operational purposes. Such amount shall be deemed to be MRI and shall be returned to the Municipality in a lump sum or by way of periodic payments, as directed by the Treasurer.

6.2 Flow of Money Otherwise than through the Budget Process

6.2.1 *Surplus Funds*

The MRI captures revenues received by the Municipality during each year after the approval of the Municipality's budget for the year. Any amounts deemed to be MNRI by the Treasurer at any such time during the year shall be transferred to ONE JIB to be under its management and control as MNRI. Amounts so transferred will be recorded annually in the Investment Plan and allocated by ONE JIB in accordance with the Investment Plan.

6.2.2 *Contingencies*

The Treasurer is authorized to direct ONE JIB to return any amounts determined by the Treasurer to be required to meet expenditures for unexpected contingencies not anticipated by the Municipality's budget in force for that year, provided however that the aggregate of the amounts to be returned to the Municipality under this Section 6.2.2 during the year shall not exceed 25% of the MNRI under the control and management of ONE JIB as at the date that the Municipality approved its budget for the year (the Budgeted MNRI). In determining the Budgeted MNRI for purposes of calculating the 25% limit, any MNRI to be transferred to the control and management of ONE JIB in accordance with that year's Annual Review pursuant to Section 6.1.1 above shall be included and any amount to be returned by ONE JIB to the Municipality pursuant to Section 6.1.2 shall be excluded. ONE Investment should be made aware of material transactions in advance to ensure the orderly sale of securities to fund withdrawals.

6.3 Valuation of Investments

Investments shall be valued according to the values provided by the Custodian(s). For the investment of MNRI, values of unitized vehicles shall be valued according to the unit values published by the Custodian. Other investments shall be valued at their market value when that is available from regular public trading. If a market valuation of an investment is not available, then a fair value shall be supplied by the Sub-Investment Manager to ONE Investment no less frequently than quarterly.

6.4 Voting Rights

The Sub-Investment Manager shall assume the responsibility of exercising voting rights in respect of the Municipality's MNRI and will report its voting policies to ONE JIB annually. The Municipality may access these policies at any time.

6.5 Internal Controls

The Treasurer shall establish an annual process of review of all investments made under this IPS. This review will provide internal control by assuring compliance with governing legislation and with policies and procedures established by the Treasurer. To the extent ONE JIB's input is needed, these requirements will be communicated in advance to ONE JIB.

6.6 Custodians

All municipal investments and assets of the investment portfolios may be held by a Custodian and any of the Custodian's sub-custodians or nominees. For MNRI, the Custodian shall be acceptable to ONE Investment. For MRI the Custodian shall be acceptable to ONE Investment, if ONE Investment is administering the investment of the Municipality's MRI; otherwise the Custodian shall be acceptable to the Municipality.

6.7 Reporting

6.7.1 MRI

For the investment of MRI, the Treasurer shall report at least annually to Council, the report to be in a form and contain such content as Council may request. The report to Council shall include investment performance during the period covered and any other information required under the Regulation and that the Treasurer may consider to be pertinent.

6.7.2 MNRI

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of MNRI at least annually. This report shall include the following.

- Investment performance during the period covered by the report;
- Asset mix of the total portfolio;
- A listing of individual investments held at the fund level at the end of the reporting period showing, where appropriate, book value, market value, realized/unrealized gains/losses and actual income received;
- A list of all transactions including the security name, trade date, and the purchase and/or sale price;
- A statement by the Treasurer as to whether all investments were made in accordance with the IPS and as to whether all investments were made in accordance with the Investment Plan; and
- Any other pertinent information in the opinion of the Treasurer.

All MNRI or MRI invested on behalf of the Municipality by ONE JIB or with the assistance of ONE Investment shall be held for safekeeping in the name of the Municipality by a Custodian.

7. APPROVAL, SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE

7.1 Revocation / Amendment of Previous Investment Policy

This IPS amends, and restates as so amended, the existing Investment Policy Statement approved by Council on July 14, 2025.

7.2 Modifications to the IPS

At least annually, Council shall review the IPS and update it, if required. In the course of reviewing the IPS, Council may request comments from the Treasurer with respect to the investment of MRI and from ONE JIB with respect to the investment of MNRI.

Following the Council's review of the IPS, ONE JIB shall review the Investment Plan and update it, if required.

At a minimum, the annual IPS review will consider:

- the adequacy of funding for capital works;
- the Municipality's ability to reduce other spending;
- flexibility of the timeframe to payout; and
- sensitivity to loss.

7.3 Effective Date

The policy will be effective on the date of Council ratification.

Schedule A

Restricted Special Assets

Debt Securities

Not applicable.

Own Debt Securities

Not applicable.

LDC and other MSC Securities

The Thunder Bay Hydro Corporation, as described in 5.2.4.

Other

Not applicable.

Schedule B

Third-Party Trust Funds and Designated Funds

Third-Party Trust Funds

The Corporation of the City of Thunder Bay holds Trust Funds as outlined in the Trust Funds Financial Statements for the year ended December 31st audited by external auditors annually. Included are care and maintenance trust funds under the *Funeral, Burial and Cremation Services Act, 2002* which are to be invested pursuant to the *Trustee Act*.

Designated Funds

The Municipality holds the following designated fund.

Tbaytel

Municipal Client Questionnaire (MCQ)

The MCQ is part of the ONE Investment / ONE JIB annual Investment Plan review (approval) process. The MCQ along with the Council approved (reviewed) Investment Policy informs ONE JIB of the municipal circumstances to consider with the approval of the Investment Plan.

During the year, outside of the annual review, please update the MCQ within 90 days if the municipality experiences any significant changes, *including a significant change in your municipality's financial circumstances, or significant change in the amount of your municipality's "money that it does not require immediately"*. For changes between annual reviews, provide written notice of changes by using the in-year MCQ update form on the last page of this document.

Section 1 – Client Information

Name of Municipality: The Corporation of the City of Thunder Bay

Address: 500 Donald St E, Thunder Bay, ON P7C 5K4

Treasurer Information

Name: Keri Greaves

Phone Number: (807) 625-2645

Extension: _____

Email: keri.greaves@thunderbay.ca

Primary Day to Day Contact Information*

☐

Check if same information as Treasurer above

Name: Andrea Morrison

Phone Number: (807) 628-5690

Extension: _____

Email: andrea.morrison@thunderbay.ca

*Primary day-to-day contact should have a comprehensive understanding of your Municipality's financial position and investment needs.

Section 2 - Investment Knowledge and Experience

2.1 Which statement best describes the Municipal staff (person most responsible for managing investments)'s level of investment knowledge and experience with financial markets and products? *Please check one*

- ☐ Very limited knowledge
- ☐ Basic knowledge and minimal experience
- ☒ Good knowledge and some experience
- ☐ Strong knowledge and experience
- ☐ Advanced knowledge and extensive experience

2.2 If Municipal staff have strong or advanced knowledge, please describe where this knowledge was acquired (e.g., education, designations experience).

2.3 Please indicate if your municipality has used / held any of the following investment types within the past five years. *Please check all that apply.*

- ☒ Canadian money market securities
- ☐ Locked-in Investments (e.g., GICs, PPNs etc.)
- ☒ Local Distribution Corporation Securities (LDC securities)
- ☒ Securities held in third party trusts (i.e., cemetery trust, legacy fund etc.)
- ☒ Fixed income (government and/or corporate bonds)
- ☒ Equities
- ☐ Other – Please Describe

Section 3 – General Municipal Information

This section provides some high-level demographic information on the municipality

3.1 What is the population of the Municipality? 108,843

3.2 Is your municipality a single tier, upper tier or lower tier? single tier

3.3 How much does a 1% tax rate increase generate? 2,400,000

3.4 Is there any other demographic information about your municipality you would like the ONE JIB to know?
(optional)

Section 4 – Municipal MNRI Information

4.1 This section summarizes the current MNRI under the management and control of the ONE JIB and the projected change identified in the annual review. *The total value should equal the total MNRI shown in Question 5.1 Investment Objectives and Horizon*

Description	Value
Portfolio Value (A) - For existing municipalities this is the amount currently invested with ONE JIB as of your last monthly statement. - For new municipalities this should be \$0	\$ 152,703,659
Change to MNRI: Additional contribution (+) or withdrawal (-) (B) - For existing municipalities this is the MNRI change identified during the annual review (fund transfers are typically completed with 30 days of ONE JIB's approval of the updated investment plan) - For new municipalities, this equals your initial deposit as of the Prudent effective date (TBD)	\$ 0
Total MNRI under the management and control of ONE JIB (A + B)	\$ 152,703,659

☐ Additional details have been included as an attachment to this MCQ (optional).

4.2 Use this *optional* box to provide any additional MNRI details related to 4.1 above (in lieu of a separate attachment)

At this time, the City's investment objectives, liquidity needs and time horizons have remained the same as the prior year. It is possible that circumstances/liquidity needs unknown at this time, may or may not impact MNRI in the future, and any changes that are material will be discussed with ONE Investment as soon as the City is aware of such changes.

Section 5 – MNRI Investment Objectives and Liquidity Needs

This section asks about your Municipality's MNRI, the purpose or investment objective and the expected investment horizon or when funds may be required to meet forecasted municipal obligations.

5.1 What is the Municipal *funding objective(s), investment horizon(s) and purpose(s)* for the MNRI? *The total MNRI value should equal the total MNRI shown in Question 4.1 Municipal MNRI Information*

MNRI by Investment Horizon

Description	Total MNRI (\$) (A+B+C) <i>auto calculate</i>	Investment Horizon < 5 Years (A)	Investment Horizon 5-10 Years (B)	Investment Horizon >10 Years (C)
Capital Reserves & RF	\$ 85,408,282	\$ 27,963,288	\$ 40,244,468	\$ 17,200,526
Obligatory Reserve Funds	\$ 15,705,938	\$ 7,771,477	\$ 5,063,422	\$ 2,871,039
Operating Reserves & RF	\$ 14,433,300	\$ 2,976,896	\$ 8,470,926	\$ 2,985,478
Stabilization Reserves	\$ 17,196,419	\$ 10,643,889	\$ 5,001,946	\$ 1,550,584
Water/Wastewater RF	\$ 18,331,394	\$ 9,165,697	\$ 3,055,232	\$ 6,110,465
Total MNRI - <i>auto calculate</i>	\$ 151,075,333	\$ 58,521,247	\$ 61,835,994	\$ 30,718,092

Note – Description is up to the municipality, it could be total MNRI (one line) or broken out into the funding objective/investment purpose, or municipal reserve name/group (multiple lines)

☐ Additional details have been included as an attachment to this MCQ (optional).

5.2 Based on *current* municipal forecasts, please provide details that may help inform the ONE JIB about ***potential drawdowns/additions to MNRI*** that may be anticipated in future years.

Cash Flow Projections Potentially Affecting Future MNRI

Description	Next Year	2 years	3-5 years	5-10 years	10 years +
Anticipated MNRI Drawdowns (-)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Anticipated MNRI Contributions (+)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change to MNRI	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

5.3 Does the municipal forecasts used (above in 5.2) reflect

- ☐ Drawdowns of current reserve balances, or
- ☒ Drawdowns of current reserve balances inclusive of projected future budgetary contributions

5.4 What *assumptions or factors* do your municipality include in the MNRI cash flow projections? For example, but not limited to, inflation assumptions on capital projects, assumptions on future tax-based reserve contributions, forecasted development charge revenue etc.

Year end reserve and reserve fund balances; reserve and reserve fund commitments; 2026 budgeted reserve and reserve fund contributions and withdrawals; short term financial obligations; and the timing of cash inflows and outflows.

5.5 Does your municipality forecast beyond 5 years, if yes, what is the level of accuracy?

The operating budget includes reserve and reserve fund contributions and withdrawals, is approved annually. The capital budget also includes reserve fund withdrawals for capital projects that span multiple years. The first multi-year capital budget was approved for 2026/2027. Reserve and reserve fund commitments, including those that may be approved by Council outside of the budget process, are monitored as approved, but most do not exceed a time horizon beyond 5 years.

5.6 Does your current municipal forecast include any large (or unusual) capital expenditures, which are outside of normal operations?

☒ Yes ☐ No

5.7 Do you anticipate any *potential* change in *liquidity needs* in the future (i.e. within 2 years, within 5 years or beyond 5 years) which may impact on the investment time horizon? An example could be a large capital infrastructure project with timing TBD, or with grant funding pending etc. If yes, please elaborate.

There is no anticipated potential change in liquidity needs in the next 2 years that would impact the investment time horizon. A large budgeted capital infrastructure project that started in 2025 will continue in 2026, and contributions from reserve funds for the project have been committed and included in MRI and the project includes other funding sources.

5.8 How does your Municipality manage unanticipated requests for funding? Can you characterize the probability that your municipality may need to draw down MNRI to fund unexpected budget shortfalls?

Unanticipated requests for funding must be approved by Council and every effort is made to minimize these requests outside of the budget process. The City Treasurer monitors reserve and reserve fund commitments and therefore is aware of uncommitted and committed reserve and reserve fund balances. It is unlikely that the City will need to draw down MNRI for unexpected budget shortfalls.

5.9 Are there any *other unique circumstances* to your municipality that may impact your cash flow MNRI forecast, return objectives and risk tolerance that the Investment Plan should consider?



Municipal Client Questionnaire (MCQ)

Section 6 – Acknowledgement

I confirm that information provided to ONE Investment in this form is complete and accurate to the best of my knowledge as at the date below.

Dated this 20th day of July, 2026

Keri Greaves

Digitally signed by Keri Greaves
Date: 2026.07.20 15:57:46
-04'00'

Name and Signature of Treasurer

Second Signature (if required)

Appendix 1 – In-year MCQ Updates Form

Please provide details below that explain the nature of your requested change. This should describe: the money involved, the timing of transactions required, and any other context to support the change request. This will allow ONE JIB to understand how this update may change the cashflow characteristics or investment horizons of MNRI relative to your current MCQ and Investment Plan.

Acknowledgement

I confirm that information provided to ONE Investment in this form is complete and accurate to the best of my knowledge as at the date below.

Dated this _____ day of _____, 20_____

Name and Signature of Treasurer

Second Signature (if required)

Attachment 9

INVESTMENT PLAN FOR

The City of Thunder Bay

DATE: September 10, 2026

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1

DEFINITIONS

Definitions applicable to this Investment Plan can be found on the ONE Investment webpage under Education & Training / Glossary.

2

PURPOSE

As required under the prudent investor regime authorized by the Municipal Act, 2001 (Act), and Ontario Regulation 438/97 (Regulation), this Investment Plan (Plan) establishes how ONE JIB will invest the City of Thunder Bay's Money Not Required Immediately (MNRI) as defined in Section 3.1 of Thunder Bay's Investment Policy (Policy).

This Plan applies to all investments controlled and managed by ONE JIB on behalf of the City of Thunder Bay.

3

RESPONSIBILITY FOR PLAN

This Plan is the responsibility of ONE JIB, which has authorized its agent, ONE Investment, to exercise its administrative investment functions in accordance with the Regulation. ONE JIB oversees ONE Investment staff using procedures, reports, and regular reviews to monitor compliance with the Act, the Regulation and the City of Thunder Bay's Policy.

ONE Investment has engaged PH&N Institutional to provide OCIO services. PH&N Institutional is the business division of RBC Global Asset Management responsible for managing assets for Canadian institutional clients. PH&N Institutional will be involved in implementing the Investment Plan, monitoring and reporting investments, and providing ancillary services to support the OCIO Offering.

RBC GAM's investment professionals are committed to providing each client with investment solutions that are appropriately tailored to address the client's investment situation. This means understanding macroeconomic trends and strategies and the diverse and evolving investment needs of clients.

4

INVESTMENT GOALS AND OBJECTIVES

The City of Thunder Bay's investment needs, as described in its Investment Policy, provide Council's guidance to ONE JIB in determining investment allocations. Further guidance from the Municipal Client Questionnaire (MCQ) and dialogue with the Treasurer inform ONE JIB about the municipality's current goals, objectives, circumstances, and risk tolerance, and help determine investment allocations. The allocation of Thunder Bay's MNRI in this Plan is consistent with the details as disclosed in their Policy and MCQ. Section 5.2.1 of their Policy provides specific information that characterizes the objectives for MNRI, as detailed in Table 1 below:

Table 1: The investment objectives for MNRI.

Category	Objective & Risk Tolerance
Objectives for overall MNRI	• Preservation of capital • Provide adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements • Diversification by asset class, market sector, issuer, credit quality, and term to maturity • Achieve capital appreciation and income while managing risk to an appropriate level.

The MNRI invested with ONE JIB will be broadly diversified across asset class, market, sector, issuer, credit quality, and term to maturity to help reduce investment return volatility. Returns impact revenues and have a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. The MNRI shall be invested to obtain a progressively higher rate of return for longer-term investment horizons, commensurate with stated risk tolerances.

The MNRI balances will be invested primarily to achieve capital growth over time. Achieving returns above inflation is a key investment objective, but near-term liquidity from investments likely will not be required.

5

INVESTMENT PORTFOLIO

Asset allocations are typically expected to be relatively stable until the next annual review. Any contributions or withdrawals of MNRI must be communicated to ONE JIB formally as outlined in the ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy

5.1 Account Structure

MNRI Investment Horizon	Risk Tolerance / Model Assigned	Allocation
Consolidated MNRI Holdings	Model E+ (50% Equity) assigned.	\$154,933,125

Other considerations:

- The City's circumstances remain broadly unchanged since the 2025 Investment Plan update. The City's investments were allocated into Model E+ during the 2025 review.
- Neither contributions or a withdrawal of MNRI is part of the Plan this year.
- IT is expected that MNRI balances will be stable over the foreseeable future, and there are no future contributions or withdrawals planned at this time.
- They are expecting significant changes to Council as a result of the 2026 election, which could lead to a change in strategic priorities for the municipality.
- If new spending is approved, it is likely that the City would utilize debt financing to fund any large capital projects.
- The Treasurer implied that the investment horizon is likely longer than shown in the MCQ based on known information.
- The City's approved Policy permits the use of longer-term alternative investments. Based on the investment horizon, it is appropriate to include in their Plan allocations.

5.2 Allocations

50% EQUITY MODEL (E+)			
Asset Classes	Minimum (%)	Target Weight	Maximum (%)
Cash & Equivalent	0	0%	10
Canadian Fixed Income	25	32.5%	45
Global Fixed Income and Credit	0	7.5%	15
Canadian Equities	15	25%	35
Global Equities	15	25%	35
Alternatives	0	10%	20
Total		100%	

* Further details on holdings and benchmarks for this model are detailed in a ONE JIB report approved on September 4, 2025. ([Model Portfolio Review 2025](#)).

6

APPLICABLE ONE JIB POLICIES

The Plan adheres to the following ONE JIB Policies subject to periodic review and updating and are posted to the ONE Investment website.

- ONE Anti-Money Laundering Policy
- ONE JIB Fund Deviation Policy
- ONE JIB Principles of Good Benchmarks Policy
- ONE JIB Withdrawals of MNRI Policy
- ONE JIB In-Kind Securities Policy
- ONE JIB Responsible Investment Policy
- ONE JIB Policy for Reviewing the External Sub-Investment Manager
- ONE JIB OCIO Compliance Monitoring Policy

7

ELIGIBLE FUNDS

The eligible funds are listed under Schedule “A” of the Investment Management Agreement between RBC Global Asset Management Inc. and ONE Investment, which may be reviewed and updated periodically.

In asset classes where more than one fund is eligible for investment, the OCIO will be responsible for determining which fund(s) to include in the client portfolio after due consideration for (1) the individual characteristics of the fund, (2) prevailing market conditions impacting the fund’s liquidity and capacity, and (3) its alignment with the Municipality’s investment objectives and philosophy.

The Manager shall manage the RBC GAM Fund(s) according to the pooled fund investment mandate including the investment guidelines contained therein developed by the Manager in respect of each RBC GAM Fund (each, an “Investment Mandate”).

Asset Classes	Sub-Asset Classes	Eligible Fund Names (Schedule “A” of IMA)
	Fixed Income	
Cash & Equivalent	Money Market	PH&N Canadian Money Market Fund
Canadian Fixed Income	Short-Term Bonds	PH&N Short Term Bond & Mortgage Fund RBC Vision Fossil Fuel Free Short Term Bond Fund
	Universe Bonds	PH&N Bond Fund PH&N Enhanced Total Return Bond Fund RBC Vision Bond Fund RBC Vision Fossil Fuel Free Bond Fund
	Corporate Bonds	PH&N Corporate Bond Trust*
	Private Placement Corporate Debt	PH&N Private Placement Corporate Debt Fund*
	Commercial Mortgages	PH&N Mortgage Pension Trust* RBC Commercial Mortgage Fund*
Global Fixed Income and Credit	High-Yield Bonds	RBC High Yield Bond Fund PH&N High Yield Bond Fund
	Global Multi-Asset Credit	BlueBay Total Return Credit Fund
	Global Bonds	RBC Global Bond Fund
	Emerging Markets Bonds	RBC Emerging Markets Bond Fund

	Equities	
Canadian Equities	Canadian Equities	PH&N Canadian Equity Value Fund PH&N Canadian Equity Fund RBC Vision Canadian Equity Fund RBC QUBE Canadian Equity Fund
	Canadian Low Volatility Equities	RBC Vision QUBE Fossil Fuel Free Low Volatility Canadian Equity Fund RBC QUBE Low Volatility Canadian Equity Fund
Global Equities	U.S. Equities	PH&N US Equity Fund RBC QUBE US Equity Fund
	U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Fund
	International Equities	RBC International Equity Fund RBC International Equity Index Fund RBC QUBE International Equity Fund
	Global Equities	RBC Global Equity Focus Fund RBC Global Equity Leaders Fund RBC Vision Global Equity Fund RBC Vision Fossil Fuel Free Global Equity Fund RBC QUBE Global Equity Fund
	Global Low Volatility Equities	RBC QUBE Low Volatility Global Equity Fund
	Emerging Markets Equities	RBC Emerging Markets Equity Fund RBC Emerging Markets Dividend Fund
Alternatives	Real Estate	RBC Canadian Core Real Estate Fund
	Infrastructure	RBC Global Infrastructure Fund

8

REBALANCING

The OCIO is authorized to execute trades, as appropriate, to maintain compliance with the Investment Plan.

Rebalancing shall occur in accordance with the Participating Municipality's Investment Policy Statement and Investment Plan.

Rebalancing plans and exact timing should account for upcoming material changes that may impact the Investment Plans, such as updates to the Investment Policy Statement or the Municipal Client Questionnaire.

As appropriate, the size and frequency of trading activities shall be minimized to help reduce the administration and costs of trading.

9

IMPLEMENTATION

9.1 Custodian

All marketable investments under the control and management of ONE JIB, shall be held for safekeeping by ONE Investment's Custodian.

9.2 Implementation Plan

Timeline	Implementation Details
Not Applicable	No change to the model portfolio allocation is being proposed

9.3 Accommodating Cashflow needs

Income from investments will be automatically reinvested as per the ONE Distribution Policy PI and cashflow needs of Thunder Bay are expected to be financed with the sale of units of the pooled funds. Payment of OCIO Fees and Governance fees will also be financed with the sale of investment pool units.



Attachment 10

Town of Whitby Policy

Policy Title:	Investment Policy
Policy Number:	F 100
Category:	Finance
Reference:	Municipal Act, 2001 Eligible Investments, Regulation 438/97 and Council Resolution #106-23
Date Approved:	May 25, 2026
Date Revised:	February 24, 2025
Approval:	Council
Point of Contact:	Financial Services Department

Policy Statement

It is the policy of The Corporation of the Town of Whitby (the "**Town**") to invest municipal funds in a manner which will provide the highest return within risk tolerances that are appropriate for the Town. Investments must comply with the Municipal Act, 2001, c. 25 (the "**Act**"), Sections 418-420 and Eligible Investments, Related Financial Agreements and Prudent Investment, Ontario Regulation 438/97 (the "**Regulation**") included as Appendix 1.

Purpose

To provide investment guidelines which govern the investment of the Town's "Money that is Not Required Immediately" ("**MNRI**") and "Money that is Required Immediately" ("**MRI**"). The Investment Policy Statement ("**IPS**") governs the investment of the Town's MNRI and MRI. It is intended, among other things, to direct the Treasurer in the investment of MRI and to direct ONE Joint Investment Board ("**ONE JIB**") in the investment of MNRI pursuant to which the Town authorized the establishment of guidelines for the prudent management of the Town's MNRI pursuant to section 418.1 of the Act.

In addition to the Town's MRI and MNRI, the Town is from time to time entrusted with the management of money and investments for a third-party beneficiary ("**Third-Party Trust Funds**"). The Town's Third-Party Trust Funds are listed in Appendix 2 of this IPS.

There are also source(s) of money in which the Town may have an indirect interest but which the Town currently has no authority to invest. Such source(s) of money, referred

to in this IPS as "**Designated Funds**", are listed in Appendix 2 attached hereto. The Designated Funds and the Restricted Special Assets, listed in Appendix 2 and Appendix 3 of this IPS, are identified in this IPS for the sole purpose of enabling the Town to better see, on an aggregated basis, the various financial assets in which the Town has an interest.

ONE JIB is not responsible for the investment activities or performance of Third-Party Trust Funds, Designated Funds or Restricted Special Assets.

Scope

The IPS, as outlined, applies to all investment of Working Capital, Reserves, Reserve Funds, sinking funds, trust funds and any new funds created by the Town unless specifically exempted.

The goals of this IPS is to:

- Define and assign responsibilities for investment of MRI and MNRI;
- Direct ONE JIB as to the Town's investment goals and risk tolerance;
- Ensure compliance with the applicable legislation;
- Provide guidance and limitations regarding the investments and their underlying risks;
- Describe the Town's responsibilities with respect to Restricted Special Assets, Third-Party Trust Funds and Designated Funds;
- Establish a basis of evaluating investment performance and the underlying risks; and,
- Establish a reporting standard to Council.

This IPS applies to employees of the Town, to ONE JIB and to the employees of ONE Investment. ONE JIB, the Treasurer, and any agent, sub-investment manager, or advisor providing services to ONE JIB in connection with the investment of the portfolio shall accept and strictly adhere to this IPS.

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1. Definitions

The following capitalized terms are defined terms which have the meanings set out below:

Act: means the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended from time to time.

Agent: means any administrator, custodian, payment servicer, investment counsel, consultant, banker, broker, dealer or other service provider engaged or appointed by ONE JIB and authorized by ONE JIB to exercise any of the functions of ONE JIB pursuant to a written agreement, in the manner and to the extent provided in the Regulation and without limiting the generality of the foregoing, Agent includes ONE Investment, and the Sub-Investment Manager.

Alternative Assets: means investments outside traditional investments such as equities, fixed income, and cash which may include, hedge funds, private equity, natural resources, real estate and infrastructure. Alternative investments are

typically less liquid than traditional investments, are appropriate only for allocations with a long investment horizon.

Asset Class: means a specific category of assets or investments, such as cash, fixed income, equities, alternative investments, real estate etc.

Asset Mix (or Asset Allocation): means the proportion of each Asset Class in a portfolio.

Authorizing By-law: means a by-law of the Town that authorizes it to invest its money and investments that it does not require immediately in the OCIO offering of ONE JIB pursuant to section 418.1 of the Act, to approve various documents, the entering into of agreements including a Prudent Effective Date Agreement and the delegation of certain powers and duties to ONE JIB/ONE Investment.

Benchmark: means an index that is representative of a specific securities market (e.g. the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc.) against which investment performance can be compared. Performance benchmarks refer to total return indices in Canadian dollar terms.

CHUMS Financing Corporation ("CHUMS"): means a subsidiary of Municipal Finance Officers' Association of Ontario (MFOA) which, in conjunction with Local Authority Services ("LAS"), established ONE Investment.

CFA Institute: refers to the global, not-for-profit professional association that administers the Chartered Financial Analyst and the Certificate in Investment Performance Measurement curricula and examination programs worldwide, publishes research, conducts professional development programs, and sets voluntary, ethics-based professional and performance reporting standards for the investment industry.

Custodian: means a specialized financial institution that is responsible for safeguarding a municipality's investments and is not engaged in "traditional" commercial or consumer/retail banking. Global custodians hold investments for their clients in multiple jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

Designated Funds: means source(s) of money in which the Town may have an indirect interest but which the Town currently has no authority to invest. Designated Funds are listed in Appendix 2 of this IPS.

Diversification: means a risk management technique that mixes a variety of investment types within a portfolio to help mitigate portfolio risk. A diversified portfolio holds different kinds of investments to improve the risk adjusted returns.

Derivative: means a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (e.g. a security) or set of assets

(e.g. an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.

Environmental, Social and Governance (“ESG”) Investing: means considering and integrating ESG factors into the investment process, rather than eliminating investments based on ESG factors alone. Integrating ESG information can lead to more comprehensive analysis of a company.

External Portfolio Managers: means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a Pooled Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.

Internal Controls: means a system of controls that may include authorities, policies, procedures, separation and segregation of duties, compliance checks, performance measurement and attribution, reporting protocols, measures for safekeeping of property and data, and the audit process.

Investment Plan: means the investment plan applicable to the MNRI and adopted by ONE JIB under the Regulation, as it may be amended from time to time.

Investment Policy Statement (“IPS”): means the investment policy applicable to the Town’s investments adopted and maintained by the Council of the Town for MNRI under the Regulation, and for MRI, as the same may be amended from time to time. The IPS may also apply to the money and investments held by the Town for the benefit of persons other than the Town itself and may make reference to source(s) of money in which the Town may have an indirect interest but which the Town has no authority to invest.

Joint Investment Board (“JIB”): means a joint municipal service board that is established under section 202 of the Act by two or more municipalities for the purposes of Part II of the Regulation.

Legal List Securities: means the securities and other investments and financial instruments that are included from time to time in Part I of the Regulation.

Leverage: means an investment strategy of using borrowed money – specifically, the use of various financial instruments or borrowed capital to increase the potential return of an investment. Typically leverage also tends to increase investment risks.

Liquidity: means the ability to turn an investment into cash relatively quickly, without a substantial loss in value. For example, a savings account is more liquid than real estate.

Local Authority Services (“LAS”): means an entity which, in conjunction with MFOA/CHUMS, established ONE Investment.

Local Distribution Corporation (“LDC”): means a corporation incorporated under section 142 of the *Electricity Act, 1998*, S.O. 1998, c. 15, Sched. A., as amended.

Market Value: means the price at which a security is trading and could presumably be sold. Also known as Fair Value it represents the current value of the investment.

Maturity: means the date upon which the principal or stated value of an investment becomes due.

Money not Required Immediately (“MNRI”): means the money that is not required immediately by the Town that will be under the control and management of ONE JIB and as defined in this IPS that will be invested in accordance with the Prudent Investor Standard.

Money Required Immediately (“MRI”): means the money that is required immediately by the Town that remains under the control and management of the Town and, that can be invested in accordance with the Legal List Securities or other applicable legislation.

Municipal Services Corporation (“MSC”): means a corporation established under section 203 of the Act in accordance with the applicable regulation (Ontario Regulation 599/06).

Outsourced Chief Investment Officer (“OCIO”) Offering: means the comprehensive investment program made available through ONE Investment as agent for ONE JIB, where a qualified investment manager is engaged to advise a Participating Municipality with regard to the investment of the Participating Municipality’s MNRI and to invest and manage such MNRI in accordance with the terms and conditions set out in the ONE JIB Agreement.

ONE Investment: means the not-for-profit corporation established by CHUMS and LAS which provides certain management, administrative and other services to ONE JIB as its agent.

ONE JIB: means ONE Joint Investment Board, established by certain founding municipalities under section 202 of the Act as a JIB for purposes of Part II of the Regulation, which is the duly appointed JIB for the Town, as constituted from time to time and which acts in accordance with the Act, the Regulation, the ONE JIB Agreement, including the Terms of Reference, this IPS and the Investment Plan.

ONE JIB Agreement: means the agreement effective as of July 2, 2020, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Town’s MNRI.

Participating Municipality: means from time to time each of the municipalities for whom ONE JIB acts as the JIB under the terms of the ONE JIB Agreement.

Pooled Fund: means a unit trust established under a trust instrument, generally not available to the public, in which institutional, sophisticated or high net worth investors contribute monies that are invested and managed by an External Portfolio Manager. Monies are pooled or combined with monies of other investors.

Portfolio: means any collection of funds that are grouped together and available to support the infrastructure needs of the Town.

Proxy Voting: means a legal transfer to another party of a shareholder's right to vote thereby allowing shareholders who cannot attend meetings to participate. External Portfolio Managers usually vote proxies on behalf of their clients.

Prudent Effective Date: means the mutually agreed-upon date by the Town and ONE Investment on which the prudent investor regime applies to the Town. The Prudent Effective Date shall be on or after ONE JIB approves the Town as a participating municipality.

Prudent Effective Date Agreement: means an agreement entered into by the Town and ONE Investment that sets out the day on which the prudent investor regime starts to apply to the Town.

Prudent Investor Standard: means the standard that applies when the Town invests money that it does not require immediately under section 418.1 of the Act. It requires the Town to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and the standard does not restrict the securities in which the Town can invest. The Prudent Investor Standard applies the standard of prudence to the entire portfolio in respect of the Town's MNRI rather than to individual securities. It identifies the fiduciary's central consideration as the trade-off between risk and return as found in the CFA Institute Standards of Practice Handbook.

Rebalancing: means the process of realigning the weightings of a portfolio of assets. Rebalancing involves periodically buying or selling securities in a portfolio to maintain an original or desired level of asset allocation or risk.

Regulation: means Ontario Regulation 438/97.

Restricted Special Assets: means investments specified by this IPS and held by the Town as of the Prudent Effective Date, where ONE JIB is not able to exercise control. Restricted Special Assets are listed in Appendix 3 of this IPS and are not considered to be MNRI.

Risk: means the uncertainty of future investment returns or chance of loss of capital.

Risk Tolerance: means the financial ability and willingness to absorb a loss in return for greater potential for gains.

Safekeeping: means the holding of assets (e.g. securities) by a financial institution.

Securities Lending: means loaning a security to another market participant. The borrower is required to deliver to the lender, as security for the loan, acceptable collateral with value greater than the value of the securities loaned. The Securities Lending program is managed by the Custodian or another appointed agent on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional marginal returns on the total portfolio.

Sinking Fund: means a fund established to fulfil the requirements to make annual contributions in respect of various debenture issues wherein money is to be regularly set aside for the payment of the principal of the debentures at maturity.

Sinking Fund Required Contributions (Annual Sinking Fund Requirement): means the amount of money to be set aside each year for deposit into a sinking fund or a retirement fund, as applicable, for each sinking fund and term debenture issue in accordance with the Town's debenture by-laws.

Sinking Fund Required Earnings: means the investment earnings needed for the Sinking Fund Contributions to continue to grow to a value sufficient to repay the principal at maturity for each issue of sinking fund and term debentures.

Sinking Fund Excess Earnings: means the investment earnings in excess of the required earnings.

Sub-Investment Manager: means an asset management firm or investment consultant, acting as a sub-investment manager for ONE JIB that provides investment advice and professional services and is involved in the implementation and operational aspects of the OCIO Offering, and that has full responsibility for the investment and management of a Participating Municipality's MNRI through ONE Investment, based on an IPS approved by the Council of the Town.

Third-Party Trust Funds: means money over which the Town exercises both management and policy control but whose assets are not owned by the Town. These funds are governed by a variety of agreements and, in some cases, by legislation. Some funds may have externally mandated investment policies, and some may have investment policies that are determined by the Town. Third-Party Trust Funds are listed in Appendix 2 of this IPS.

Trust Fund: means a fund which consists of assets that have been conveyed or assigned to a trustee to be administered as directed by agreement or statute. As

a result, a trustee holds title to the assets for the purpose of providing benefits, and being accountable, to a beneficiary. The Town is the trustee of funds that are to be used for specific purposes by the Town or any related parties.

2. Purpose and Legislative Framework

2.1. Governing Legislation

Investments of MRI will only be made in Legal List Securities in accordance with this IPS and Section 418.1 of the Act. Investments of MNRI are governed by the Prudent Investor Standard in accordance with Section 418.1 of the Act. This standard is similar to that which governs trustees and pension fund administrators and creates a fiduciary responsibility. Prudent investment in compliance with the Act and the Regulation enhances the potential for the Town to earn improved risk-adjusted rates of return.

The Act provides that the Town, and therefore ONE JIB, must consider the following criteria in planning investments of MNRI, in addition to other criteria relevant to the circumstances:

- General economic conditions;
- The possible effect of inflation or deflation;
- The role that each investment plays within the Town's total portfolio of investments;
- The expected total return from income and the appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital.

Money and investments that the Town holds as Restricted Special Assets, Third-Party Trust Funds or has an interest in as Designated Funds will be subject to applicable legislation and any related agreements or instruments.

2.2. Prudent Investor Standard

For MNRI, the standard to be used by the Town and ONE JIB shall be the Prudent Investor Standard as required by section 418.1 of the Act and Part II of the Regulation in the context of managing the Town's MNRI and investments thereof. Investments shall be made with the care, skill, diligence, and judgment, taking into account the prevailing circumstances, that persons of prudence, discretion and integrity would exercise in the management of investments, considering the necessity of preserving capital as well as the need for income and appreciation of capital. The Act includes a duty to obtain the advice that a prudent investor would obtain under comparable circumstances.

Officers, employees, and investment agents acting in accordance with written procedures and the IPS and exercising due diligence shall take all necessary actions to optimize performance of investments on a portfolio basis, taking

into account the prescribed risk and other parameters set out in this IPS and market factors. The Town's staff acting in accordance with written procedures and this IPS, shall be relieved of personal responsibility for an investment's performance, provided underperformance relative to expectations is reported to Council and the liquidation or sale of investments is carried out in accordance with this IPS.

3. Money Required Immediately and Money Not Required Immediately

3.1. Determination of MNRI and MRI

Determination of the Town's MNRI is the responsibility of Council. In making the determination, Council may consider:

- the time horizon within which the monies are needed to meet financial obligations;
- the purpose for which the monies have been collected or set aside and are to be used;
- the source of the money; or
- any combination of the foregoing

MNRI will be comprised of money that is to be used to meet financial obligations that become due more than 24 months from the date of receipt of such money by the Town.

For certainty, all money and investments of the Town that have not been identified as MNRI (other than Restricted Special Asset, Third-Party Trust Funds and any Designated Funds referenced in Section 2.1) shall be deemed for purposes of this IPS to be MRI.

Determination of the Town's MNRI and MRI may be modified at any time and from time to time by action of Council and with respect to specific monies by the Treasurer in accordance with the provisions of Section 6.2.

Any changes in this IPS regarding the Town's MNRI and MRI must be communicated immediately in writing to ONE JIB.

3.2. Overview of Portfolios

The Town's portfolios represent funds required for specific purposes. A high-level description of each of these portfolios and their objectives is provided in Section 5 below. This IPS applies to the following money of the Town, its agencies, boards and commissions including:

- MRI which is invested in Legal List Securities; and/or,
- MNRI which is invested under the Prudent Investor Standard.

4. Roles and Responsibilities

4.1. Role of ONE JIB

ONE JIB has been appointed by the Town in accordance with the requirements of the Act and the Regulation and on the terms and conditions set out in the ONE JIB Agreement (Appendix 4).

ONE JIB exercises control and management of the Town's MNRI and the investments made by it in accordance with the objectives and risk tolerance established in this IPS.

Among the responsibilities of ONE JIB are the following:

- Reviewing this IPS;
- Adopting and maintaining an Investment Plan that complies with this IPS;
- Engaging custodians, administrators and other investment professionals (Agents);
- Allocating the money and investments under its control and management in compliance with this IPS;
- Monitoring the performance of the OCIO Offering and Agents; and,
- Reporting to the Town.

The foregoing is subject to the more detailed terms and conditions contained in the ONE JIB Agreement.

4.2. Role of Municipal Staff

This IPS is approved and adopted by Council with input from the Treasurer, and from ONE JIB with respect to MNRI. MRI of the Town, in addition to any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in Section 2.1, remain under the control and management of the Treasurer.

Consistent with this IPS, the Treasurer is responsible for the implementation of the investment program and the establishment of investment procedures which shall include:

- Investment management of MRI and any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in Section 2.1 by, or under the direction of, the Treasurer;
- The deposit or withdrawal of MNRI, under the explicit delegation of authority regarding MNRI, and the investment thereof, to ONE JIB, which is responsible for the control and management of such funds and investments; and,

- A system of controls exercised by the Treasurer to regulate the activities of subordinate officials.

No person including, without limitation, ONE JIB, may engage in an investment transaction except as provided under the terms of this IPS.

In the management of MRI of the Town, and any Third-Party Trust Funds, Designated Funds and Restricted Special Assets referenced in Section 2.1, the Treasurer may engage one or more agents and service providers. ONE Investment can assist with the investment of the Town's MRI, in Legal List Securities, and with the investment of Third-Party Trust Funds, in accordance with the terms of the applicable trust, if permitted, at the request of the Town.

4.3. Ethics and Conflicts of Interest

Individuals who are responsible for the Town's MRI Investment Portfolio shall comply with the Town's Conflict of Interest guidelines and any relevant professional codes of conduct (e.g., the Chartered Professional Accountants Code of Professional Conduct).

ONE JIB, in its capacity as a joint municipal service board, in addition to being a local board of each member Municipality is subject to a Code of Conduct as required by the Act. This Code of Conduct applies to the Chair and the other Members of ONE JIB acting in their capacity as Members of ONE JIB.

5. Investments

5.1. MRI

The Town's MRI as described in this IPS, consists of money that is needed to meet the short-term financial obligations coming due within 24 months from the date of receipt of such money and are controlled and managed by the Treasurer.

For clarification, any debenture or promissory note issued by a LDC to the Town, together with any payments or interest earned thereon, shall be considered MRI.

5.1.1. MRI: Investment Objectives

The main focus of the investment of MRI is cash management, and the interest income generated by the investments of these monies contribute to municipal revenues. To the extent possible, the Town shall attempt to match its investments with anticipated obligations.

Capital preservation is the paramount objective for MRI investments, and these investments need to be highly liquid. Consequently, only high quality investments that are also Legal List Securities will be held in this portfolio.

The Town may invest in fully liquid money market securities and deposit accounts. The Town aims to maximize returns subject to the constraints set out in Part I of the Regulation, as amended from time to time, with a view to preserving capital and to further manage risk through diversification by issuer and credit quality.

The investment objectives for MRI, ranked in priority, are as follows:

a) Security of Principal

The primary objective for MRI is to ensure the security of principal. To minimize the risk of loss, investments shall be subject to minimum credit ratings and shall be diversified by maturity, type of investment and issuer. Investing activities will be reviewed on a regular basis as actual, revised and forecasted operating and capital plans are completed. Maturity dates should be structured so that investment cash inflows occur when needed.

b) Liquidity Requirements

Liquidity is measured by the ease with which securities can be converted to cash to meet forecast spending. The investments that are eligible under the Regulation possess different features and thus market prices will vary depending on market conditions, as well as the particular features of the type of investment.

To ensure adequate liquidity, the Town's investments shall be diversified by holding securities of various terms to maturity and by various types of investments and issuers and to the extent possible, the term of such investments shall match the forecasted requirements for such monies to meet expenditures.

c) Rate of Return

The Town's money shall be invested to maximize the rate of return within acceptable risk levels while respecting the security of principal, legal constraints and the liquidity needs of each investment portfolio.

The composition of each portfolio, including its term to maturity and type of investments, shall be adjusted within the guidelines of this IPS to take advantage of market opportunities. Such changes shall be made with the periodic interest rate outlook and target portfolio structure approved by the Treasurer.

5.1.2. MRI: Eligible Investments

The investment strategy for MRI focuses on high-quality investments that are identified as Legal List Securities. These investments can be obtained through banks, dealers, and other financial institutions. Investments issued or guaranteed by approved institutions are permissible, provided they are deemed eligible by the Regulation or authorized by subsequent Provincial regulations. Appendix 5 outlines the authorized investments and their respective sector limitations. Additionally, investments will be restricted to securities with a minimum credit rating as determined by an appropriate credit rating agency, as set out in the Regulation and detailed in Appendix 6.

Eligible investments include, but are not limited to, the following offerings by ONE Investment:

- ONE Investment High Interest Savings Account; and
- ONE Investment Canadian Government Bond Portfolio

Investment in the foregoing is subject to the Town entering into the prescribed Agency Agreement with LAS and CHUMS.

5.2. MNRI

The Town's MNRI is described in Section 3.1. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the MNRI and the investments made therewith.

From time to time, the Town may require money immediately to meet financial obligations and may require ONE JIB to liquidate one or more investments in order to generate money to meet those obligations. ONE JIB will select the investment(s) to be liquidated. The timing of such liquidation will be determined by ONE JIB in consultation with the Treasurer.

5.2.1. MNRI: Investment Objectives

In setting the objectives noted below, the Town has taken into account the following considerations:

- Preservation of capital;
- Adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements;
- Diversification by asset class, market, sector, issuer, credit quality and term to maturity;
- Income and capital appreciation; and,
- Macro risks, such as inflation, economic growth and interest rates.

Investment of MNRI is managed by ONE JIB in a way that balances investment objectives, expected returns, and risk to develop asset allocations that achieve the Town's financial objectives within stated risk tolerances. Investment of MNRI is to be managed by ONE JIB in a way that balances the investment objectives with a level of risk that is appropriate for the Town. The MNRI invested will be broadly diversified to help reduce the volatility of investment returns. Returns have an impact on revenues, as well as a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. To the extent possible, the Long-Term Money's investment horizons are aligned with the Town's obligations and cash flow requirements and may consist of liquid and non-liquid securities based on future cash flow requirements.

5.2.2. MNRI: Eligible Investments

Eligible investments for MNRI include any pooled fund or other collective investment vehicle or institutional investment management product sponsored or managed by ONE Investment for the Prudent Investment Program (OCIO Offering), provided always that the products and the selection of products comply in all material respects with the IPS.

Additionally, nothing in this IPS prevents MNRI from being held in cash, short term money market instruments, or overnight deposits.

5.2.3. MNRI: Sinking Funds

Sinking Funds are currently not applicable to the Town; however, should any sinking funds be established in the future, they are to be classified as MNRI and will be managed separately by ONE JIB.

5.2.4. Local Distribution Corporation and Municipal Services Corporation Securities

The direct investment in LDC/MSD shares and/or promissory notes, as listed in Appendix 3, shall be considered to be Restricted Special Assets and shall not be held by ONE JIB as MNRI.

5.2.5. Restricted Special Assets

With the exception of the Town's investments held in the ONE Investment Legal List Portfolios specified below, all existing assets, listed in Appendix 3 of this IPS and held by the Town on the Prudent Effective Date, shall be considered to be Restricted Special Assets, and shall not be held by ONE JIB as MNRI. The Treasurer may choose to liquidate these investments and determine that the proceeds are MNRI, to be invested as per this IPS and the approved ONE JIB Investment Plan.

For certainty, Restricted Special Assets are not MNRI of the Town, and such assets are not under the control or management of ONE JIB.

The ONE Investment Legal List Portfolio Investments, held by the Town, shall be considered to be MNRI and transferred to ONE JIB to be invested as MNRI, unless deemed by the Town to be MRI.

5.3. Third-Party Trust Funds and Designated Funds

In addition to the Town's own money, the Town is from time to time entrusted with Third-Party Trust Funds, and the responsibilities and obligations with respect thereto may be subject to other legislation and governed by other agreements and instruments. To the extent that there is any conflict or inconsistency between the provisions of this IPS and the terms and conditions contained in such other legislation, agreements or instruments applicable to Third-Party Trust Funds, the latter shall prevail.

The Town's Third-Party Trust Funds and the Designated Funds are listed in Appendix 2.

For certainty, the third-party trust funds and the Designated Funds are not MNRI of the Town, and such monies are not under the control or management of ONE JIB.

5.4. Investment Management

5.4.1. Investment Management of MRI

The investment of MRI shall be controlled and managed by the Treasurer.

5.4.2. Investment Management of MNRI

The investment of MNRI shall be controlled and managed by ONE JIB in accordance with this IPS and the ONE JIB Agreement.

The selected Sub-Investment Manager shall enter into an agreement with ONE Investment related to the OCIO Offering, that complies with this IPS and Part II of the Regulation and will provide compliance and performance reports to ONE JIB and One Investment. ONE JIB shall make any investment management changes deemed in the best interest of the Town.

5.5. Transition to Prudent Investor Regime / Outsourced Chief Investment Officer ("OCIO") Offering

Until Prudent Effective Date, the Town will continue to control and manage its MRI, MNRI and investments in Legal List Securities. Some Legal List investments were made with MRI and some with MNRI.

During the transition to the OCIO Offering the Chair and Vice-Chair of ONE JIB have discretionary power to approve temporary investments

recommended by the Sub-Investment Manager that may not be expressly described in this IPS but are, in the opinion of the Chair and Vice-Chair, in the best interests of the Town and are entirely consistent with their fiduciary obligations to the Town.

All MNRI that is not Third-Party Trust Funds, Designated Funds or Restricted Special Assets shall be provided to ONE JIB on the Prudent Effective Date.

5.6. Investment Constraints

5.6.1. Environmental, Social and Governance Investing

The Town supports ESG investing for MRI and MNRI. The Town believes that well-managed companies are those that demonstrate high ethical and environmental standards and respect for their employees, human rights, and the communities in which they do business, and that these actions contribute to long term financial performance.

For the investment of MRI, the Town has chosen to monitor the developments of ESG factors and will reconsider its approach to ESG investing for the MRI Portfolio as and when appropriate to do so.

For the investment of MNRI, ONE JIB is required to explore and consider how the OCIO is implementing responsible investing principles at the time of hiring and during periodic reviews. It may report on results periodically, if requested.

5.6.2. Securities Lending

For investments made with MRI, the Town may engage in the practice of securities lending as provided in Section 418.1 of the Act to enhance returns on the custodial portfolio by lending certain securities to approved borrowers for a fee.

For the investment of MNRI, the Town may invest in pooled funds, and other investment funds that are managed by the Sub-Investment Manager who may engage in Securities Lending if the policies of the OCIO permit such an action.

5.6.3. Derivatives

Derivatives shall not be used for the investment of MRI.

For the investment of MNRI, futures and forwards contracts, options and other derivative instruments may only be used to (a) create an asset mix position that does not leverage the portfolio, (b) replicate the performance of a capital market index, or (c) reduce risk as part of a hedging strategy.

5.6.4. Use of Leverage

Nothing in this IPS prevents the use of leverage, provided it is prudent to do so. Leverage is inherent in the use of certain types of investment strategies and instruments. Where leverage is employed, ONE JIB (for MNRI) and the Treasurer (for MRI) shall have in place monitoring procedures to manage overall exposure to any counterparty. Leverages should not be exercised for speculative purposes but may be used as a hedging tool.

5.6.5. Pooled Funds

Investments in open-ended pooled funds, closed-ended pooled funds, limited partnerships and other specialist corporate structures (e.g. LLCs), are permitted provided that the assets of such funds are permissible investments under this IPS, the Regulation, or provided that any non-permitted investments are disclosed by the Sub-Investment Manager. Within pooled funds, the External Portfolio Manager's policies will take precedence over this IPS.

5.6.6. Currency Hedging

The MRI Investment Portfolio will not utilize currency hedging.

The Town's funding requirements are in Canadian dollars. However, some exposure to foreign currencies in the MNRI Investment Portfolio may be advantageous to provide diversification and potentially enhance returns. Therefore, it shall not be a violation of this IPS for investments in global mandates to be unhedged, in whole or in part, where the diversification benefits embedded in the currency exposure are considered to be beneficial or desirable by ONE JIB.

5.6.7. Alternative Asset Classes

The applicable legislation does not prevent the direct or indirect placement of the MNRI in Alternative Assets Classes; this IPS permits investments in alternative investments for the purpose of management of MNRI under ONE JIB.

Alternative Asset Classes, such as infrastructure or real estate, may have uncorrelated return characteristics with traditional Asset Classes that may improve diversification within the portfolio, which may lead to better risk adjusted returns. Typically, these investments may not be fully liquid, and are only appropriate for inclusion in portfolios with long investment horizons.

5.6.8. Prohibited Investments

In no event may investments be made through foreign direct investment in countries subject to Canadian or UN economic sanctions.

5.7. Performance Monitoring, Rebalancing and Management

5.7.1. MRI

The performance benchmarks may vary from time to time, as decided by the Treasurer, subject to the investment constraints listed in the IPS. The Treasurer shall monitor the performance, rebalance asset mix, and manage MRI funds in a manner that achieves the investment objectives set out in this IPS. The Senior Investment & Financial Analyst will provide regular performance reporting to the Treasurer on the portfolio, as required.

5.7.2. MNRI

For the investment of MNRI, ONE JIB shall establish parameters for monitoring investments and rebalancing through policy or directly within the investment plan.

Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. At minimum, ONE JIB shall provide reporting described in Section 6.7 that shows the Town's holdings, declares compliance with this IPS, and reports on the Sub-Investment Manager's performance.

6. Administrative Policies

6.1. Flow of Money and Annual Town Budget

6.1.1. Transfer to ONE JIB as Part of Annual Review Process

On an annual basis, as part of the Town's annual review process, the Town shall identify the amount, if any, of MNRI that it holds. Any MNRI not already under the control and management of ONE JIB shall be transferred to ONE JIB as soon as practicable.

6.1.2. Transfer to Town as Part of Annual Review Process

On an annual basis, as part of the Town's annual review process, ONE JIB shall be notified by the Treasurer as to the amount, if any, required by the Town from the MNRI then under the control and management of ONE JIB for the Town's operational purposes. Such amount shall be deemed to be MRI and shall be returned to the Town in a lump sum or by way of periodic payments, as directed by the Treasurer.

6.2. Flow of Money Otherwise than through the Budget Process

6.2.1. Surplus Funds

The MRI capture revenues received by the Town during each year after the approval of the Town's budget for the year. Any amounts deemed to be MNRI by the Treasurer at any such time during the year shall be transferred to ONE JIB to be under its management and control as MNRI. Amounts so transferred will be recorded annually in the Investment Plan and allocated by ONE JIB in accordance with the Investment Plan.

6.2.2. Contingencies

The Treasurer is authorized to direct ONE JIB to return any amounts determined by the Treasurer to be required to meet expenditures for unexpected contingencies not anticipated by the Town's budget in force for that year, provided however that the aggregate of the amounts to be returned to the Town under this Section 6.2.2 during the year shall not exceed 25% of the MNRI under the control and management of ONE JIB as at the date that the Town approved its budget for the year (the Budgeted MNRI). In determining the Budgeted MNRI for purposes of calculating the 25% limit, any MNRI to be transferred to the control and management of ONE JIB in accordance with that year's Annual Review pursuant to Section 6.1.1 shall be included and any amount to be returned by ONE JIB to the Town pursuant to Section 6.1.2 shall be excluded. ONE Investment should be made aware of material transactions in advance to ensure the orderly sale of securities to fund withdrawals.

6.3. Valuation of Investments

Investments shall be valued according to the values provided by the Custodian(s). For the investment of MNRI, values of unitized vehicles shall be valued according to the unit values published by the Custodian. Other investments shall be valued at their market value when that is available from regular public trading. If a market valuation of an investment is not available, then a fair value shall be supplied by the Sub-Investment Manager to ONE Investment no less frequently than quarterly.

6.4. Voting Rights

The Sub-Investment Manager shall assume the responsibility of exercising voting rights in respect of the Town's MNRI and will report their voting policies to ONE JIB annually. The Town may access these policies at any time.

6.5. Internal Controls

The Treasurer shall establish an annual process of review of all investments made under this IPS. This review will provide internal control by assuring

compliance with governing legislation and with policies and procedures established by the Treasurer. To the extent ONE JIB's input is needed, these requirements will be communicated in advance to ONE JIB.

6.6. Custodians

All investments and assets of the investment portfolios shall be held by a Custodian and any of the Custodian's sub-custodians or nominees. For MNRI, the Custodian shall be acceptable to ONE Investment. For MRI the Custodian shall be acceptable to ONE Investment, if ONE Investment is administering the investment of the Town's MRI; otherwise the Custodian shall be acceptable to the Town.

6.7. Reporting

6.7.1. MRI

For the investment of MRI, the Treasurer shall report at least annually to Council in a form and contain such content as Council may request. The report to Council shall include investment performance during the period covered and any other information as required under the Regulation and that the Treasurer may consider to be pertinent.

6.7.2. MNRI

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of MNRI at least annually. This report shall include the following.

- Investment performance during the period covered by the report;
- Asset mix of the total portfolio;
- A listing of individual investments held at the fund level at the end of the reporting period showing, where appropriate, book value, market value, realized/unrealized gains/losses and actual income received;
- A list of all transactions including the security name, trade date, and the purchase and/or sale price;
- A statement by the Treasurer as to whether all investments were made in accordance with the IPS and as to whether all investments were made in accordance with the Investment Plan; and
- Any other pertinent information in the opinion of the Treasurer.

All MNRI or MRI invested on behalf of the Town by ONE JIB or with the assistance of ONE Investment shall be held for safekeeping in the name of the Town by a custodian.

7. Approval, Subsequent Modifications and Effective Date

7.1. Revocation / Amendment of Previous Investment Policy

Upon coming into effect, this IPS supersedes previously approved investment policies of the Town.

7.2. Modifications to the IPS

At least annually, Council shall review the IPS and update it, if required. In the course of reviewing the IPS, Council may request comments from the Treasurer with respect to the investment of MRI and from ONE JIB with respect to the investment of MNRI.

Following the Council's review of the IPS, ONE JIB shall review the Investment Plan and update it, if required.

At a minimum, the annual IPS review will consider:

- the adequacy of funding for capital works;
- the Town's ability to reduce other spending;
- flexibility of the timeframe to payout; and
- sensitivity to loss.

7.3. Effective Date

This IPS is adopted by Council of the Town effective July 2, 2020. The Treasurer is directed to sign a copy of this IPS to evidence approval and to deliver a copy of this IPS to ONE JIB.

Signed by:

Treasurer

Date

Appendices

Appendix 1	Ontario Regulation 438/97 (Eligible Investments & Prudent Investment)
Appendix 2	Third Party Trust Funds and Designated Funds
Appendix 3	Restricted Special Assets
Appendix 4	ONE JIB Agreement
Appendix 5	Authorized Investments & sector Limitations (MRI Portfolio)
Appendix 6	Dominion Bond Ratings Service Credit Quality

**This Policy is hereby approved by Council Resolution # Resolution Number from
Council Meeting Minutes on this Day Number day of Month, 2026.**

Appendix 2: Third-Party Trust Funds and Designated Funds

1. Groveside Cemetery care and maintenance trust funds under the *Funeral, Burial and Cremation Services Act*, 2002 which are to be invested pursuant to the *Trustee Act*.

Appendix 3: Restricted Special Assets

1. The Town's investment in Elexicon Energy Inc. as an exchange of notes and shares for the transfer of assets to the local distribution corporation incorporated under section 142 of the *Electricity Act, 1998*.

APPENDIX 5: Authorized Investments & Sector Limitations (MRI Portfolio)

Category	Minimum Credit Rating	Maximum Portfolio Share	Institutional Limit per Issuer
Government of Canada	N/A	100%	100%
Provincial Governments	R-1 low, A (low)	50%	25%
Municipalities and local boards	N/A	50%	10%
Schedule I banks	R-1 low, A (low)	100%	100%
Schedule II banks	R-1 middle, AA (low)	50%	15%
Loan or trust corporations	R-1 low, A (low)	10%	5%
Credit unions ⁽¹⁾	R-1 low, A (low)	20%	10%
Incorporated under Electricity Act	N/A	15%	5%
ONE Funds HISA	N/A	50%	100%
ONE Funds 'Other' ⁽²⁾	N/A	35%	100%

Notes:

- (1) Increased investment with Credit Unions subject to the requirements set out in subsection (2.0.1). O. Reg. 43/18, s. 4 (2).
- (2) One Funds 'Other' includes the Bond, Universe Corporate Bond, Equity & Money Market Funds.

APPENDIX 6: Dominion Bond Ratings Service Credit Quality

Commercial Paper and Short Term Debt		Bond and Long Term Debt	
Symbol	Credit Quality	Symbol	Credit Quality
R-1 (high)	Highest	AAA	Highest
R-1 (middle)	Superior	AA	Superior
R-1 (low)	Satisfactory	A	Satisfactory
R-2 (high)	Adequate	BBB	Adequate
R-2 (middle)	Adequate	BB	Speculative
R-2 (low)	Adequate	B	Highly Speculative
R-3 (high)	Speculative	CCC	Very Highly Speculative
R-3 (middle)	Speculative	CC	Very Highly Speculative
R-3 (low)	Speculative	C	Very Highly Speculative
D	In Arrears	D	In Arrears
R	Not rated		

Dominion Bond Rating Service (DBRS) provides ratings on institutional quality. A company having an R-1 rating is a high grade prime credit. It has a very high ability to repay its current liabilities as they become due. The strength of various liquidity ratios is unquestioned and alternative sources of funds to commercial paper profitability has been reasonable and relatively stable with only modest fluctuations. No substantial qualifying negative factors exist and the firm is of sufficient size to be a strong influence in its industry. DBRS also indicates where within the rating classification the company falls (high, middle or low).

Municipal Client Questionnaire (MCQ)

The MCQ is part of the ONE Investment / ONE JIB annual Investment Plan review (approval) process. The MCQ along with the Council approved (reviewed) Investment Policy informs ONE JIB of the municipal circumstances to consider with the approval of the Investment Plan.

During the year, outside of the annual review, please update the MCQ within 90 days if the municipality experiences any significant changes, *including a significant change in your municipality's financial circumstances, or significant change in the amount of your municipality's "money that it does not require immediately"*. For changes between annual reviews, provide written notice of changes by using the in-year MCQ update form on the last page of this document.

Section 1 – Client Information

Name of Municipality: The Corporation of the Town of Whitby

Address: 575 Rossland Rd East, Whitby, ON, L1N 2M8

Treasurer Information

Name: Fuwing Wong

Phone Number: (905) 430-4314

Extension: _____

Email: wongf@whitby.ca

Primary Day to Day Contact Information*

☐

Check if same information as Treasurer above

Name: Mila Golubyeva

Phone Number: (905) 444-1954

Extension: _____

Email: golubyevam@whitby.ca

*Primary day-to-day contact should have a comprehensive understanding of your Municipality's financial position and investment needs.

Section 2 - Investment Knowledge and Experience

2.1 Which statement best describes the Municipal staff (person most responsible for managing investments)'s level of investment knowledge and experience with financial markets and products? *Please check one*

- ☐ Very limited knowledge
- ☐ Basic knowledge and minimal experience
- ☒ Good knowledge and some experience
- ☐ Strong knowledge and experience
- ☐ Advanced knowledge and extensive experience

2.2 If Municipal staff have strong or advanced knowledge, please describe where this knowledge was acquired (e.g., education, designations experience).

2.3 Please indicate if your municipality has used / held any of the following investment types within the past five years. *Please check all that apply.*

- ☒ Canadian money market securities
- ☒ Locked-in Investments (e.g., GICs, PPNs etc.)
- ☒ Local Distribution Corporation Securities (LDC securities)
- ☒ Securities held in third party trusts (i.e., cemetery trust, legacy fund etc.)
- ☒ Fixed income (government and/or corporate bonds)
- ☒ Equities
- ☐ Other – Please Describe

Section 3 – General Municipal Information

This section provides some high-level demographic information on the municipality

3.1 What is the population of the Municipality? 160,000

3.2 Is your municipality a single tier, upper tier or lower tier? Lower Tier

3.3 How much does a 1% tax rate increase generate? 1,376,083

3.4 Is there any other demographic information about your municipality you would like the ONE JIB to know?
(optional)

Section 4 – Municipal MNRI Information

4.1 This section summarizes the current MNRI under the management and control of the ONE JIB and the projected change identified in the annual review. *The total value should equal the total MNRI shown in Question 5.1 Investment Objectives and Horizon*

Description	Value
Portfolio Value (A) - For existing municipalities this is the amount currently invested with ONE JIB as of your last monthly statement. - For new municipalities this should be \$0	\$ 225,337,268
Change to MNRI: Additional contribution (+) or withdrawal (-) (B) - For existing municipalities this is the MNRI change identified during the annual review (fund transfers are typically completed with 30 days of ONE JIB's approval of the updated investment plan) - For new municipalities, this equals your initial deposit as of the Prudent effective date (TBD)	\$ 0
Total MNRI under the management and control of ONE JIB (A + B)	\$ 225,337,268

☐ Additional details have been included as an attachment to this MCQ (optional).

4.2 Use this *optional* box to provide any additional MNRI details related to 4.1 above (in lieu of a separate attachment)

Section 5 – MNRI Investment Objectives and Liquidity Needs

This section asks about your Municipality's MNRI, the purpose or investment objective and the expected investment horizon or when funds may be required to meet forecasted municipal obligations.

5.1 What is the Municipal *funding objective(s), investment horizon(s) and purpose(s)* for the MNRI? *The total MNRI value should equal the total MNRI shown in Question 4.1 Municipal MNRI Information*

MNRI by Investment Horizon

Description	Total MNRI (\$) (A+B+C) <i>auto calculate</i>	Investment Horizon < 5 Years (A)	Investment Horizon 5-10 Years (B)	Investment Horizon >10 Years (C)
Asset Management Reserve	\$ 35,691,878	\$ 35,691,878	\$ 0	\$ 0
Growth Capital Reserve	\$ 59,718,954	\$ 126,555	\$ 12,112,233	\$ 47,480,166
Development Charges RF	\$ 48,906,586	\$ 41,724,144	\$ 4,407,094	\$ 2,775,348
Other Obligatory RF	\$ 62,257,424	\$ 29,863,398	\$ 34,400	\$ 32,359,626
Contingency	\$ 18,762,426	\$ 81,978	\$ 81,978	\$ 18,598,470
Total MNRI - <i>auto calculate</i>	\$ 225,337,268	\$ 107,487,953	\$ 16,635,705	\$ 101,213,610

Note – Description is up to the municipality, it could be total MNRI (one line) or broken out into the funding objective/investment purpose, or municipal reserve name/group (multiple lines)

☒ Additional details have been included as an attachment to this MCQ (optional).

5.2 Based on *current* municipal forecasts, please provide details that may help inform the ONE JIB about ***potential drawdowns/additions to MNRI*** that may be anticipated in future years.

Cash Flow Projections Potentially Affecting Future MNRI

Description	Next Year	2 years	3-5 years	5-10 years	10 years +
Anticipated MNRI Drawdowns (-)	\$ 0	(\$ 46,174,730)	(\$ 38,025,956)		
Anticipated MNRI Contributions (+)	\$ 0	\$ 0	\$ 0		
Net Change to MNRI	\$ 0	(\$ 46,174,730)	(\$ 38,025,956)	\$ 0	\$ 0

5.3 Does the municipal forecasts used (above in 5.2) reflect

- ☐ Drawdowns of current reserve balances, or
- ☒ Drawdowns of current reserve balances inclusive of projected future budgetary contributions

5.4 What *assumptions or factors* do your municipality include in the MNRI cash flow projections? For example, but not limited to, inflation assumptions on capital projects, assumptions on future tax-based reserve contributions, forecasted development charge revenue etc.

Development Charges Revenues have declined significantly over recent years due to:

- 1) existing electricity infrastructure capacity; and,
- 2) current economic conditions/housing market

Elexicon Energy's electricity grid constraints are expected to be resolved by 2030. Further, while there are efforts from all levels of government to increase housing starts and housing supply, the Town's DC revenue impact may not reflect this activity for another 2-3 years due to mandatory and discretionary DC deferrals, including:

- A legislated residential DC deferral program under Bill 17, which defers DC collections from building permit to occupancy permit stage (for developers that choose the deferral);
- A potential 3-Year Residential DC reduction related to the Development Charge Reduction Program related to a Canada-Ontario grant; and,
- A discretionary Industrial Development Charges and Installment Payment

5.5 Does your municipality forecast beyond 5 years, if yes, what is the level of accuracy?

Yes, the Town's capital projections are forecasted beyond 5 years are based on the Town's best estimates/assessments. The cashflow outlays are based on assessment of the capital projects during the 2026 budget process.

5.6 Does your current municipal forecast include any large (or unusual) capital expenditures, which are outside of normal operations?

☒ Yes ☐ No

5.7 Do you anticipate any *potential* change in *liquidity needs* in the future (i.e. within 2 years, within 5 years or beyond 5 years) which may impact on the investment time horizon? An example could be a large capital infrastructure project with timing TBD, or with grant funding pending etc. If yes, please elaborate.

Over the next 5 years major projects include completion of the new Fieldgate Sports Complex, new Fire Station, Columbus Road (Phase 1) Road Widening, and new Mid-Block Arterial Road to accommodate growth. Program may be adjusted if growth slows.

5.8 How does your Municipality manage unanticipated requests for funding? Can you characterize the probability that your municipality may need to draw down MNRI to fund unexpected budget shortfalls?

Unanticipated funding requests are managed through the Capital and Operating budget monitoring policies. The budget monitoring process is ongoing and continuous throughout the year. It is not likely that MNRI will need to be drawn down to fund unexpected budget shortfalls.

5.9 Are there any *other unique circumstances* to your municipality that may impact your cash flow MNRI forecast, return objectives and risk tolerance that the Investment Plan should consider?

N/A

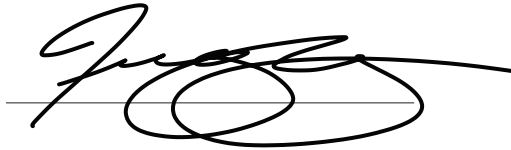
Section 6 – Acknowledgement

I confirm that information provided to ONE Investment in this form is complete and accurate to the best of my knowledge as at the date below.

Dated this 22 day of July, 2026

Fuwing Wong

Commissioner, Financial Services
and Treasurer

A handwritten signature in black ink, appearing to be "Fuwing Wong", written over a horizontal line.

Name and Signature of Treasurer

Second Signature (if required)

Appendix 1 – In-year MCQ Updates Form

Please provide details below that explain the nature of your requested change. This should describe: the money involved, the timing of transactions required, and any other context to support the change request. This will allow ONE JIB to understand how this update may change the cashflow characteristics or investment horizons of MNRI relative to your current MCQ and Investment Plan.

Acknowledgement

I confirm that information provided to ONE Investment in this form is complete and accurate to the best of my knowledge as at the date below.

Dated this _____ day of _____, 20_____

Name and Signature of Treasurer

Second Signature (if required)

Attachment 12

INVESTMENT PLAN FOR

Town of Whitby

DATE: September 10, 2026



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1

DEFINITIONS

Definitions applicable to this Investment Plan can be found on the ONE Investment webpage under Education & Training / Glossary.

2

PURPOSE

As required under the prudent investor regime authorized by the Municipal Act, 2001 (Act), and Ontario Regulation 438/97 (Regulation), this Investment Plan (Plan) establishes how ONE JIB will invest the Town of Whitby's Money Not Required Immediately (MNRI) as defined in Section 3.1 of Whitby's Investment Policy (Policy).

This Plan applies to all investments controlled and managed by ONE JIB on behalf of the Town of Whitby.

3

RESPONSIBILITY FOR PLAN

This Plan is the responsibility of ONE JIB, which has authorized its agent, ONE Investment, to exercise its administrative investment functions in accordance with the Regulation. ONE JIB oversees ONE Investment staff using procedures, reports, and regular reviews to monitor compliance with the Act, the Regulation and the City of Whitby's Policy.

ONE Investment has engaged PH&N Institutional to provide OCIO services. PH&N Institutional is the business division of RBC Global Asset Management responsible for managing assets for Canadian institutional clients. PH&N Institutional will be involved in implementing the Investment Plan, monitoring and reporting investments, and providing ancillary services to support the OCIO Offering.

RBC GAM's investment professionals are committed to providing each client with investment solutions that are appropriately tailored to address the client's investment situation. This means understanding macroeconomic trends and strategies and the diverse and evolving investment needs of clients.

4

INVESTMENT GOALS AND OBJECTIVES

The Town of Whitby's investment needs, as described in its Investment Policy, provide Council's guidance to ONE JIB in determining investment allocations. Further guidance from the Municipal Client Questionnaire (MCQ) and dialogue with the Treasurer inform ONE JIB about the municipality's current goals, objectives, circumstances, and risk tolerance, and help determine investment allocations. The allocation of Whitby's MNRI in this Plan is consistent with the details as disclosed in their Policy and MCQ. Section 5.2.1 of their Policy provides specific information that characterizes the objectives for MNRI, as detailed in Table 1 below:

Table 1: The investment objectives for MNRI.

Category	Objective & Risk Tolerance
Objectives for overall MNRI	• Preservation of capital • Provide adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements • Diversification by asset class, market sector, issuer, credit quality, and term to maturity • Achieve capital appreciation and income while managing risk to an appropriate level.

The MNRI invested with ONE JIB will be broadly diversified across asset class, market, sector, issuer, credit quality, and term to maturity to help reduce investment return volatility. Returns impact revenues and have a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. The MNRI shall be invested to obtain a progressively higher rate of return for longer-term investment horizons, commensurate with stated risk tolerances.

The MNRI balances will be invested primarily to achieve capital growth over time. Achieving returns above inflation is a key investment objective, but near-term liquidity from investments likely will not be required.

5

INVESTMENT PORTFOLIO

Asset allocations are typically expected to be relatively stable until the next annual review. Any contributions or withdrawals of MNRI must be communicated to ONE JIB formally as outlined in the ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy

5.1 Account Structure

MNRI Investment Horizon	Risk Tolerance / Model Assigned	Allocation
Consolidated MNRI Holdings	Model D (40% Equity) assigned.	\$228,384,795

Other considerations:

- Neither contributions nor a withdrawal of MNRI is part of the Plan this year.
- Their approach to determining MNRI remains unchanged.
- They are experiencing a significant drop in Development Charge revenue for two reasons -- Provincial legislation on the way DC's are collected and general slowdown in the market. As a result, less cash flow is being received.
- DC slowdown has been reflected in Table 5.2 of the MCQ. The MCQ drawdown estimates are conservative and may not have to be as large depending on actual collections received.
- The municipality is also deferring its growth-related capital infrastructure program as a result.
- The Recreation Centre which was previously identified to be funded through long-term debt, may be able to be funded from MRI.
- Additional reserve fund detail provided is fairly static.
- Their investment policy permits alternatives; they view this as an "option" and does not reflect "intent" to own.
- The MCQ currently shows possible notable drawdowns of over \$80 million in the next five years, this creates uncertainties.

5.2 Allocations

40% EQUITY MODEL (D)			
Asset Classes	Minimum (%)	Target Weight	Maximum (%)
Cash & Equivalent	0	0%	10
Canadian Fixed Income	35	45%	55
Global Fixed Income and Credit	0	15%	25
Canadian Equities	10	20%	30
Global Equities	10	20%	30
Alternatives	0	0%	0
Total		100%	

* Further details on holdings and benchmarks for this model are detailed in a ONE JIB report approved on September 4, 2025. ([Model Portfolio Review 2025](#)).

6

APPLICABLE ONE JIB POLICIES

The Plan adheres to the following ONE JIB Policies subject to periodic review and updating and are posted to the ONE Investment website.

- ONE Anti-Money Laundering Policy
- ONE JIB Fund Deviation Policy
- ONE JIB Principles of Good Benchmarks Policy
- ONE JIB Withdrawals of MNRI Policy
- ONE JIB In-Kind Securities Policy
- ONE JIB Responsible Investment Policy
- ONE JIB Policy for Reviewing the External Sub-Investment Manager
- ONE JIB OCIO Compliance Monitoring Policy

7

ELIGIBLE FUNDS

The eligible funds are listed under Schedule “A” of the Investment Management Agreement between RBC Global Asset Management Inc. and ONE Investment, which may be reviewed and updated periodically.

In asset classes where more than one fund is eligible for investment, the OCIO will be responsible for determining which fund(s) to include in the client portfolio after due consideration for (1) the individual characteristics of the fund, (2) prevailing market conditions impacting the fund’s liquidity and capacity, and (3) its alignment with the Municipality’s investment objectives and philosophy.

The Manager shall manage the RBC GAM Fund(s) according to the pooled fund investment mandate including the investment guidelines contained therein developed by the Manager in respect of each RBC GAM Fund (each, an “Investment Mandate”).

Asset Classes	Sub-Asset Classes	Eligible Fund Names (Schedule “A” of IMA)
	Fixed Income	
Cash & Equivalent	Money Market	PH&N Canadian Money Market Fund
Canadian Fixed Income	Short-Term Bonds	PH&N Short Term Bond & Mortgage Fund RBC Vision Fossil Fuel Free Short Term Bond Fund
	Universe Bonds	PH&N Bond Fund PH&N Enhanced Total Return Bond Fund RBC Vision Bond Fund RBC Vision Fossil Fuel Free Bond Fund
	Corporate Bonds	PH&N Corporate Bond Trust*
	Private Placement Corporate Debt	PH&N Private Placement Corporate Debt Fund*
	Commercial Mortgages	PH&N Mortgage Pension Trust* RBC Commercial Mortgage Fund*
Global Fixed Income and Credit	High-Yield Bonds	RBC High Yield Bond Fund PH&N High Yield Bond Fund
	Global Multi-Asset Credit	BlueBay Total Return Credit Fund
	Global Bonds	RBC Global Bond Fund
	Emerging Markets Bonds	RBC Emerging Markets Bond Fund

	Equities	
Canadian Equities	Canadian Equities	PH&N Canadian Equity Value Fund PH&N Canadian Equity Fund RBC Vision Canadian Equity Fund RBC QUBE Canadian Equity Fund
	Canadian Low Volatility Equities	RBC Vision QUBE Fossil Fuel Free Low Volatility Canadian Equity Fund RBC QUBE Low Volatility Canadian Equity Fund
Global Equities	U.S. Equities	PH&N US Equity Fund RBC QUBE US Equity Fund
	U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Fund
	International Equities	RBC International Equity Fund RBC International Equity Index Fund RBC QUBE International Equity Fund
	Global Equities	RBC Global Equity Focus Fund RBC Global Equity Leaders Fund RBC Vision Global Equity Fund RBC Vision Fossil Fuel Free Global Equity Fund RBC QUBE Global Equity Fund
	Global Low Volatility Equities	RBC QUBE Low Volatility Global Equity Fund
	Emerging Markets Equities	RBC Emerging Markets Equity Fund RBC Emerging Markets Dividend Fund
Alternatives	Real Estate	RBC Canadian Core Real Estate Fund
	Infrastructure	RBC Global Infrastructure Fund

8

REBALANCING

The OCIO is authorized to execute trades, as appropriate, to maintain compliance with the Investment Plan.

Rebalancing shall occur in accordance with the Participating Municipality's Investment Policy Statement and Investment Plan.

Rebalancing plans and exact timing should account for upcoming material changes that may impact the Investment Plans, such as updates to the Investment Policy Statement or the Municipal Client Questionnaire.

As appropriate, the size and frequency of trading activities shall be minimized to help reduce the administration and costs of trading.

9

IMPLEMENTATION

9.1 Custodian

All marketable investments under the control and management of ONE JIB, shall be held for safekeeping by ONE Investment's Custodian.

9.2 Implementation Plan

Timeline	Implementation Details
Not Applicable	No change to the model portfolio allocation is being proposed

9.3 Accommodating Cashflow needs

Income from investments will be automatically reinvested as per the ONE Distribution Policy PI and cashflow needs of Whitby are expected to be financed with the sale of units of the pooled funds. Payment of OCIO Fees and Governance fees will also be financed with the sale of investment pool units.



REPORT

To: ONE Joint Investment Board
From: Jason Hagan, Program Manager
Date: September 10, 2026
Re: Reappointment of ONE JIB Members to ONE Investment Risk and Audit Committee
Report: ONE JIB 2026-046

1. RECOMMENDATIONS

It is recommended that the Board:

1. Reappoint Board Members Heidi Franken and Jim Giles to ONE Investment's Risk and Audit Committee for a term of two years.

2. SUMMARY

The Risk and Audit Committee is a committee of the ONE Investment Board.

The ONE Investment Board has requested that ONE JIB appoint two members to the Risk and Audit Committee as there is an identified need for skills related to investment experience.

3. BACKGROUND

The Committee's skills matrix identified investment experience as a key skill

The Risk and Audit Committee has a Terms of Reference and skills matrix that identifies the various skills the Committee should be comprised of and key among those skills is experience with investment industry compliance and, more generally, investment experience. Attachment #1 includes the Committee's Terms of Reference.

ONE JIB currently has representation on the Risk and Audit Committee

ONE JIB Board Members Heidi Franken and Jim Giles currently sit on the Risk and Audit Committee, with Board Member Giles being the Chair of the Committee.

Board Member Franken was first appointed to the Committee in 2020. Board Member Giles was first appointed to the Committee in 2022.

4. ANALYSIS

Board Member Heidi Franken's skills are of value to the Committee. Ms. Franken is

agreeable to continue sitting on the Committee.

Board Member Jim Giles holds the role of committee Chair. Mr. Giles is agreeable to continue sitting on the Committee.

5. CONCLUSION

ONE Investment's Risk and Audit Committee is a key part of its strong governance structure. Further, the ONE Investment Board sees the value in ONE JIB being actively engaged in this Committee. The reappointment of Board Members Franken and Giles will continue to strengthen the Committee with investment experience, as well as the relationship with ONE Investment.

ATTACHMENTS

Attachment 1: Risk and Audit Committee Terms of Reference

Drafted by: Jason Hagan, Program Manager

Approved by: Donna Herridge and Christina Pavone, Co-President/CEOs

Attachment 1

Terms of Reference ONE Investment Board's Risk and Audit Committee

Scope

The Risk and Audit Committee (Committee) assists the ONE Investment Board in fulfilling its oversight responsibilities of:

- ONE Investment, as a not-for-profit, financial reporting and risk management; and
- ONE Legal List Investment Program and ONE Prudent Investment Program, offered in compliance with the Municipal Act, 2001 Section 418 and 418.1 respectively and ONE Savings Accounts.

Purpose

The Committee assists the ONE Investment Board (ONE) in its oversight responsibilities as follows:

- Review and recommend approval of Financial Statements and applicable Ontario Securities Commission reporting requirements under ONE Prudent Investment Program;
- Bring financial information such as external audit management letter, to the attention of the Board.
- Overseeing the integrity of the financial management and reporting systems; including the effectiveness of the ONE Investment's internal controls;
- Oversight of ONE's compliance system and performance
- Ensuring the independence of the external auditors;
- overseeing the work of Chief Compliance Officer under ONE Prudent Investor Program;
- Overseeing the portfolio management system;
- Overseeing ONE Investment's risk management framework including cyber security
- Monitoring financial-related, investment and risk management policies and systems and,
- Such other initiatives as may be necessary or desirable as ONE may refer to the Committee.

Composition and Operations

The Committee consists of at least five Members, including representatives from the ONE Investment and Joint Investment Boards. Each Member is financially literate, and independent of any external auditors. Skill sets considerations include:

- Accounting and financial reporting;
- Investment compliance;
- Ontario security reporting requirement;



- Risk management;
- Policy;
- Other relevant financial management expertise.

The Members of the Committee select the Chair and Vice Chair of the Committee. Members are appointed by the ONE Investment Board.

ONE JIB will be offered up to two spots on the Audit Committee

ONE's Co-Presidents/Co-CEO's, Secretary-Treasurer and Chief Compliance Officer are non-voting ex-officio members of the Committee and will make available meeting support.

Quorum for a meeting is the majority of the Risk and Audit Committee members present in person or electronically.

Meetings

The Committee meets at least two times a year, and otherwise as necessary. The Committee operates under these Terms of Reference.

Duties and Responsibilities

The Committee has the following specific responsibilities.

Financial Management and Reporting

Ensure that effective lines of communication exist among external auditors, ONE Investment's management, and ONE Investment Board.

Review and discuss with the external auditors:

- the scope and plan of audits;
- the audit fee;
- legal, accounting, and regulatory matters that may have a material impact on the financial statements; and,
- any significant findings and recommendations together with management's responses.

Review and discuss with ONE Investment management:

- any problems with investment and financial policies, financial reporting, or matters in contention with or under consideration;
- the appropriateness of key accounting estimates, the accounting principles being employed, and any change in accounting policy or practice;
- any proposed changes in financial statement presentation or notes;
- oversee timely cyber security reviews
- other matters that, in the opinion of the auditor, ought to be brought to the



- attention of the Committee; and,
- confirm ONE Investment has completed all statutory reporting requirements.

Reviewing the annual financial statements of ONE Investment

- Assessing the quality and appropriateness of the generally accepted accounting principles used in preparing the statements.
- Reviewing the external auditor report and discussing the financial statements with management and with the external auditor.
- Reviewing the auditor management letter and management's response thereto, as well as the status of any significant issues reported previously.
- Recommending to ONE Investment Board, approval of annual audited financial statements.

Investment Compliance

Review with ONE Investment management and Chief Compliance Officer:

- Risks and controls over municipal investments; and,
- Identification, reporting and follow up actions of breach in compliance procedures.

Financial - Internal Controls

Meet with ONE Investment management at least once a year to:

- review the design and effectiveness of ONE Investment's internal controls and any reports from management or others on significant control deviations or indications of fraud and the corrective action undertaken;
- review the design and effective management information systems, and any recommendations for improvements; and
- discuss any matters that the committee, the external auditor or ONE Investment management consider appropriate.

Auditor Independence

Review:

- the independence of the external auditor from the ONE Investment management, and report any concerns to ONE;
- the appointment of the external auditor and recommend to ONE the compensation and terms of engagement.

Risk Management

Working with ONE Investment management:

- Review ONE Investment's risk management policies and procedures;
- Ensure significant risks are identified and assessed regularly;



- Monitor emerging risks and recommend actions to mitigate them;
- Oversee implementation of risk management strategies;
- Ensure risk mitigation plans are in place and effective;
- Ensure compliance with relevant laws, regulations and internal policies;
- Report to the ONE Investment Board on the effectiveness of the risk management framework;
- Ensure ONE Investment management is promoting a risk aware culture within ONE Investment; and,
- Ensure ONE Investment staff are trained on risk management practices.

Other Issues

Address such other issues that may, from time to time, come before the Committee or arise in its deliberations including periodic review of key processes, consultants and contractors.

Terms of reference Review and Self-Evaluation

On an annual basis, review these Terms of Reference and evaluate the committee's performance against them. Report the results of the review and self-evaluation and make appropriate recommendations to ONE.

Review Date: April 2, 2025

Approved Date: April 16, 2025



REPORT

To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investment Services, MFOA
Date: September 10, 2026
Re: 2027 Pre-Budget Consultation
Report: ONE JIB 2026-035

1. RECOMMENDATIONS

It is recommended that the Board:

1. Request that the ONE Investment Board provide sufficient resources for the ONE JIB to:
 - a. Nurture and grow the pipeline of municipalities looking to become prudent investors.
 - b. Provide strong ONE Investment staff support to ONE JIB, including development of a reporting and a data strategy to inform staff analysis for board reports and future strategic plans.
 - c. Support strong governance practices by ONE JIB.
 - d. Support continuing education and training of ONE JIB members.
2. Forward its recommendations to the ONE Investment Board for its consideration.

2. SUMMARY

ONE Investment acts as ONE JIB's agent and is responsible for resourcing ONE JIB's activities. ONE Investment is seeking ONE JIB's input on 2027 priorities to inform appropriate resource allocation in the 2027 budget.

3. BACKGROUND

ONE Investment staff are consulting with ONE JIB in advance of ONE Investment's annual budget discussions

Although ONE JIB is not responsible for resourcing ONE Investment or approving its own budget, it has historically provided input on ONE Investment's budget priorities before the annual budget is considered and approved.

The ONE Investment Board and ONE JIB have a shared strategic plan

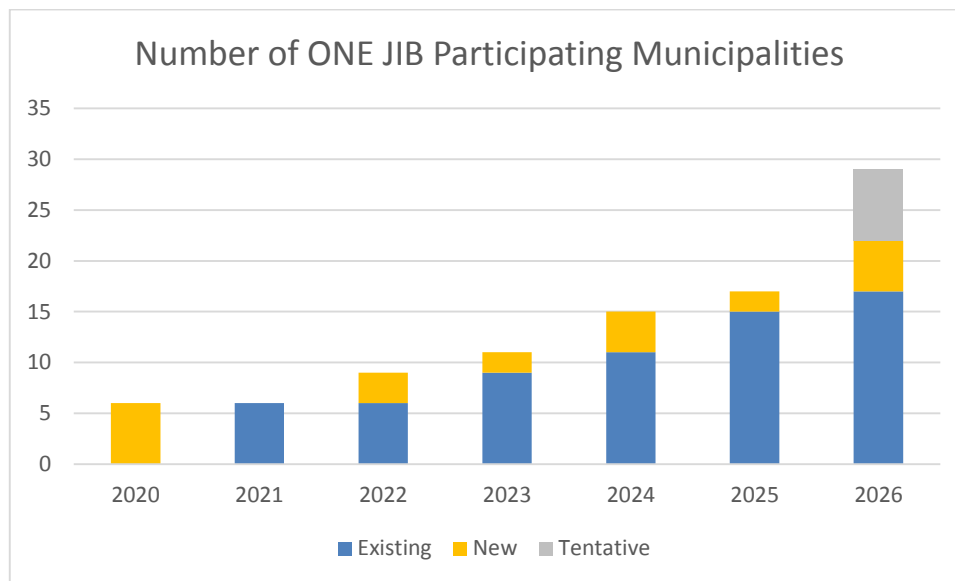
Each Board has distinct priorities and areas of focus; however, planned work must support the shared strategic objectives.

The current Strategic Plan identifies four goals:

- Assets Under Management growth — develop data and analytics capabilities.
- Participating municipalities — grow people and capabilities.
- Engagement and conversions — strengthen brand awareness and education.
- Municipality profiles — drive investment maturity.

4. ANALYSIS

Interest in Prudent Investment continues to grow; sustained support is needed to meet demand and maintain service quality



ONE JIB was formed in 2020 with six founding municipalities. As of this meeting, it has grown to 22 participating municipalities, a 267% increase over six years. A further six municipalities are on track to join later in 2026 or early in 2027.

The pipeline continues to grow. Ongoing support is required to maintain strong service for existing municipalities and to assist new municipalities through their investment journey.

ONE JIB's participation in municipal conferences remains important. These events allow Board members to hear directly from municipalities and should remain a priority in 2027. Staff will also seek opportunities for the external Investment Manager to attend key municipal conferences to strengthen its relationship with the municipal sector and support awareness of the Prudent Investment opportunity.

The planned 2026 ONE JIB meeting in Thunder Bay was deferred due to ONE Investment staffing constraints and increased Prudent Investment demand, which required a mid-year workplan adjustment. A meeting in Thunder Bay or an optional JIB member travel/tour opportunity is now being planned for 2027, with details to be confirmed in the coming months. Meeting with municipalities would help ONE JIB better understand local opportunities and challenges in some of the participating municipalities. Five participating municipalities are in northwestern Ontario, making regional understanding particularly

important.

ONE JIB assets under management (AUM) are expected to continue growing despite it being a municipal election year with competing local priorities

In 2026, ONE Investment and ONE JIB experienced significant growth. Assets under management in the Prudent Investment program are currently approximately \$3 billion.

- Georgian Bay and Oliver Paipoonge were approved at the November 2025 ONE JIB and completed onboarding in 2026 with a combined \$10.96 million of AUM.
- Lambton Shores, Georgina, Front of Yonge and New Tecumseth were approved earlier this year by ONE JIB and successfully onboarded with a combined \$34.49 million of AUM.
- Port Hope is before ONE JIB for potential approval at the September 10th meeting, with onboarding in 2026 for \$21.5 million of AUM.
- Six additional municipalities have indicated their intention to pass Prudent Investment by-laws between July and October 2026. All anticipate being considered at the November 2026 ONE JIB meeting or the first meeting in 2027.

Managing growth while maintaining service quality is essential

Unprecedented growth increases operational risk for both ONE JIB and ONE Investment. In 2027, staff will continue to streamline ONE JIB's workload where practical to do so.

In support of this, ONE JIB established a nine-member Investment Policy Committee in Q2 2026. The Committee will provide advice and recommendations on complex investment and municipal finance matters referred to it by ONE JIB. Its work in 2027 is expected to help reduce the direct workload for ONE JIB, in specific areas like sinking funds, model portfolios and risk.

Municipal demand for education, accounting assistance, investment advice, auditor support, Council reports and presentations varies throughout the year but requires significant staff time. Each annual review for an existing participating municipality includes direct meeting time, pre- and post-meeting analysis, investment plan preparation and a ONE JIB report. Onboarding a new municipality requires additional staff support, often including multiple meetings with staff to understand MNRI, advance reserve discussions, and prepare the investment plan and the prudent effective date. Sufficient staffing is critical to support both existing and future participating municipalities, and day-to-day operations.

Work on a data strategy will continue in 2027

Achieving this Strategic Plan goal depends on understanding available data and using it to increase municipal participation in both the Legal List Offering, led by the ONE Investment Board, and the PI Offering, led by ONE JIB, with ONE Investment staff providing support to both.

ONE JIB encourages ONE Investment to continue identifying available data sources,

including Ontario Financial Information Returns, and to invest in a robust data acquisition and analysis strategy to support future investor understanding and identification.

The project began in 2026 but was delayed, as reflected in the adjusted 2026 workplan.

Education and good governance remain priorities

ONE JIB and ONE Investment staff remain committed to strong governance and ongoing education. Staff will continue to organize education and learning opportunities for participating municipalities and ONE staff. These opportunities will supplement ONE JIB's regular quarterly meetings with the external Investment Manager and support deeper understanding of investment platforms, fund management, organizational culture, and economic and capital market considerations.

Following the October 2026 municipal election, ONE Investment expects increased education needs in 2027 as new council members learn about ONE Investment and the benefits of Prudent Investment. This expectation assumes a similar result to the 42% turnover in municipal council members across Ontario following the 2022 elections.

5. CONCLUSION

Growth of the Prudent Investment program is a shared objective of ONE Investment and ONE JIB. Continued success will require appropriate resources to support participating municipalities, manage increasing demand, strengthen reporting and data capabilities, and maintain strong governance. ONE Investment's budget process now includes consultation with ONE JIB through the recommendations in this report to help ensure 2027 resources align with these shared priorities.

Drafted by: Jennifer Hess, Manager Investment Services, MFOA and Jason Hagan, Program Manager, LAS

Approved by: Donna Herridge and Christina Pavone, Co-President/Co-CEO, ONE Investment

To: ONE Joint Investment Board
From: Jason Hagan, Program Manager
Date: September 10, 2026
Re: Mandated Policies for ONE JIB
Report: ONE JIB 2026-043

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive this report and maintain the policies described in this report until the earlier of a change in the *Municipal Act, 2001* that affects ONE JIB's obligation to maintain such policies, or the five-year review referred to in this report.

2. SUMMARY

Subsection 270(2) of the *Municipal Act, 2001* provides that a local board must adopt and maintain policies that deal with land, employees and goods and services as described in this report. ONE JIB adopted these policies in September 2021, with a requirement for a five-year review. No changes are recommended for these policies at this time, and they should be maintained as required by the Act. A subsequent review in five years is appropriate.

3. BACKGROUND

As a joint municipal services board that constitutes a local board of each Participating Municipality, ONE JIB is subject to certain requirements of the Act, which include the requirement to adopt and maintain policies in respect of matters described in subsection 270(2) of the Act. At its meeting of September 14, 2021, these policies were adopted by ONE JIB.

4. ANALYSIS

Policy with respect to land

ONE JIB does not own any land and does not expect to acquire any land in the foreseeable future. The attached policy reflects the Board's direction that it is not permitted to purchase, acquire, sell, or otherwise dispose of land. This policy will be reviewed again in five years.

Policy with respect to employees

ONE JIB has no employees and does not expect to hire any employees in the foreseeable future. The attached policy reflects the Board's direction that it is not permitted to hire employees. This policy will be reviewed again in five years.

Policy with respect to procurement

Pursuant to the ONE Joint Investment Board Services Agreement made as of July 2, 2020, ONE JIB appointed ONE Investment as its agent to provide such management, secretarial and support services as ONE JIB may require in connection with the provision of the ONE Prudent Investment Program. ONE Investment has an established procurement policy. The attached policy reflects the Board's direction that so long as ONE Investment continues to act as ONE JIB's agent, ONE Investment's policy with respect to the procurement of goods and services will constitute the procurement policy of goods and services for ONE JIB. This policy will be reviewed again in five years.

5. CONCLUSION

Adopting and maintaining policies on land, employees, and procurement places ONE JIB in line with its legislative obligations under the Act.

ATTACHMENTS

Attachment 1: ONE JIB Land Policy
Attachment 2: ONE JIB Employee Policy
Attachment 3: ONE JIB Procurement Policy

Drafted by: Jason Hagan, Program Manager

Approved by: Donna Herridge and Christina Pavone, Co-President/CEOs, ONE Investment

Attachment 1



Status: Draft

ONE Joint Investment Board Policy Statement			
Policy:	Dispose of Land	Date Approved: September 10, 2026 Date of Next Review: September, 2031	Person Most Responsible: Management Committee

Purpose Statement

Subsection 27O(2) of the *Municipal Act, 2001* provides that a local board must adopt and maintain a policy with respect to its sale and other disposition of land.

Scope

ONE JIB is not permitted to purchase, acquire, sell or otherwise dispose of land.

Review

This policy shall be reviewed at least once every five years and updated as necessary, or as circumstances require.

Attachment 2



Status: Draft

ONE Joint Investment Board Policy Statement			
Policy:	Hiring of Employees	Date Approved: September 10, 2026 Date of Next Review: September, 2031	Person Most Responsible: Management Committee

Purpose Statement

Subsection 27O(2) of the *Municipal Act, 2001* provides that a local board must adopt and maintain a policy with respect to its hiring of employees.

Scope

ONE JIB is not permitted to hire any employees.

Review

This policy shall be reviewed at least once every five years and updated as necessary, or as circumstances require.



Attachment 3

Status: Draft

ONE Joint Investment Board Policy Statement			
Policy:	Procurement	Date Approved: Sept 10, 2026 Date of Next Review: Sept 2031	Person Most Responsible: Management Committee

Purpose Statement

Subsection 270(2) of the *Municipal Act, 2001* provides that a local board must adopt and maintain a policy with respect to its procurement of goods and services.

Scope

So long as ONE Investment continues to act as ONE JIB's agent, ONE Investment's policy with respect to the procurement of goods and services shall constitute ONE JIB's policy for the procurement of goods and services.

Review

This policy shall be reviewed at least once every five years and updated as necessary, or as circumstances require.