



**ONE JIB
Special Board Meeting
Agenda**

Date: April 22, 2024, 1:00 p.m.

Location: AMO Office

155 University Avenue - Suite 800, Toronto, ON M5H 3B7

	Pages
1. Land Acknowledgement	
2. Tribute to Susan Han, Legal Counsel	
3. Disclosures of Pecuniary Interest	
4. Minutes of Previous Meeting	
4.a Approval of Minutes February 28, 2024	1 - 10
4.b Business Arising from the February 28, 2024 Minutes	
5. Governance and Administrative Matter	
5.a Business Rationale for the Outsourced Chief Investment Officer Model (2024-021)	11 - 16
6. Board Committee Reports	
6.a New Products Committee Report (2024-01) March 18, 2024	17 - 50
7. Meeting Outcomes	
8. Authorizing Motion	
9. Adjournment	
10. Next Meeting	
10.a Regular Meeting - May 29, 2024 (10:00 a.m. - 3:00 p.m.)	



ONE JIB

Regular Board Meeting

Minutes

Meeting #: 2024-01
Date: February 28, 2024, 10:00 a.m.
Location: AMO Office (In Person and Electronic) / Zoom
155 University Avenue - Suite 800, Toronto, ON M5H 3B7

Members Present:

Board Chair B. Hughes
Board Vice-Chair G. James
J. Dowty
H. Franken
J. Giles
M. Melinyshyn
S. Pountney
S. Rettie
C. Tessier

Others Present:

J. Dezell, Co-President/Co-CEO, ONE Investment
D. Herridge, 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
S. Han, WeirFoulds, LLP, Legal Counsel
J. Hess, Manager of Investment Services, MFOA
D. Kelly, Board Secretary
C. Macdonald, Manager of Policy, MFOA
J. Song, Board Coordinator, ONE Investment
M. Takishita, Client Services Representative
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 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 peoples whose presence continues to enrich our communities.

2. **Disclosures of Pecuniary Interest**

Board Member Rettie declared an interest in Agenda item 7.h, regarding to remuneration for Board Members who are Municipal Treasurers - as he is currently occupying a position that will be affected by the Board's consideration of this matter.

Board Member Melinyshyn declared an interest in Agenda item 7.h, regarding to remuneration for Board Members who are Municipal Treasurers - as he is currently occupying a position that will be affected by the Board's consideration of this matter.

Board Members Rettie and Melinyshyn did not take part in the discussion of or vote or attempt to influence the voting on this item.

3. **Minutes of Previous Meeting**

3.a **Approval of the November 29, 2023, ONE JIB Meeting Minutes**

Moved by Board Member Pountney

THAT the Minutes of the November 29, 2023, ONE JIB Meeting be approved as circulated.

Carried

3.b **Business Arising from the November 29, 2023, Meeting Minutes.**

There was no business arising from the November 29, 2023, ONE JIB Minutes.

4. Communication

4.a MFS Senior Management Update, December 13, 2023

The Board considered a communication from MFS Senior Management advising that Michael Roberge will be moving out of his role as CEO of MFS on January 1, 2025 to become Executive Chair and Ted Maloney, MFS's Chief Investment Officer, will then become the firm's CEO.

Moved by Board Member Dowty

THAT the Board receive the communication from MFS Senior Management.

Carried

5. Delegation

5.a Caleb DenOuden, Director of Finance/Treasurer, City of Quinte West

Moved by Board Member Franken

THAT the Board consider 8.a relating to the City of Quinte West's Investment Plan immediately following item 5.a.

Carried

Caleb DenOuden, Director of Finance/Treasurer from the City of Quinte West made a presentation on the financial challenges the City is experiencing.

Moved by Board Member Giles

THAT the Board receive the presentation from Mr. DenOuden, on behalf of the City of Quinte West.

Carried

(See Minute 8.a.)

6. Board Committee Reports

There were no Board Committee Reports.

7. Consent Items

Moved by Board Member Pountney

THAT the Board adopt consent items 7.a, 7.b, 7.c, 7.d, 7.e, 7.f, 7.g, and the recommendations contained in the related staff reports.

7.a. ONE Investment Audit Committee Update - February 28, 2024 (2024-018)

Recommendation: Receive the report.

7.b Strategic Plan - Q4 2023 Progress (2024-012)

Recommendation: Receive the report.

7.c Investment Plan Implementation Update - Q4 2023 (2024-009)

Recommendation: Receive the report.

7.d Compliance Reports Asset Class and Target Weight Allocations Q4 2023 (2024-006)

Recommendation: Receive the report.

7.e ONE JIB Member Survey (2023-013)

Recommendation: Receive the report.

7.f Outsourced Chief Investment Officer (OCIO) Offering (2024-003)

Recommendation: Receive the report.

7.g Municipal Performance Reports Q4 2023 (2024-010)

Recommendation: Receive the report.

Carried

7.h ONE JIB Remuneration - Municipal Treasurers (2024-001)

Moved by Board Member Giles

THAT the Board adopt consent item 7.h relating to the Remuneration of Municipal Treasurers and the recommendation to receive the report.

Carried

(See Minute No. 2.)

8. Investment Oversight

8.a City of Quinte West's Investment Plan 2024 (2024-011)

Keith Taylor, Chief Investment Officer, ONE Investment, made a presentation on the report on the City of Quinte West's Investment Plan 2024.

Moved by Board Member Tessier

THAT the Board receive the presentation and adopt the following recommendations in the report:

1. Receive the City of Quinte West's Investment Policy Statement (Attachment 1).
2. Receive the City of Quinte West's Municipal Client Questionnaire (Attachment 2).
3. Approve the City of Quinte West's proposed Investment Plan (Attachment 3).
4. Approve a 2024 mid-year drawdown of all MNRI in the Cash Outcome when requested by the Treasurer.

Carried

8.b Municipality of Neebing's Investment Plan 2024 (2024-007)

Keith Taylor, Chief Investment Officer, ONE Investment, made a presentation on the report on the Municipality of Neebing's Investment Plan 2024.

Moved by Board Member Tessier

THAT the Board receive the presentation and adopt the following recommendations in the report:

1. Receive the Municipality of Neebing's Investment Policy Statement (Attachment 1).
2. Receive the Municipality of Neebing's Municipal Client Questionnaire (Attachment 2).
3. Approve the Municipality of Neebing's proposed Investment Plan (Attachment 3).

Carried

Moved by Board Member Giles

THAT the Board recess for 10 minutes.

Carried

The Board recessed at 11:05 a.m. and reconvened at 11:15 a.m.

8.c Fund Manager Performance Review Q4 and full year 2023 (2024-014)

Keith Taylor, Chief Investment Officer, ONE Investment, made a presentation on the report on the Fund Manager Performance Review Q4 and full year 2023.

Moved by Board Member Franken

THAT the Board receive the presentation and adopt the following recommendations in the report:

1. Confirm that the members have reviewed the Fund Manager Performance Report Q4 and full year 2023 provided in the Resource Library and
2. Receive the report.

Carried

8.d Development of In-Kind Securities Policy (2024-008)

Judy Dezell, Co-President/Co-CEO, ONE Investment, made a presentation on the report on the Development of an In-Kind Securities Policy.

Moved by Board Member Tessier

THAT the Board receive the presentation and adopt the recommendation in the report that the Board direct staff to develop a policy on ONE JIB's acceptance of in-kind securities to be presented at the next meeting of ONE JIB to be held May 29, 2024.

Carried

9. Governance and Administrative Matters

9.a ONE JIB Reappointment of Members (2024-002)

Judy Dezell, Co-President/Co-CEO, ONE Investment, made a presentation on the report on the ONE JIB Reappointment of Members.

Moved by Board Member Giles

THAT the Board receive the presentation and adopt the recommendation in the report to reappoint the following members:

1. Heidi Franken to May 31, 2027
2. Mike Melinyshyn to May 31, 2027

Carried

9.b ONE JIB Agreement and the Services Agreement Review (2024-015)

Heather Douglas, Legal Counsel, made a presentation on the report on the ONE JIB Agreement and the Services Agreement Review.

Moved by Board Member Pountney

THAT the Board receive the presentation and adopt the recommendations in the report, as follows:

1. Adopt the proposed changes to the ONE JIB Agreement as outlined in Attachment 1
2. Defer making changes to the Services Agreement until the transition to the OCIO model is further advanced.

Carried

Moved by Board Member Dowty

THAT the Board recess until 1:00 p.m.

Carried

The Board recessed at 12:12 p.m. and reconvened at 1:00 p.m.

9.c ONE JIB Records Retention By-law (2024-005)

Jason Hagan, Program Manager, ONE Investment, made a presentation on the report on the ONE JIB Records Retention By-law.

Moved by Board Member Tessier

THAT the Board receive the presentation and adopt the recommendation in the report to enact a Records Retention By-law for the establishment of retention periods for ONE JIB records.

Carried

(See By-law No. 2024-1.)

9.d Recruitment for Expanded ONE JIB (2024-004)

Judy Dezell, Co-President/Co-CEO, ONE Investment, made a presentation on the report on the recruitment for an expanded ONE JIB.

Moved by Board Member Franken

THAT the Board receive the presentation and adopt the recommendation in the report to fill the two new ONE JIB members positions in Spring 2024 through the work of the Nominating Committee, constituted on November 18, 2020.

Carried

10. Strategy and Policy

10.a Municipal Insights Update Q1 2024 (2024-016)

Colin Macdonald, Manager of Policy, MFOA, made a presentation on the report on the Municipal Insights Update Q1 2024.

Moved by Board Member Rettie

THAT the Board receive the presentation and adopt the recommendation to receive the report.

Carried

10.b Responsible Investing Policy and ESG Update (2024-017)

Colin Macdonald, Manager of Policy, MFOA, made a presentation on the report on the Responsible Investing Policy and ESG Update.

Moved by Board Member Pountney

THAT the Board receive the presentation and adopt the recommendation in the report to approve the attached Responsible Investing Policy.

Carried

11. Other Business

There was no other business.

12. Meeting Outcomes

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

The Board:

1. Received a communication item from MFS Investment.
2. Received a presentation from the City of Quinte West's Treasurer.
3. Approved eight Consent Items and the recommendations contained in the related staff reports. The consent items related to:
 - a. The recent activities of the ONE Investment Audit Committee.
 - b. Progress in the last quarter of 2023 on the Strategic Plan.
 - c. An update on implementation of the Town of Aylmer's and the City of Kenora's Investment Plans.
 - d. The quarterly compliance report on Asset Class and Target Weight Allocations
 - e. An overview of the survey of the Board Members that will be conducted this spring.
 - f. An update on the development of the OCIO offering.
 - g. The Q4 2023 performance reports for all the Participating Municipalities.
 - h. An update on the policy approved by the ONE Investment Board whereby Municipal Treasurers who serve on ONE JIB will be compensated in the same manner as other regular Board Members but with their compensation to be paid to their municipality.
4. Approved the City of Quinte West's and Municipality of Neebing's Investment Plans for 2024.
5. Received the Fund Manager Performance Review for Q4 and full year 2023.
6. Directed staff to develop a policy on ONE JIB's acceptance of in-kind securities and bring a report forward to the Board's next meeting.
7. Reappointed Board Members Heidi Franken and Mike Melinyshyn to May 31, 2027.

8. Approved amendments to the ONE JIB agreement and deferred making changes to the Services Agreement with ONE Investment until the transition to the OCIO model is further advanced.
9. Enacted a Records Retention By-law for ONE JIB's records.
10. Approved the recruitment for expanding ONE JIB to 12 members.
11. Received the Municipal Insights update Q1 2024.
12. Approved a Responsible Investing Policy.

13. **Authorizing Motion**

Moved by Board Member Giles

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

14. **Adjournment**

Moved by Board Member Dowty

THAT the Board adjourn its meeting.

Carried

The meeting adjourned at 1:42 p.m.

15. **Next Meeting: May 29, 2024, 10:00 am**

Denis Kelly, Board Secretary



REPORT

To: ONE Joint Investment Board
From: Judy Dezell, Co-President/Co-CEO, ONE Investment
Date: April 22, 2024
Re: Business Rationale for the Outsourced Chief Investment Officer (OCIO) Model
Report: ONE JIB 2024-021

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

There are several compelling reasons for ONE Investment and ONE JIB to move to an OCIO model that:

1. Will better meet the needs of large investors, while also benefiting small and medium-sized investors;
2. Enables the scaling up of the Prudent Investment Program as more and larger municipalities join the program;
3. Eliminates the constraints caused by limited staffing at ONE Investment; and
4. Will provide Participating Municipalities with significantly enhanced services, at the same or lower cost. Specifically, Philips, Hagar & North (PH&N) will offer a much broader range of investment options, allowing for more customization of municipal portfolios and has the capacity for in-depth analysis, including asset allocation studies, risk management, investment strategy, and performance monitoring, beyond what ONE Investment is currently able to offer.

3. BACKGROUND

Support for the municipalities looking to invest has evolved over time

ONE Investment is a small not-for-profit organization supporting the municipal sector to fund their long-term capital plans and their municipal asset management plans (for physical infrastructure) through investment returns. Before becoming a separate not-for-profit organization in 2020, the One Fund program, as it was then known, was light touch for LAS and CHUMS staff. All mission critical functions were outsourced to experts that could deliver a high-quality product. The One Fund program was designed for investments under the Legal List, where the municipal treasurer makes decisions about investment products.

However, it was clear to staff that there was a gap in investment knowledge in the

municipal sector, as well as a need for unbiased investment advice. This was reinforced by a growing emphasis on asset management plans and longer-term capital planning. Around this time, the province was also contemplating legislation to make the prudent investor standard available to municipalities through the *Municipal Act*. ONE Investment and the Investment Advisory Team¹ are products of the need within the sector and the opportunity that the prudent investor standard gave municipalities. The sector has embraced these changes. What has not changed is the need to rely on third party service providers to deliver high-quality investment products to the municipal sector.

Growing assets under management is a shared strategic goal of ONE Investment and ONE JIB

In 2022 ONE Investment and ONE JIB worked together to develop a shared strategic plan. The strategic plan was approved by both boards in the Fall of 2022 with a vision of being the leading investment solutions partner for the Ontario municipal sector. Its goals included growing assets under management (AUM), increasing the number of participating municipalities, improving municipal engagement and conversion through education and training, and developing profiles of municipalities to understand investment maturity.

It is in the context of the first goal – growing AUM by approximately \$3 billion between 2023 and 2028 - that the concept of the Outsourced Chief Investment Officer (OCIO) Offering² was developed. There were two complementary paths to achieving the goal – 1. attract a lot more small and medium-sized municipalities to the Prudent Investment Program and 2. work to attract municipalities with more than \$500 million in money not required immediately. Work continues today on attracting small and medium-sized municipalities while development of the OCIO Offering is designed to attract larger municipalities. Both paths create resourcing challenges for ONE Investment that need to be addressed to sustain a high-quality offering that municipalities expect.

Why use an OCIO model?

An outsourced chief investment officer (OCIO) is an investment firm that manages investment portfolios on behalf of individuals, endowments, foundations, or pensions. In the case of ONE Investment, it would be outsourcing – as it already does both under Legal List and Prudent Investment Programs – investment functions to the OCIO to take on the responsibility of managing municipal investment portfolios. What would be new in the Prudent Investment Program would be the OCIO partner also making investment decisions and monitoring investment performance of the funds consistent with ONE JIB's approved Investment Plans, as per the *Municipal Act*.

OCIO firms also provide a range of investment services that ONE Investment currently cannot, such as: asset allocation, investment strategy development, risk management, manager selection, performance monitoring and reporting. The OCIO firm would work closely with ONE Investment, ONE JIB and the municipalities to understand municipal investment objectives, risk tolerance and any other preferences the municipality may have identified. The investment strategy would be developed by the OCIO in alignment with all

¹ The Investment Advisory Team is ONE Investment staff with knowledge in municipal finance and investment industry experience that team up to help municipalities work through their long-term investment objectives and translate it into investment strategy.

² The OCIO Offering was originally called the Large Municipality Offering.

this information. Partnering with an OCIO firm allows ONE Investment to leverage the scale these firms offer to access specialized investment expertise, make more timely investment decisions, and offer a lower cost for investment to large municipalities. The OCIO will provide a wide variety of investment options that can be accessed very quickly if desired. Entities that engage an OCIO do so to allow them to focus on the strategic direction of the organization while improving investment outcomes.

The OCIO Offering uses an OCIO model to provide the scale and specialization larger municipalities are looking for while resolving a key concern about how to avoid overwhelming ONE's staff capacity. PH&N, ONE Investment's OCIO partner, was identified through a competitive RFP process that has been supported by an Evaluation Committee that included representatives from ONE JIB.

PH&N has gained significant experience through its long-standing relationship with the Municipal Financing Authority of British Columbia which has helped inform both the design of ONE Investment's OCIO Offering and reduced the need for ONE to explain the general needs of municipalities. PH&N staff are instead focused on what is unique here in Ontario and what ONE Investment wants to achieve with its OCIO Offering.

Work on the OCIO Offering started in the Fall of 2022. Since that time, it has become clear to ONE Investment that changing the business model of the Prudent Investment Program for all investors to the OCIO model is the preferred method of scaling up and providing the best Prudent Investment Program at the best value for all Participating Municipalities.

4. ANALYSIS

ONE Investment staff capacity has reached its limit

Work for ONE Investment staff in supporting the existing 11 Participating Municipalities has been automated as much as possible for efficiency, but tasks like quarterly performance reporting commentary take a significant amount of time from staff that could instead be focused on supporting the needs of existing investors or onboarding new investors. The annual review of a municipal Investment Policy Statement is also a labour-intensive exercise. As the number of municipalities joining ONE JIB grows, there will need to be increased focus on supporting this annual cycle to meet *Municipal Act* requirements. Staff are also looking at ways to streamline the annual review for ONE JIB because its workload will also increase as the number of Participating Municipalities increases.

ONE Investment made a business model choice to attract larger municipalities to its Prudent Investment Offering

To attract larger municipalities, ONE Investment was faced with a choice of either significantly expanding its staff complement to attract the large investors or, as it has always done, hiring the expertise required to attract and support large investors. ONE Investment chose to hire the expertise through an OCIO Offering. That does not mean that ONE Investment is ruling out the creation of in-house expertise, but right now it is critical to

provide the depth of expertise in areas such as asset allocation studies and breadth of investment options sought by large municipalities.

At the same time, ONE Investment was seeking a prudent investor product offering that could be scaled to the small and medium-sized municipalities that already invest through the Prudent Investment Offering and those looking to join. The OCIO model helps address the capacity challenges ONE Investment is already experiencing due to the growth of the Prudent Investment Program.

Under the OCIO model the Prudent Investor Program will remain viable even if a large municipality withdraws

Some large municipalities were concerned about harming ONE Investment's business model if they joined and then one or more decided to exit the Prudent Investment Program and set up their own municipal investment board in the future. By using the existing ONE JIB, the \$100 million in money not required immediately test within the *Municipal Act* has already been met by the Founding Municipalities. If a large municipality decides to leave ONE JIB in the future, the Prudent Investment Program will continue to be viable.

ONE Investment is committed to maintaining a strong governance framework

ONE Investment is ONE JIB's agent with obligations that it is committed to appropriately resourcing. Drafting reports that provide the right details for ONE JIB to make informed decisions takes time. Appropriately supporting ONE JIB is a priority for ONE Investment. Relying on PH&N to undertake the quarterly performance analysis required for municipalities along with rebalancing and other similar functions will free up time for ONE Investment staff to focus on the key governance requirements such as municipal Investment Plans and assessing PH&N and its selected fund managers performance. It is also important to note the OCIO business model will continue to have a strong focus on a comprehensive compliance framework which is fundamental to the good governance tone ONE JIB has established.

The OCIO Offering will also allow aggregation of AUM to maintain or reduce investment fees

In the case of the OCIO Offering, there are two categories of costs that make up the entire fee paid by municipalities. The first is the investment management operational costs that include the costs associated with management of PH&N's funds plus fund audits, custodial services, and all additional services provided by the OCIO including client performance reporting and asset allocation studies. As AUM grows, this category of fees will be allocated over a larger asset base and will therefore decrease as a percentage of assets. ONE Investment has negotiated the best price possible. As AUM grow under the OCIO Offering the average fees per dollar invested will decline. This means as new AUM is invested in the OCIO Offering by any municipality, the average fees for all Participating Municipalities will tend to decrease. ONE Investment has negotiated a sizeable discount at \$2.5 billion of AUM and also at \$8.8 billion. This fee structure motivates ONE Investment to work to attract as many large investors as possible to provide the best Prudent Investment Program at the best value possible for all municipalities.

The second category of costs is to meet *Municipal Act* requirements – ONE Investment refers to them as governance fees. These costs include ONE JIB and all the operational costs ONE Investment incurs to support ONE JIB and the OCIO offering, such as Board Secretarial costs, Integrity Commissioner, Closed Meeting Investigator and human resources to support municipal investors and ONE JIB. These fees are also based on the AUM of the municipality. For municipalities with over \$1 billion in AUM there is a cap on governance fees.

Once fully transitioned to the OCIO model, the 11 existing Participating Municipalities will pay fees less or equal to their current fees for an offering with more investment options, assuming their AUM remains similar.

The rollout of the OCIO Offering will take place over 18 to 24 months

ONE Investment recognizes that changes to its current operations will be needed to achieve scale for the Prudent Investment Offering. The OCIO Offering provides a path forward to achieve scale and maximize the existing resources ONE Investment has by leveraging the resources PH&N brings to the table.

Currently, the plan is to fully transition to the OCIO Offering as the only Prudent Investment Offering in three phases – see Figure 1. ONE Investment staff will bring forward to the September meeting of ONE JIB details around what will need to be considered in transitioning the existing 11 Participating Municipalities to the new business model. With input from ONE JIB, ONE Investment staff will then bring a full transition plan to ONE JIB for approval in November 2024.

Figure 1 - OCIO Offering Roll Out

	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Phase 1: First Large municipality onboarded						
Phase 2: New smaller municipalities onboarded						
Phase 3: Start transitioning existing 11 Participating Municipalities						

5. CONCLUSION

By introducing the OCIO model, ONE Investment is leveraging an investment already made into a complex governance structure, preserving staff resources and providing

municipalities with a broader range of investment choices. The intent is to support the shared strategic goal of growing AUM and helping municipalities fund their long-term capital plans and their municipal asset management plans (for physical infrastructure) through investment returns.

Drafted by: Judy Dezell, Co-President/CEO, ONE Investment

Approved by: Judy Dezell and Donna Herridge, Co-Presidents/CEO, ONE Investment



New Products Committee

Regular Committee Meeting - Open Session

Report

Meeting #: 2024-01
Date: March 18, 2024 at 1:00 p.m.
Location: Hybrid (155 University Ave, Suite 800 / Zoom Virtual)

Members Present:

Committee Chair G. James, Board Vice-Chair
Committee Vice-Chair B. Hughes, Board Chair
J. Dowty
J. Giles
P. Judson
J. Pittini

Others Present:

J. Dezell, Co-President/Co-CEO, ONE Investment
D. Herridge, Co-President/Co-CEO, ONE Investment
E. Foo, Chief Compliance Officer, ONE Investment
J. Hagan, Program Manager, LAS/ONE Investment
S. Han, WeirFoulds, LLP, Legal Counsel
J. Hess, Manager of Investment Services, MFOA
D. Kelly, Board Secretary
J. Song, Board Coordinator, ONE Investment
K. Taylor, Chief Investment Officer, ONE Investment

1. Land Acknowledgement

Committee Chair James 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. **OCIO Offering – Structure and Investment Approach (2024-001)**

Keith Taylor, Chief Investment Officer, ONE Investment, Martin Leclair, CFA: Vice President and Institutional Portfolio Manager, Paul Purcell, CFA: Vice President and Institutional Portfolio Manager, and Dylan Rae, Portfolio Manager, Institutional, PH&N Investment Services, made a presentation on the OCIO Offering – Structure and Investment Approach.

Moved by Committee Vice-Chair Hughes

THAT the Committee receive the presentation and adopt the recommendation in the report from the Chief Investment Officer, ONE Investment (March 18, 2024) as amended to read as follows:

The Committee recommends that ONE JIB

1. Direct ONE Investment to work with the OCIO to develop model portfolios suitable for most municipalities and individually tailored solutions where appropriate, each comprised of allocations to PH&N funds, to meet the investment needs of Participating Municipalities investing under the OCIO offering, and report back to the New Products Committee.

Carried

6. **Other Business**

There was no other business.

7. **Adjournment**

Moved by Committee Member Pittini

THAT the Committee adjourn the meeting.

Carried

The meeting adjourned at 2:22 p.m.

Denis Kelly, Board Secretary



To: New Products Committee
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: March 18, 2024
Re: OCIO Offering – Structure and Investment Approach
Report: New Products Committee 2024-001

1. RECOMMENDATIONS

It is recommended that ONE JIB adopt the following resolution:

- a. WHEREAS ONE JIB wishes to offer tailored investment solutions for Participating Municipalities investing under the OCIO Offering;
- b. AND WHEREAS PH&N as OCIO has proposed a building block fund approach to meet this need;
- c. AND WHEREAS such proposed building block fund approach is expected to consist of investment portfolios with specific investment objectives (the “Tailored Solutions”) which portfolios shall consist of direct holdings by the Participating Municipalities in PH&N and RBC GAM pooled funds and investment funds and similar collective investment vehicles and investment products managed by the OCIO, or alternatively, the Tailored Solutions could themselves be structured as a fund of funds, of which the OCIO is the IFM and PM;
- d. AND WHEREAS the New Products Committee of ONE JIB has considered the proposed approach and the Tailored Solutions and recommends their adoption in principle for the Participating Municipalities investing under the OCIO Offering;

NOW THEREFORE BE IT RESOLVED THAT:

- 1. ONE JIB approve in principle and support ONE Investment in its efforts to develop and make workable the OCIO’s proposed building block fund approach to provide the Tailored Solutions for Participating Municipalities investing under the OCIO Offering;
- 2. ONE Investment, as Agent of ONE JIB, shall act as the product provider or co-provider of the Tailored Solutions; provided however, that ONE Investment shall not be engaged as, or act as, an “Investment Fund Manager” (IFM) or the “Portfolio Manager” (PM), (as such terms are defined in National Instrument 31-103 or applicable securities legislation) with respect to any such Tailored Solution; and
- 3. Staff of ONE Investment are directed to continue to work with PH&N as OCIO to further develop the Tailored Solutions to meet the investment needs of the Participating Municipalities investing under the OCIO Offering in a manner which complies fully with all applicable securities regulation.

2. SUMMARY

ONE Investment has retained PH&N Institutional (PH&N) to design and develop the OCIO Offering. This work has included discussions on operational considerations, fees, the structure of the Offering, and the investment products that would initially be made available for Participating Municipalities. The last item ONE Investment is seeking input on is the structure of the funds under the OCIO Offering.

The proposed structure is known as a building block approach that uses several funds, each of which represents an asset class or key investment exposure, that can be combined to provide investment solutions for clients. The building block approach offers flexibility to tailor investment solutions suitable for a wide range of client needs with a relatively small number of building block funds. The specific building blocks to be utilized under the OCIO Offering are currently under discussion and may be informed by additional discussions with Participating Municipalities. It may take some time before these building blocks are finalized.

3. BACKGROUND

The OCIO Offering will ultimately be available to all Prudent Investment Program investors

The ONE JIB's Strategic Plan includes the goal of growing assets under management (AUM) by attracting large municipalities to the Prudent Investment Program. While the primary purpose of engaging an OCIO partner was to help build an investment offering for large municipalities, it will also help ONE JIB scale up as more municipalities of all sizes join ONE JIB, by allowing ONE Investment to leverage the capacity of PH&N for investments while ONE Investment and ONE JIB focus on governance. The OCIO Offering will bring the same investment opportunities to all investors, so both the larger municipalities and smaller ones can benefit from this new structure and offering.

As presented to ONE JIB at its February 28, 2024 meeting, the plan is to onboard a large municipal investor by mid-2024 using the OCIO Offering (previously referred to as the Large Municipality Offering), then onboard some smaller municipalities in late 2024 and transition the existing 11 Prudent Investment Program municipalities to OCIO in 2025. Once fully transitioned, all clients will have access to the full suite of funds PH&N offers. ONE Investment's investment advisory team will remain the key point of contact for municipalities and work with the PH&N team to develop an Investment Plan for each municipality. It is anticipated that the circumstances and needs of the larger municipalities will require more input from PH&N, which may result in more tailored investment solutions.

ONE Investment has engaged PH&N as the OCIO Offering provider

A Request for Proposal was initiated in the fall of 2022, supported by an evaluation committee that represented ONE JIB, ONE Investment, and potential large municipal investor municipalities. The consulting firm Eckler Ltd. assisted in arranging the search for

the OCIO provider, providing analysis and due diligence on the candidate firms that participated in the search. Four candidate firms were interviewed during the selection process, and PH&N was selected as the provider. After negotiations and planning sessions in the latter half of 2023, an Investment Management Agreement (IMA) was signed on December 15, 2023.

PH&N will provide a wide range of investment products and services under what is known as a ‘closed model’ where investment allocations will be built using investment products from PH&N and affiliates only

PH&N will act as a sub-investment manager to invest and manage the assets of Participating Municipalities and provide discretionary investment management services. PH&N will be involved in all aspects of the investment process, including assessing client needs, asset allocation, fund selection, trading, reporting, rebalancing, and providing compliance and oversight for the investments. PH&N uses a closed model for the OCIO Offering, which means that they do not use external investment managers for the OCIO Offering. This means that PH&N will build investment allocations for Participating Municipalities using only PH&N funds and offerings from its affiliates. In addition, ETFs may also be made available, as needed, for client portfolios. The scope of the funds available is very large and includes traditional active and quantitative mandates, which should provide considerable flexibility in building client portfolios. A full list of mandates from PH&N that may be available in the OCIO Offering is detailed in Appendix A of this report. This list includes 34 mandates that would be available under the OCIO Offering.

ONE JIB has authorized the New Products Committee to work with ONE Investment to continue developing the OCIO Offering

ONE JIB endorsed the OCIO Offering to attract large municipal investors on June 1, 2023, by supporting the principles for the fees associated with the Offering. Subsequently, on July 19, 2023 ONE JIB authorized the New Products Committee to work with ONE Investment to develop the OCIO Offering. ONE Investment has been in discussions with PH&N since then related to the offering; the last item ONE Investment is seeking input on from the New Products Committee is the structure of the funds.

4. ANALYSIS

ONE Investment’s goal is to structure the OCIO Offering to maximize flexibility for ONE JIB in implementing Investment Plans while achieving operational efficiency to support a growing number of municipalities invested in the Prudent Investment Program

ONE Investment staff continues to work with PH&N to build a structure for the Offering that provides maximum flexibility to implement client Investment Plans. While the funds available under the offering have already been identified in the Investment Management Agreement (IMA), how these products will be made available for Participating

Municipalities requires further planning.

Discussions on this have evaluated several options, including the creation of fund of fund products, launching asset-class based building block funds (that may hold several underlying PH&N funds), and making the full suite of funds available to be held directly in the separate accounts for each municipality. This latter option provides the most flexibility, and operational considerations are being further evaluated to ensure that this is the most practical option. At this stage, the planning is preliminary, and further granularity in the offering will be informed by client circumstances and will need to be a solution that is suitable for both large and smaller municipalities investing under the OCIO model.

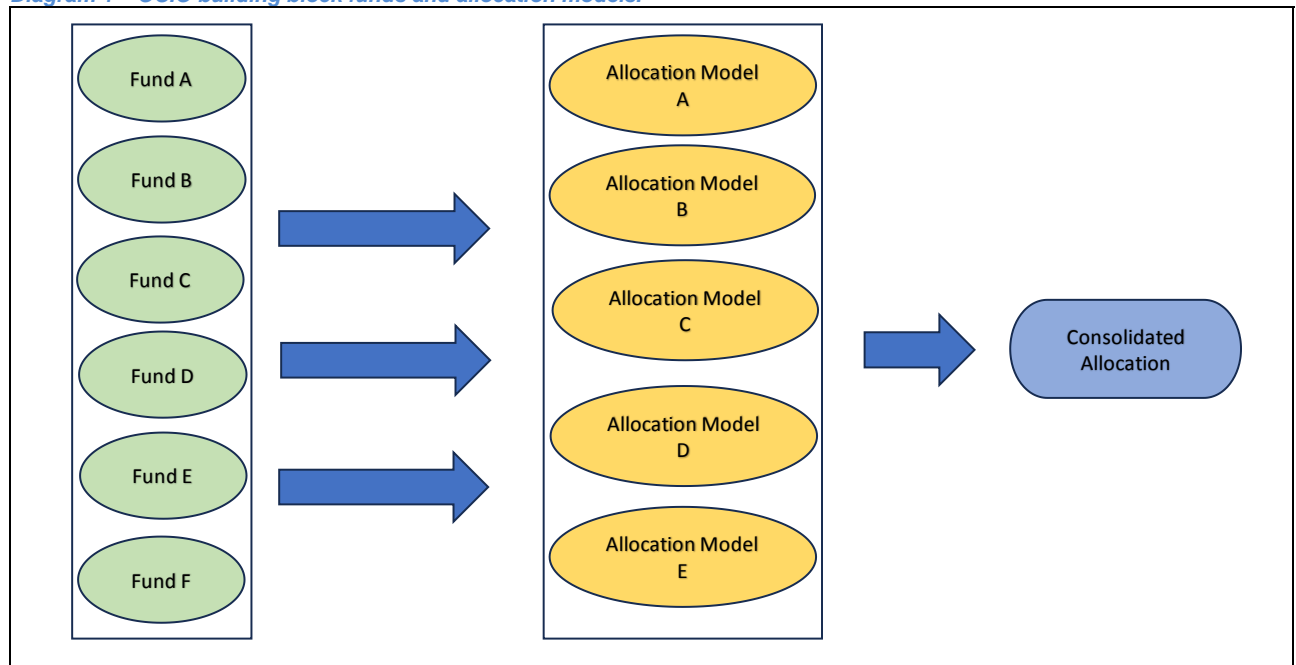
The OCIO approach will incorporate a model portfolio approach, that may be suitable for many clients, with fully customized portfolios also being available to address municipalities with special needs

For many of the Participating Municipalities, model portfolios may provide suitable investment solutions. They may function in the same way as the investment outcomes, which provide investment solutions that are appropriate for most municipal needs and circumstances. Customized investment portfolios would also be available for municipalities with special needs that require a more tailored investment approach. Both solutions could be constructed from the investment building blocks available from the OCIO.

Under the current Outcome Framework, each Participating Municipality holds several investment outcomes, each of which holds the same ONE Investment funds but in different proportions. The Outcome Framework has a unique allocation model for each outcome, with investment in each outcome held in a separate account.

The proposed structure of the OCIO Offering may deviate from this approach, as it is intended that a single consolidated investment portfolio would be required for each Participating Municipality (unless there are constraints from the municipality that require multiple accounts). The OCIO Offering would effectively use one or several of PH&N's allocation models to represent different segments of MNRI and amalgamate the results of the modelling process to create a single consolidated portfolio. These allocation models identify the holding weight for each building block in the allocation model. A graphic representation of this can be seen in diagram 1 below.

Diagram 1 – OCIO building block funds and allocation models.



Under the OCIO Offering, the number of funds available from PH&N is much wider than the five ONE Investment pooled funds presently available, allowing a much wider spectrum of building blocks and more options to design investment portfolios.

The PH&N funds listed in Appendix A will offer a much larger universe of investment choices than is currently available. This would allow PH&N great flexibility when building customized client portfolios and/or model allocations designed to answer the range of needs of Participating Municipalities. These funds would be rebranded as ONE Investment funds for client reporting purposes.

The OCIO Offering would use the building block funds directly to build allocations for the initial OCIO client. As appropriate, fund of funds could be constructed at a later date to support the Offering

The initial OCIO clients will have allocations built with holdings from the 34 PH&N mandates. It is contemplated that a subset of these 34 mandates will be directly held in the accounts of participating municipalities, but with ONE Investment branding of these funds for reporting purposes.

The option of using a fund of funds structure has also been considered, but this option, if adopted, would be available after more detailed planning could be completed. These funds would be structured as stand-alone funds that are unitized with their own NAV valuations, distribution policy, and with the administration and legal structure that are normally associated with any fund product. This would involve set-up costs and ongoing operating costs for custodial and audit services.

Internal discussions have considered two potential approaches, including a purpose-based fund of funds and an asset-class-based fund of funds. A purpose-based fund of funds would be constructed to address a specific theme or approach. The initial discussions involved building three funds that gave diversified allocations based on investment horizon (i.e., a short investment horizon fund, a medium investment horizon fund, and a long investment horizon fund). Alternatively, a purpose-based fund of funds could be used to build a fossil-free allocation or address other themes that could be relevant for Participating Municipalities.

The second approach would be to construct an asset class based fund of funds where the key asset classes are each represented by a fund of fund product, but the underlying holdings or their weightings in the fund could change. This would allow for a continuous return history of the asset classes to be tracked over time, regardless of the underlying holdings. It would also provide a clearer separation between asset allocation choices and the selection of individual funds that represent them. For example, in times of highly volatile markets, the allocations to low volatility Canadian equities could be increased in the Canadian equity fund of fund. The asset class fund of funds could also be used as building block funds and could be combined with direct holding in any of the 34 underlying funds available, providing full flexibility in tailoring investment allocations for Participating Municipalities.

In most cases, the construction of a fund of funds would not change the range of investment options available to build client allocations. It would involve an extra layer of costs and administration, and in certain cases, it might limit flexibility in building client allocations. The advantages include the ability to create branded fund products that may have benefits for marketing purposes or to simplify client reporting. The fund of fund option is an item for future consideration, as more planning would be required.

The transition to the OCIO Offering will have wide ranging implications

The structure of the OCIO Offering will differ from what is currently in place with changes in the investment approach used, the investment building blocks utilized, changes in investment managers and reporting. This will affect investment operations at ONE Investment and might have implications for the investments of existing Participating Municipalities, although it is possible to mitigate disruption in those cases. A brief summary of these implications is provided in Figure 1 below.

Figure 1 – Summary of key implications of transition to OCIO Model.

- A wider range of investment building blocks available for use.
- Potentially more nimble investment implementation.
- Allocations and/or building block funds can be modified more quickly.
- Greater access to investment studies, asset allocation analysis.
- Investment reporting provided to the clients would change.
- Participating Municipalities holdings in ONE Investment pooled funds would need to be liquidated.
 - Investment gains & losses would be crystalized as transitioned to OCIO Offering.
- All performance history would be reset.
 - Performance track record of ONE pooled funds would end.
 - Performance track record of ONE JIB's Outcome would end.
 - New performance track record would start using PH&N funds.
 - Consolidated performance track record would remain available.
 - Not yet clear how this could be reported to clients.
- New building block funds offering to be created by PH&N
 - Intend to utilize RBC's custodian.
 - Reporting to be created by PH&N.
 - Not clear if in-house portfolio management system could be utilized with OCIO offering.
 - Not yet clear how historical performance would be made available.
- Reporting and oversight of the investments would change.
- The ability of a municipality to reclaim HST on fees paid will be a future consideration.
- Existing Prudent Investor external managers would be terminated after transition period.
- Outcome Framework would become a communication tool and would no longer be used as an allocation mechanism.
- Most policies of the ONE JIB would need to be revised to reflect considerations relevant to OCIO.
- Fees for existing Participating Municipalities would not increase, some would see slightly lower fees.

The components of the building blocks will be carefully considered in light of their investment merits and overall portfolio risk/return contribution

The building blocks used to construct portfolios will be selected based on their suitability for the client's needs, and how the building block funds influence the characteristics of the overall allocations is also a consideration. It is entirely possible that a portfolio might include holdings in several funds that give exposure to the same segment of the markets. For example, allocations might include both an active Canadian equity fund and a low-volatility Canadian equity fund. Although both funds may hold some of the same securities, adding low volatility may help tailor the risk and return attributes of the overall portfolio in a way that would not be possible with only one Canadian equity fund holding. In this way, portfolio construction decisions can influence fund selection choices.

It is anticipated that the initial contribution of MNRI from the first large municipality will be invested in July 2024, with significant assets contributed over the following 12 months

ONE Investment is currently in negotiations with the Regional Municipality of Durham in relation to the OCIO Offering. If approved by Council, Durham may become a Participating Municipality and the first investor under the OCIO offering in July 2024. A transition plan would be needed as Durham winds down its Legal List holdings. This may lead to multiple contributions of MNRI over the following 12 months. There may also be a

need to stagger Durham's liquidation of its holdings in the ONE Canadian Equity Portfolio over time or involve a transition manager as Durham's holdings represent a substantial portion of the Canadian Equity Portfolio and their disposition will impact other investors in the portfolio.

New Participating Municipalities will join the ONE JIB using the OCIO Offering from September 2024 onwards

ONE Investment staff continue to engage municipalities that have an interest in moving to the Prudent Investor regime, with several in different stages of planning. It is anticipated that one or more municipalities may join the ONE JIB as soon as September 2024. New Participating Municipalities will be joining the ONE JIB under the OCIO Offering.

Existing Participating Municipalities would be transitioned into the OCIO Offering in the second half of 2025

It is anticipated that all investors would migrate to the OCIO Offering, but no changes would occur immediately. The eleven existing Participating Municipalities would continue to use the existing ONE Investment offering. Annual reviews of Investment Plans would continue to use the existing pooled funds and investment process. It is anticipated that they would be transitioned into the OCIO Offering in the third and fourth quarters of 2025. Holdings in the ONE Investment pooled funds would be liquidated and investment gains or losses would be crystalized at the time of the transition.

ONE Investment pooled funds would be no longer be in use once all current Participating Municipalities move to the new OCIO Offering and the investment mandates of current external managers would be terminated

The OCIO provider uses a closed OCIO model, which means that all investments would typically be deployed into the OCIO's products and no external fund managers would be employed. This differs from ONE JIB's current approach, which is a multi-manager approach. When existing Participating Municipalities' MNRI is fully transitioned into the OCIO Offering, the existing external managers of the ONE Investment pooled funds would no longer be used in ONE's Prudent Investment Offering. The MNRI would be deployed into the OCIO Offering, which will provide a wider range of investment options than is currently available.

The OCIO offering will use funds created by PH&N. Operational considerations suggest that fund administration and custodial services will be provided by an affiliate of PH&N

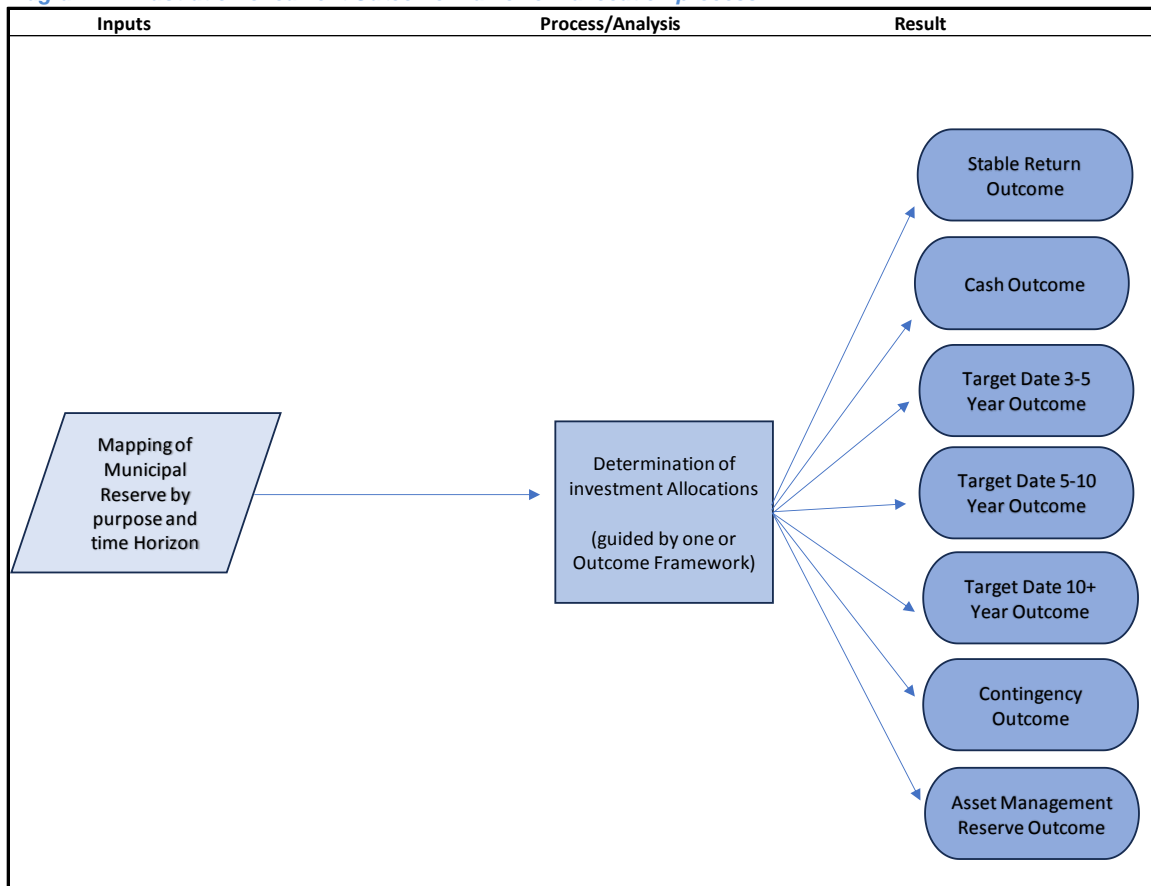
Internal planning for the OCIO offering has evaluated operational considerations that have led to the conclusion that using custodial services provided by an affiliate of PH&N would be a more efficient and cost-effective solution. Currently, ONE Investment pooled funds use CIBC Mellon for custodian and fund administration services, with data feeds into ONE's portfolio management system, allowing ONE Investment to generate compliance reports and quarterly investment reports for clients. Considerable staff resources are currently dedicated to generating this reporting and preparing audited financial statements. Under the OCIO model, PH&N will provide this. This eliminates the need for ONE to

maintain its own custodian for the OCIO offering. Staff continues to investigate this aspect of the planning, but it is expected that ONE Investment will need to engage an affiliate of PH&N to provide custodial and fund administration services.

The ONE JIB Outcome Framework will continue to be utilized under the OCIO model, but will be utilized in a different way

Currently, the ONE JIB Outcome Framework is a key tool that helps translate the mapping of municipal reserves into investment allocations. Both the purpose of reserve balances and the associated investment horizon inform how the MNRI should be invested. This framework has investment allocations that are based on the categorization of municipal reserves. While this framework is valuable as a communication tool between the Treasurer and ONE JIB and gives clear guidance on investment allocations, it is a deterministic process that may not necessarily incorporate all the relevant information. Diagram 2 below demonstrates how the Outcome Framework process interprets details about municipal reserves and allocates them to multiple investment outcomes based on the Outcome Framework. It is effective but has a narrow focus. The Participating Municipalities hold investments in several accounts, with each account holding the same securities in different proportions.

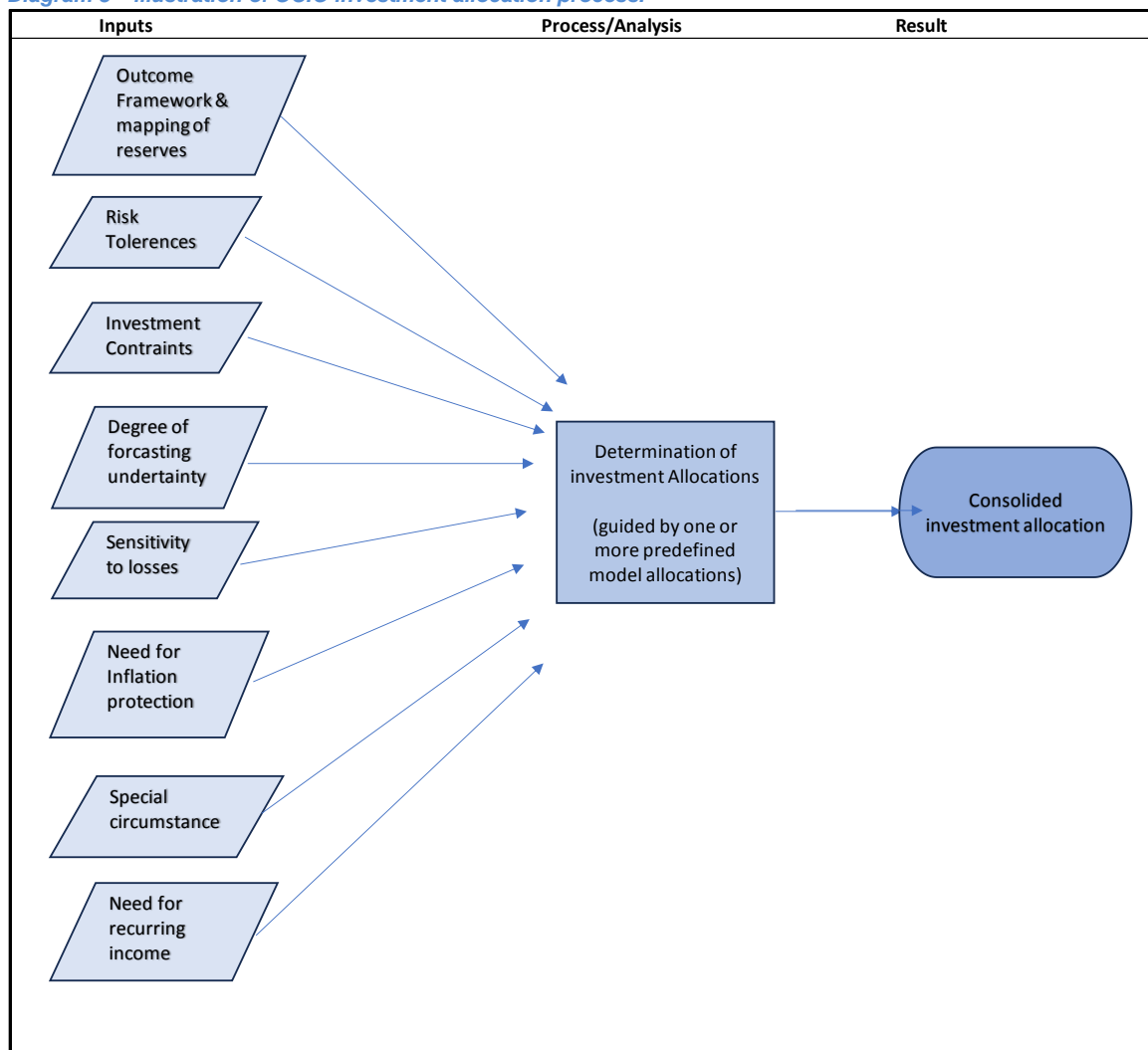
Diagram 2 – illustration of current Outcome Framework allocation process.



In the past, there have been instances where the guidance provided in the Municipal Client Questionnaire (MCQ) would suggest allocations that may not conform to the allocations generated from the Outcome Framework. For example, the reserve mapping may imply a heavy allocation to equities, but the MCQ identifies a low risk tolerance for the municipality, which is inconsistent. The revision in how the Outcome Framework is used will resolve this type of problem.

It is intended that reserve mapping continue to be an input in the investment decision-making process. The categorization of reserves and investment horizons in the Outcome Framework would continue to be a key part of the process, but the investment allocations contained in the Outcome Framework would no longer be used. Instead, the mapping of reserves would be one of the key inputs that, along with other considerations, would be evaluated when determining investment allocations. This is intended to be a more holistic approach that would help to ensure the allocations are reflective of circumstances that may not be fully captured in reserve forecasts. This may more clearly demonstrate the prudent investment allocation process. Diagram 3 below shows this graphically.

Diagram 3 – illustration of OCIO investment allocation process.



Alternative investments are available under the OCIO Offering

ONE JIB's New Products Committee has been exploring changes in the investment offering that include the addition of alternative investments to the investment program. PH&N has several investment funds that offer alternative investments, including the key types that the New Products Committee has already expressed interest in such as real estate and infrastructure.

Alternative investments tend to be higher-risk profile investments that offer potentially larger returns but tend to have strong diversification benefits. Adding alternative investments to a diversified portfolio tends to improve the risk-adjusted returns of client portfolios. Due to the higher risk profile and more limited liquidity of alternative investments, they are not suitable for all investors.

The role of the OCIO includes the discretion to determine building block funds for use in client portfolios, which is the primary objective of the New Products Committee

The New Products Committee was established to help the ONE JIB evaluate products to include in the ONE JIB Offering with the scope of activities summarized in its terms of reference as follows:

The New Product Offerings Committee (the Committee) shall provide recommendations on new product offerings for the Prudent Investment (PI) Program to the ONE Joint Investment Board (ONE JIB).

These duties represent part of the role that the OCIO has been engaged to conduct, creating a potential overlap in responsibilities and potentially creating a conflict. As the OCIO offering is a closed model, the scope of the choices when selecting a manager and mandate will be limited to products of PH&N and affiliates, which diminishes the need for the New Products Committee's involvement. For this reason, the New Products Committee's role will need to be revisited in the future.

5. CONCLUSION

ONE Investment has retained PH&N Institutional (PH&N) to design and develop the OCIO Offering. Considerable work has already been conducted to support the launch of this new Offering, with discussions on the structure of the OCIO Offering continuing to advance. The current planning for the OCIO Offering contemplates the use of model portfolios designed to suit a range of municipal needs, with the ability to tailor investment allocations for clients with more specialized needs. A building block approach will be used to build investment allocations for Participating Municipalities. PH&N has a wider range of investment funds available than is currently available to clients, which should allow better flexibility to address the investment needs of municipalities investing through ONE JIB.

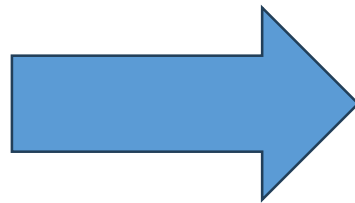
ATTACHMENTS

Attachment 1: Appendix A – PH&N funds available under OCIO Offering

Drafted by: Keith Taylor, Chief Investment Officer

Approved for submission by: Judy Dezell and Donna Herridge - Co-Presidents/CEO

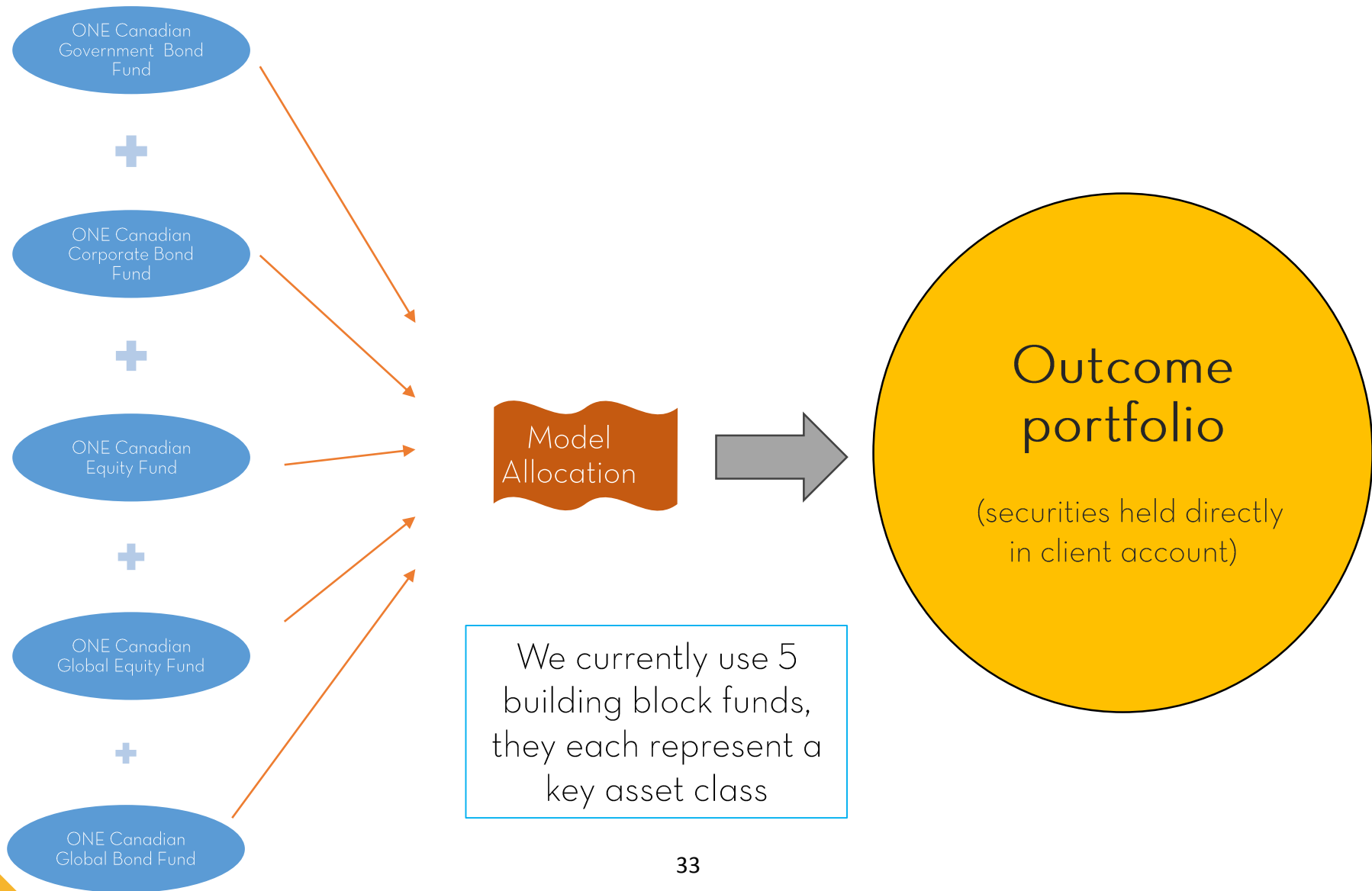
Building Block approach for Investments



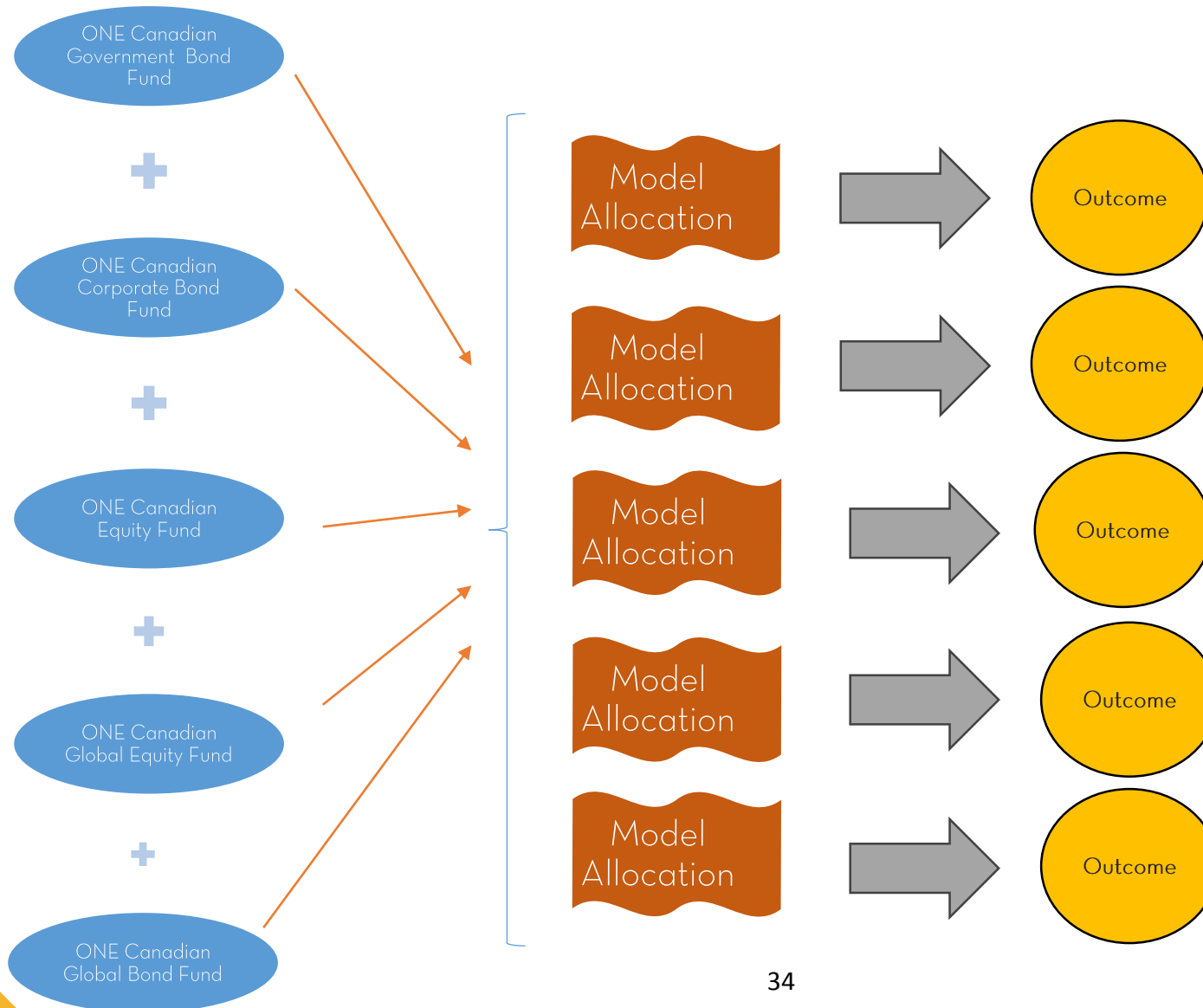
Objectives of OCIO

1. Ability to tailor investment offering for sophisticated clients.
2. Gain operational efficiencies & greater ability to scale
3. Provide access to a full suite of building block funds.
4. To gain ongoing support from team of investment professionals.
5. Greater ability to quickly respond to circumstances.

Building Blocks = Current

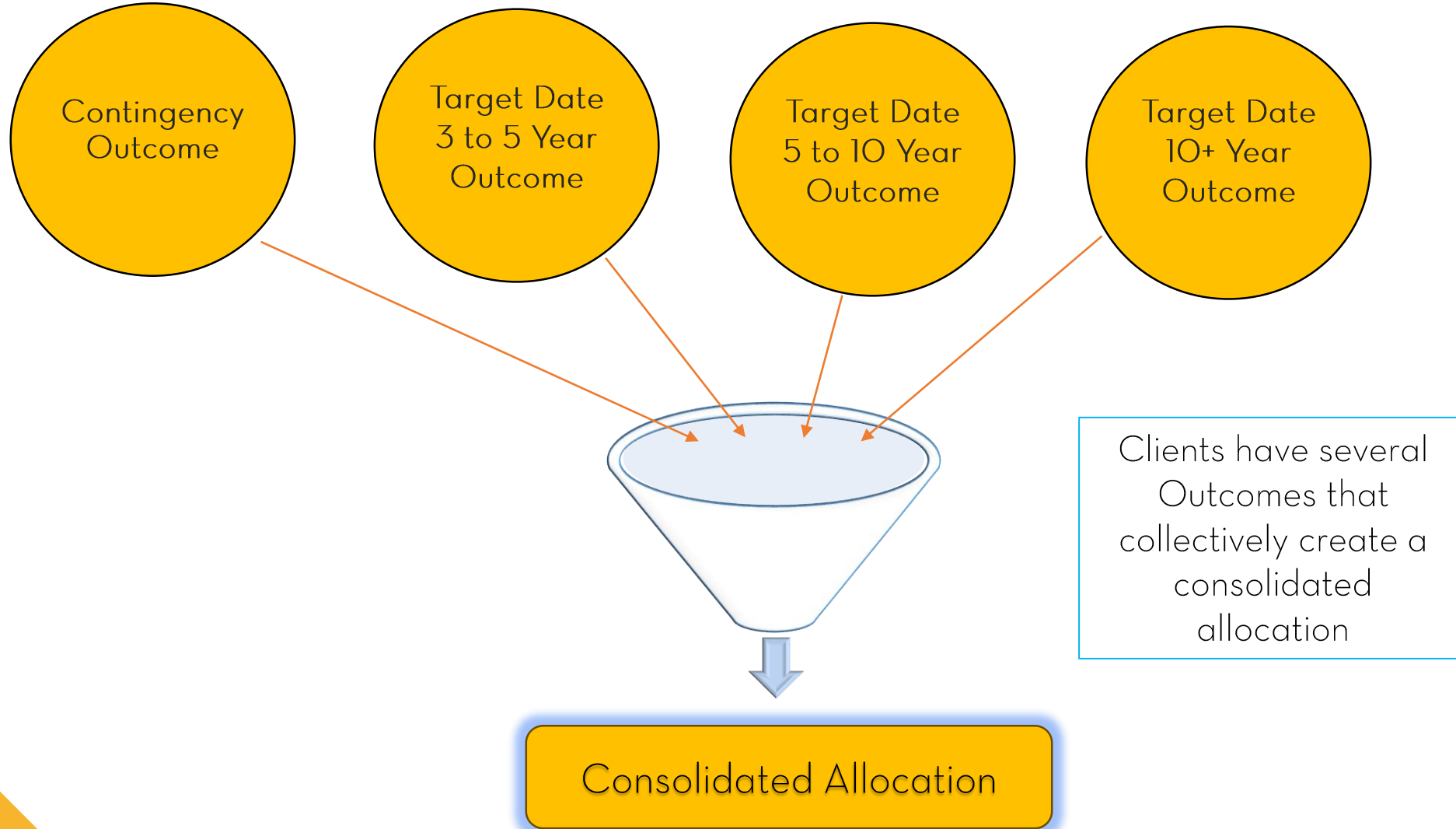


Building Blocks = Current

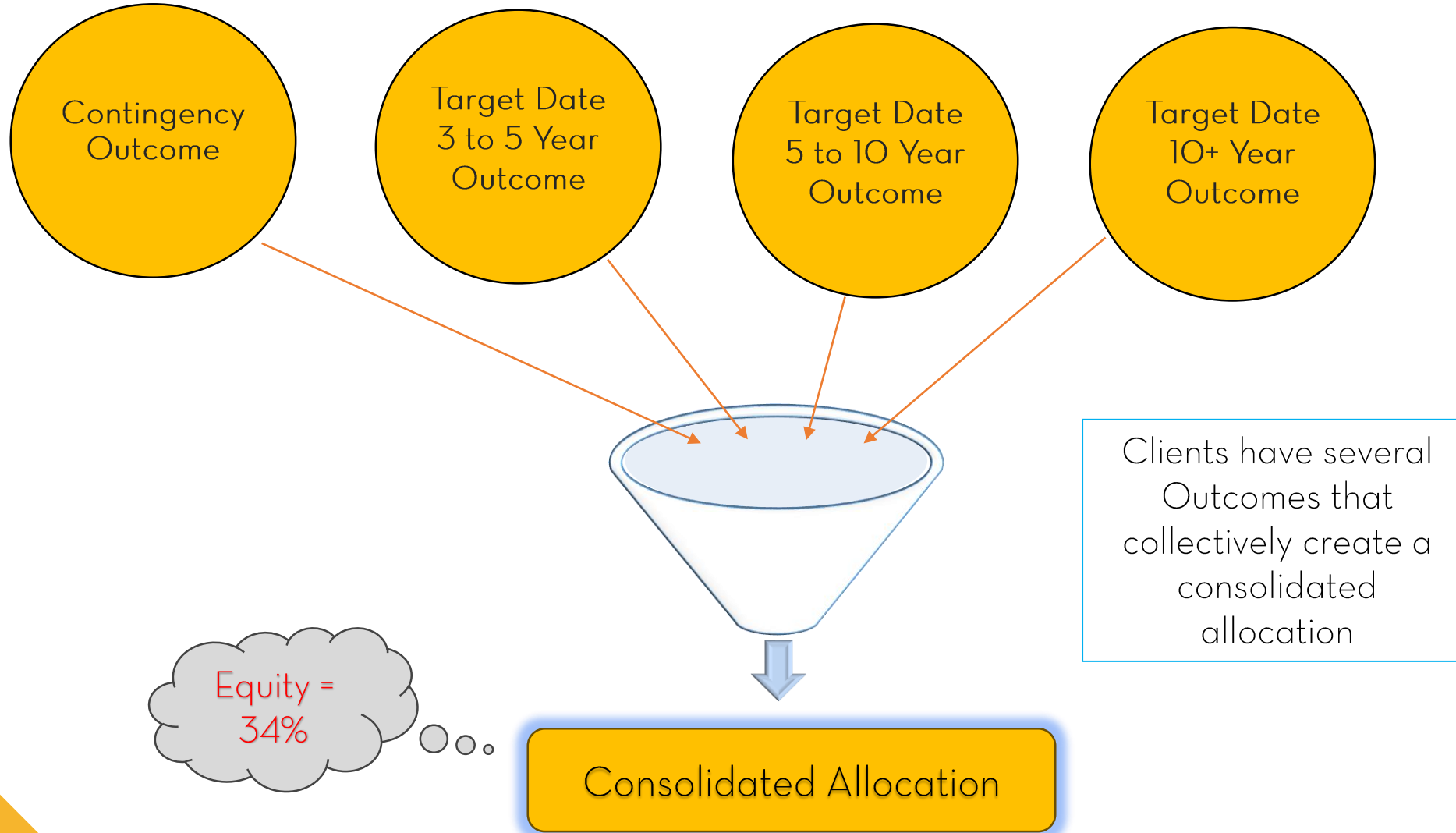


Each client holds several Outcomes.
Each are separate accounts.
They all hold the same funds in different proportions.

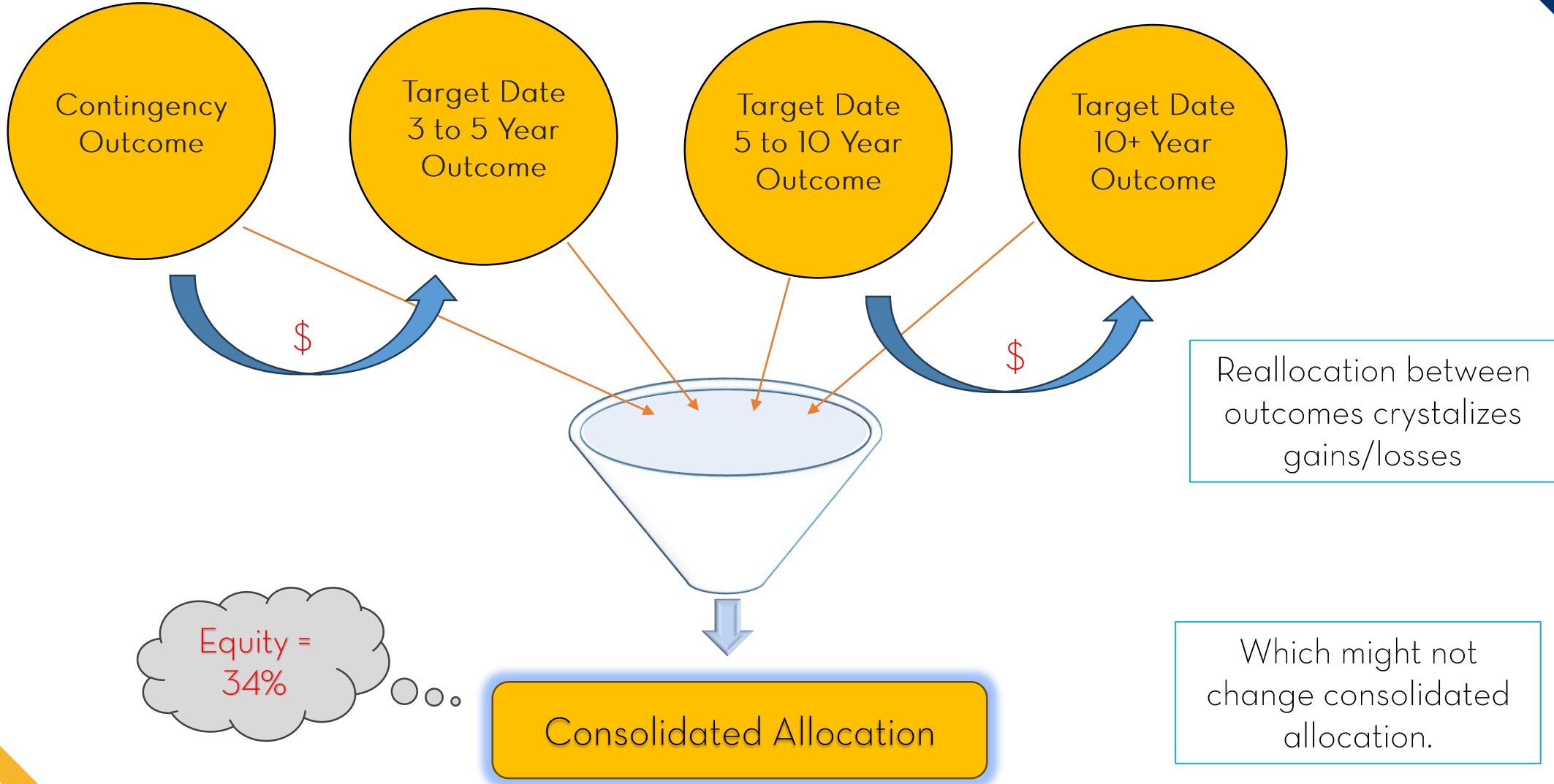
Building Blocks + Outcomes = Current



Building Blocks + Outcomes = Current



Building Blocks + Outcomes = Current



Building Block Funds + Outcome Accounts

Pros

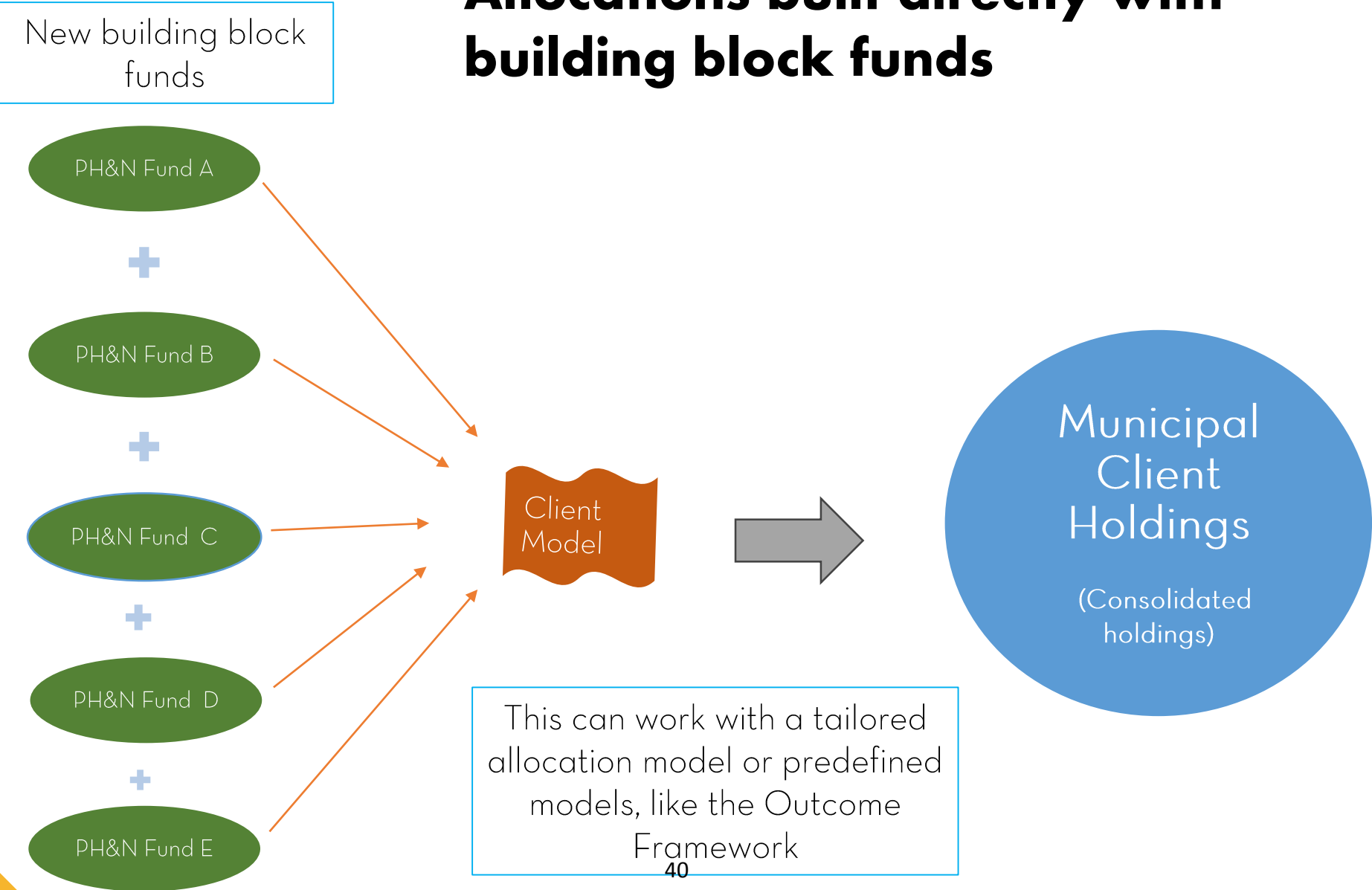
- Performance track record by Outcome is available.
- Direct mapping of reserves to investment allocations.
- Thought process resonates with municipalities.
- Gives clear direction on investment allocations.

Cons

- Switching between Outcomes crystalizes gains losses and can lead to excessive trading.
- Too simplistic. It only looks at reserves. Does not consider other factors.
- Returns in same Outcome may be slightly different for each client.

Preferred OCIO Offering Structure

Allocations built directly with building block funds



Details

New PH&N funds

- 34 PH&N funds will be available as building blocks.
- Holdings will be selected from the 34 building block funds.
- Several model portfolios would be designed.
- More tailored allocations could be built for large municipalities with the same building blocks.
- OCIO offering would be used by all Participating Municipalities.
- Funds are on PH&N's platform,
 - reporting done by PH&N.
 - new custodial arrangement.
 - PH&N responsible for fund compliance and administration.

PH&N Funds would become new building block funds

Existing funds to be maintained until all PM transitioned. Funds then mothballed

ONE Canadian Government Bond Fund

ONE Canadian Corporate Bond Fund

ONE Canadian Equity Fund

ONE Canadian Global Equity Fund

ONE Canadian Global Bond Fund

PH&N funds managed directly on their platform

PH&N Fund A

PH&N Fund B

PH&N Fund C

PH&N Fund D

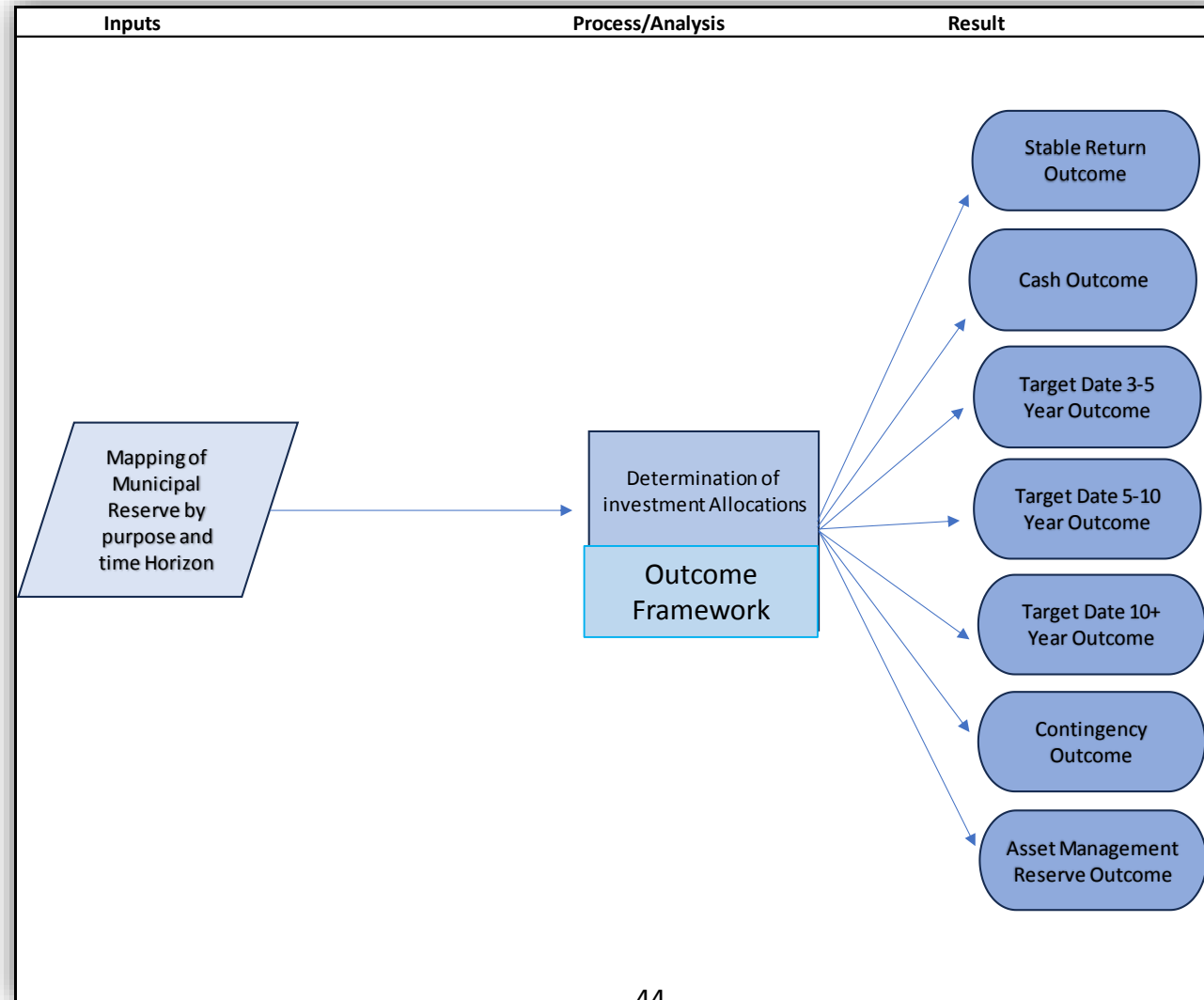
PH&N Fund E

PH&N Fund F

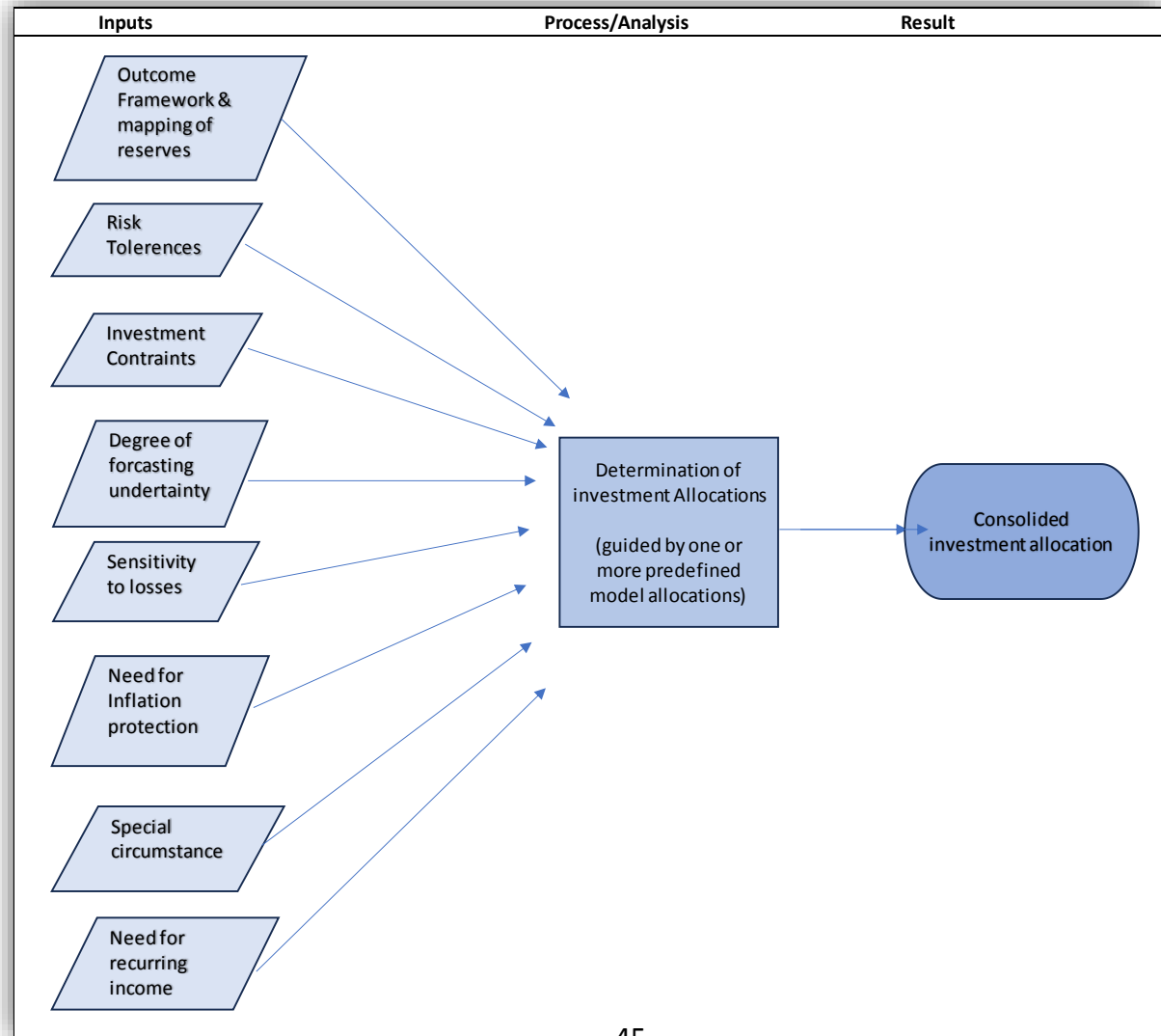
- All Participating Municipalities would be transitioned to OCIO Offering.
- Reporting would come from PH&N.
- Compliance reports would be created by PH&N and shared with CCO, CIO & ONE JIB.
- Compliance oversight changes, with much of the oversight done by PH&N

Current Process vs potential new process

Current process: from reserves to Outcomes



Proposed new process?



Details

Current Process

- Allocations process only considers reserves. Not clear how other factors are reflected.
- Clients hold several outcome accounts that each hold the same securities.
 - Every transaction between accounts crystalizes gains/losses.

New Process

- Uses reserve mapping as one of the key inputs in informing allocations.
 - But incorporates other factors.
- Explicitly considers all the Prudent criteria identified in the Act.
- Multiple models can be used to help guide the allocations.
- Full tailoring of allocations is available as need.
- Additional support from OCIO.

End of CIO Presentation

OCIO Slides

The investment opportunity set and its possibilities

Immediately Available, IMA-Compliant Investment Solutions (Standard OCIO w/ White-Labelled Reporting)

Future Solutions (White-Labelled OCIO)

SCHEDULE "A"

34 FUNDS COVERING:

Fixed Income

Canadian Money Market
 Short-Term Bonds
 Universe Bonds
 Corporate Bonds
 Private Placement Corporate Debt
 Commercial Mortgages
 Global Sovereign Bonds
 High Yield Bonds
 Emerging Market Debt
 Global Multi-Asset Credit

Equities

Canadian Equities
 Canadian Low Volatility Equities
 U.S. Equities
 U.S. Low Volatility Equities
 International Equities
 Global Equities
 Global Low Volatility Equities

Alternatives

Canadian Core Real Estate
 Global Infrastructure

BESPOKE PORTFOLIOS

Complete customization of client portfolio(s) within the permitted strategies and scope of service.

MODEL PORTFOLIOS

Stable Return
 Contingency
 Asset Management Reserves
 Target Date 3-5 yrs
 Target Date 5-10 yrs
 Target Date 10+ yrs

Short-Term Reserves (3-5 yrs)
 Mid-Term Reserves (5-10 yrs)
 Long-Term Reserves (10+ yrs)

MODEL BUILDING BLOCKS

Money Market
 Short-Term Bonds
 Universe Bonds
 Corporate Bonds
 Global Sovereign Bonds
 Global Credit

Canadian Equities
 U.S. Equities
 International Equities
 Global Equities
 Low Volatility Equities
 Private Markets

BUILDING BLOCKS (UNITIZED)

ONE Money Market Fund
 ONE Short-Term Bond Fund
 ONE Universe Bond Fund
 ONE Global Bond Fund

ONE Canadian Equity Fund
 ONE U.S. Equity Fund
 ONE International Equity Fund
 ONE Private Markets Fund

Schedule A

Eligible Funds

<i>Fixed Income</i>	<i>Equity - Canadian</i>
PH&N Canadian Money Market Fund	PH&N Canadian Equity Value Fund
PH&N Bond Fund	PH&N Canadian Equity Fund
PH&N Enhanced Total Return Bond Fund	RBC Vision Canadian Equity Fund
RBC Vision Bond Fund	RBC Vision QUBE Fossil Fuel Free Low Volatility Canadian Equity Fund
RBC Vision Fossil Fuel Free Bond Fund	RBC QUBE Low Volatility Canadian Equity Fund
PH&N Short Term Bond & Mortgage Fund	RBC QUBE Canadian Equity Fund
RBC Vision Fossil Fuel Free Short Term Bond Fund	<i>Equity - Global</i>
PH&N Corporate Bond Trust*	PH&N US Equity Fund
PH&N Private Placement Corporate Debt Fund*	RBC QUBE US Equity Fund
RBC Commercial Mortgage Fund*	RBC QUBE Low Volatility U.S. Equity Fund
RBC Global Bond Fund	RBC International Equity Fund
RBC Emerging Markets Bond Fund	PH&N Overseas Equity Fund
<i>Alternative Investments</i>	RBC Global Equity Focus Fund
RBC Canadian Core Real Estate Fund*	RBC Global Equity Leaders Fund
RBC Global Infrastructure Fund*	RBC Vision Global Equity Fund
<i>Fixed Income - Credit & HY</i>	RBC Vision Fossil Fuel Free Global Equity Fund
RBC High Yield Bond Fund	RBC QUBE Low Volatility Global Equity Fund
PH&N High Yield Bond Fund	RBC QUBE Global Equity Fund
BlueBay Total Return Credit Fund	