



ONE JIB
Regular Board Meeting
Agenda

Date: May 29 2025, 10:00 a.m.

Location: AMO Office

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

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11.	Closed Session	
11.a	Private Attachment to Nominating Committee (2025-04) May 5, 2025 - personal matters about identifiable individuals	
11.b	Eckler Ltd. Presentation - Confidential Commercial or Financial Information - s. 239 2.(i) of the Municipal Act	
12.	Reconvene in Public Session	
13.	Other Business	
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16. Adjournment

17. Next Meeting

17.a ONE JIB Special Meeting - September 4, 2025 - Innisfil

17.b ONE JIB Regular Meeting - September 11, 2025 (10:00 a.m. - 3:00 p.m.)



ONE JIB

Regular Board Meeting

Minutes

Meeting #: 2025-01
Date: February 25, 2025, 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
C. Dyer
H. Franken
J. Giles
D. Leckman
M. Melinyshyn
S. Pountney
S. Rettie
N. Taylor

Staff:

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
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, ONE Investment
K. Taylor, Chief Investment Officer, ONE Investment

Outsourced Chief Investment Officer (OCIO), PH&N Institutional:
M. Leclair, CFA, Vice President and Portfolio Manager
P. Purcell, CFA, Managing Director and Portfolio Manager
D. Rae, CFA, Portfolio Manager
A. Di Ginosa, CFA, Portfolio Manager and Commercial Mortgage
Specialist

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. **Minutes of Previous Meeting**

3.a **Approval of November 27, 2024 Meeting Minutes**

Moved by Board Member Pountney

THAT the Minutes of the November 27, 2024, ONE JIB Regular Meeting be approved as circulated.

Carried

3.b **Business Arising from November 27, 2024 ONE JIB Meeting Minutes**

There was no business arising from the November 27, 2024, ONE JIB Minutes.

4. **Communication**

4.a **Resignation – Board Member Tessier**

Moved by Board Member Dyer

THAT the Board receive the email of January 12, 2025 and accept the resignation of Board Member Tessier.

Carried

5. **Board Committee Reports**

There were no Board Committee Reports.

6. Delegations

There were no delegations.

7. Consent Items

Moved by Board Member Melinyshyn

THAT the Board adopt consent items 7.a, 7.b, 7.c, and 7.d, and the recommendations contained in the related staff reports, as follows:

7.a ONE Investment Audit Committee Update – February 25, 2025 (2024-008)

Recommendation: Receive the Report

7.b Strategic Plan – Q4 2024 Progress (2025-004)

Recommendation: Receive the Report

7.c Compliance Reports Asset Classes and Target Weight Allocations Q4 2024 and OCIO Allocations Report (2025-006)

Recommendation: Receive the Report

7.d Municipal Performance Report Q4 2024 (2025-001)

Recommendation: Receive the Report

Carried

8. Investment Oversight

8.a OCIO Quarterly Reporting and Analysis Q4 2024 - PH&N Institutional Presentation

The following representatives from PH&N Institutional made a presentation on [OCIO Quarterly Reporting and Analysis Q4 2024](#).

Martin Leclair, CFA, Vice President and Portfolio Manager

Paul Purcell, CFA: Managing Director and Portfolio Manager

Dylan Rae, CFA, Portfolio Manager

Anthony Di Ginosa, CFA, Portfolio Manager and Commercial Mortgage Specialist

Moved by Board Member Rettie

THAT the Board receive the presentation.

Carried

Moved by Board Member Giles

THAT the Board recess for lunch.

Carried

The Board recessed at 11:44 a.m. and reconvened at 12:35 p.m.

8.b OCIO Quarterly Reporting and Analysis Q4 2024 (2025-013)

Moved by Board Member Taylor

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

1. Approve the PH&N Mortgage Pension Trust for use in the Prudent Investor Offering.
2. Approve using the PH&N Mortgage Pension Trust as a substitute for the Commercial Mortgage Trust, as needed, to expedite achieving the desired investment exposure.

Carried

8.c Investment Plan Implementation Update (2025-002)

Moved by Board Member Franken

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

1. Approve the plan to fund the unanticipated \$25 million drawdown of MNRI for the District of Muskoka.
2. Acknowledge the December 2024 drawdown for the Town of Aurora of \$10.3 million.

Carried

8.d Municipality of Neebing's Investment Plan (2025-005)

Moved by Board Member Leckman

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

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

Carried

8.e City of Quinte West's Investment Plan (2025-012)

Moved by Board Member Pountney

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

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).

Carried

8.f Fund Manager Performance Review Q4 2024 (2025-014)

Moved by Board Member Giles

THAT the Board adopt the following recommendations in the report:

1. Receive the report.
2. Confirm that the Board Members have reviewed the Fund Manager Performance Reports for Q4 2024 provided in the Resource Library.

Carried

Moved by Board Member Dowty

The Board recess for 10 minutes.

Carried

The Board recessed at 1:49 p.m. and reconvened at 2:01 p.m.

9. Governance and Administrative Matters

9.a Recruitment for ONE JIB Vacancy (2025-010)

Moved by Board Member Dyer

THAT the Board adopt the following recommendation in the report:

1. Fill the ONE JIB member vacancy in Spring 2025 and any other vacancies in 2025 through the work of the Nominating Committee, constituted on November 18, 2020.

Carried

9.b ONE JIB Reappointment of Members (2025-009)

Moved by Board Member Giles

THAT the Board adopt the following recommendation in the report:

That the Board reappoint the following Members:

1. Jennifer Dowty to March 31, 2028,
2. Scott Pountney to March 31, 2028, and
3. Stephen Rettie to March 31, 2028.

Carried

9.c ONE JIB Governance Review 2025 (2025-011)

Moved by Board Member Pountney

THAT the Board adopt the following recommendation in the report:

1. Direct staff to bring to the September 4, 2025 meeting a review of ONE JIB committees.

Carried

10. Strategy and Policy

10.a ONE JIB In-Kind Securities Policy Review (2025-003)

Moved by Board Member Taylor

THAT the Board adopt the following recommendation in the report:

1. Approve the amendments to the MNRI Summary document and the ONE JIB In-Kind Securities Policy as shown in Attachments 1 and 2.

Carried

10.b Municipal Insights Report – Q1 2025 (2025-015)

Moved by Board Member Melinyshyn

THAT the Board adopt the recommendation to receive the report.

Carried

11. Other Business

Moved by Board Vice-Chair James

THAT the Board direct staff to bring forward a report to the Board's meeting of May 29th recommending a proposed date and time for an off-site Board meeting in the Town of Innisfil.

Carried

12. Meeting Outcomes

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

- Received and accepted the resignation from Board Member Tessier and approved a process to fill the vacancy
- Approved four Consent items, and the recommendations contained in the related staff reports. The consent items related to:
 - the recent activities of the ONE Investment Audit Committee
 - Q4 2024 Strategic Plan progress
 - the quarterly compliance report for asset class and target weight allocations as well as the application of the OCIO model
 - municipal performance reports for Q4 2024
- Received and approved the OCIO quarterly report and analysis Q4 2024 from PH&N Institutional
- Approved the plan to fund the unanticipated \$25 million drawdown of MNRI for the District of Muskoka and acknowledged the December 2024 drawdown for the Town of Aurora of \$10.3 million.
- Approved investment plans for the Municipality of Neebing and the City of Quinte West

- Received the fund manager performance report for Q4 2024.
- Reappointed Board Members Dowty, Pountney and Rettie to March 31, 2028
- Received and approved the ONE JIB Governance Review 2025 with a report to come forward to the Board's meeting on September 4, 2025
- Approved amendments to the MNRI Summary document and the ONE JIB In-Kind Securities Policy
- Received the municipal insights report for Q1 2025
- Approved holding an off-site meeting in Innisfil later this year with staff to bring forward a recommendation to the Board's May 29th meeting.

13. Authorizing Motion

Moved by Board Member Dowty

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 2:27 p.m.

15. Next Meeting

15.a Regular Meeting – May 29, 2025 (10:00 a.m. – 3:00 p.m.)

Denis Kelly, Board Secretary



John Mascarin
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2024-2025 ANNUAL REPORT OF THE INTEGRITY COMMISSIONER

ONE JOINT INVESTMENT BOARD

John Mascarin
Aird & Berlis LLP

May 12, 2025

INTEGRITY COMMISSIONER'S MESSAGE

Introduction

Aird & Berlis LLP was originally appointed as Integrity Commissioner for ONE Joint Investment Board (the "Board") pursuant to subsection 223.3(1) of the *Municipal Act, 2001* on May 19, 2020 and was re-appointed by the Board on May 19, 2021 for an additional five (5) year term.

This is the fifth annual report that we have prepared for the Board. This report encompasses the period from May 30, 2024 to May 12, 2025. Our report sets out an executive summary of our activities undertaken in fulfilling our duties and responsibilities as the Integrity Commissioner.

Complaints/Investigation

This year we have minimal activities to report. Once again we did not conduct any inquiries or investigations against any members of the Board as we did not receive any complaints or applications.

During our five (5) years as Integrity Commissioner, we have not received any complaints for investigation under the Code of Conduct nor any applications for inquiries under the *Municipal Conflict of Interest Act* filed against any member of the Board.

Advice-Giving

With respect to our advice-giving function as Integrity Commissioner, we provided written advice on two (2) occasions relating to potential conflicts of interest arising from the appointment of Board members to another committee, and to a member of the Board accepting a time-limited paid consultant role with an advisory committee.

Revisions to Code of Conduct

The legislative framework that applies to our functions has not been amended (except to recognize the so-called "strong mayor" powers which do not impact the Board). The Board did amend its Code of Conduct with some changes to adopt gender neutral language and to increase the acceptable dollar amounts on the receipt of gifts from \$500 to \$750 – both of which we supported. Educational training for members of the Board was provided early in the term and we did not see the need to provide any further training over the past year.

Proposed Provincial Legislative Changes

Bill 241 had been introduced in the Provincial Legislature on December 12, 2024 but died on the Order Paper on February 12, 2024. Bill 241 purported to strengthen the municipal accountability framework in Ontario by imposing new requirements for provincial-wide uniform codes of conduct; mandatory education and training for Integrity Commissioners and for members of council and local boards; for the involvement of the Ontario Integrity Commissioner; and for the removal from office and disqualification of members of council (but not local boards) for serious contraventions that result in harm to the health, safety or well-being of any person.

On May 1, 2025, Minister of Municipal Affairs and Housing Rob Flack introduced Bill 9 – the proposed Municipal Accountability Act, 2025 which basically resurrects former Bill 241 with no significant improvements (except for the inclusion of members of local boards also being subject to removal and disqualification). The Backgrounder to Bill 9 provides that,

The government intends to consult on these changes and work with the municipal sector to develop the necessary regulations to support the new framework coming into effect for the new term of councils in 2026.

No Additional Education or Training

We did not see a need for and did not recommend any additional educational or training activities for the Board in 2024. We can certainly provide updated training to the Board and staff should the provincial government implement changes to the municipal accountability framework in 2025 although it is likely that the main changes will likely occur in 2026.

Concluding Remarks

We are privileged to be of service to the Board as both its Integrity Commissioner and Closed Meeting Investigator. We look forward to continue to work with the Board, its members and staff.

Respectfully submitted,

AIRD & BERLIS LLP

A handwritten signature in blue ink, appearing to read "John Mascarini". The signature is stylized with a large, looping initial "J" and a cursive "Mascarini".

John Mascarini

Integrity Commissioner for ONE Joint Investment Board

63828018.2

To: ONE Joint Investment Board
From: Donna Herridge, Co-President/Co-CEO, ONE Investment
Date: May 29, 2024
Re: Audit Committee Update – Q2 2025
Report: ONE JIB 2025-017

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

This report provides a summary of the ONE Investment Audit Committee meeting of April 2, 2025, on the following topics:

- Appointment of Trevor Pinn as the Vice-Chair of the Audit Committee
- Receipt of the report from Sameet Batavia, Partner at PwC, on the 2024 year-end financial statements for the Prudent Investment Pooled Funds and the Legal List Portfolios, which were then approved by the ONE Investment Board
- Receipt of a presentation from PH&N Institutional and RCB GAM Compliance delivered by Mona McManus, Managing Director, Compliance & Chief Compliance Officer and Heidi Johnston, Head GAM Funds Ops, CFO, RBC GAM Funds
- Annual Compliance activities from Evelyn Foo, ONE's Chief Compliance Officer for 2024.
- Governance changes related to both the ONE JIB and ONE Investment Boards and Committees including renaming the Audit Committee to Risk and Audit Committee with an updated Terms of Reference
- Staff undertook a comprehensive review of ONE's policies, resulting in no (or minor) changes for most policies. The ONE Investment Board then delegated the approval of minor housekeeping policy changes to the Audit Committee.
- Review of the Withdrawal of MNRI, which was used for the first time in Winter 2025, Fund Deviation and Principles of Good Benchmarks Policies which are dealt with in a separate report on this agenda.
- Internal control procedures related to Payment Processing, HISA Transactions, and Legal List Enrollment/ Transactions (including HISA).
- Comprehensive Risk Assessment and Mitigation Action Plan reflecting two key themes – increased risk related to the impact of US tariffs and decreased risk reflecting the transfer of all PI funds to PH&N
- The OCIO Summary's history, detailing the several actions done to create and transfer PI monies to PH&N

- Implementation of cyber security recommendations as well as potential dates for an in-person Committee meeting
- ONE JIB and ONE Investment Board meetings to ensure all Audit Committee members have an overview of ONE's business.
- CIBC Mellon quarterly report and attestation by RCB IS.
- Request for more training to fulfill members' expanded role related to risk.

3. BACKGROUND

The 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 Audit Committee's next meeting is scheduled for May 26, 2025.

4. ANALYSIS

Trevor Pinn was appointed as the Vice-Chair of the Audit Committee

Trevor Pinn was appointed as Vice-Chair of the Audit Committee.

Sameet Batavia, Partner at PwC, presented a report on the 2024 audit results for the Prudent Investment Pooled Funds and the Legal List Portfolios, followed by the approval of the Financial Statements

Sameet Batavia reported on the audit of the Prudent Investment Pooled Funds and the Legal List Portfolios Financial Statements. There were no unadjusted errors or management letter points. The Financial Statements were subsequently approved by the ONE Investment Board, sent to Participating Municipalities and are available on the [ONE Investment website](#).

The Committee received an overview of the RBC GAM compliance regime

With the transition of all PI funds to PH&N Institutional, the Prudent Investment compliance regime moves to oversight of RCB GAM while Legal List compliance will be more focused on day-to-day operations. A PH&N Institutional and RCB GAM Compliance presentation by Mona McManus, Managing Director, Compliance & Chief Compliance Officer, and Heidi Johnston, Head GAM Funds Ops, CFO, RBC GAM Funds provided an overview of compliance activities.

There was an update on compliance activities for 2024 with all due dates met and no breaches noted

A summary of ONE Investment compliance activities in 2024 highlighted the following:

- No significant complaints or action against ONE Investment
- No internal investigations regarding staff actions
- Compliance with the Federal Anti-Money Laundering Regulation
- No significant violations of the investment objectives and constraints of portfolios

Governance changes related to both ONE JIB and the ONE Investment Board and Committees were reviewed

The Board made changes related to the governance of the ONE Investment Board including an updated Risk and Audit Committee Terms of Reference. The Audit Committee was asked for input as part of the governance review ONE JIB is doing in 2025 and will inform what ONE Investment presents to ONE JIB at its September meeting.

Staff undertook a comprehensive review of ONE's policies with most having no or minor changes with future minor housekeeping changes delegated to the Audit Committee

Staff reviewed the following policies with no changes: Board/Volunteer Expense Reimbursement Policy, Staff Travel, and Accommodation Policy. There were minor edits to the following policies as follows:

- Electronic Devices & Communication Policy
- Cashflow Management Policy
- Pricing Errors Policy
- Anti-Money Laundering Policy
- Responsible Investing Policy

At the subsequent ONE Investment Board meeting, minor policy changes of a housekeeping nature were delegated to the Audit Committee such as changing "ONE" to "ONE Investment".

The Withdrawal of MNRI and Responsible Investing Policies was amended while the Fund Deviation and Principles of Good Benchmarks Policies are recommended to be approved by the ONE JIB

Minor changes to the Responsible Investing Policy were made. The Withdrawal of MNRI Policy was reviewed in 2024 however, 2025 marked the first time the policy has been used. Staff have identified some changes necessary after using the policy. These policies are dealt with in a separate report.

For Enterprise Risk Assessment, the impact of US tariffs has increased ONE's risks while the transfer of all Prudent Investment funds to PH&N Institutional has decreased risks

There are two key themes which are driving ONE Investment's enterprise risk – namely the increased risks associated with the impact of tariffs from the US on municipalities and

ONE Investment, as well as reduced risks related to the Prudent Investment Offering business model change to an Outsourced Chief Investment Officer (OCIO) which was completed in early March 2025.

Staff presented internal control procedures related to Payment Processing, Legal List Enrollments & Transactions (including HISA).

As the mandate for the Audit Committee includes a review of internal controls, staff presented the procedures for Payment Processing, and Legal List Enrollments & Transactions (including HISA). Processes related to PH&N Institutional are still being developed and will be presented at the May Audit Committee meeting.

The steps followed for OCIO development and the transfer of the Prudent Investment Offering to PH&N Institutional were described in a history of OCIO's approval and development.

The main dates and procedures for the creation, evaluation, and approval of the OCIO offering by ONE Investment, ONE JIB, and its committees are listed in the OCIO Development/Approval summary document. This document's goal is to provide a common understanding of the actions and work done to move to the OCIO business model by summarizing the development and approval process. These can be found in Attachment 1.

The Management Committee report provided an update on the implementation of cyber security recommendations as well as potential dates for an in-person Audit Committee meeting.

The Management Committee report provided an update on the implementation of the Cyber Security recommendations. Staff recommended that Audit Committee members meet in-person at the May meeting, however, due to conflicts, staff will look at another date to meet.

Staff gave an update on ONE JIB meetings on November 27, 2024, and February 25, 2025, as well as the ONE Investment Board meeting on December 9, 2024, to make sure all members of the Audit Committee have the same information

The reports from the recent ONE JIB Board meetings, which were held on November 27, 2024, and February 25, 2025, as well as the decisions made by ONE Investment Board at its meeting on December 9, 2024, are summarized in this report.

The CIBC Mellon Key Performance Indicators report, and the RBC Investor Services attestation were reviewed; all variances are within industry standards

The Key Performance Indicators report is issued on a quarterly basis summarizing key service delivery metrics by CIBC Mellon for their custody and fund administration servicing. Additionally, the RBC IS attestation didn't note any deviations.

Audit Committee requested risk training as well as an educational session on compliance functions

With the expanded scope of the Audit Committee, members requested training on enterprise risk, and an education session on compliance functions.

5. CONCLUSION

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

ATTACHMENT

Attachment 1: OCIO - PHN ONE JIB Approval Chronology - March 2025

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

Approved by: Judy Dezell & Donna Herridge, Co-President/CEO, ONE Investment

Attachment 1

OCIO Consideration and Approval Chronology: 2022-2024, including ONE JIB and ONE Investment Relationship

Note: Highlighted text notes a link available in the Appendix to the document.

LAS and CHUMS work together as ONE Investment

CHUMS and LAS have worked together to offer the ONE Investment *Program* since the 1990s (formerly called the ONE Funds).

In 2018, CHUMS and LAS jointly formed ONE Investment, a not-for-profit corporation. This corporation, among other things, supplies management, administrative and other services required by ONE JIB in the discharge of its duties and responsibilities.

In November 2018, ONE Investment obtained an **exemption from the Ontario Securities Commission** to provide investment advice to municipalities. The exemption has laid the foundation for ONE JIB and everything that has followed since. It's our "secret sauce" - we provide advice that is in the best interest of the municipality, not our business.

ONE Investment is a management company co-created by CHUMS and LAS to act as their agent in the management of the ONE Investment Programs (including OCIO). Its annual expenses match annual revenue, and any net revenue is ultimately that of CHUMS and LAS, and used to fulfill their respective not-for-profit objects.

Role of ONE JIB

Under the guidance of ONE Investment, the ONE Joint Investment Board (ONE JIB) was established by six '**Founding Municipalities**' as a Joint Investment Board under the *Municipal Act* (the Act), and the *Eligible Investment Regulation* (O. Reg 438/97).

The Founding Municipalities of ONE JIB entered into the Initial Formation Agreement. The Agreement provides that ONE JIB will invest under section 418.1 of the Act on behalf of the Founding Municipalities, and that ONE JIB will also invest under that agreement on behalf of other Ontario municipalities from time to time (each municipality, including each Founding Municipality is a "**Participating Municipality**", collectively the "**Participating Municipalities**")

Role of ONE Investment

Under Section 22 of O. Reg 438/97, ONE JIB may authorize an agent to exercise any of its functions to the same extent that a prudent investor would.

ONE JIB has appointed ONE Investment as its agent, via a written agreement, to carry out the investment functions. This is recognised in the ONE JIB Services Agreement. Notwithstanding this appointment, ONE JIB confirms that it will always be responsible to the Participating Municipalities.

In the ONE JIB Agreement, each Participating Municipality acknowledges that any fees and expenses payable, shall be paid to ONE Investment, who has been authorized by ONE JIB, LAS and CHUMS to collect all such fees and expenses.

PH&N Institutional (PH&N)

PH&N was selected by ONE Investment through a competitive RFP process in 2023. The RFP process was facilitated by Eckler Ltd.

As ONE JIB's agent, ONE Investment negotiated and signed an Investment Management Agreement with PH&N in December 2023 that guides the outsourced chief investment officer (OCIO) sub-investment manager function.

Fund fulfilment and investment decision-making is delegated to PH&N as part of its relationship with ONE Investment (as ONE JIB's agent) to implement ONE JIB approved decisions.

PH&N works with ONE's Chief Investment Officer to understand the long-term needs of the municipality and translate that into an appropriate asset mix that respects the municipality's risk tolerance and the approved ONE JIB Investment Plan.

CHRONOLOGY

RFP Evaluation (2022-early 2023)

- Eckler Ltd. was retained by ONE Investment to support an invitation-based RFP process for select OCIO providers.
- ONE Investment established an RFP Evaluation Committee to interview four companies, one of which was PH&N, in early 2023.
- The Evaluation Committee included individuals from Peel Region/ONE Investment Board (Julie Pittini), York Region (Flamino Carelli), and two representatives from ONE JIB (Jim Giles and Christine Tessier), along with ONE Investment staff.

ONE Board of Directors – April 2023

- Staff advised that an OCIO partner was identified through a competitive RFP process. Principles around governance fees were approved by the Board.
- The Board directed staff to seek consensus from ONE JIB, as well as CHUMS and LAS Boards, as ONE Investment acts as the agent for these organizations.
 - o Support was received from ONE JIB, and both LAS and CHUMS Boards.

ONE JIB – June 2023

- Endorsed the use of an OCIO for a Large Municipal Offering (or OCIO Offering).
- Authorized the Chair of ONE JIB to write to ONE Investment's Board Chair to endorse the principles for fees related to the OCIO Offering, including that it should be priced to be a sustainable business line.

New Products Committee (Committee of ONE JIB) – June 2023

- met with PH&N as the successful RFP respondent for OCIO services for ONE and recommended to ONE JIB that the committee work with ONE Investment to develop the OCIO Offering.

ONE Board of Directors – June 2023

- The Board received the ONE JIB letter and directed staff to negotiate a contract with PH&N to provide an OCIO service for ONE Investment.

ONE JIB – July 2023

- The Board directed the New Products Committee to work with ONE Investment to continue developing an OCIO Offering as part of the Committee's workplan.

ONE Board of Directors – October 2023

- The Board received a Management Report noting that ONE's OCIO Offering is progressing with ongoing negotiation with PH&N.

Investment Management Agreement Signed – December 2023

- Signed by ONE Investment (as ONE JIB agent) with PH&N
 - o Revised in April 2024 to address management fee inconsistency and to improve aggregated fund balance discounts for ONE.

ONE JIB – Feb 2024

Update report (ONE JIB 2024-003) received by ONE JIB confirming that:

- PH&N will not assume any of the responsibilities ONE JIB has through the Act, including the fiduciary responsibility to control and manage municipal money not required immediately (MNRI).
- ONE JIB will continue to work with municipalities to define their objectives through the municipal council approved Investment Policy Statement and ONE JIB approved Investment Plan. PH&N will take that direction and identify investment strategies, undertake quantitative analysis including allocation studies and, once the strategy is implemented, adapt the strategy to the evolving market.
- ONE Investment, through the Chief Investment Officer, will remain the key contact for municipalities.

ONE JIB Report 2024-015, from WeirFoulds LLP was approved.

- It proposed changes to Schedule D to the ONE JIB Agreement, in the "Fees and Expenses", to include descriptions of the fees to be paid by Participating Municipalities who invest under the OCIO Offering – both Investment Management Fee and Governance Fee.
- The Investment Management Agreement with PH&N outlines the fees that will be charged by PH&N (Investment Management Fee)

- Schedule D of the ONE JIB Agreement was adapted to include the details of the ONE's Governance Fees - fees that cover ONE Investment's administrative cost to provide the prudent investment offering.

New Products Committee - March 2024

- The Committee requested 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, and to report back.
- The list of available PH&N funds were discussed.

Audit Committee – April 4, 2024

- Received an update that the New Products Committee is collaborating with ONE Investment, based on ONE JIB instruction, to construct model portfolios to be used as a framework within the OCIO Offering.
- Staff advised that following the launch of the OCIO Offering and onboarding of first municipality in Q3, ONE Investment will focus on creating a plan to transition the 11 Participating Municipalities to the OCIO Offering, with a concurrent examination of procedures and policies.
- RBC Investor Services (RBC IS) was selected as custodian under the OCIO Offering

ONE Board of Directors – April 12, 2024

- Approved the engagement of RBC Investor Services (RBC IS) for custodial services offered under the OCIO Offering. ONE Investment acts as ONE JIB's agent for this decision.
 - o Consensus was received from ONE JIB at May 29, 2024, meeting

Special ONE JIB Meeting on April 22, 2024

- ONE JIB received a report and discussed the business rationale for the change to an OCIO offering.
- The Board approved the New Products Committee recommendation to 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.
- Short list of funds was presented by PH&N, with an explanatory document made available via the resource library.

July 2024 – Durham Region joins

- Regional Municipality of Durham became the first municipality to onboard in a bespoke fashion under the OCIO model. Their enrollment included three waves of funds in Q3 and Q4 2024, and Q1 2025.
- PH&N's role in the OCIO is formalized with the approval of Durham's Investment Plan:

"ONE Investment has engaged PH&N Institutional to provide OCIO services. PH&N Institutional will be involved in the implementation of the Investment Plan, ongoing monitoring and reporting of investments and will provide ancillary services to support the OCIO Offering..."

ONE JIB Meeting – September 2024

- The Board received an OCIO update and directed ONE Investment staff to bring a business transformation plan (re transition of 11 Participating Municipalities) to the next ONE JIB meeting.

New Products Committee – October 2024

- Recommended for ONE JIB approval model investment portfolios for all PI investors and fund fulfillment strategies.

ONE JIB Meeting - November 2024

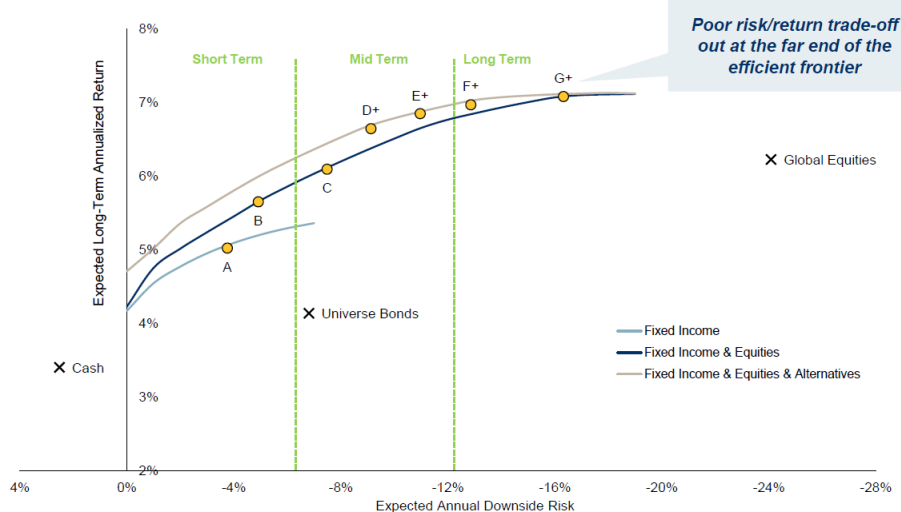
- ONE JIB approved the Transition Plan for the current 11 Participating Municipalities to OCIO by the end of Q1 2025.
- Approved an OCIO Compliance Monitoring Policy and Policy for Reviewing the External Sub-Investment Manager.
- Rescinded (at the time of wind down of existing ONE Prudent Investment Funds) the External Fund Manager Review Policy, Outcomes Framework Policy, ONE JIB Distribution Policy, ONE JIB Rebalancing Policy and the ONE JIB Currency Hedging Policy, as they are not required under an OCIO arrangement.
- Approved a policy to govern the review of the Sub-Manger. This policy provides framework for review of the Sub-Manager. The policy clarifies that ONE JIB can terminate the manager under certain circumstances, however the policy also notes that:
 - o **ONE Investment** is the entity that is responsible for the creation, administration and compliance associated with the investment products available for the Participating Municipalities. ONE JIB authorizes and empowers ONE Investment to direct the day-to-day operations of the Prudent Investment Program, subject to the supervision and overriding authority of ONE JIB.
- ONE JIB received the New Products Committee Report from the October meeting, and approved the following 6 recommendations in the Committee Report, as amended:

1. **Rescind the Outcomes Framework Policy** that guided all ONE JIB investment decisions with the 5 ONE Investment Funds, at the time of wind down of the 5 existing ONE Prudent Investment Funds.

2. Approve the model portfolios comprised of PH&N funds to be used under the OCIO model, but with the removal of model G+.

Efficient Frontier Analysis

With model portfolios



3. Approve PH&N's proposed constraints (as shown below)
 – from slide 6 of the ONE Investment Portfolio Modeling presentation.

Modelling constraints

- Minimum allocation to core fixed income and money market securities of 20%
- Maximum 25% allocation to any one of money market securities, universe corporate bonds and global sovereign bonds
- Maximum 15% allocation to any one of high yield bonds, emerging market debt, multi-asset global credit
- Maximum 5% allocation to any one of private placement corporate debt and commercial mortgages when 100% fixed income
- Maximum 10% allocation to any one of private placement corporate debt and commercial mortgages when including equities and alternatives
- Maximum 50% allocation to domestic equities (as a % of total equities)
- Maximum 50% allocation to low volatility equities (as a % of traditional equity counterpart)
- Maximum 5% allocation to any one of real estate and infrastructure

4. Approve PH&N's allocations and the use of risk/return metrics for the Modeled Portfolios with and without alternatives (as shown below)

-from slides 8 and 10 of the ONE Investment Portfolio Modeling presentation.

Modeled portfolios – modelled risk & return¹

No allocation to Alternatives

Modeled Expectations ¹	A	B	C	D	E	F	G
Long-Term Return	5.0%	5.7%	6.1%	6.4%	6.8%	7.0%	7.1%
Annual Downside Risk ²	-3.8%	-4.9%	-7.5%	-9.6%	-12.2%	-14.4%	-16.2%
Annual Volatility	3.3%	4.0%	5.2%	6.3%	7.6%	8.9%	10.0%
Sharpe Ratio	0.49	0.57	0.51	0.48	0.44	0.40	0.37
Fixed Income	100%	80%	70%	60%	50%	40%	30%
Canadian Money Market	0%	0%	0%	0%	0%	0%	0%
Short-Term Bonds and Mortgages	50%	50%	35%	25%	20%	20%	20%
Corporate Bonds	20%	0%	0%	0%	0%	0%	0%
Private Placement Corporate Debt	5%	10%	10%	10%	5%	0%	0%
Commercial Mortgages*	5%	10%	10%	10%	10%	10%	10%
High Yield Bonds	5%	0%	0%	0%	0%	0%	0%
Global Multi-Asset Credit	15%	10%	15%	15%	15%	10%	0%
Equities	0%	20%	30%	40%	50%	60%	70%
Canadian Equities	0%	5%	7%	10%	15%	25%	35%
Canadian Low Volatility Equities	0%	5%	7%	10%	10%	5%	0%
U.S. Equities	0%	2%	4%	5%	5%	6%	7%
U.S. Low Volatility Equities	0%	2%	4%	5%	5%	6%	7%
International Equities	0%	6%	8%	10%	15%	18%	21%
Alternatives	0%	0%	0%	0%	0%	0%	0%
Canadian Core Real Estate*	0%	0%	0%	0%	0%	0%	0%
Global Infrastructure*	0%	0%	0%	0%	0%	0%	0%

¹ Refer to appendix for modeling assumptions and disclosures.

² CVaR95 which 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

RBC Global Asset Management
PH&N Institutional

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Modeled portfolios – modelled risk & return¹

Detailed allocations and risk/return metrics

Modeled Expectations ¹	A	B	C	D+	E+	F+	G+
Long-Term Return	5.0%	5.7%	6.1%	6.6%	6.9%	7.0%	7.1%
Annual Downside Risk ²	-3.8%	-4.9%	-7.5%	-9.1%	-11.0%	-12.9%	-16.3%
Annual Volatility	3.3%	4.0%	5.2%	6.3%	7.3%	8.3%	10.3%
Sharpe Ratio	0.49	0.57	0.51	0.52	0.47	0.43	0.36
Fixed Income	100%	80%	70%	50%	40%	30%	20%
Canadian Money Market	0%	0%	0%	0%	0%	0%	0%
Short-Term Bonds and Mortgages	50%	50%	35%	20%	20%	20%	20%
Corporate Bonds	20%	0%	0%	0%	0%	0%	0%
Private Placement Corporate Debt	5%	10%	10%	5%	0%	0%	0%
Commercial Mortgages*	5%	10%	10%	10%	10%	10%	0%
High Yield Bonds	5%	0%	0%	0%	0%	0%	0%
Global Multi-Asset Credit	15%	10%	15%	15%	10%	0%	0%
Equities	0%	20%	30%	40%	50%	60%	70%
Canadian Equities	0%	5%	7%	10%	15%	20%	35%
Canadian Low Volatility Equities	0%	5%	7%	10%	10%	10%	0%
U.S. Equities	0%	2%	4%	5%	5%	12%	15%
U.S. Low Volatility Equities	0%	2%	4%	5%	5%	0%	0%
International Equities	0%	6%	8%	10%	15%	18%	20%
Alternatives	0%	0%	0%	10%	10%	10%	10%
Canadian Core Real Estate*	0%	0%	0%	5%	5%	5%	5%
Global Infrastructure*	0%	0%	0%	5%	5%	5%	5%

¹ Refer to appendix for modeling assumptions and disclosures.

² CVaR95 which 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


RBC Global Asset Management
PH&N Institutional


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5. Approve the Fund fulfillment as shown below

-from slides 17 and 18 of the ONE Investment Portfolio Modeling presentation and the Investment Management Agreement (IMA).

Fund fulfillment			
Risk exposure	Approved Fund(s)	Characteristics	Target
Fixed Income			
Canadian Money Market	PH&N Canadian Money Market Fund	Money market	
Canadian Short-Term Bonds	PH&N Short Term Bond & Mortgage Fund	Short-term fixed income	100%
	RBC Vision Fossil Fuel Free Short Term Bond Fund	Short-term fixed income ex. fossil fuel	0%
Canadian Universe Bonds	PH&N Bond Fund	Canadian universe bonds	
	RBC Vision Bond Fund	Canadian universe bonds w/ ESG focus	
	RBC Vision Fossil Fuel Free Bond Fund	Canadian universe bonds ex. fossil fuel	
	PH&N Enhanced Total Return Bond Fund	Canadian universe bonds w/ HY, Mtgs.	
Canadian Corporate Bonds	PH&N Corporate Bond Trust	Investment grade corporate bonds	
Private Placement Corporate Debt	PH&N Private Placement Corporate Debt Fund	Private credit	100%
Commercial Mortgages	PH&N Mortgage Pension Trust*	Conventional	0%
	RBC Commercial Mortgage Fund	Conventional Conventional plus High yield	100%
High Yield Bonds	RBC High Yield Bond Fund	U.S. focus	50%
	PH&N High Yield Bond Fund	Canadian focus	50%
Global Multi-Asset Credit	BlueBay Total Return Credit Fund	Global high yield, financial capital bonds, structured credit, global convertible bonds, EM hard currency debt, EM local currency debt, opportunistic, investment grade bonds.	100%
Global Bonds	RBC Global Bond Fund	Investment grade global bonds	
Emerging Market Bonds	RBC Emerging Markets Bond Fund	Emerging market bonds	
RBC Global Asset Management PH&N Institutional		17	

Risk exposure	Approved Fund(s)	Characteristics	Target
Equities			
Canadian Equities	PH&N Canadian Equity Value Fund	Value	33%
	PH&N Canadian Equity Fund	Growth	33%
	RBC QUBE Canadian Equity Fund	Quantitative	33%
	RBC Vision Canadian Equity Fund	ESG tilt (exclusions)	0%
Canadian Low Volatility Equities	RBC QUBE Low Volatility Canadian Equity Fund	Quantitative low volatility	100%
	RBC Vision QUBE Fossil Fuel Free Low Volatility Canadian Equity Fund	Quantitative low volatility excl. fossil fuel	0%
U.S. Equities	PH&N U.S. Equity Fund	Core	50%
	RBC QUBE U.S. Equity Fund	Quantitative	50%
U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Fund	Quantitative low volatility	100%
International Equities	RBC International Equity Fund	Core	50%
	PH&N Overseas Equity Fund	Concentrated	50%
Global Equities	RBC Global Equity Focus Fund	Concentrated	
	RBC Global Equity Leaders Fund	Concentrated (large cap focus)	
	RBC Vision Global Equity Fund	ESG tilt (exclusions)	
	RBC Vision Fossil Fuel Free Global Equity Fund	Concentrated excl. fossil fuel	
	RBC QUBE Low Volatility Global Equity Fund	Quantitative low volatility	
Global Equities	RBC QUBE Global Equity Fund	Quantitative	
Alternatives			
Real Estate	RBC Canadian Core Real Estate Fund	Canadian commercial real estate	100%
Infrastructure	RBC Global Infrastructure Fund	Global infrastructure	100%
RBC Global Asset Management PH&N Institutional		18	

6. *The Board, with input from PH&N, will conduct a review of the Constraints, Allocations and Fund Fulfillment in 2025.*

- Any changes or replacements in the list of funds would come through this process. Changes to allocations would also be considered here.
- Would come to ONE JIB for review, and ONE Investment Board as an information item.

Effective April 1, 2025, ONE Investment has fully transitioned the Prudent Investment Offering to the OCIO business model.

APPENDIX

OCIO-PHN ONE JIB Approval Chronology - Links

Note: Please login to ONE JIB Dashboard to access the links below.

Title	Link
Exemption from the Ontario Securities Commission	Exemption
Eligible Investment Regulation (O. Reg 438/97)	Regulation
ONE JIB Services Agreement	Agreement
ONE Joint Investment Board - June 2023 Meeting	Agenda Minutes
New Products Committee (Committee of ONE JIB) – June 2023 Meeting	Agenda Minutes
ONE Joint Investment Board - July 2023 Meeting	Agenda Minutes
Investment Management Agreement (signed) - December 2023	Agreement
ONE Joint Investment Board – February 2024 Meeting	Agenda Minutes
New Products Committee (Committee of ONE JIB) – March 2024 Meeting	Agenda Minutes
List of Available PH&N Institutional Funds	List of Funds
ONE Joint Investment Special Meeting – April 22, 2024	Agenda Minutes
Regional Municipality of Durham’s Investment Plan	Investment Plan
ONE Joint Investment Special Meeting – September 2024	Agenda Minutes
New Products Committee (Committee of ONE JIB) – October 2024 Meeting	Agenda Minutes
ONE Joint Investment Meeting – November 2024	Agenda Minutes

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: May 29, 2025
Re: Municipal Performance Reports Q1 2025
Report: ONE JIB 2025-018

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

As mandates were transitioned to the Sub-Investment Manager, two separate sets of investment reports were generated for many clients

All quarterly investment reports for Participating Municipalities were distributed to Participating Municipalities within the expected timeline of six weeks from the end of the quarter.

The 11 Participating Municipalities invested in the ONE Investment pooled funds were transitioned to the Sub-Investment Manager during the quarter. These 11 Participating Municipalities received two separate sets of quarterly reports: one set reflecting activity in the ONE Investment pooled funds and another set showing investment activity with the Sub-Investment Manager. The first Sub-Investment Manager client, Durham, along with three new Prudent Investment Offering investors that went directly with the Sub-Investment Manager during the quarter (Clarington, Central Frontenac and Red Lake) each received a single set of quarterly reports.

With the holdings in ONE Investment pooled funds fully liquidated in early March, final statements were distributed to these 11 clients on March 28, 2025. By the end of the quarter, no clients remained invested in the ONE Investment pooled funds. The quarterly reporting packages for the new Sub-Investment Manager were distributed to all clients on May 5, 2025.

3. BACKGROUND

The reports for the ONE Prudent Investment Offering use the standardized format used in previous quarters

The reporting packages include book and market values of investments, investment income, gains/losses, transactions, and performance by outcome and fund. The details support municipal reporting needs while also providing valuable performance-related information. The 11 Participating Municipalities that transitioned to the Sub-Investment Manager in March 2025 will receive two sets of quarterly reports. Reporting for the period after March 6, 2025, will use the new reporting format designed by the Sub-Investment Manager.

The report for the new OCIO business model uses a new reporting format that will be used for all clients

With the transition to the Sub-Investment Manager complete, there is now only one business model for the Prudent Investment Offering. As a result, new reports are being issued in a format different from what most Participating Municipalities received previously. Following this transition, all Participating Municipalities will now receive reporting packages in the new format, which is the same format that Durham's quarterly reports have used in previous quarters.

The reporting package continues to provide the key information required by municipalities, like the reporting packages traditionally used under the ONE Prudent Investment Offering. The reporting packages have been made available for ONE JIB members to review, which can be found [\[as a separate pdf file on the ONE Investment website\]](#)

The annual supplementary reporting section was included in packages distributed to Participating Municipalities that transitioned in the quarter

Since all holdings in the ONE Investment Pooled funds were fully liquidated during the quarter and no further activity will occur in these funds, it was appropriate to provide a summary of gains and losses. These details are included in the annual supplemental reporting package, which was distributed to the 11 Participating Municipalities that transitioned during the quarter.

4. CONCLUSION

ONE Investment has distributed investment performance packages to help municipal staff and councils of the Participating Municipalities evaluate the performance of their MNRI invested with ONE JIB.

Drafted by: Keith Taylor, Chief Investment Officer

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

To: ONE Joint Investment Board
From: Evelyn Foo, Chief Compliance Officer, ONE Investment
Date: May 29, 2025
Re: Compliance Report OCIO Asset Class and Target Weight Allocations Q1 2025
Report: ONE JIB 2025-022

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

The compliance report provided by PH&N Institutional (Investment Manager) 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 (PI Offering).

3. BACKGROUND

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

This report (Attachment 1) provides the asset class and allocation to targets for each municipality's investment profile. It replaces the Class Weight and Allocation Drift Monitoring report previously generated by ONE Investment's portfolio management system since the investors moved over to PI Offering. The column on the far right indicates the variance from the absolute value above or below by more than two percentage points. The report is reviewed by the CIO and CCO on a regular basis in their oversight responsibilities.

4. ANALYSIS

The first quarter in 2025 was eventful:

- 1) Clarington, Red Lake and Central Frontenac were onboarded in January
- 2) Durham completed its last tranche in January
- 3) The Participating Municipalities were migrated from the Prudent Investment Funds in early March
 - o Neebing and Quinte West were placed in the new ONE JIB approved model portfolios with the approval of their Investment Plans by ONE JIB on February 25, 2025.

- The remaining nine Participating Municipalities that have not yet had their annual Investment Plan review were moved into PH&N and RBC GAM funds that mirror the Outcomes Framework as approved by ONE JIB on November 27, 2024 until their Investment Plans are reviewed and transitioned into ONE JIB approved model portfolios.

The Investment Plan for Durham included target allocations to certain funds that do not offer daily activity. MNRI has been deployed to attain the asset class weightings detailed in Durham's Investment Plan while positions are being built in these funds that are only offered for investment at certain times. The fulfilment in:

- 1) RBC Commercial Mortgage Fund is awaiting its allocation in the Durham Short and Medium, Red Lake, Clarington, Central Frontenac, Neebing and Quinte West accounts
- 2) PH&N High Yield Bond Fund is awaiting its allocation in the Durham Short accounts
- 3) PH&N Private Placement Corporate Debt Fund is awaiting its allocation in the Neebing and Quinte West accounts

The CIO and CCO have reviewed the allocations and holdings and have no concerns.

5. CONCLUSION

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

ATTACHMENT

Attachment 1: OCIO Asset Class and Target Weight Allocation Report

Drafted by: Evelyn Foo, Chief Compliance Officer

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

Attachment 1

OCIO Asset Class and Target Weight Allocations Q1 2025

The accounts below are awaiting deployment into their associated allocated Funds:

Durham Short

ML102	Fund Name	Current MV	Strategic BM	Current Weight	Variance vs Strategic BM	Temporary Benchmark	Permitted Allocation Ranges (%)	Variance vs Temporary BM	Comments
BPHNSTBO	PH&N Short Term Bond and Mortgage Fund	\$ 52,306,298.03	50.00%	52.15%	2.15%	52.09%	48.0% - 52.0%	0.06%	Compliance breach of overallocation due to substitution for commercial mortgage underallocation category. RBC Commercial Mortgage Fund limitation in amount of \$ based upon quarterly window for investment
	Short-Term Bonds	\$ 52,306,298.03	50.00%	52.15%	2.15%	52.09%	48.0% - 52.0%	0.06%	
BPHNCB	PH&N Corporate Bond Trust	\$ 20,094,471.65	20.00%	20.03%	0.03%	20.00%	18.5% - 21.5%	0.03%	
	Corporate Bonds	\$ 20,094,471.65	20.00%	20.03%	0.03%	20.00%	18.5% - 21.5%	0.03%	
BPHNPPCDO	PH&N Private Placement Corporate Debt Fund	\$ 5,104,773.47	5.00%	5.09%	0.09%	5.00%	4.0% - 6.0%	0.09%	
	Private Placement Corporate Debt	\$ 5,104,773.47	5.00%	5.09%	0.09%	5.00%	4.0% - 6.0%	0.09%	
BRBCCMFO	RBC Commercial Mortgage Fund	\$ 2,917,635.66	5.00%	2.91%	-2.09%	2.91%	4.0% - 6.0%	0.00%	Compliance breach of underallocation due to substitution for commercial mortgage underallocation category. RBC Commercial Mortgage Fund limitation in amount of \$ based upon quarterly window for investment
	Commercial Mortgages	\$ 2,917,635.66	5.00%	2.91%	-2.09%	2.91%	4.0% - 6.0%	0.00%	
EHYBNDO	RBC High Yield Bond Fund	\$ 4,968,026.79	2.50%	4.95%	2.45%	5.00%	1.5% - 3.5%	-0.05%	Compliance breach of overallocation due to substitution for PH&N High Yield limitation in amount of \$ based upon quarterly window for investment
	PH&N High Yield Bond Fund	\$ -	2.50%	0.00%	-2.50%	0.00%	1.5% - 3.5%	0.00%	Compliance breach of underallocation due to substitution for PH&N High Yield limitation in amount of \$ based upon quarterly window for investment
	High Yield Bonds	\$ 4,968,026.79	5.00%	4.95%	-0.05%	5.00%	4.0% - 6.0%	-0.05%	
BBTRCFDAO	BlueBay Total Return Credit Fund	\$ 14,909,335.52	15.00%	14.86%	-0.14%	15.00%	13.5% - 16.5%	-0.14%	
	Global Multi-Asset Credit	\$ 14,909,335.52	15.00%	14.86%	-0.14%	15.00%	13.5% - 16.5%	-0.14%	
	Total Fixed Income	\$ 100,300,541.12	100%	100%	0%	100%		0%	
	Total	\$ 100,300,541.12	100%	100%	0%	100%		0%	
	Notes								
	CMF allocation held in STBMF, which is temporarily resulting in an overallocation to Short Term Bonds								
	There is \$2,030,500 in the CMF queue, which is temporarily resulting in an underallocation to Commercial Mortgages until full allocation can be achieved								
	PH&N HYBF allocation to be held in RBC HYBF, which is temporarily resulting in an overallocation to RBC HYBF								

Durham Medium

ML103	Fund Name	Current MV	Strategic BM	Current Weight	Variance vs Strategic BM	Temporary Benchmark	Permitted Allocation Ranges	Variance vs Temporary BM	Comments
BPHNSTBO	PH&N Short Term Bond and Mortgage Fund	\$ 26,961,642.03	35.00%	39.64%	4.64%	39.22%	33.0% - 37.0%	0.42%	Approved compliance breach of overallocation due to substitution for commercial mortgage underallocation category. RBC Commercial Mortgage Fund limitation in amount of \$ based upon quarterly window for investment
	Short-Term Bonds	\$ 26,961,642.03	35.00%	39.64%	4.64%	39.22%	33.0% - 37.0%	0.42%	
BPHNPPCDO	PH&N Private Placement Corporate Debt Fund	\$ 6,841,039.88	10.00%	10.06%	0.06%	10.00%	9.0% - 11.0%	0.06%	
	Private Placement Corporate Debt	\$ 6,841,039.88	10.00%	10.06%	0.06%	10.00%	9.0% - 11.0%	0.06%	
BRBCCMFO	RBC Commercial Mortgage Fund	\$ 3,929,835.12	10.00%	5.78%	-4.22%	5.78%	9.0% - 11.0%	0.00%	Approved Compliance breach of underallocation due to substitution for commercial mortgage underallocation category. RBC Commercial Mortgage Fund limitation in amount of \$ based upon quarterly window for investment
	Commercial Mortgages	\$ 3,929,835.12	10.00%	5.78%	-4.22%	5.78%	9.0% - 11.0%	0.00%	
BBTRCFDAO	BlueBay Total Return Credit Fund	\$ 10,206,199.00	15.00%	15.01%	0.01%	15.00%	13.5% - 16.5%	0.01%	
	Global Multi-Asset Credit	\$ 10,206,199.00	15.00%	15.01%	0.01%	15.00%	13.5% - 16.5%	0.01%	
	Total Fixed Income	\$ 47,938,716.03	70%	70%	0.49%	70%	63.0% - 72.0%	0.49%	
EPHNCO	PH&N Canadian Equity Fund	\$ 1,647,720.21	2.50%	2.42%	-0.08%	2.50%	1.5% - 3.5%	-0.08%	
EPHNCVFO	PH&N Canadian Equity Value Fund	\$ 1,651,931.14	2.50%	2.43%	-0.07%	2.50%	1.5% - 3.5%	-0.07%	
EPHNQCEO	RBC QUBE Canadian Equity Fund	\$ 1,639,044.01	2.50%	2.41%	-0.09%	2.50%	1.5% - 3.5%	-0.09%	
	Canadian Equities	\$ 4,938,695.36	7.50%	7.26%	-0.24%	7.50%	6.5% - 8.5%	-0.24%	
EPHNQLVO	RBC QUBE Low Volatility Canadian Equity Fund	\$ 5,122,161.44	7.50%	7.53%	0.03%	7.50%	6.5% - 8.5%	0.03%	
	Canadian Low Volatility Equities	\$ 5,122,161.44	7.50%	7.53%	0.03%	7.50%	6.5% - 8.5%	0.03%	
EPHNFO	PH&N US Equity Fund	\$ 1,577,013.10	2.50%	2.32%	-0.18%	2.50%	1.5% - 3.5%	-0.18%	
ERQUSEQO	RBC QUBE US Equity Fund	\$ 1,562,929.07	2.50%	2.30%	-0.20%	2.50%	1.5% - 3.5%	-0.20%	
	US Equities	\$ 3,139,942.17	5.00%	4.62%	-0.38%	5.00%	4.0% - 6.0%	-0.38%	
ERQLVUO	RBC QUBE Low Volatility U.S. Equity Fund	\$ 3,511,071.26	5.00%	5.16%	0.16%	5.00%	4.0% - 6.0%	0.16%	
	US Low Volatility Equities	\$ 3,511,071.26	5.00%	5.16%	0.16%	5.00%	4.0% - 6.0%	0.16%	
EPHN415	PH&N Overseas Equity Fund	\$ 1,670,814.82	2.50%	2.46%	-0.04%	2.50%	1.5% - 3.5%	-0.04%	
EROVINTEQO	RBC International Equity Fund	\$ 1,690,968.32	2.50%	2.49%	-0.01%	2.50%	1.5% - 3.5%	-0.01%	
	International Equities	\$ 3,361,783.14	5.00%	4.94%	-0.06%	5.00%	4.0% - 6.0%	-0.06%	
	Total Equities	\$ 20,073,653.37	30.00%	29.51%	-0.49%	30.00%	25-35%	-0.49%	
	Total	\$ 68,012,369.40	100%	100%	0%	100%	100.0%	0%	
	Notes								
	CMF allocation held in STBMF, which is temporarily resulting in an overallocation to Short Term Bonds, but it is still within permitted ranges								
	There is \$2,735,400 in the CMF queue, which is temporarily resulting in an underallocation to Commercial Mortgages until full allocation can be achieved								

Clarington

	Fund Name	Current MV	Strategic BM	Current Weight	Variance vs Strategic BM	Temporary Benchmark	Permitted Allocation Ranges	Variance vs Temporary BM	Comments
ML112 BPHNSTBO	PH&N Short Term Bond and Mortgage Fund	\$ 5,843,803.60	20.00%	28.47%	8.47%	28.54%	18.5% - 21.5%	-0.07%	Compliance breach of overallocation due to substitution for commercial mortgage underallocation category. RBC Commercial Mortgage Fund limitation in amount of \$ based upon quarterly window for investment
BRBCCMFO	RBC Commercial Mortgage Fund	\$ 300,000.00	10.00%	1.46%	-8.54%	1.46%	9.0% - 11.0%	0.00%	
	Canadian Fixed Income	\$ 6,143,803.60	30.00%	29.93%	-0.07%	30.00%	28.0% - 32.0%	-0.07%	
BBTRCFDAO	BlueBay Total Return Credit Fund	\$ -	0.00%	0.00%	0.00%	0.00%	-1.0% - 1.0%	0.00%	
	Global Fixed Income and Credit	\$ -	0.00%	0.00%	0.00%	0.00%	-1.0% - 1.0%	0.00%	
	Total Fixed Income	\$ 6,143,803.60	30.00%	29.93%	-0.07%	30.00%	28.0% - 32.0%	-0.07%	
EPHNCO	PH&N Canadian Equity Fund	\$ 2,381,510.23	11.67%	11.60%	-0.06%	11.67%	10.7% - 12.7%	-0.06%	
EPHNCEVFO	PH&N Canadian Equity Value Fund	\$ 2,394,833.31	11.67%	11.67%	0.00%	11.67%	10.7% - 12.7%	0.00%	
EPHNQCEO	RBC QUBE Canadian Equity Fund	\$ 2,376,264.24	11.67%	11.58%	-0.09%	11.67%	10.7% - 12.7%	-0.09%	
	Canadian Equities	\$ 7,152,607.78	35.00%	34.85%	-0.15%	35.00%	33.0% - 37.0%	-0.15%	
EPHNFO	PH&N US Equity Fund	\$ 672,140.48	3.50%	3.27%	-0.23%	3.50%	2.5% - 4.5%	-0.23%	
ERQUSEQO	RBC QUBE US Equity Fund	\$ 665,907.96	3.50%	3.24%	-0.26%	3.50%	2.5% - 4.5%	-0.26%	
ERQLVVO	RBC QUBE Low Volatility U.S. Equity Fund	\$ 1,511,606.01	7.00%	7.36%	0.36%	7.00%	6.0% - 8.0%	0.36%	
EPHN415	PH&N Overseas Equity Fund	\$ 2,171,871.37	10.50%	10.58%	0.08%	10.50%	9.5% - 11.5%	0.08%	
EROYINTEQO	RBC International Equity Fund	\$ 2,208,393.44	10.50%	10.76%	0.26%	10.50%	9.5% - 11.5%	0.26%	
	Global Equities	\$ 7,229,919.26	35.00%	35.22%	0.22%	35.00%	33.0% - 37.0%	0.22%	
	Total Equities	\$ 14,382,527.04	70.00%	70.07%	0.07%	70.00%	68.0% - 72.0%	0.07%	
	Total	\$ 20,526,330.64	100.0%	100.0%	0.0%	100.0%		0%	
	Notes								
	CMF allocation held in STBMF, which is temporarily resulting in an overallocation to Short Term Bonds								
	There is \$1,700,000 in the CMF queue, whih is temporarily resulting in an underallocation to Commercial Mortgages until full allocation can be achieved								

Red Lake

	Fund Name	Current MV	Strategic BM	Current Weight	Variance vs Strategic BM	Temporary Benchmark	Permitted Allocation Ranges	Variance vs Temporary BM	Comments
ML132 BPHNSTBO	PH&N Short Term Bond and Mortgage Fund	\$ 757,039.48	25.00%	33.34%	8.34%	33.55%	23.5% - 26.5%	-0.20%	Compliance breach of overallocation due to substitution for commercial mortgage underallocation category. RBC Commercial Mortgage Fund limitation in amount of \$ based upon quarterly window for investment
BRBCCMFO	RBC Commercial Mortgage Fund	\$ 33,000.00	10.00%	1.45%	-8.55%	1.45%	9.0% - 11.0%	0.00%	
BPHNETRBO	PH&N Enhanced Total Return Bond Fund	\$ 66,162.98	0.00%	2.91%	2.91%	2.83%	-1.0% - 1.0%	0.09%	
BPHNPCCDFO	PH&N Private Placement Corporate Debt Fund	\$ 162,840.04	10.00%	7.17%	-2.83%	7.17%	9.0% - 11.0%	0.00%	
	Canadian Fixed Income	\$ 1,019,042.50	45.00%	44.88%	-0.12%	45.00%	43.0% - 47.0%	-0.12%	
BBTRCFDAO	BlueBay Total Return Credit Fund	\$ 336,401.48	15.00%	14.82%	-0.18%	15.00%	13.5% - 16.5%	-0.18%	
	Global Fixed Income and Credit	\$ 336,401.48	15.00%	14.82%	-0.18%	15.00%	13.5% - 16.5%	-0.18%	
	Total Fixed Income	\$ 1,355,443.98	60.00%	59.70%	-0.30%	60.00%	65-75%	-0.30%	
EPHNCO	PH&N Canadian Equity Fund	\$ 75,008.76	3.33%	3.30%	-0.03%	3.33%	2.3% - 4.3%	-0.03%	
EPHNCEVFO	PH&N Canadian Equity Value Fund	\$ 75,428.36	3.33%	3.32%	-0.01%	3.33%	2.3% - 4.3%	-0.01%	
EPHNQCEO	RBC QUBE Canadian Equity Fund	\$ 74,843.49	3.33%	3.30%	-0.04%	3.33%	2.3% - 4.3%	-0.04%	
EPHNQLVVO	RBC QUBE Low Volatility Canadian Equity Fund	\$ 235,364.34	10.00%	10.37%	0.37%	10.00%	9.0% - 11.0%	0.37%	
	Canadian Equities	\$ 460,644.95	20.00%	20.29%	0.29%	20.00%	18.5% - 21.5%	0.29%	
EPHNFO	PH&N US Equity Fund	\$ 52,924.76	2.50%	2.33%	-0.17%	2.50%	1.5% - 3.5%	-0.17%	
ERQUSEQO	RBC QUBE US Equity Fund	\$ 52,434.09	2.50%	2.31%	-0.19%	2.50%	1.5% - 3.5%	-0.19%	
ERQLVVO	RBC QUBE Low Volatility U.S. Equity Fund	\$ 119,024.93	5.00%	5.24%	0.24%	5.00%	4.0% - 6.0%	0.24%	
EPHN415	PH&N Overseas Equity Fund	\$ 114,009.79	5.00%	5.02%	0.02%	5.00%	4.0% - 6.0%	0.02%	
EROYINTEQO	RBC International Equity Fund	\$ 115,926.97	5.00%	5.11%	0.11%	5.00%	4.0% - 6.0%	0.11%	
	Global Equities	\$ 454,320.54	20.00%	20.01%	0.01%	20.00%	18.5% - 21.5%	0.01%	
	Total Equities	\$ 914,965.49	40.00%	40.30%	0.30%	40.00%	38.0% - 42.0%	0.30%	
	Total	\$ 2,270,409.47	100.0%	100.0%	0.0%	100.0%		0%	
	Notes								
	CMF allocation held in STBMF, which is temporarily resulting in an overallocation to Short Term Bonds								
	There is \$187,000 in the CMF queue, whih is temporarily resulting in an underallocation to Commercial Mortgages until full allocation can be achieved								

Central Frontenac

	Fund Name	Current MV	Strategic BM	Current Weight	Variance vs Strategic BM	Temporary Benchmark	Permitted Allocation Ranges	Variance vs Temporary BM	Comments
ML122 BPHNSTBO	PH&N Short Term Bond and Mortgage Fund	\$ 818,306.81	20.00%	28.44%	8.44%	28.54%	18.5% - 21.5%	-0.10%	Compliance breach of overallocation due to substitution for commercial mortgage underallocation category. RBC Commercial Mortgage Fund limitation in amount of \$ based upon quarterly window for investment
BRBCCMFO	RBC Commercial Mortgage Fund	\$ 42,000.00	10.00%	1.46%	-8.54%	1.46%	9.0% - 11.0%	0.00%	
	Canadian Fixed Income	\$ 860,306.81	30.00%	29.90%	-0.10%	30.00%	28.0% - 32.0%	-0.10%	
BBTRCFDAO	BlueBay Total Return Credit Fund	\$ 284,817.91	10.00%	9.90%	-0.10%	10.00%	9.0% - 11.0%	-0.10%	
	Global Fixed Income and Credit	\$ 284,817.91	10.00%	9.90%	-0.10%	10.00%	9.0% - 11.0%	-0.10%	
	Total Fixed Income	\$ 1,145,124.72	40.00%	39.80%	-0.20%	40.00%	38.0% - 42.0%	-0.20%	
EPHNCO	PH&N Canadian Equity Fund	\$ 238,151.05	8.33%	8.28%	-0.06%	8.33%	7.3% - 9.3%	-0.06%	
EPHNCEVFO	PH&N Canadian Equity Value Fund	\$ 239,483.34	8.33%	8.32%	-0.01%	8.33%	7.3% - 9.3%	-0.01%	
EPHNQCEO	RBC QUBE Canadian Equity Fund	\$ 237,626.43	8.33%	8.26%	-0.08%	8.33%	7.3% - 9.3%	-0.08%	
EPHNQLVVO	RBC QUBE Low Volatility Canadian Equity Fund	\$ 149,455.29	5.00%	5.19%	0.19%	5.00%	4.0% - 6.0%	0.19%	
	Canadian Equities	\$ 864,716.11	30.00%	30.05%	0.05%	30.00%	28.0% - 32.0%	0.05%	
EPHNFO	PH&N US Equity Fund	\$ 80,656.83	3.00%	2.80%	-0.20%	3.00%	2.0% - 4.0%	-0.20%	
ERQUSEQO	RBC QUBE US Equity Fund	\$ 79,908.97	3.00%	2.78%	-0.22%	3.00%	2.0% - 4.0%	-0.22%	
ERQLVVO	RBC QUBE Low Volatility U.S. Equity Fund	\$ 181,392.74	6.00%	6.30%	0.30%	6.00%	5.0% - 7.0%	0.30%	
EPHN415	PH&N Overseas Equity Fund	\$ 260,624.56	9.00%	9.06%	0.06%	9.00%	8.0% - 10.0%	0.06%	
EROYINTEQO	RBC International Equity Fund	\$ 265,007.20	9.00%	9.21%	0.21%	9.00%	8.0% - 10.0%	0.21%	
	Global Equities	\$ 867,590.30	30.00%	30.15%	0.15%	30.00%	28.0% - 32.0%	0.15%	
	Total Equities	\$ 1,732,306.41	60.00%	60.20%	0.20%	60.00%	58.0% - 62.0%	0.20%	
	Total	\$ 2,877,431.13	100.0%	100.0%	0.0%	100.0%		0%	
	Notes								
	CMF allocation held in STBMF, which is temporarily resulting in an overallocation to Short Term Bonds								
	There is \$238,000 in the CMF queue, whih is temporarily resulting in an underallocation to Commercial Mortgages until full allocation can be achieved								

Neebing

	Fund Name	Current MV	Strategic BM	Current Weight	Variance vs Strategic BM	Temporary Benchmark	Permitted Allocation Ranges	Variance vs Temporary BM	Comments
ML212 BPHNSTBO	PH&N Short Term Bond and Mortgage Fund	\$ 871,578.97	20.00%	30.23%	10.23%	30.00%	18.5% - 21.5%	0.23%	Compliance breach of overallocation due to substitution for commercial mortgage underallocation category. RBC Commercial Mortgage Fund limitation in amount of \$ based upon quarterly window for investment
BRBCCMFO	RBC Commercial Mortgage Fund	\$ -	10.00%	0.00%	-10.00%	0.00%	9.0% - 11.0%	0.00%	Compliance breach of underallocation due to substitution for commercial mortgage underallocation category. RBC Commercial Mortgage Fund limitation in amount of \$ based upon quarterly window for investment
BPHNETRBO	PH&N Enhanced Total Return Bond Fund	\$ 144,832.67	0.00%	5.02%	5.02%	5.00%	0%	0.02%	Compliance breach of overallocation due to substitution for PH&N Private Placement Corporate Debt Fund limitation in amount of \$ based upon quarterly window for investment
BRBCCMFO	PH&N Private Placement Corporate Debt Fund	\$ -	5.00%	0.00%	-5.00%	0.00%	4.0% - 6.0%	0.00%	Compliance breach of underallocation due to substitution for PH&N Private Placement Corporate Debt Fund limitation in amount of \$ based upon quarterly window for investment
	Canadian Fixed Income	\$ 1,016,411.64	35.00%	35.26%	0.26%	35.00%	33.0% - 37.0%	0.26%	
BBTRCFDAO	BlueBay Total Return Credit Fund	\$ 430,502.08	15.00%	14.93%	-0.07%	15.00%	13.5% - 16.5%	-0.07%	
	Global Fixed Income and Credit	\$ 430,502.08	15.00%	14.93%	-0.07%	15.00%	13.5% - 16.5%	-0.07%	
	Total Fixed Income	\$ 1,446,913.72	50.00%	50.19%	0.19%	50.00%	48.0% - 52.0%	0.19%	
EPHNCO	PH&N Canadian Equity Fund	\$ 145,077.97	5.00%	5.03%	0.03%	5.00%	4.0% - 6.0%	0.03%	
EPHNCEVFO	PH&N Canadian Equity Value Fund	\$ 145,946.52	5.00%	5.06%	0.06%	5.00%	4.0% - 6.0%	0.06%	
EPHNQCEO	RBC QUBE Canadian Equity Fund	\$ 146,334.43	5.00%	5.08%	0.08%	5.00%	4.0% - 6.0%	0.08%	
EPHNQLVO	RBC QUBE Low Volatility Canadian Equity Fund	\$ 294,748.85	10.00%	10.22%	0.22%	10.00%	9.0% - 11.0%	0.22%	
	Canadian Equities	\$ 732,107.77	25.00%	25.40%	0.40%	25.00%	23.5% - 26.5%	0.40%	
EPHNFO	PH&N US Equity Fund	\$ 69,503.75	2.50%	2.41%	-0.09%	2.50%	1.5% - 3.5%	-0.09%	
ERQUSEQO	RBC QUBE US Equity Fund	\$ 69,282.38	2.50%	2.40%	-0.10%	2.50%	1.5% - 3.5%	-0.10%	
ERQLVUO	RBC QUBE Low Volatility U.S. Equity Fund	\$ 147,386.19	5.00%	5.11%	0.11%	5.00%	4.0% - 6.0%	0.11%	
EPHN415	PH&N Overseas Equity Fund	\$ 208,679.97	7.50%	7.24%	-0.26%	7.50%	6.5% - 8.5%	-0.26%	
EROYINTEQO	RBC International Equity Fund	\$ 208,954.01	7.50%	7.25%	-0.25%	7.50%	6.5% - 8.5%	-0.25%	
	Global Equities	\$ 703,806.30	25.00%	24.41%	-0.59%	25.00%	23.5% - 26.5%	-0.59%	
	Total Equities	\$ 1,435,914.07	50.00%	49.81%	-0.19%	50.00%	48.0% - 52.0%	-0.19%	
	Total	\$ 2,882,827.79	100.0%	100.0%	0.00%	100.0%		0.0%	
	Notes								
	CMF allocation held in STBMF, which is temporarily resulting in an overallocation to Short Term Bonds								
	There is \$289,640.41 in the CMF queue, which is temporarily resulting in an underallocation to Commercial Mortgages until full allocation can be achieved								

Quinte West

	Fund Name	Current MV	Strategic BM	Current Weight	Variance vs Strategic BM	Temporary Benchmark	Permitted Allocation Ranges	Variance vs Temporary BM	Comments
ML222 BPHNSTBO	PH&N Short Term Bond and Mortgage Fund	\$ 11,645,529.05	25.00%	35.21%	10.21%	35.00%	23.5% - 26.5%	0.21%	Compliance breach of overallocation due to substitution for commercial mortgage underallocation category. RBC Commercial Mortgage Fund limitation in amount of \$ based upon quarterly window for investment
BRBCCMFO	RBC Commercial Mortgage Fund	\$ -	10.00%	0.00%	-10.00%	0.00%	9.0% - 11.0%	0.00%	Compliance breach of underallocation due to substitution for commercial mortgage underallocation category. RBC Commercial Mortgage Fund limitation in amount of \$ based upon quarterly window for investment
BPHNETRBO	PH&N Enhanced Total Return Bond Fund	\$ 3,317,433.37	0.00%	10.03%	10.03%	10.00%	-1.0% - 1.0%	0.03%	Compliance breach of overallocation due to substitution for PH&N Private Placement Corporate Debt Fund limitation in amount of \$ based upon quarterly window for investment
BPHNPDCFO	PH&N Private Placement Corporate Debt Fund	\$ -	10.00%	0.00%	-10.00%	0.00%	9.0% - 11.0%	0.00%	Compliance breach of underallocation due to substitution for PH&N Private Placement Corporate Debt Fund limitation in amount of \$ based upon quarterly window for investment
	Canadian Fixed Income	\$ 14,962,962.42	45.00%	45.24%	0.24%	45.00%	43.0% - 47.0%	0.24%	
BBTRCFDAO	BlueBay Total Return Credit Fund	\$ 4,930,386.12	15.00%	14.91%	-0.09%	15.00%	13.5% - 16.5%	-0.09%	
	Global Fixed Income and Credit	\$ 4,930,386.12	15.00%	14.91%	0.09%	15.00%	13.5% - 16.5%	-0.09%	
	Total Fixed Income	\$ 19,893,348.54	60.00%	60.15%	0.33%	60.00%	65-75%	0.15%	
EPHNCO	PH&N Canadian Equity Fund	\$ 1,107,683.95	3.33%	3.35%	0.02%	3.33%	2.3% - 4.3%	0.02%	
EPHNCEVFO	PH&N Canadian Equity Value Fund	\$ 1,114,315.45	3.33%	3.37%	0.04%	3.33%	2.3% - 4.3%	0.04%	
EPHNQCEO	RBC QUBE Canadian Equity Fund	\$ 1,117,277.11	3.33%	3.38%	0.04%	3.33%	2.3% - 4.3%	0.04%	
EPHNQLVO	RBC QUBE Low Volatility Canadian Equity Fund	\$ 3,375,652.91	10.00%	10.21%	0.21%	10.00%	9.0% - 11.0%	0.21%	
	Canadian Equities	\$ 6,714,929.42	20.00%	20.30%	0.30%	20.00%	18.5% - 21.5%	0.30%	
EPHNFO	PH&N US Equity Fund	\$ 796,000.70	2.50%	2.41%	-0.09%	2.50%	1.5% - 3.5%	-0.09%	
ERQUSEQO	RBC QUBE US Equity Fund	\$ 793,466.35	2.50%	2.40%	-0.10%	2.50%	1.5% - 3.5%	-0.10%	
ERQLVUO	RBC QUBE Low Volatility U.S. Equity Fund	\$ 1,687,961.22	5.00%	5.10%	0.10%	5.00%	4.0% - 6.0%	0.10%	
EPHN415	PH&N Overseas Equity Fund	\$ 1,593,291.23	5.00%	4.82%	-0.18%	5.00%	4.0% - 6.0%	-0.18%	
EROYINTEQO	RBC International Equity Fund	\$ 1,595,383.57	5.00%	4.82%	-0.18%	5.00%	4.0% - 6.0%	-0.18%	
	Global Equities	\$ 6,466,103.07	20.00%	19.55%	-0.45%	20.00%	18.5% - 21.5%	-0.45%	
	Total Equities	\$ 13,181,032.49	40.00%	39.85%	-0.15%	40.00%	38.0% - 42.0%	-0.15%	
	Total	\$ 33,074,381.03	100.0%	100.0%	0.2%	100.0%		0.0%	
	Notes								
	CMF allocation held in STBMF, which is temporarily resulting in an overallocation to Short Term Bonds								
	There is \$3,317,147.88 in the CMF queue, which is temporarily resulting in an underallocation to Commercial Mortgages until full allocation can be achieved								

To: ONE Joint Investment Board
From: Judy Dezell, Co-President/Co-CEO, ONE Investment
Date: May 29, 2025
Re: Strategic Plan – Q1 2025 Progress
Report: ONE JIB 2025-026

1. **RECOMMENDATIONS**

It is recommended that the Board:

1. Receive this report.

2. **SUMMARY**

ONE JIB approved a Strategic Plan in late 2022. A tracking tool has been developed for ONE JIB to track progress on the key initiatives of the Strategic Plan. All initiatives from the 2025 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 the progress of implementing 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 2028, 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. In addition, this allows ONE JIB to evaluate progress towards achieving

the strategic imperatives. Individual imperatives can be assessed, enabling adjustments to the allocation of resources if necessary. Further, 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, and that they are performing their tasks in a timely and efficient manner.

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 Q1 2025 all initiatives are on track, with a focus on getting all Participating Municipalities transitioned over to the OCIO business model. Staff are also maintaining our regular program of annual investment plan reviews for all Participating Municipalities.

The Q1 2025 report 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: Q1 2025 Strategic Reporting Tool for ONE JIB Futures List

Drafted by: Jason Hagan, LAS Program Manager

Approved by: Judy Dezell and Donna Herridge, Co-Presidents/CEOs

Attachment 1

Q1 2025 Strategic Reporting Tool for ONE JIB Futures List and Strategic Plan

Agenda	Topics	References by Color Coding	Notes
Board Governance & Administrative Matters	Pooled Trusts Audited Financial Statements	On Track	Completed - April.
	New Board Member Training	On Track	Ready for when new members are selected
Strategy and Policy	Municipal Insights	On Track	
	Quarterly Futures List Review	On Track	
	Annual Review of the External Sub-Investment Manager	On Track	To be considered at May ONE JIB meeting
Investment Oversight	Municipal:		
	Quarterly Municipal Investment Performance	On Track	
	Investment Plan Implementation Update	On Track	Monitoring PH&N implementation of 11 municipalities that transitioned over to PH&N (from traditional PI model) in March
	Investor Onboarding	On Track	Transition of 11 PI municipalities over to PH&N (sub-investment manager) model completed in March 2025
	IPS and MCQ review	On Track	No substantive changes planned
	Fund Manager:		
	Quarterly Investment Manager Performance	On Track	
	Quarterly Compliance	On Track	
	Investment Manager Presentation	On Track	

To: ONE Joint Investment Board
 From: Keith Taylor, Chief Investment Officer, ONE Investment
 Date: May 29, 2025
 Re: Investment Plan Implementation Update Q1 2025
 Report: ONE JIB 2025-019

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

This report summarizes the implementation and related activities for February 2025 and March 2025. The activities during this period are summarized in the table below.

Municipality	Details	Trading
Neebing	<ul style="list-style-type: none"> Investment Plan implemented and MNRI was deployed to OCIO Model E (50% equity) 	Yes - March
Quinte West	<ul style="list-style-type: none"> Investment Plan implemented and MNRI was deployed into OCIO Model D (40% equity) \$5 million in MNRI was drawn down during the transition to the OCIO Offering. 	Yes - March
Muskoka	<ul style="list-style-type: none"> \$25 million in MNRI was drawn down during the transition to the OCIO Offering. Security acceptance plan received. 	-
Aurora	<ul style="list-style-type: none"> Security acceptance plan received. 	-
Aurora, Aylmer, Bracebridge, Huntsville, Innisfil, Kenora, Muskoka, Thunder Bay and Whitby	<ul style="list-style-type: none"> Holdings in ONE Investment pooled funds liquidated and proceeds redeployed into OCIO Offering funds (retaining mapping of Outcome allocations) 	Yes - March

Investment Plans for Neebing and Quinte West, which were approved by ONE JIB in February 2025, were implemented, deploying MNRI into the recently approved model portfolios. The remaining nine participating municipalities that invested in the ONE Investment pooled funds were also transitioned into the OCIO Offering. MNRI drawdowns for Muskoka and Quinte West were coordinated with the transition to the OCIO Offering in March.

3. BACKGROUND

Investment Plan updates for Neebing and Quinte West deployed MNRI into the recently approved model portfolios

Investment Plans for Neebing and Quinte West were approved at the ONE JIB meeting on February 25, 2025. These two Investment Plans directed that MNRI be invested in the model portfolios approved by ONE JIB on November 27, 2024. Neebing's MNRI was deployed into Model E, which has a 50% allocation to equities, while Quinte West's MNRI was deployed into Model D, which has a 40% allocation to equities. Neither of these municipalities will invest in long-term alternative investments at this time.

A transition plan to redeploy MNRI invested in ONE Investment's pooled funds into the OCIO Offering was implemented in March

The Transition Plan to move the MNRI of the eleven Participating Municipalities invested in ONE Investment pooled funds into the OCIO Offering approved by ONE JIB on November 27, 2024, was implemented in March. This involved extensive planning and coordination. Two of the Participating Municipalities (Neebing and Quinte West) that had updated Investment Plans in February were transitioned directly into the newly approved OCIO models. The remaining nine municipalities were transitioned into the OCIO's funds, retaining the mapping of the Outcomes that was detailed in the most recently approved Investment Plans.

All investments in the ONE Investment pooled funds have been fully liquidated and will not be utilized in the future. These pooled funds are in the process of being wound down.

Further details about this transition plan can be found here: [Business Transformation Plans](#)

4. ANALYSIS

MNRI to be drawn down, as requested by two municipalities, was processed as part of the transition to the OCIO Offering

Quinte West's updated Investment Plan included a drawdown of \$5 million, and Muskoka submitted a mid-year MCQ update form to process a drawdown of \$25 million. The plans to fund these drawdowns were approved by ONE JIB at the February 25, 2025, meeting and were coordinated to occur during the transition to the OCIO Offering to reduce portfolio turnover. The proceeds from the liquidation of ONE Investment pooled funds were used to facilitate these drawdowns, reducing the amount of MNRI invested in the OCIO Offering. Coordinating the transactions with the transition allowed the MNRI to be drawn down while minimizing fund turnover.

There was a one-day lag between the liquidation of ONE Investment pooled funds and the purchase of new funds associated with the OCIO Offering

Instructions to sell the ONE Investment pooled funds were initiated on March 4, 2025, with settlement on a T+1 basis. This meant that the cash was available to purchase PH&N funds on March 5th. Trades to purchase PH&N funds were transacted on March 5, 2025, also on a T+1 basis. Due to this timing difference, MNRI had no investment exposure on March 5th, but interest was earned on cash balances for one day.

To minimize the time that the MNRI was uninvested, a Letter of Indemnity was issued by ONE Investment, allowing PH&N to streamline the trading process and thereby reducing the time the MNRI remained out of the market from two days to one day. This could have been further reduced to maintain market exposure by indemnifying PH&N to trade concurrently with the liquidation of the ONE Investment pooled funds on March 4th. However, due to the operational complexities involved, the trading of PH&N funds was deferred by one day to reduce the risk associated with the implementation.

In total, over 300 trades were initiated by PH&N to deploy the MNRI into the OCIO Offering, and the trading of securities in ONE Investment pooled funds was coordinated to ensure that the flow of investment proceeds occurred on the intended timeline. To complicate matters, the final capital gains distributions were processed amid these transition trades. There were no issues in implementing the transition plans.

5. CONCLUSION

Since the last ONE JIB meeting in February 2025, 11 municipalities were transitioned into the OCIO Offering. Quinte West and Neebing updated their Investment Plans, directing that their MNRI be invested directly in the OCIO models. The remaining nine municipalities were transitioned into the OCIO Offering in a different manner. The investments were mapped into PH&N funds in a way that preserved the investment characteristics of the Outcomes Framework. No clients remain invested in the ONE Investment pooled funds. As Investment Plans are updated in 2025, all clients will be transitioned to model portfolios approved at the November 27, 2024, meeting. The transition planning required comprehensive preparation and was implemented seamlessly.

Drafted by: Keith Taylor, Chief Investment Officer; Evelyn Foo, Chief Compliance Officer
Approved by: Judy Dezell and Donna Herridge, Co-Presidents/CEOs, ONE Investment

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: May 29, 2025
Re: OCIO Quarterly Reporting and Analysis Q1 2025
Report: ONE JIB 2025-025

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

The investment manager has provided a report detailing the investment activities under the Prudent Investment Offering for the first quarter of 2025. The report presents a thorough analysis of investment performance, enabling ONE JIB members to understand PH&N's investment strategies and positioning. The report is included as Attachment 1 and:

- provides macroeconomic and capital markets context
- summarizes investment performance
- reviews key investment themes and activities.

ONE JIB members will have access to additional performance metrics for each of the funds within the Prudent Investment Offering through the resource library. Staff have reviewed the reports and have no concerns. However, compliance and performance reporting are evolving in the new business model. There are ongoing discussions about supplementary enhancements to the reporting packages, which focus on customizing them to better align with client requirements.

3. BACKGROUND

ONE JIB and ONE Investment are responsible for oversight of the activities of the Investment Manager

ONE JIB is responsible for the control and management of Participating Municipalities' MNRI. This mandate requires ongoing oversight of investments, including regular performance reviews and supervision of agents assisting with fiduciary duties. The CIO and CCO of ONE Investment are responsible for reviewing the Investment Manager's activities and reporting significant issues to ONE JIB. Any concerns will be documented in future quarterly reports, ensuring transparency and accountability.

Periodically, issues raised may require a decision by ONE JIB

In future, this quarterly report may identify issues that require direction from ONE JIB. Issues anticipated include things such as operational challenges, compliance issues, investment implementation challenges, security substitutions, and other matters that may enhance efficiency and promote the smooth operation of the Prudent Investment Offering. By keeping ONE JIB informed of emerging issues, potential risks, and strategic considerations, the report ensures that board members remain fully informed of all relevant developments.

4. ANALYSIS

No concerns have been identified in the review of monthly and quarterly reports

In the review of all the recurring reports provided by the Investment Manager and the custodian, including monthly statements of accounts, quarterly client reports, proxy voting details, and various other reports, and have not identified any concerns. As ONE JIB's agent, ONE Investment has an ongoing obligation to ensure that all Participating Municipalities' MNRI is invested according to ONE JIB's approved Investment Plans. Historically, this confirmation has been included in the quarterly reporting packages to Participating Municipalities. However, the new reporting packages no longer provide this confirmation. Instead, ONE Investment staff will now verify this reporting obligation through this report, as shown in Figure 1 below:

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 March 31, 2025, 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 IPS and the Investment Plan of each Participating Municipality.

Recent market fluctuations could lead to a notable crystallization of investment gains for clients that transitioned to the new Investment Manager in March 2025

The business transformation replicated the Outcome Allocations of nine municipalities using the Investment Manager's funds, with the intention to transition to the model portfolios at the next Investment Plan update. Consequently, two municipalities, Whitby and Huntsville, have had their investments remapped into the model portfolios. Each are dealt with under separate reports, the remaining seven municipalities will be dealt with over the course of 2025.

Given the recent volatility in capital markets, there is a significant likelihood of capital losses being realized. The option of deferring the implementation of Investment Plans has been raised. Although this might be perceived as a client-friendly action, delaying investment decisions may not align with the principles of prudent investing, and it could be challenging to justify that such an action supports ONE JIB's fiduciary duty. It is not recommended that ONE JIB delay in implementing Investment Plans currently.

Work continues with the Investment Manager to enhance compliance reporting

The CCO has engaged ONE Investment's Audit Committee in collaborating with the Investment Manager to ensure that the compliance reporting is appropriate, considering the intended oversight regime. Not all expected deliverables have been met yet, but work continues towards fulfilling the expectations outlined in ONE Investment's compliance manual. Operational limitations may require adjustments to the expected deliverables, which could necessitate further discussion and guidance from the Audit Committee. Continued progress has been achieved on this front, leading to the Investment Manager providing additional compliance attestations and supplemental reconciliations by RBC IS to ONE Investment.

The Investment Manager has provided quarterly reporting packages for Participating Municipalities and continues to enhance the reporting

The Investment Manager has made additional reports available to enhance client reporting and ensure that necessary details are accessible for municipal finance staff. This initiative includes providing reports in Excel, thereby giving staff greater flexibility to analyze and organize the data according to their needs. Furthermore, an investment dashboard that displays performance returns, fund returns, and benchmark returns is available to each client under the Prudent Investment Offering. These reports are customized for each client.

Additionally, the Investment Manager has started providing quarterly talking points to municipalities at the end of each quarter. These points summarize the key performance drivers for each client and assist treasurers in reporting investment performance to Council. Staff continue to collaborate with the Investment Manager to further revise the reporting package, ensuring that all essential details required by treasurers are included. Additional improvements may be informed by feedback from Participating Municipalities and ONE JIB.

There is an ongoing list of other items that may require further discussion in 2025

Staff are maintaining a short list of items that merit further discussion. Table 1 provides some of these potential topics.

Table 1 – Potential Future Discussion Items

Item	Detail	Status
Global Benchmarks	OCIO has identified benchmarks for each fund; however, no benchmarks have yet been established to measure the overall mandate's performance.	To be considered in 2025.
Potential revisions in compliance or performance reporting	Further refinements in reporting may be considered, as needed, to ensure the information is tailored to the needs of municipal clients.	To be considered in 2025.
Investment and reporting solutions for sinking funds	This is a new consideration for the ONE JIB that will need to be designed to address known client needs.	To be considered in 2025.

In the first quarter, benchmark issues were discussed internally, concluding that fund benchmarks cannot be changed, as the Investment Manager has already assigned them to the funds, which can't be changed without affecting other unitholders of the funds. Supplemental indices may be used because, in certain cases, they can provide a more robust proxy for performance for some funds than the existing official benchmarks. For client allocations, benchmarking should be established, while avoiding blended benchmarks (that is, using portfolio weights and official fund benchmarks). Instead, benchmarks based on a 'reference portfolio' that reflects the investment orientation of each allocation may be used. Under ONE JIB Report 2025-023, ONE JIB Policies Review, a proposed Policy on Principles of Good Benchmarks has been recommended for ONE JIB for approval at the May 29, 2025, ONE JIB meeting. This lays the foundation for benchmarking discussions. Further details regarding the intended approach to benchmarking and associated analysis will be discussed in the fourth quarter of 2025.

Ongoing work on compliance and investment reporting is a continuous effort, with incremental changes being achieved over time. As there have been extensive changes in the reporting for clients transitioning to the new Investment Manager, training on the new reporting format will be required to help Participating Municipalities understand the new format.

5. CONCLUSION

The Investment Manager has prepared a quarterly reporting package detailing the investment activities related to the Prudent Investment Offering, which provides context about investment performance. This will allow ONE JIB to review how the investments have performed quickly. A more comprehensive report is now available to ONE JIB members in the Resource Library, offering a deeper analysis of the performance of the individual funds in the Prudent Investment Offering. The Investment Manager will present quarterly to ONE JIB on investment performance, capital market developments, and other relevant matters concerning the Prudent Investment Offering.

As part of their ongoing reporting responsibilities to ONE JIB, the CIO and CCO will

continue to collaborate with the Investment Manager to develop additional reporting that will enhance oversight. This quarterly review has confirmed that there have been no issues with onboarding the first Participating Municipalities to the new Investment Manager, and no administrative problems or concerns have been identified.

ATTACHMENTS

Attachment 1: Investment Management Report for ONE Investment – Quarterly Commentaries

Drafted by: Keith Taylor, CIO; Evelyn Foo, CCO

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



Investment Management Report for **ONE Investment - Quarterly Commentaries**

For Period Ending March 31, 2025

Macroeconomic and Capital Markets Commentary and Outlook

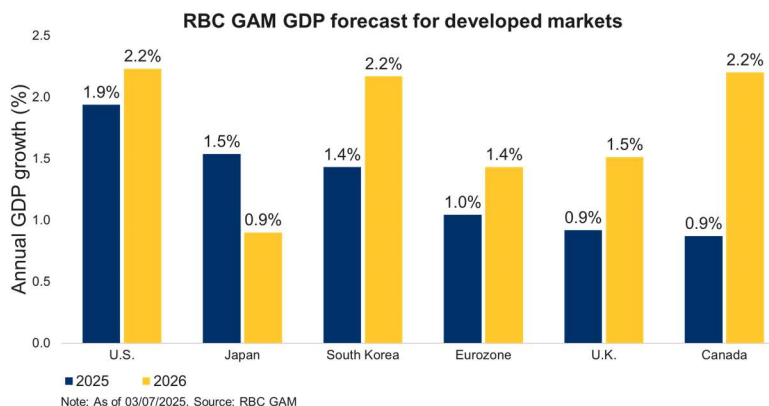
The following commentary summarizes meaningful trends and events that we've observed over the past quarter.

The performance of **global equity markets** was varied across regions in the first quarter, with stocks beginning to fall toward the end of February after reaching record levels earlier in the period as investors shied away from risk taking amid heightened uncertainty. The sell-off was concentrated in U.S. stocks, which had risen the most over the past two years, whereas other markets, which had lagged, delivered gains.



In terms of **economic activity**, U.S. public policy announcements cast a pall of uncertainty over the global economy. The White House has implemented or announced major changes on many economically relevant fronts, including trade, immigration, taxation, government spending, regulations, the civil service, and foreign policy. Even before the impact of these changes was felt, U.S. economic growth was decelerating slightly, whereas the Eurozone, U.K., and Japan were seemingly on an accelerating track. With business and consumer sentiment fading and tariffs being applied, our developed-world growth forecasts have been nearly universally downgraded for 2025 and now rest somewhat below consensus, while emerging market growth forecasts have been steadier. Risks to these growth forecasts extend in both directions. On the optimistic side, perhaps large tariffs can be avoided or not last long after all. On the negative side, the trade war could be even greater than feared. Another downside risk is the potential for greater geopolitical tension, as the U.S. seemingly pulls away from its traditional allies.

U.S. economic growth declined to 2.3% annually for the October through December period, from 3.1% in the previous quarter. Moreover, policy uncertainty and sweeping new tariffs from the Trump administration in the first quarter have combined to result in a highly uncertain and weak outlook for the U.S. economy.



Behind the weak GDP forecasts is new evidence that the decline in consumer and business sentiment is

showing up in real economic activity. Consumer spending declined for the first time in nearly two years during January, and February saw a smaller comeback than economists had expected. While the talk of recession has lately picked up, with U.S. growth set to be slower than otherwise under a tariff regime and given other policy decisions, it is still more a story of diminished growth than of vanished growth.

The **Canadian economy** began 2025 on a firm footing with January GDP up 0.4%, which was the largest gain since April 2024. However, early signs suggest growth stalled in February amid harsh winter weather and the looming threat of tariffs. Tariffs were a dominant theme for the Canadian economy in the first quarter, with President Trump initiating the trade war with Canada at the beginning of February with a round of blanket tariffs on Canadian goods, though multiple rounds of exemptions and pauses have since ensued. Given the high uncertainty, it is almost impossible to forecast the Canadian outlook with any confidence. A worst-case scenario would have the repeatedly threatened 25% tariff fully delivered; this would induce a recession in Canada, with our models arguing the economy would undershoot its normal rate of growth by around 4.5 percentage points over the coming two years. On the other hand, a best-case scenario would see U.S. tariffs largely avoided, perhaps as the U.S. economy comes to recognize its reliance on Canadian resources.

While inflation is no longer the primary market concern that it was several years ago, it is not completely settled either, especially in the U.S. In fact, we have been compelled to increase the 2025 inflation outlook for two reasons: tariffs are inflationary in the short run, and inflation in the U.S. has proven sticky of late. U.S. inflation continues to hover near 3.0%, while other countries have wrangled inflation rates down to the 2.0% to 2.5% range. We look for U.S. inflation to increase outright in 2025, from 2.9% in 2024 to 3.3%. Other countries are also expected to experience inflation upticks. Central banks have been in rate-cutting mode for the past year, with some further easing likely in 2025. Though the Fed kept its key policy rate unchanged during the quarter, the Bank of Canada (BoC) cut rates by 50 basis points during the first quarter.



Should tariffs remain in place for an extended period, the headwind to economic growth, rather than the tailwind for inflation, will likely be the key factor nudging central banks to cut rates. In this scenario, we expect the BoC would cut its policy rate by more than otherwise, and the government would implement its fiscal support plan that is purported to include expanded eligibility for employment insurance and targeted

business supports. With Canadian elections scheduled for April 28, we could witness a new era of public policy: one focused in the short run on managing U.S. antagonism, and in the long run on sustainably reviving productivity growth after a long period of neglect. Overall, any inflation caused by tariffs would represent a one-time price-level shock and the inflation rate should return to normal afterward, whereas any related economic damage would be enduring. In turn, there is room for material further monetary easing for a number of countries.

Among **global equity markets**, U.S. stocks struggled during the first quarter, as an impressive launch of DeepSeek – a low-cost artificial intelligence (AI) model from a Chinese company – called into question American companies' spending plans on AI. Consequently, tech stocks lost momentum, and the S&P 500 Index ultimately posted a negative return of -4.2% over the period.

Outside of the U.S., eurozone markets were up 12.2% and U.K. 8.4%, while Japanese markets recorded a negative return.

The **Canadian equity market** registered gains during the period and was up for the third consecutive quarter. The S&P/TSX Composite Index rose 1.5% in the first quarter, led by strength in Materials as gold, often viewed as a safe haven from global turmoil, benefitted from increased central bank buying as well. The Utilities and Energy sectors also contributed to gains, while Information Technology, Financials, and Industrials were among the weakest performers and posted negative returns.

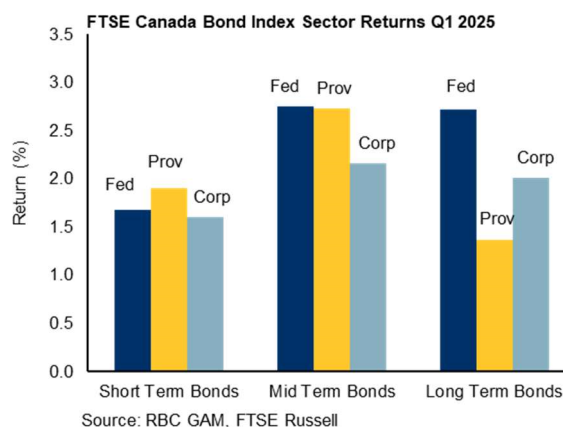
Turning to **emerging markets (EM)**, the MSCI Emerging Markets Net Index returned 3.0% over the period. In a quarter dominated by trade tariffs and U.S. policy uncertainty, a falling U.S. 10-year Treasury yield and a weaker U.S. dollar were supportive for EM overall. The country's largest weight – China – rose during the period, benefitting from rising investor confidence and stronger corporate earnings. Looking ahead to 2025, earnings growth should become a key driver of emerging market equities returns. Another potential key driver for EM economies in 2025 will be domestic consumption stemming from lower inflation and lower rates. The key risk to this positive outlook remains geopolitical; specifically, trade tensions that could arise from increasing tariffs on U.S. imports.

Global fixed income markets were plagued by uncertainty during the first quarter, as investors were focused on the escalating trade war and the potential impacts on economic growth and inflation. In terms of the **Canadian fixed income market**, the FTSE Canada Universe Bond Index ended the quarter at 3.3%, down 0.3% from where it began

Equity Indices Performance Comparison as of Mar 31, 2025 (%)

	3 Mo	1 Yr
S&P/TSX Composite Index (C\$)	1.51%	15.81%
S&P 500 Index (C\$)	-4.17%	15.00%
MSCI World Net Index (C\$)	-1.72%	13.84%
MSCI EAFE Net Index (\$C)	6.94%	11.55%
MSCI Emerging Markets Net Index (C\$)	3.00%	14.96%

Source: RBC GAM



the period. Yields remained rangebound during the quarter, oscillating between 3.2% and 3.9% before ultimately ending the quarter lower in response to President Trump's tariff threats and the uncertainty posed for the Canadian economy.

The combination of declining yields and a steeper yield curve over the first quarter resulted in mid-term bonds outperforming short- and long-term bonds. The bond market continues to price in modestly lower short-term yields over the next 12 months in conjunction with expectations for further but relatively fewer policy rate cuts, while longer-term yields are expected to increase slightly from current levels. Our view on the shape and direction of the yield curve is not materially different from what is expected by the market at this time. We expect volatility in yields to be a theme in the short term, and we will continue to look for opportunities to be tactical while remaining prudent in our duration and yield curve positioning.

ONE Joint Investment Board

Quarterly Meeting: May 29, 2025

Presented by:

Martin Leclair, CFA, Vice President & Institutional Portfolio Manager
Paul Purcell, CFA, Managing Director & Institutional Portfolio Manager
Dylan Rae, CFA, Institutional Portfolio Manager

Guest speakers:

Ashley McGovern, CFA, Associate Institutional Portfolio Manager
Erik Jackson, CFA, Institutional Portfolio Manager

Agenda

- Portfolio Update
- Economic Outlook and Capital Markets Update
- Fund Performance
- Strategy Overview
 - QUBE Low Volatility funds
- Strategy Overview
 - PH&N Short Term Bond & Mortgage Fund
 - PH&N Enhanced Total Return Bond Fund
 - PH&N Bond Fund

Portfolio Update

Portfolio transition

MARCH 4 (pm)
CIBC Mellon

MARCH 5 (am)
Money wired to RBC
Transaction Date

MARCH 6 (am)
Settlement Date



9 Municipalities
Transitioned as per plan



2 Municipalities
Adopting the ONE JIB
Models

Significant, complex operation:

- \$709m in AUM
- 11 municipalities
- 35 new portfolios
- 326 pooled fund trades all executed on March 5th
- 100% completion success

On-going communication between ONE Investment and PH&N Institutional

Aurora; Aylmer; Bracebridge; Thunder Bay; Muskoka;
Huntsville; Innisfil; Kenora; Whitby

Quinte West; Neebing

Capital markets update

Key Index returns as of March 31, 2025

Total Return (%)	3M	1Y	2Y	3Y	4Y	5Y	Benchmark exposure across platform	1 Month, as of April 30, 2025
S&P/TSX Capped Composite Index	1.51	15.81	14.88	7.77	10.75	16.76	14.2%	-0.10
S&P 500 Index (CAD)	-4.17	15.00	22.35	14.30	14.49	19.12	6.5%	-4.85
MSCI World Net Index (CAD)	-1.72	13.84	19.34	12.79	11.94	16.39	9.0%	-3.17
MSCI EAFE Net Index (CAD)	6.94	11.55	13.41	11.18	8.42	12.02	3.5%	0.37
FTSE Canada 91 Day Tbill Index	0.83	4.49	4.67	4.04	3.09	2.51	1.8%	0.21
FTSE Canada Short Term Overall Bond Index	1.69	7.14	5.29	3.74	1.93	2.10	22.6%	0.12
FTSE Canada Universe Bond Index	2.02	7.65	4.84	2.50	0.70	0.88	12.4%	-0.65
FTSE WGBI Index (CAD)	0.52	2.40	2.15	-0.60	-1.45	-1.40	8.1%	1.02
Canadian CPI (Non-Seasonally Adjusted) ¹	1.43	2.32	2.61	3.17	4.03	3.66	-	-

Canadian CPI (Non-Seasonally Adjusted) series is 1-month lagged.

RBC Global Asset Management
PH&N Institutional

Model portfolios - performance (March 31, 2025)

Model Portfolio Return (%)	3 Months	YTD	Since Inception	1 Month, as of April 30, 2025
Short-Term Model (A) - 0% Equities	1.77	1.77	1.77	-0.05
<i>Reference Portfolio A</i>	<i>1.67</i>	<i>1.67</i>	<i>1.67</i>	<i>0.14</i>
Short-Term Model (B) - 20% Equities	2.01	2.01	2.01	-0.14
<i>Reference Portfolio B</i>	<i>1.65</i>	<i>1.65</i>	<i>1.65</i>	<i>0.09</i>
Mid-Term Model (C) - 30% Equities	2.07	2.07	2.07	-0.35
<i>Reference Portfolio C</i>	<i>1.63</i>	<i>1.63</i>	<i>1.63</i>	<i>0.07</i>
Mid-Term Model (D) - 40% Equities	2.18	2.18	2.18	-0.41
<i>Reference Portfolio D</i>	<i>1.62</i>	<i>1.62</i>	<i>1.62</i>	<i>0.04</i>
Mid-Term Model (D+) - 40% Equities	2.09	2.09	2.09	-0.45
<i>Reference Portfolio D+</i>	<i>1.61</i>	<i>1.61</i>	<i>1.61</i>	<i>0.03</i>
Mid-Term Model (E) - 50% Equities	2.17	2.17	2.17	-0.46
<i>Reference Portfolio E</i>	<i>1.60</i>	<i>1.60</i>	<i>1.60</i>	<i>0.01</i>
Mid-Term Model (E+) - 50% Equities	2.10	2.10	2.10	-0.49
<i>Reference Portfolio E+</i>	<i>1.59</i>	<i>1.59</i>	<i>1.59</i>	<i>0.01</i>
Long-Term Model (F) - 60% Equities	1.96	1.96	1.96	-0.72
<i>Reference Portfolio F</i>	<i>1.59</i>	<i>1.59</i>	<i>1.59</i>	<i>0.00</i>
Long-Term Model (F+) - 60% Equities	1.42	1.42	1.42	-0.51
<i>Reference Portfolio F+</i>	<i>1.58</i>	<i>1.58</i>	<i>1.58</i>	<i>-0.02</i>
Long-Term Model (G) - 70% Equities	1.80	1.80	1.80	-1.00
<i>Reference Portfolio G</i>	<i>1.57</i>	<i>1.57</i>	<i>1.57</i>	<i>-0.03</i>

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 allocated weights.

Model portfolios - allocations

Models	A	B	C	D	E	F	G
Fixed Income	100%	80%	70%	60%	50%	40%	30%
Canadian Money Market							
Short-Term Bonds and Mortgages	50%	50%	35%	25%	20%	20%	20%
Corporate Bonds	20%						
Private Placement Corporate Debt	5%	10%	10%	10%	5%		
Commercial Mortgages	5%	10%	10%	10%	10%	10%	10%
High Yield Bonds	5%						
Global Multi-Asset Credit	15%	10%	15%	15%	15%	10%	
Equities	0%	20%	30%	40%	50%	60%	70%
Canadian Equities		5%	7%	10%	15%	25%	35%
Canadian Low Volatility Equities		5%	7%	10%	10%	5%	
U.S. Equities		2%	4%	5%	5%	6%	7%
U.S. Low Volatility Equities		2%	4%	5%	5%	6%	7%
International Equities		6%	8%	10%	15%	18%	21%

Performance (March 31, 2025) – ‘Models’

Total Portfolio Return	3 Months	Since Inception	Market Value	Inception Date	1 Month, as of April 30, 2025
Durham	2.05	6.62	1,517,854,918.49	07/17/2024	-0.49
<i>Reference Portfolio</i>	<i>1.88</i>	<i>7.06</i>			<i>-0.49</i>
Clarington	-	2.60	20,526,330.64	01/14/2025	-1.01
<i>Model Portfolio G</i>		<i>2.69</i>			<i>-0.26</i>
Central Frontenac	-	2.73	2,877,431.13	01/14/2025	-0.73
<i>Reference Portfolio F</i>		<i>2.85</i>			<i>-0.32</i>
Red Lake	-	2.95	2,270,409.47	01/14/2025	-0.42
<i>Reference Portfolio D+</i>		<i>2.93</i>			<i>-0.35</i>
Quinte West	-	-0.29	33,074,381.03	03/06/2025	-0.41
<i>Reference Portfolio D</i>		<i>0.23</i>			<i>-0.43</i>
Neebing	-	-0.47	2,882,827.79	03/06/2025	-0.46
<i>Reference Portfolio E</i>		<i>0.28</i>			<i>-0.37</i>

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 allocated weights.

Performance (March 31, 2025) – ‘Outcome framework’

Total Portfolio Return	3 Months	Since Inception	Market Value	Inception Date	1 Month, as of April 30, 2025
Aurora	-	-0.92	51,700,303.30	03/06/2025	-0.50
<i>Reference Portfolio</i>		<i>0.25</i>			<i>-0.41</i>
Aylmer	-	-1.65	1,759,204.89	03/06/2025	-1.29
<i>Reference Portfolio</i>		<i>0.39</i>			<i>-0.24</i>
Bracebridge	-	-1.48	7,909,866.29	03/06/2025	-1.07
<i>Reference Portfolio</i>		<i>0.36</i>			<i>-0.27</i>
Thunder Bay	-	-0.91	130,296,649.05	03/06/2025	-0.52
<i>Reference Portfolio</i>		<i>0.25</i>			<i>-0.41</i>
Muskoka	-	-1.08	138,406,365.53	03/06/2025	-0.63
<i>Reference Portfolio</i>		<i>0.28</i>			<i>-0.37</i>
Huntsville	-	-0.89	11,165,848.16	03/06/2025	-0.50
<i>Reference Portfolio</i>		<i>0.24</i>			<i>-0.41</i>
Innisfil	-	-0.98	61,615,392.76	03/06/2025	-0.53
<i>Reference Portfolio</i>		<i>0.26</i>			<i>-0.39</i>
Kenora	-	-0.75	66,603,914.85	03/06/2025	-0.29
<i>Reference Portfolio</i>		<i>0.22</i>			<i>-0.44</i>
Whitby	-	-0.83	197,635,367.25	03/06/2025	-0.50
<i>Reference Portfolio</i>		<i>0.23</i>			<i>-0.42</i>

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 allocated weights.

Queued allocations (March 31, 2025)

Portfolio		Current Market Value	Strategic Benchmark	Current Weight	Variance vs Strategic Allocation
Durham Short					
	<i>PH&N Private Placement Corporate Debt Fund</i>	\$ 5,104,773.47	5.0%	5.1%	0.1%
	<i>RBC Commercial Mortgage Fund</i>	\$ 2,917,635.66	5.0%	2.9%	-2.1%
	<i>PH&N High Yield Bond Fund</i>	\$ -	2.5%	0.0%	-2.5%
Durham Medium					
	<i>PH&N Private Placement Corporate Debt Fund</i>	\$ 6,841,039.88	10.0%	10.1%	0.1%
	<i>RBC Commercial Mortgage Fund</i>	\$ 3,929,835.12	10.0%	5.8%	-4.2%
Durham Long					
	<i>PH&N Private Placement Corporate Debt Fund</i>	\$ 121,010,095.62	10.0%	9.1%	-0.9%
	<i>RBC Commercial Mortgage Fund</i>	\$ 47,870,208.16	10.0%	3.6%	-6.4%
Clarington – Model G					
	<i>RBC Commercial Mortgage Fund</i>	\$ 300,000.00	10.0%	1.5%	-8.5%
Central Frontenac – Model F					
	<i>RBC Commercial Mortgage Fund</i>	\$ 42,000.00	10.0%	1.5%	-8.5%
Red Lake – Model D					
	<i>PH&N Private Placement Corporate Debt Fund</i>	\$ 162,840.04	10.0%	7.2%	-2.8%
	<i>RBC Commercial Mortgage Fund</i>	\$ 33,000.00	10.0%	1.5%	-8.5%
Neebing – Model E					
	<i>PH&N Private Placement Corporate Debt Fund</i>	\$ -	5.0%	0.0%	-5.0%
	<i>RBC Commercial Mortgage Fund</i>	\$ -	10.0%	0.0%	-10.0%
Quinte West – Model D					
	<i>PH&N Private Placement Corporate Debt Fund</i>	\$ -	10.0%	0.0%	-10.0%
	<i>RBC Commercial Mortgage Fund</i>	\$ -	10.0%	0.0%	-10.0%

Queued allocations and capital calls (May 15, 2025)

RBC Commercial Mortgage Fund *(Drawdown on March 31st)*

Account Number	Unitholder Name	Initial commitments	Capital called Year-to-date	Remaining position in queue (post capital call)	% of commitment funded
ML102	ONE Investment - Durham Short	\$ 4,900,000.00	\$ 2,869,500.00	\$ 2,030,500.00	59%
ML103	ONE Investment - Durham Medium	\$ 6,600,000.00	\$ 3,865,000.00	\$ 2,735,000.00	59%
ML104	ONE Investment - Durham Long	\$ 132,185,672.38	\$ 47,246,400.00	\$ 84,939,272.38	36%
ML112	ONE Investment - Clarington	\$ 2,000,000.00	\$ 300,000.00	\$ 1,700,000.00	15%
ML122	ONE Investment - Central Frontenac	\$ 280,000.00	\$ 42,000.00	\$ 238,000.00	15%
ML132	ONE Investment - Red Lake	\$ 220,000.00	\$ 33,000.00	\$ 187,000.00	15%
ML212	ONE Investment - Municipality of Neebing	\$ 289,640.41	\$ -	\$ 289,640.41	0%
ML222	ONE Investment - City of Quinte West	\$ 3,317,147.88	\$ -	\$ 3,317,147.88	0%

PH&N Private Placement Debt Fund *(Drawdowns on February 20th and May 7th)*

Account Number	Unitholder Name	Initial commitments	Capital called Year-to-date	Remaining position in queue (post capital call)	% of commitment funded
ML102/3/4	ONE Investment - Durham	\$ 140,100,000.00	\$ 37,400,00.00	\$ 7,041,733.00	95%
ML132	ONE Investment - Red Lake	\$ 220,000.00	\$ 190,000.00	\$ 30,000.00	86%
ML222	ONE Investment - Quinte West	\$ 3,317,148.00	\$ 1,620,000.00	\$ 1,697,148.00	49%
ML212	ONE Investment - Neebing	\$ 144,820.00	\$ 80,000.00	\$ 64,820.00	55%

Fund substitutions

Fund Name	Substitution Fund	Comments
RBC Commercial Mortgage Fund	PH&N Short Term Bond and Mortgage Fund	<ul style="list-style-type: none"> In queue We are working to have the allocations funded as quickly as possible
PH&N Private Placement Corporate Debt Fund	PH&N Enhanced Total Return Bond Fund	<ul style="list-style-type: none"> Timing is TBD and dependent on a variety of factors, including investment deal flow and the account's position in the respective queues.
PH&N High Yield Bond Fund	RBC High Yield Bond Fund	<ul style="list-style-type: none"> PH&N High Yield Bond Fund is currently soft closed Allocation will be funded at its next re-opening, which is TBD

As of December 31, 2024. Source: RBC GAM

Economic Outlook and Capital Markets Update

Tariff state of affairs



Significant tariffs in place:

- 10% baseline reciprocal tariffs for most of world
- China average tariff > 100%
- Sector tariffs: steel, aluminum, autos
- Retaliation by China, Canada, others



Recent direction of travel → lower tariffs / more exemptions

- Reciprocal tariff delay
- Electronics exempted from U.S. tariffs
- Certain exemptions from auto tariffs
- Truce with China

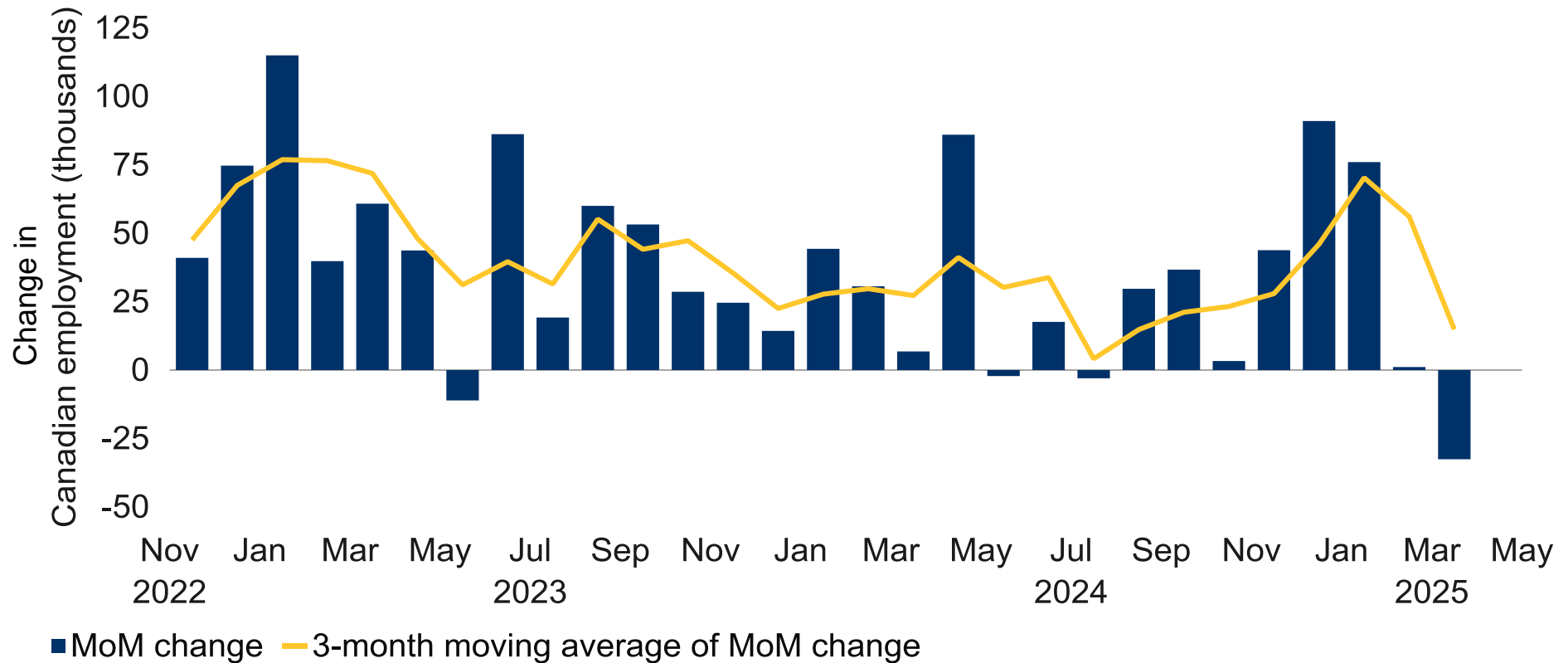


Further tariff threats ahead:

- 90-day delay on reciprocal tariffs expires in July
- USMCA re-negotiations pending
- Further sector tariffs planned: auto parts, copper, forestry, chips, pharmaceuticals
- U.S. de minimis exemption ends in May
- Tariff economic pain arrives with a lag

High uncertainty already doing economic damage to Canada

Canadian employment shows recent damage

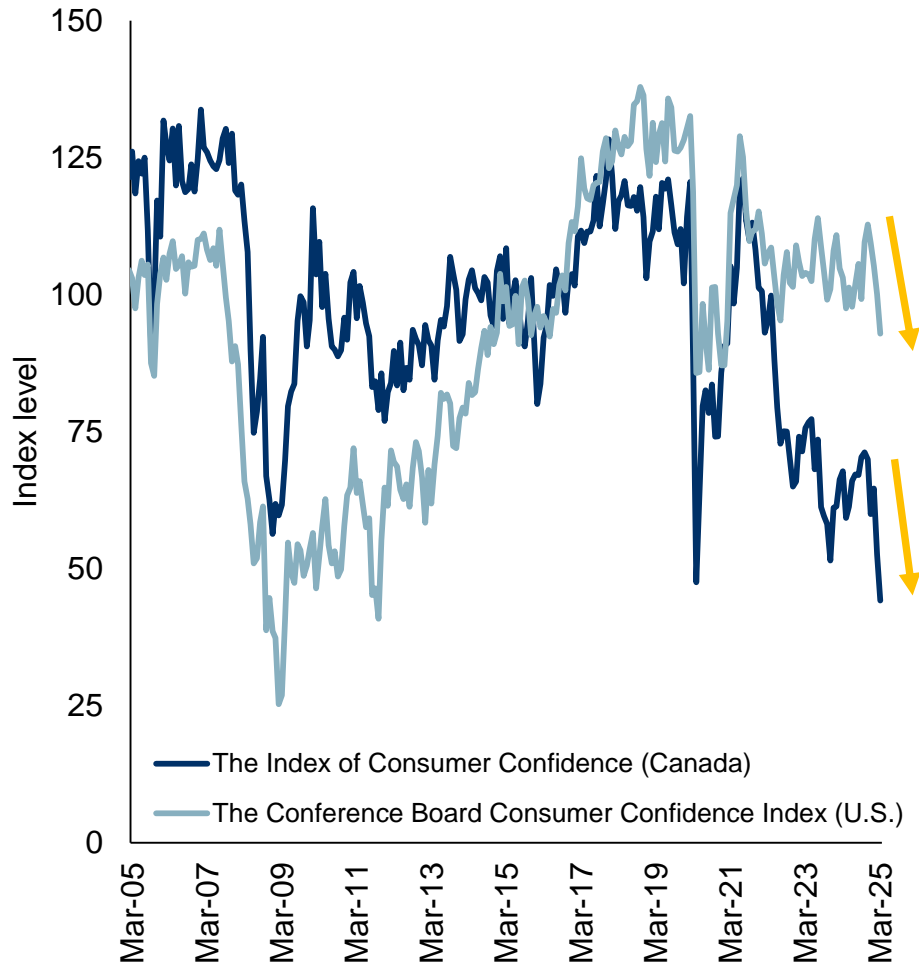


Note: As of March 2025. Source: Statistics Canada, Macrobond, RBC GAM

Waning optimism hurting growth and inflation expectations

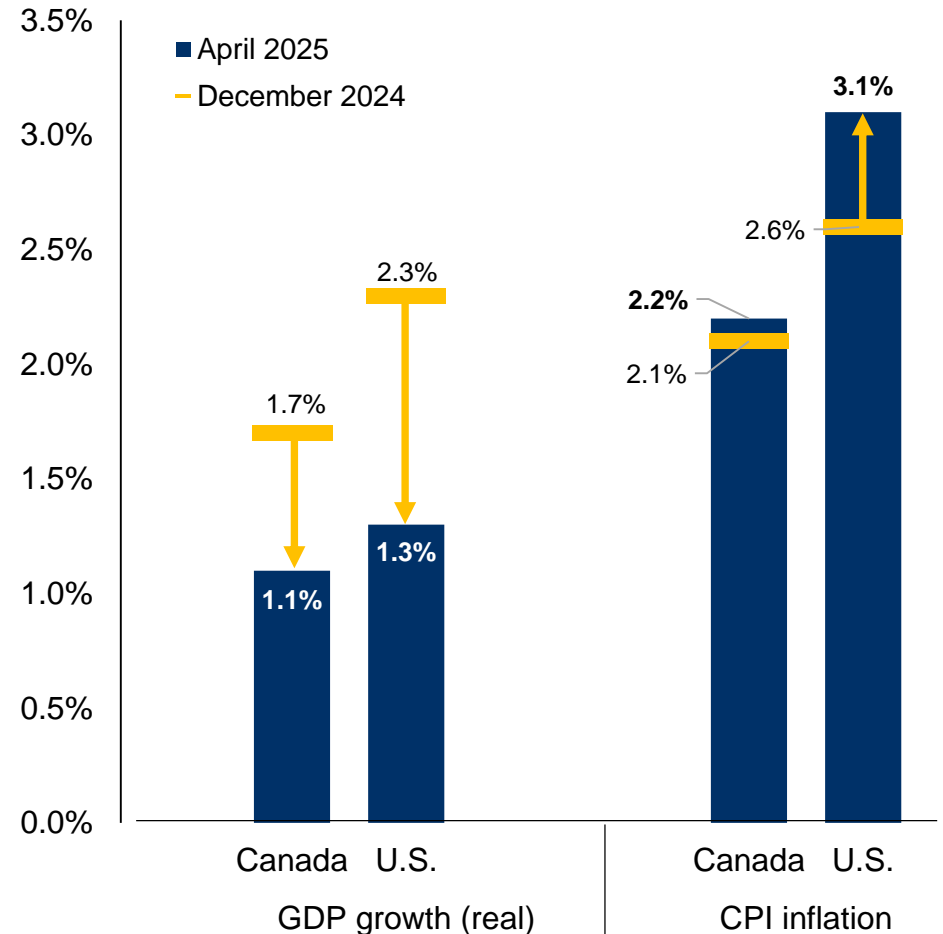
Both Canada and U.S. expected to be negatively impacted by tariffs

Consumer sentiment



Source: RBC GAM, The Conference Board of Canada, The Conference Board

RBC GAM economic forecasts

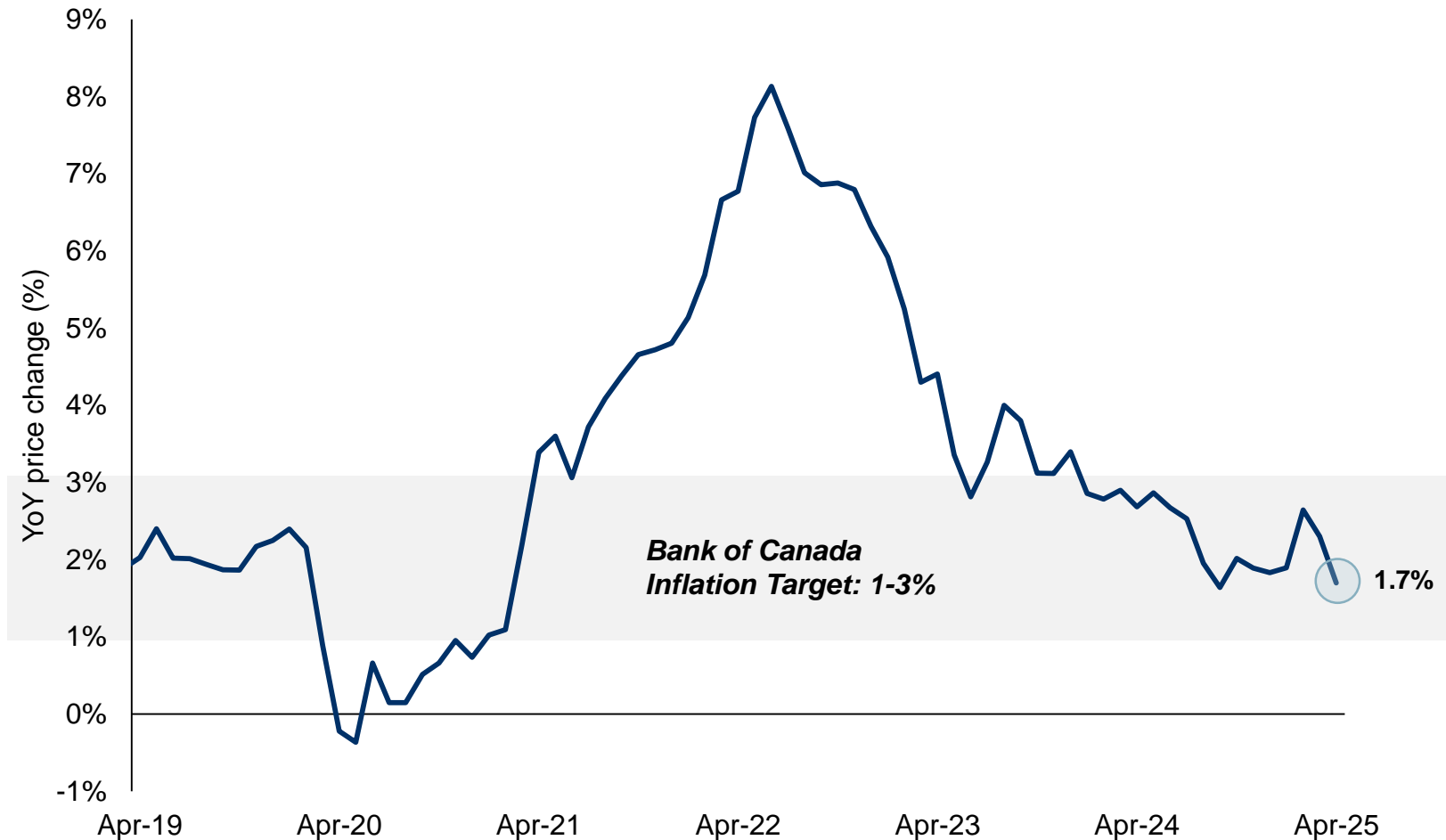


Source: RBC GAM as of April 29, 2025.

Inflation has normalized

Path going forward highly variable given uncertain economic outlook

Canadian headline inflation

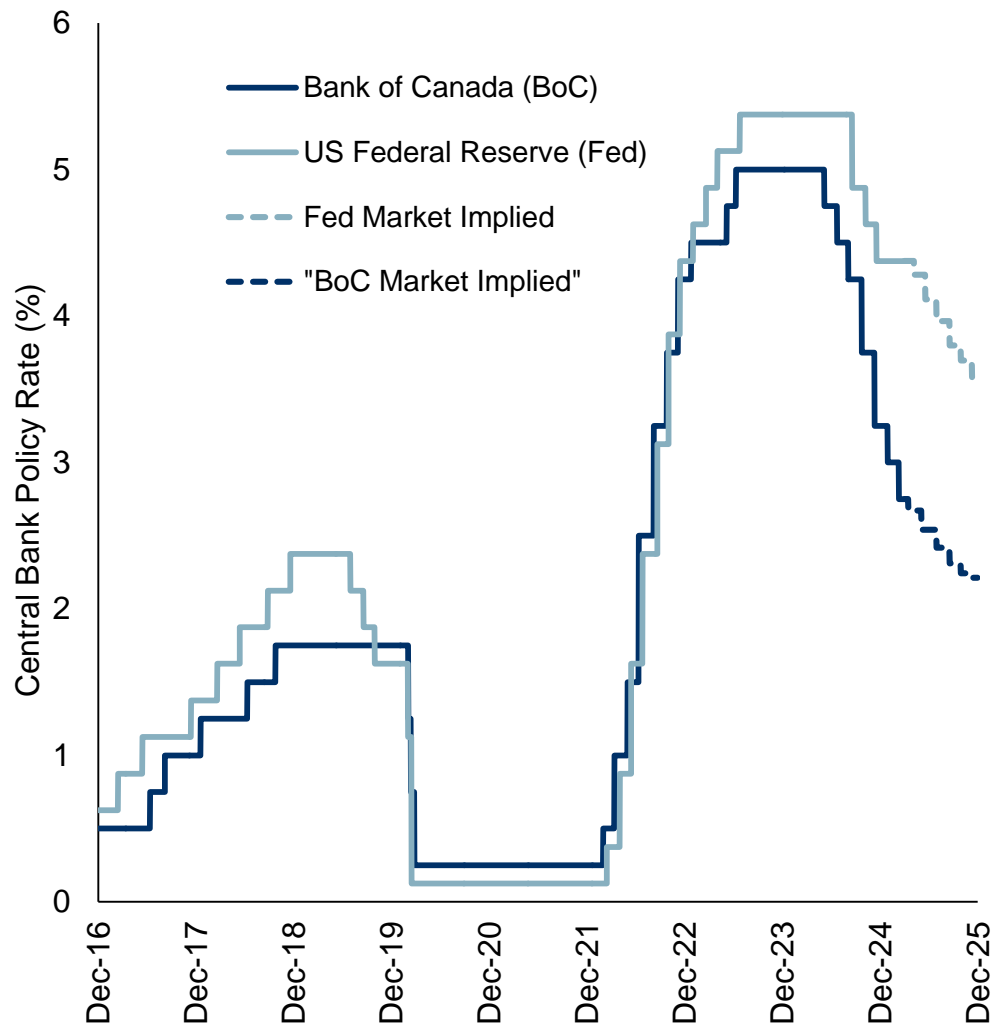


Source: RBC GAM, Statistics Canada. Note: As of 05/20/2025.

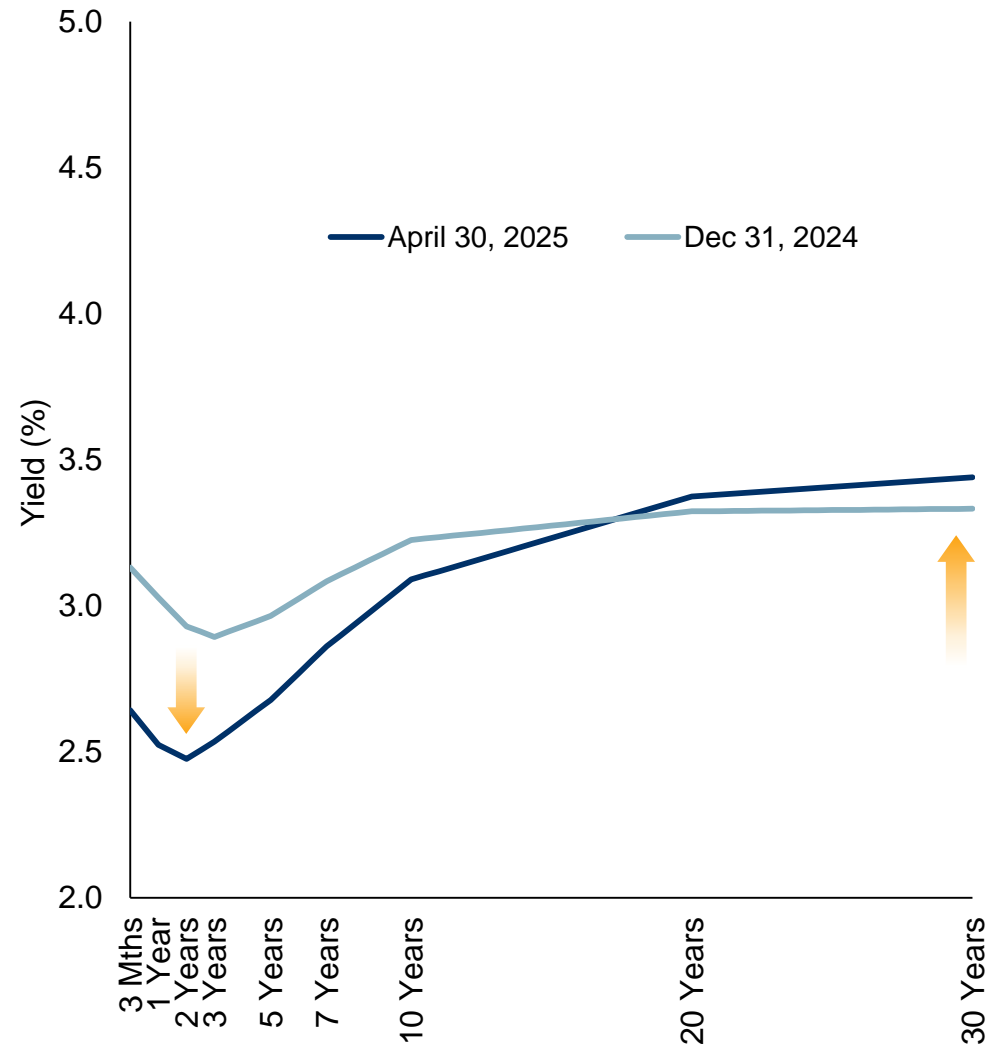
Bank of Canada continued easing its policy rate

Bond market expects further rate cuts by the BoC

Central bank policy rate & market expectations



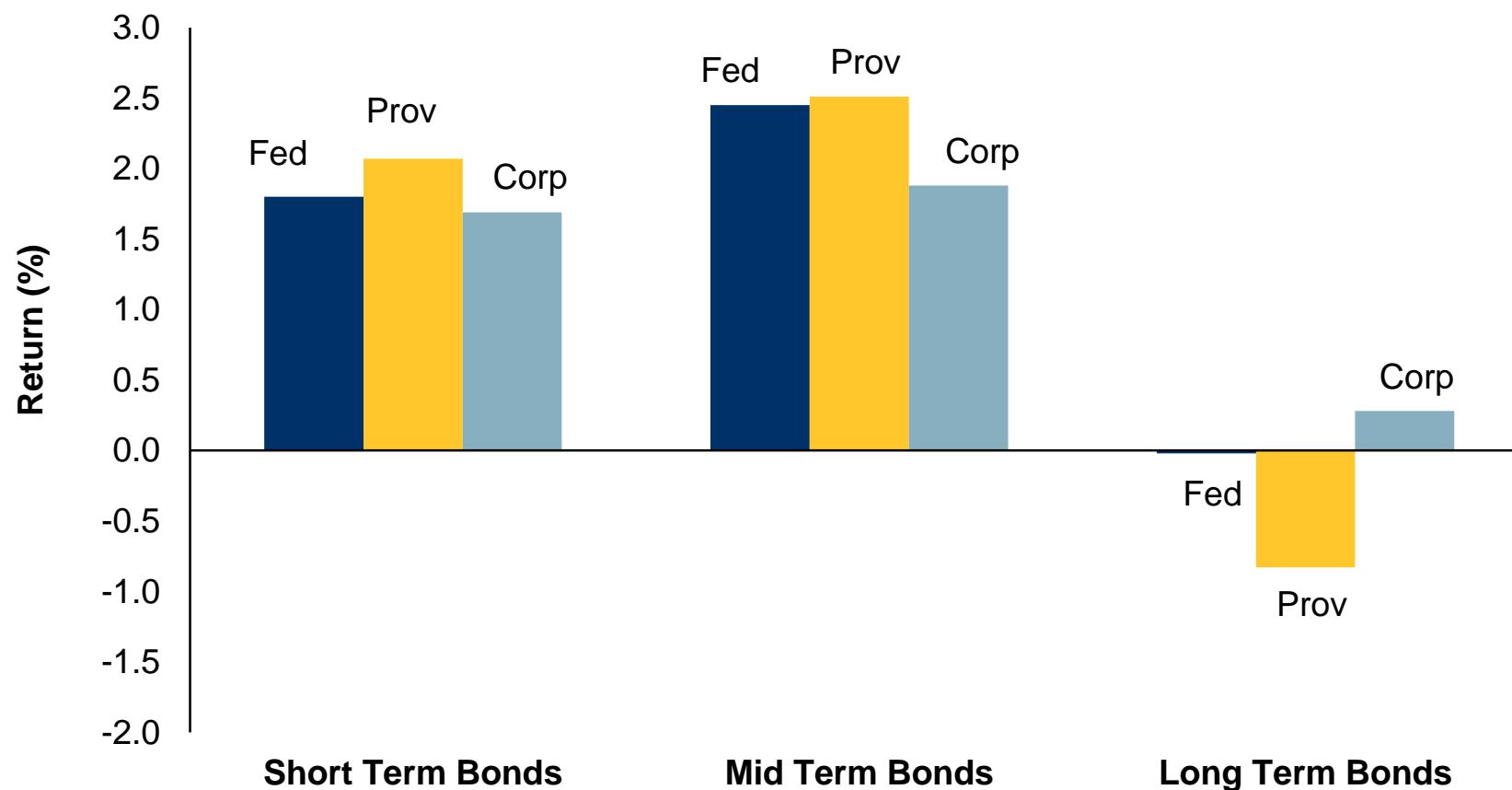
Government of Canada yield curve



*Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. PH&N Institutional accepts no liability for any failure to meet such forecast or target. Source: RBC GAM, Bloomberg. As of March 31, 2025

Bond market returns

Canadian bond returns – 2025 year-to-date to April 30



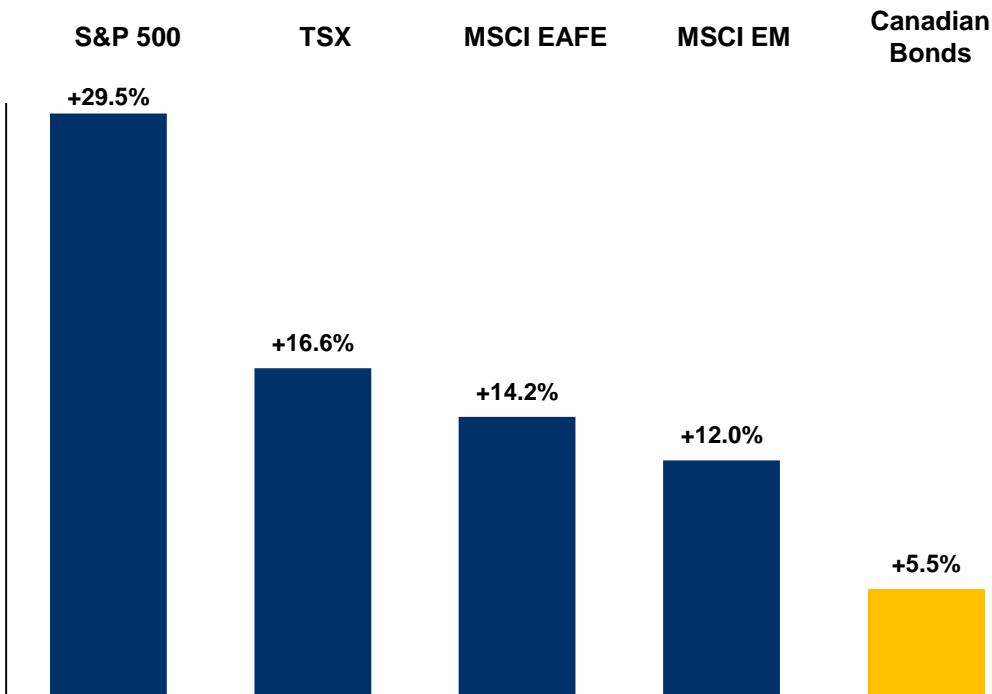
Source: FTSE Global Debt Capital Markets Inc.

* Representative components of the FTSE Canada bond indices

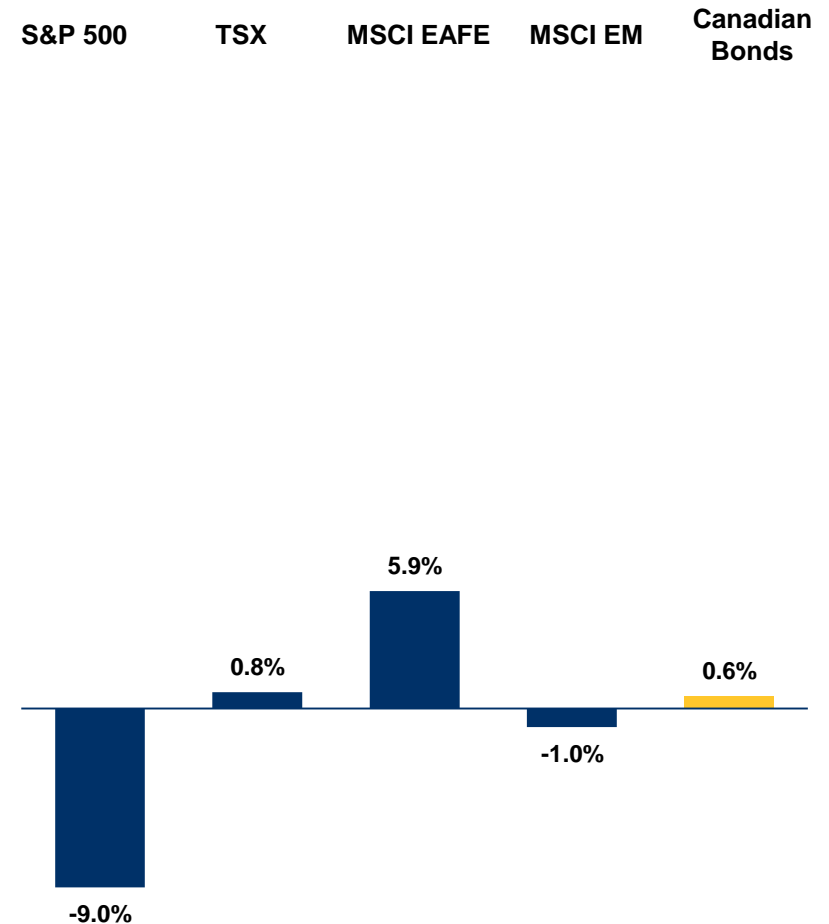
Market Review: 2025 starting off choppy

Is a market rotation underway?

2023-2024



So far in 2025²



¹ Annualized returns. January 1, 2023 to December 31, 2024

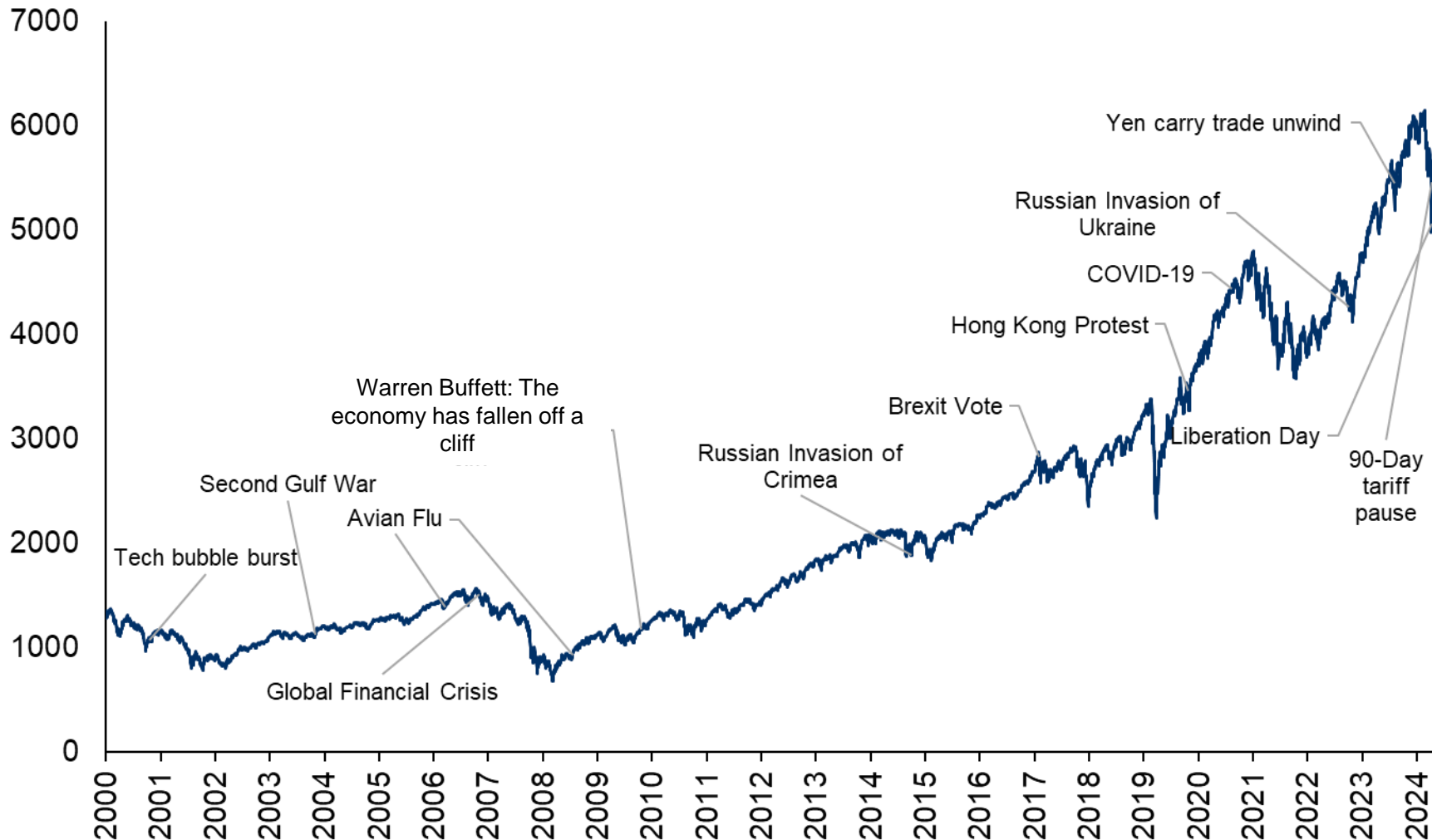
² YTD Returns. January 1, 2025 to April 25, 2025

Source: RBC GAM, Bloomberg. S&P 500 Index (CAD), S&P/TSX Composite Index, MSCI EAFE Index (CAD), MSCI Emerging Markets Index (CAD), FTSE Canada Universe Bond Index.

Equity Market Review: the case for staying invested

Equity markets are always climbing some “wall of worry” – this time is no different

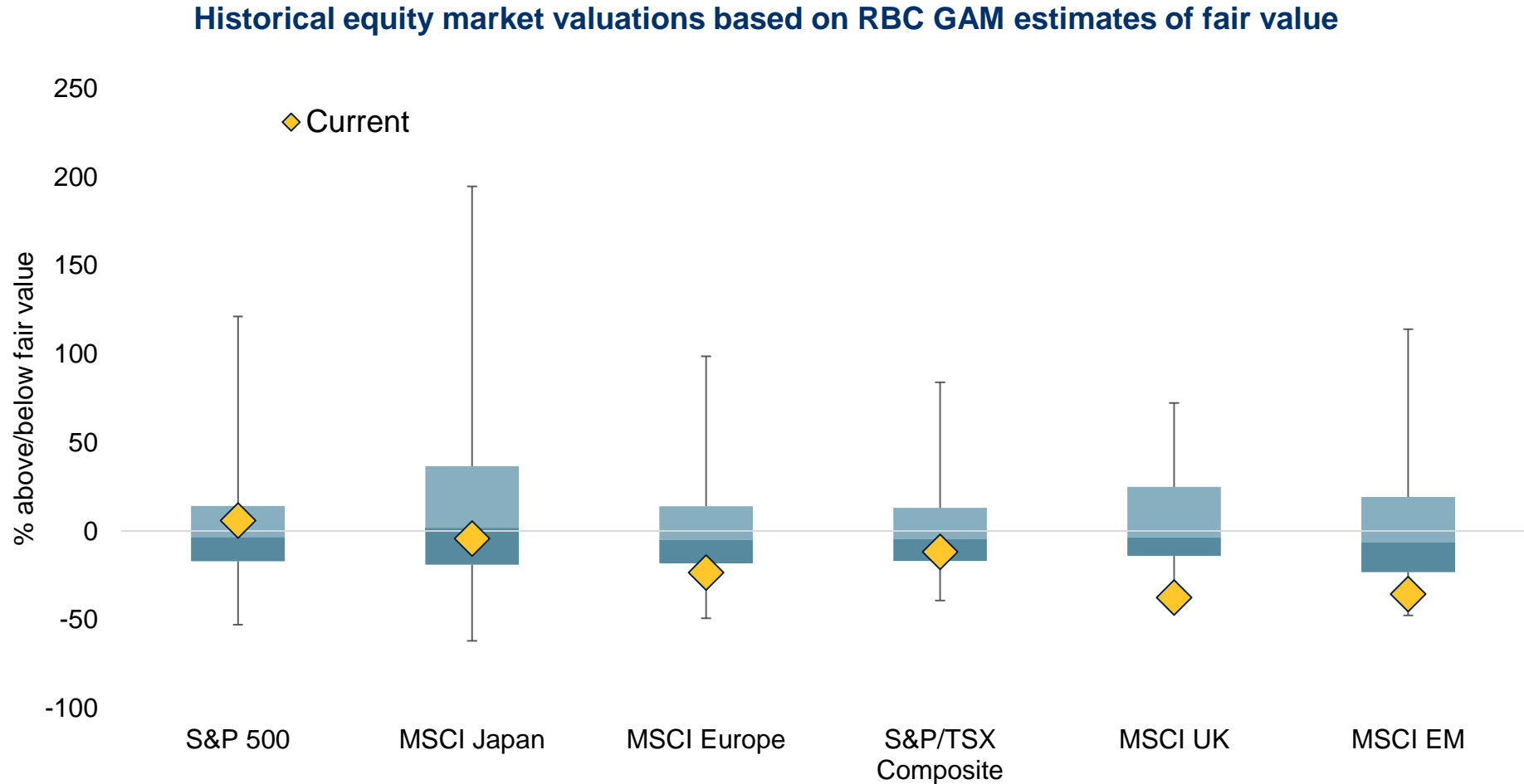
S&P 500 Index Level (USD)



Source: Bloomberg, RBC GAM. As of April 28, 2025

Equity Market Review: the case for equities

Major indices (excluding U.S.) are arguably inexpensive



Source: RBC GAM, Bloomberg. Box plots show maximum, 75th percentile, median, 25th percentile and minimum. Based on monthly data since Jan 1980. As of Apr 7, 2025.

Fund Performance

Fixed Income (March 31, 2025)

Fixed Income Solutions - Total Return (%)	3 Months	1 Year	3 Year	5 Year	10 Year	ONE AUM ¹
PH&N Short Term Bond & Mortgage Fund	1.72	7.16	4.08	2.74	2.39	504,738,024.84
<i>FTSE Canada Short Term Overall Bond Index</i>	1.69	7.14	3.74	2.10	1.91	
<i>Value Add</i>	0.03	0.02	0.34	0.64	0.48	
PH&N Enhanced Total Return Bond Fund	2.03	8.06	2.97	1.81	2.44	252,472,387.70
<i>FTSE Canada Universe Bond Index</i>	2.02	7.65	2.50	0.88	1.77	
<i>Value Add</i>	0.01	0.41	0.47	0.93	0.67	
PH&N Corporate Bond Trust	2.07	9.25	4.54	3.68	3.52	20,094,471.65
<i>FTSE Canada All Corporate Bond Index</i>	1.81	8.84	4.38	3.19	2.86	
<i>Value Add</i>	0.26	0.41	0.16	0.49	0.66	
PH&N Private Placement Corporate Debt Fund	2.58	10.52	5.07	3.10	-	133,118,749.01
<i>FTSE Canada All Corporate Bond Index</i>	1.81	8.59	2.80	1.06	-	
<i>Value Add</i>	0.77	1.93	2.27	2.04	-	
RBC Commercial Mortgage Fund	2.04	7.89	-	-	-	55,092,678.94
<i>FTSE Canada Short Term Overall Bond Index</i>	1.69	7.14	-	-	-	
<i>Value Add</i>	0.35	0.75	-	-	-	
RBC High Yield Bond Fund	1.09	7.37	4.30	5.98	4.44	4,968,026.79
<i>FTSE Canada Short Term Overall Bond Index²</i>	1.69	7.14	2.33	0.78	1.72	
<i>Value Add</i>	-0.60	0.23	1.97	5.20	2.72	
BlueBay Total Return Credit Fund (Canada)	1.44	8.09	4.00	-	-	274,982,497.59
<i>FTSE Canada 91 Day T-Bill Index</i>	0.83	4.49	4.04	-	-	
<i>Value Add</i>	0.61	3.60	-0.04	-	-	
RBC Global Bond Fund	0.76	2.86	-0.30	-0.73	1.64	181,421,818.82
<i>FTSE World Government Bond Index (Hedged to CAD)</i>	0.52	2.40	-0.60	-1.40	1.02	
<i>Value Add</i>	0.24	0.46	0.30	0.67	0.62	
PH&N Canadian Money Market Fund	0.84	4.43	4.28	2.72	2.04	40,264,698.03
<i>FTSE Canada 30 Day TBill Index</i>	0.75	4.21	3.96	2.42	1.70	
<i>Value Add</i>	0.09	0.22	0.32	0.30	0.34	

1. AUM as of March 31, 2025

2. Current benchmark as of March 1, 2024: 100% FTSE Canada Short-Term Overall Bond Index. Prior benchmark: 100% FTSE Canada Universe Bond Index.

Equities (March 31, 2025)

Equity Solutions - Total Return (%)	3 Months	1 Year	3 Year	5 Year	10 Year	ONE AUM ¹
PH&N Canadian Equity Fund	1.42	14.56	7.89	17.30	8.81	67,930,146.69
<i>S&P/TSX Capped Composite Index</i>	1.51	15.81	7.77	16.76	8.54	
<i>Value Add</i>	-0.09	-1.25	0.12	0.54	0.27	
PH&N Canadian Equity Value Fund	1.80	15.81	8.79	17.90	9.52	68,468,449.77
<i>S&P/TSX Capped Composite Index</i>	1.51	15.81	7.77	16.76	8.54	
<i>Value Add</i>	0.29	0.00	1.02	1.14	0.98	
RBC QUBE Canadian Equity Fund	1.08	17.34	9.21	17.60	8.47	68,281,323.57
<i>S&P/TSX Capped Composite Index</i>	1.51	15.81	7.77	16.76	8.54	
<i>Value Add</i>	-0.43	1.53	1.44	0.84	-0.07	
PH&N U.S. Equity Fund	-4.32	13.80	14.66	18.80	13.04	33,795,364.78
<i>S&P 500 Index C\$</i>	-4.17	15.00	14.30	19.12	13.95	
<i>Value Add</i>	-0.15	-1.20	0.36	-0.32	-0.91	
RBC QUBE U.S. Equity Fund	-5.21	14.23	15.74	20.16	13.84	33,539,027.80
<i>S&P 500 Index C\$</i>	-4.17	15.00	14.30	19.12	13.95	
<i>Value Add</i>	-1.04	-0.77	1.44	1.04	-0.11	
RBC International Equity Fund	3.98	8.15	10.54	12.48	7.87	38,984,899.11
<i>MSCI EAFE Net Index</i>	6.94	11.55	11.18	12.02	6.75	
<i>Value Add</i>	-2.96	-3.40	-0.64	0.46	1.12	
PH&N Overseas Equity Fund	1.43	12.07	5.14	9.84	6.81	38,786,060.61
<i>MSCI EAFE Net Index</i>	6.94	11.55	11.18	12.02	6.75	
<i>Value Add</i>	-5.51	0.52	-6.04	-2.18	0.06	
RBC QUBE Global Equity Fund	-1.59	14.59	15.59	18.69	11.50	100,824,035.39
<i>MSCI World Total Return Net Index (CAD)</i>	-1.72	13.84	12.79	16.39	10.91	
<i>Value Add</i>	0.13	0.75	2.80	2.30	0.59	
RBC Global Equity Focus Fund (CAD)	-3.31	10.52	7.47	13.60	11.47	100,697,546.11
<i>MSCI World Total Return Net Index (CAD)</i>	-1.72	13.84	12.79	16.39	10.91	
<i>Value Add</i>	-1.59	-3.32	-5.32	-2.79	0.56	

1. AUM as of March 31, 2025

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.

RBC Global Asset Management

PH&N Institutional



Equities – Low Volatility (March 31, 2025)

Low Volatility Equity Solutions - Total Return (%)	3 Months	1 Year	3 Year	5 Year	10 Year	ONE AUM ¹
RBC QUBE Low Volatility Canadian Equity Fund	5.35	18.09	9.13	16.07	9.41	111,915,729.67
<i>S&P/TSX Capped Composite Index</i>	<i>1.51</i>	<i>15.81</i>	<i>7.77</i>	<i>16.76</i>	<i>8.54</i>	
<i>Value Added</i>	<i>3.84</i>	<i>2.28</i>	<i>1.36</i>	<i>-0.69</i>	<i>0.87</i>	
RBC QUBE Low Volatility U.S. Equity Fund	7.30	21.46	14.31	15.63	12.41	76,212,538.04
<i>S&P Composite 1500 Index C\$</i>	<i>-4.38</i>	<i>14.02</i>	<i>13.81</i>	<i>18.95</i>	<i>13.56</i>	
<i>Value Added</i>	<i>11.68</i>	<i>7.44</i>	<i>0.50</i>	<i>-3.32</i>	<i>-1.15</i>	

Low Volatility Equities - Volatility of Returns (%)*	1 Year	3 Year	5 Year	10 Year
RBC QUBE Low Volatility Canadian Equity Fund	8.32	10.68	10.65	10.55
<i>S&P/TSX Capped Composite Index</i>	<i>10.30</i>	<i>13.70</i>	<i>13.22</i>	<i>12.80</i>
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	8.91	9.07	10.18	10.99
<i>S&P Composite 1500 Index (CAD)</i>	<i>11.78</i>	<i>13.72</i>	<i>13.46</i>	<i>13.04</i>

Low Volatility Equities - Sharpe Ratio*	1 Year	3 Year	5 Year	10 Year
RBC QUBE Low Volatility Canadian Equity Fund	1.67	0.48	1.28	0.73
<i>S&P/TSX Capped Composite Index</i>	<i>1.13</i>	<i>0.29</i>	<i>1.09</i>	<i>0.53</i>
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	1.94	1.15	1.30	0.98
<i>S&P Composite 1500 Index (CAD)</i>	<i>0.83</i>	<i>0.72</i>	<i>1.23</i>	<i>0.91</i>

1. AUM as of March 31, 2025

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.

Fund oversight update

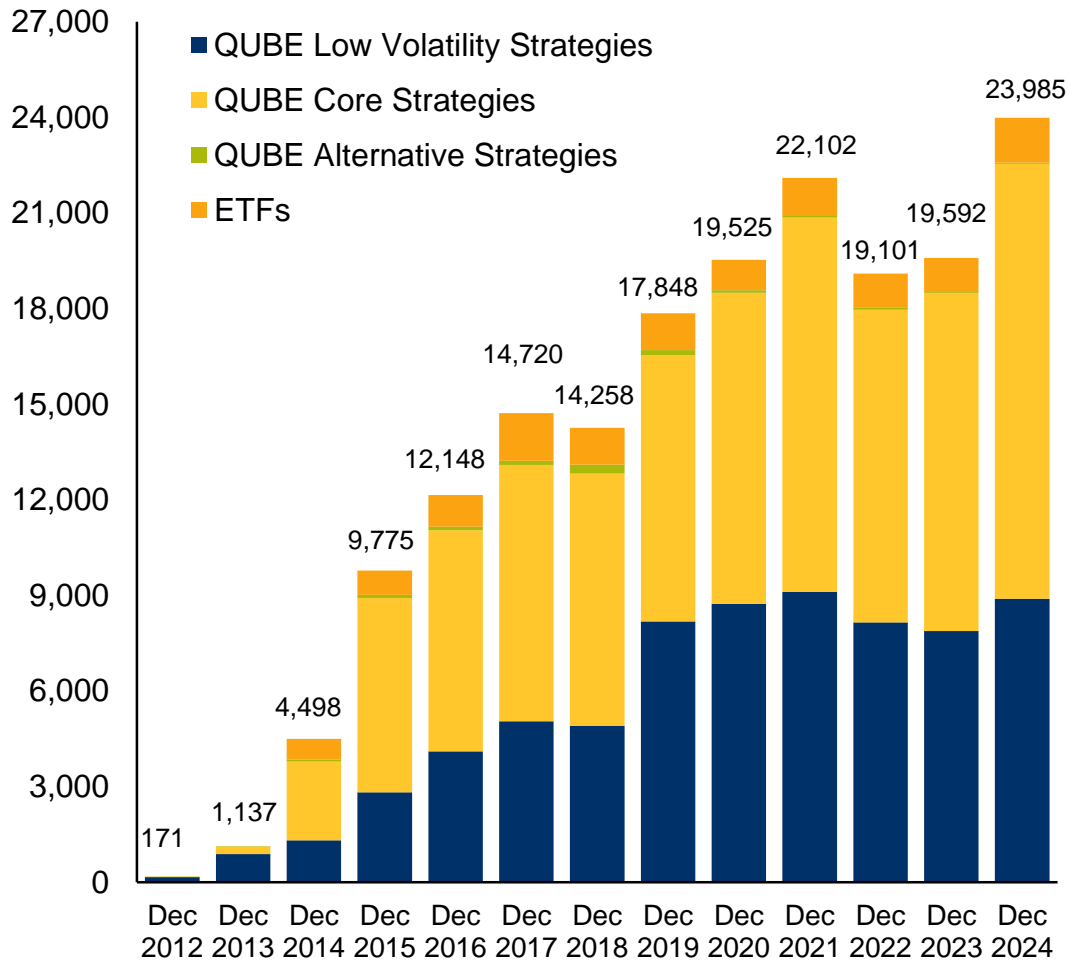
Strategy	Comments
RBC QUBE Low Volatility U.S. Equity Fund	<ul style="list-style-type: none"> Strategies remain under review due to underperformance relative to benchmarks. Low vol approach is expected to underperform during strong up markets. Strategies showed strong resilience during volatile Q1, with both outperforming benchmarks.
RBC QUBE Low Volatility Global Equity Fund	
PH&N Overseas Equity Fund	<ul style="list-style-type: none"> Strategy under review due to underperformance relative to benchmark. Relative performance recovered in 2024 but slipped again in Q1 2025. CIO and risk teams continue to work with the investment team to enhance risk processes.
RBC Global Equity Focus Fund	<ul style="list-style-type: none"> Strategies under review due to underperformance relative to benchmark. Both are managed by the same team and adhere to the same process and philosophy. Relative performance recovered in 2024 but slipped again in Q1 2025.
RBC Global Equity Leaders Fund	

Strategy Overview – QUBE Low Volatility Funds

RBC Quantitative Investments team

Comprehensive product suite and long track record

Annual AUM in quantitative strategies (CAD millions)



- Systematic multi-factor investors
- Strategies include low volatility, core and market neutral
- Invests across multiple regions, including Canada, U.S., Global, Emerging Markets (EM)
- 10+ year track record

Source: RBC Global Asset Management (RBC GAM) as of December 31, 2024

RBC Quantitative Investments team

Deep and experienced team with diverse experience

Team head



Jaco Van der Walt

Managing Director, Global Head of
Quantitative Research & Investments
27 years of experience

Portfolio management



Oliver McMahon

Senior Portfolio Manager

30 years of experience



Norman So

Senior Portfolio Manager

20 years of experience



Brian Vuong

Associate Portfolio Manager

19 years of experience

Quantitative research



Julian Douglass

Head of Research

25 years of experience



Mariam Belkoura

Lead Quantitative
Research Analyst

11 years of experience



Connor Heggart

Senior Quantitative
Research Analyst

8 years of experience



Bassirou Ndao

Quantitative
Research Analyst

9 years of experience



Spencer Sillaste

Quantitative
Research Analyst

2 years of experience



Peter Vincent

Senior Quantitative
Research Engineer

24 years of experience



Supported by a team of 7 dedicated quantitative systems developers¹








Source: RBC GAM as of March 31, 2025. 1 Not pictured.

RBC Global Asset Management
PH&N Institutional

Our approach to low volatility equity strategies

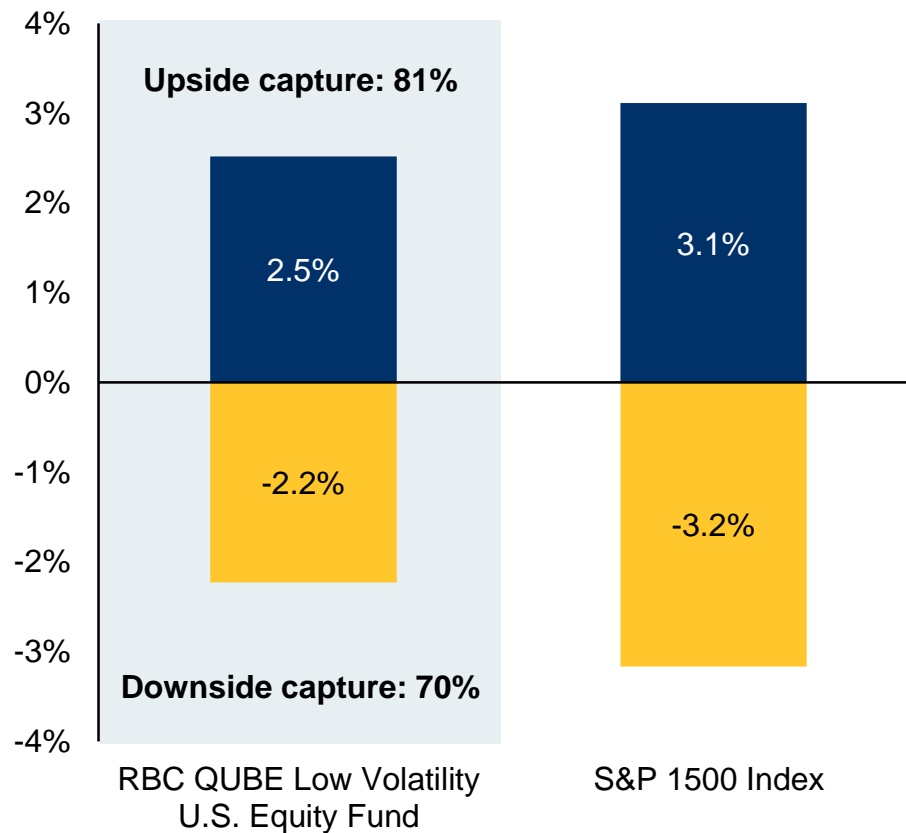
Summary:

- More volatile stocks are not necessarily compensated with higher returns
- Reducing equity volatility and protecting on the downside has significant benefits to an overall portfolio

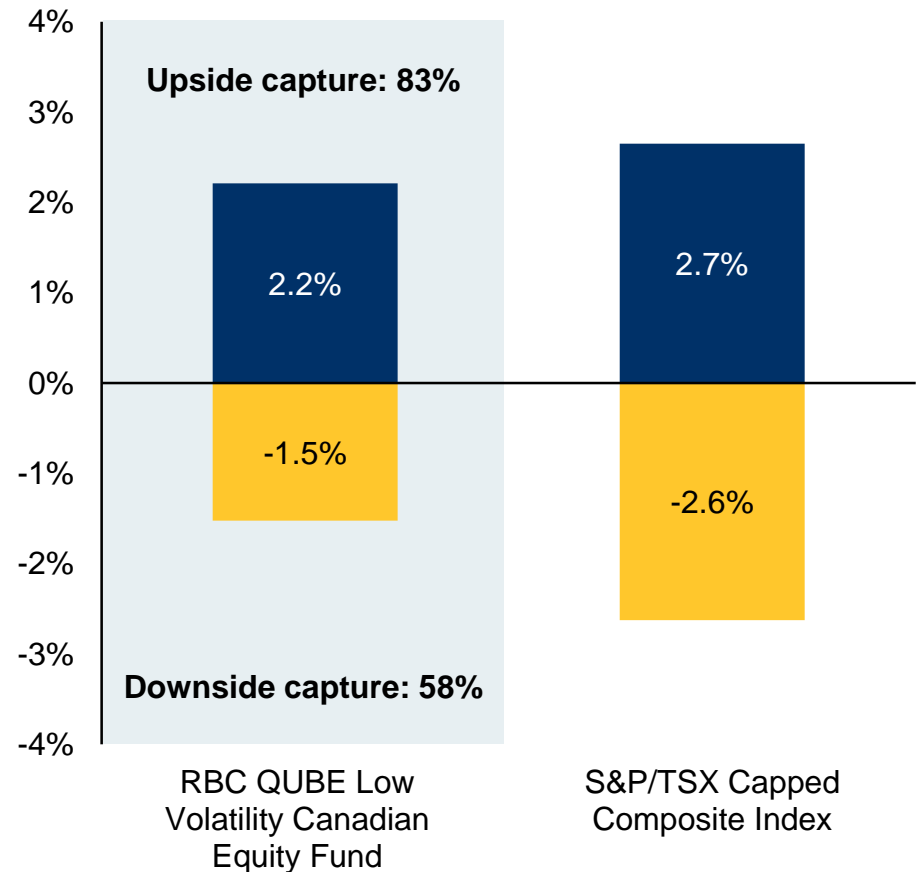
	RBC QUBE Low Volatility Equity Strategies	
Investment objective		Superior risk-adjusted returns and lower volatility
Definition of risk		Emphasis on reducing absolute volatility rather than tracking an index
Return characteristics		Equity-like returns with lower overall risk
Portfolio construction		Thoughtful constraints with a tilt towards alpha factors for additional value-add
Approach		Combine quantitative tools with human oversight and ongoing innovation

Long-term capture ratios confirm good downside protection

U.S. equity



Canadian equity



■ Average return during a month when the index return is positive

■ Average return during a month when the index return is negative

The upside (downside) capture measures the average return for the fund vs. the benchmark for those monthly periods when the benchmark return is positive (negative).

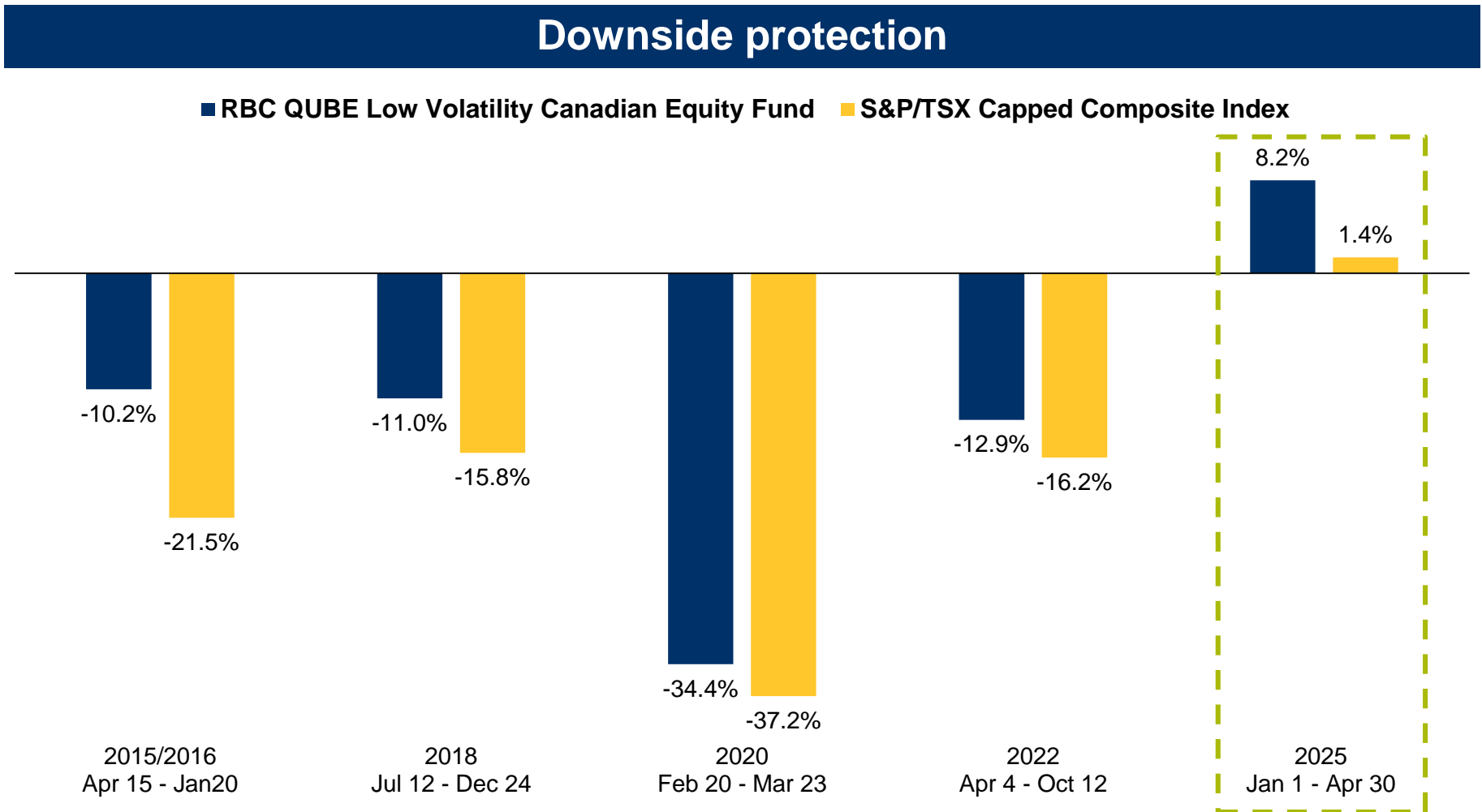
Source: RBC GAM. All returns are in CAD

U.S. equities are for the period December 31, 2012 to March 31, 2025

Canadian equities are for the period November 30, 2012 to March 31, 2025

History of downside protection

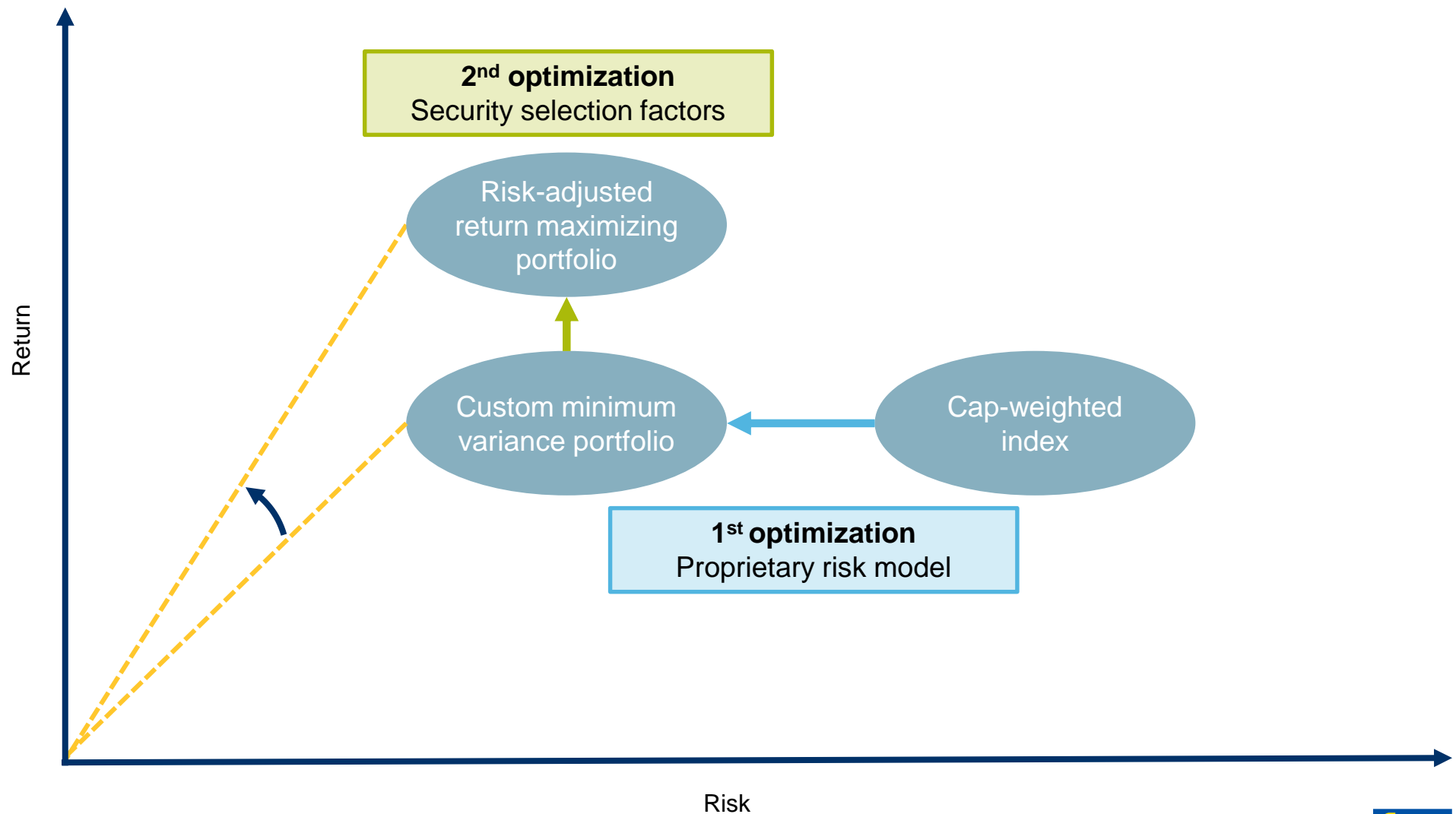
A compelling strategy for the current environment



Source: RBC GAM, S&P. As of April 30. Series O returns, gross of management fees in Canadian dollars. Periods less than one year not annualized. Represents the four largest drawdowns for the S&P/TSX Capped Composite Index since 2013 as well as recent notable events. Returns are calculated using daily data.

Low volatility investment process

Two-step optimization to minimize risk and maximize risk-adjusted returns



Source: RBC GAM

This chart is for illustrative purposes only and is not intended to be representative of the performance of any actual or future investment.

Alpha factors used in Step 2 optimization

Security selection alpha factors drive portfolio positioning

Profitability

assesses a company's ability to sustainably grow earnings (*CFROI*[®], *Forward ROE*, *ROA*)

Sentiment

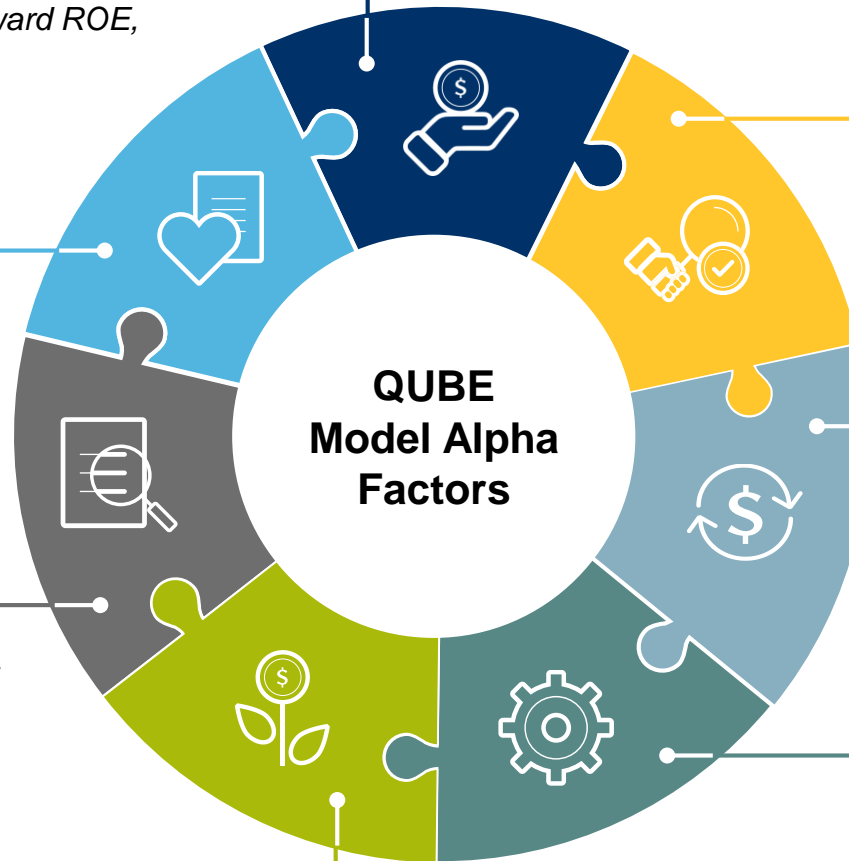
identifies overbought or oversold companies (*Williams %R*, *Coppock Curve*)

Analyst

identifies early signals of change as they arise (*Analyst Recommendations*, *Earnings Revision*)

Growth

examines a firm's growth prospects, particularly in its earlier stages (*FCF Growth*, *Normalized ROE Growth*)



Quality

provides quantitative insight into management behavior and balance sheet strength (*Debt Financing*, *Goodwill Growth*)

Value

can identify irrational investor behavior and mispriced investment opportunities (*Forward P/E*, *P/CF*)

Technical

identifies market movements before fundamental changes are apparent (*Crowding*, *Short Interest*, *Momentum Acceleration*)

Source: RBC GAM. The RBC QUBE V3 models typically include 30-40 security selection alpha factors (grouped into the 7 factor composites shown on this slide). *CFROI*[®] is a trademark of Credit Suisse Group AG or its affiliates. Provided for illustrative purposes and does not show actual factor weights in the 3D alpha model.

Quantitative research update

Ongoing, continuous improvement is essential to our process



Alpha research



Portfolio engineering



Virtual lab



Machine learning

- **Alpha factors recently added:**

- Crowding
- Patents
- Short Interest

- **Current projects:**

- Analyst forecasts
- Review of country and sector models

- **Deep dive insights:**

- Exploring interaction between market concentration, long-only, and low volatility performance

- **Enhancing model attribution dashboard:**

- Waterfall analysis
- Model attribution

- **Exploring ways to incorporate machine learning into the investment and research process**

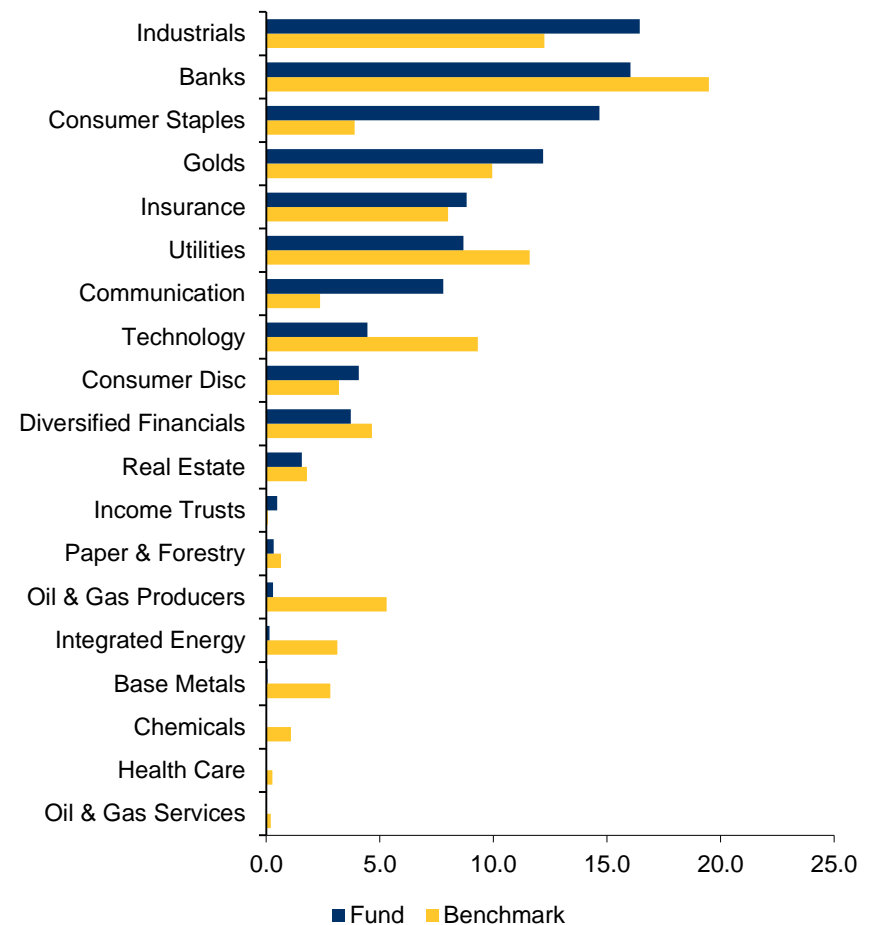
Source: RBC GAM, RBC Quantitative Investments. As of March 31, 2025.

Portfolio characteristics

RBC QUBE Low Volatility Canadian Equity Fund

Issuer	Sector	Fund %
Royal Bank of Canada	Banks	4.8
Canadian Imperial Bank of Commerce	Banks	4.6
Bank of Nova Scotia	Banks	4.2
Metro	Consumer Staples	4.2
Agnico Eagle Mines	Golds	3.8
Dollarama	Consumer Disc	3.8
Canadian National Railway	Industrials	3.8
Thomson Reuters	Industrials	3.8
Loblaw Cos	Consumer Staples	3.6
TMX	Diversified Financials	3.5
Fund		Benchmark
Holdings (ex Cash)	75	218
Dividend Yield	2.9%	2.9%

Sector allocation (%)



As at 3.31.2025

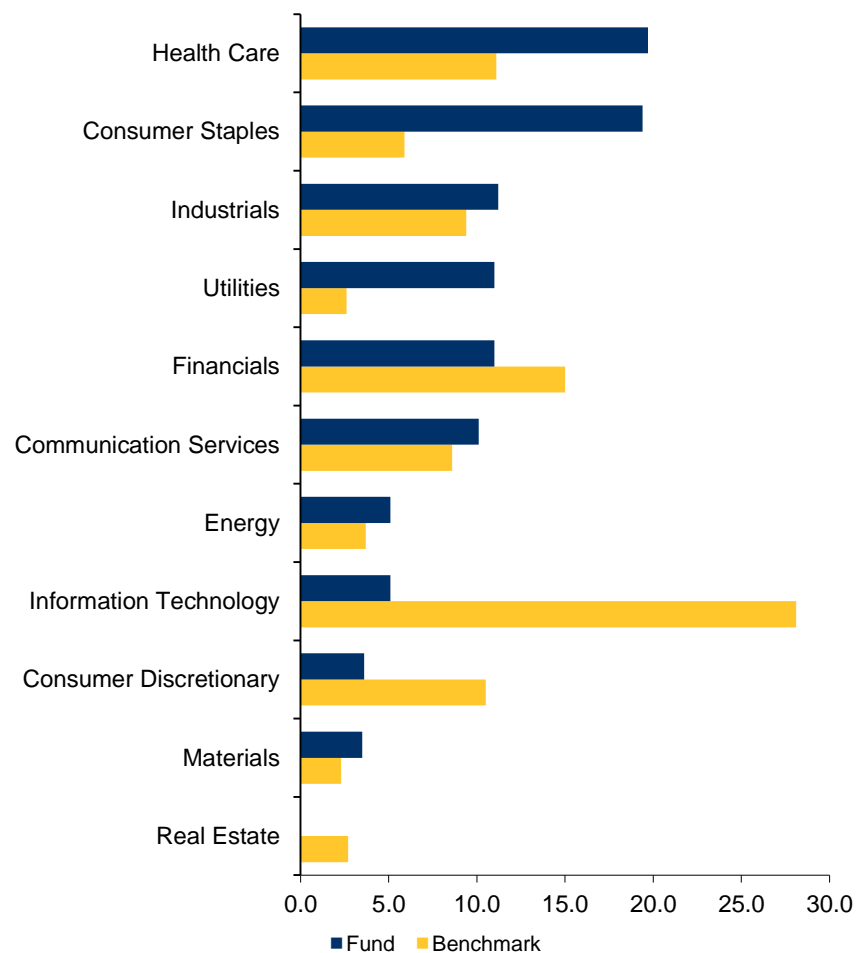
Source: RBC Global Asset Management, S&P Dow Jones Indices. Fund data for Series O. The yield shown is calculated based on the average dividend yield of the securities held by the fund. The S&P/TSX Capped Composite Index is the benchmark for the fund.

Portfolio characteristics

RBC QUBE Low Volatility U.S. Equity Fund

Issuer	Sector	Fund %
Southern	Utilities	3.0
Duke Energy	Utilities	3.0
Automatic Data Processing	Industrials	3.0
Kimberly-Clark	Consumer Staples	2.9
Colgate-Palmolive	Consumer Staples	2.9
Mastercard	Diversified Financials	2.9
Johnson & Johnson	Health Care	2.9
Verizon Communications	Communication	2.9
Procter & Gamble	Consumer Staples	2.8
Gilead Sciences	Health Care	2.8
Fund		Benchmark
Holdings (ex Cash)	109	1,500
Dividend Yield	2.3%	1.4%

Sector allocation (%)



As at 3.31.2025

Source: RBC Global Asset Management. Fund data for Series O. The yield shown is calculated based on the average dividend yield of the securities held by the fund. The S&P Composite 1500 Index (CAD) is the benchmark for the fund.

Strategy Overview –

PH&N Short Term Bond & Mortgage Fund

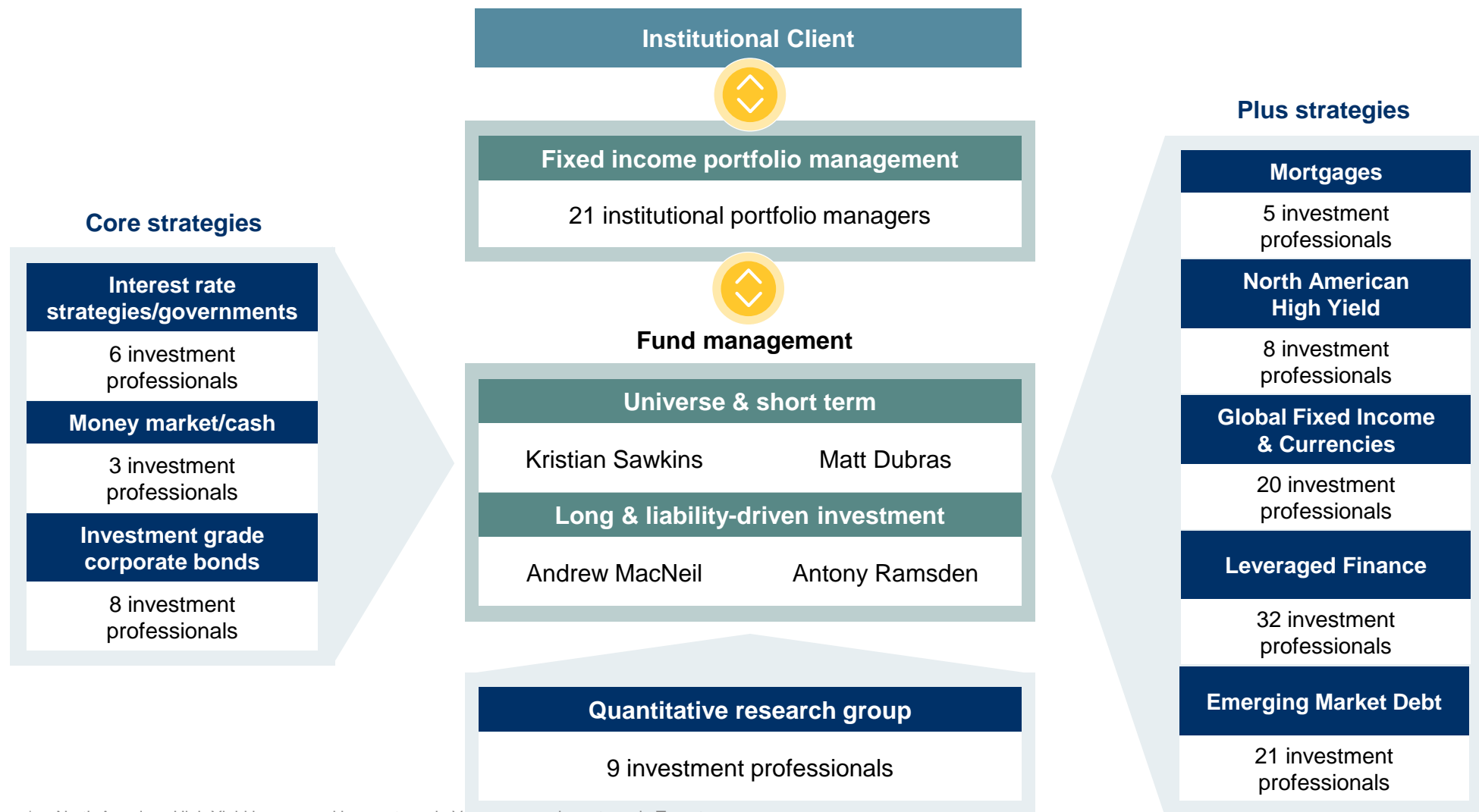
PH&N Enhanced Total Return Bond Fund

PH&N Bond Fund

Investment Team & Philosophy

PH&N Fixed Income Team

Team structure with accountability



* North American High Yield is managed by one team in Vancouver and one team in Toronto.

** Global Fixed Income & Currencies is managed by RBC Global Asset Management Inc., RBC Global Asset Management (U.S.) Inc., and RBC Global Asset Management (UK) Limited

*** Leveraged Finance is managed by RBC Global Asset Management (UK) Limited.

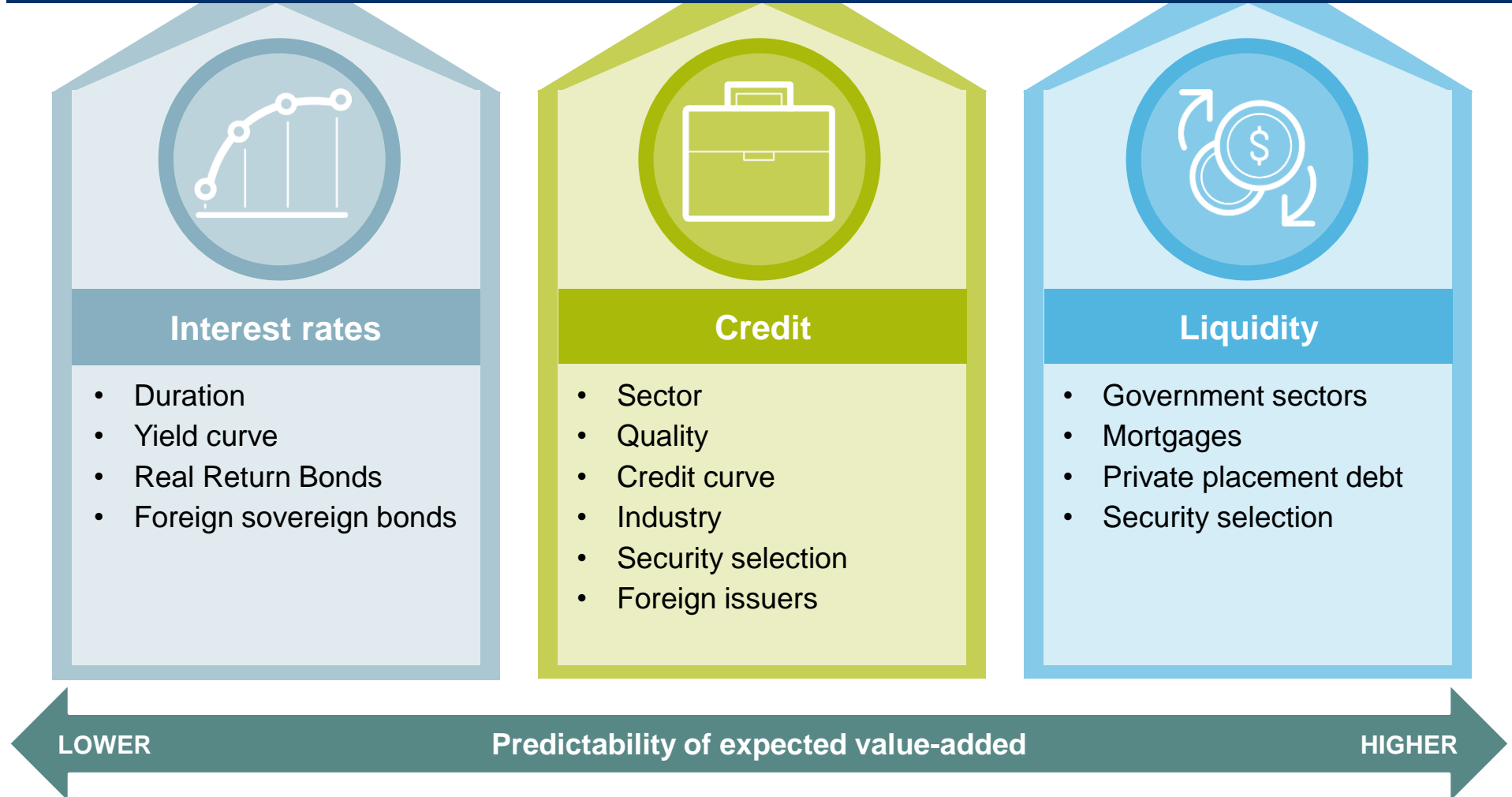
**** Emerging Market Debt is managed by one team in London at RBC Global Asset Management (UK) Limited.

Data as of December 31, 2024.

PH&N Institutional's fixed income investment philosophy

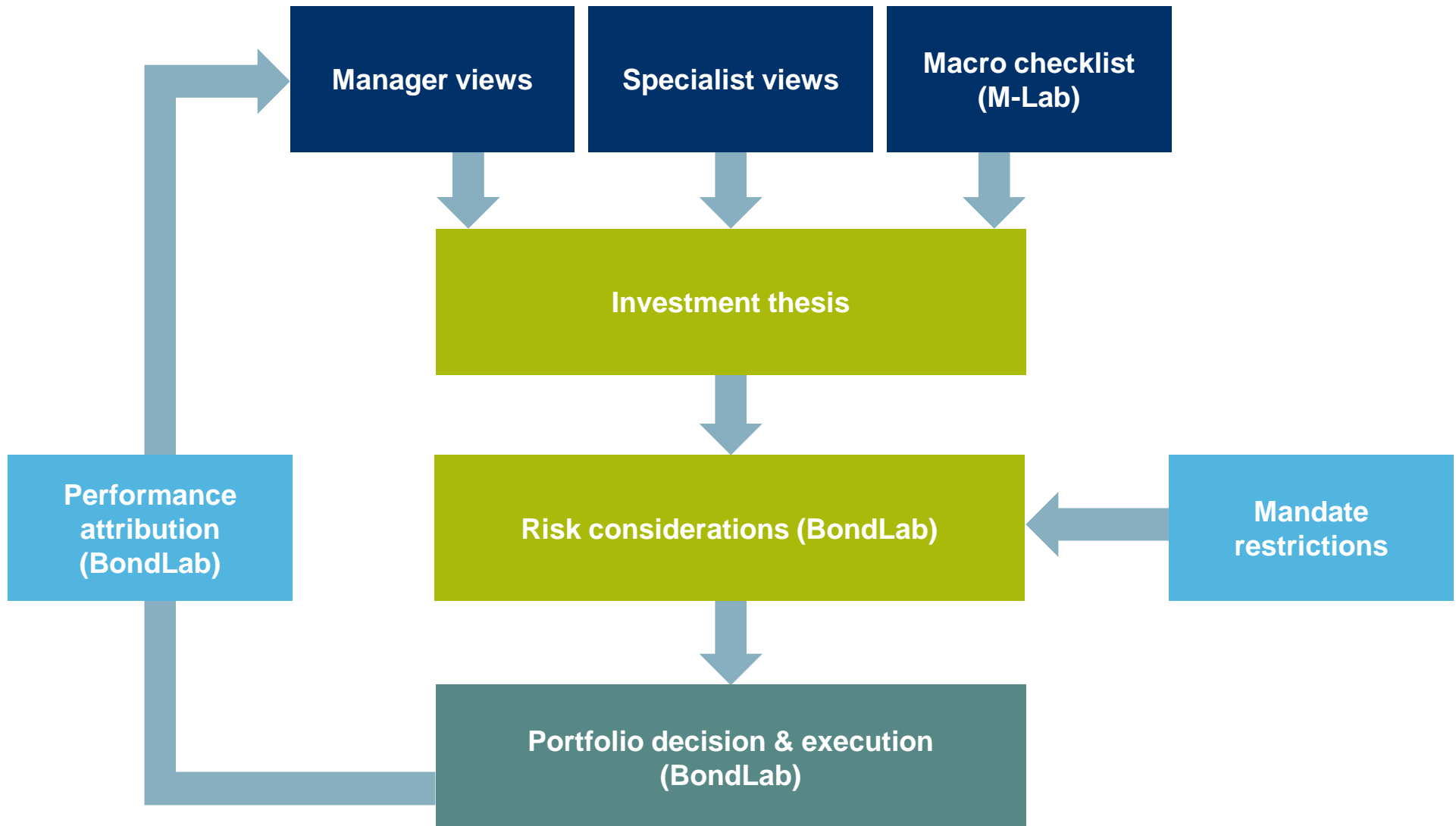
Multiple sources of risk/opportunity

Diversified portfolio with attractive reward-for-risk characteristics



Portfolio construction and risk management

A continuous process



Proprietary investment and risk management systems

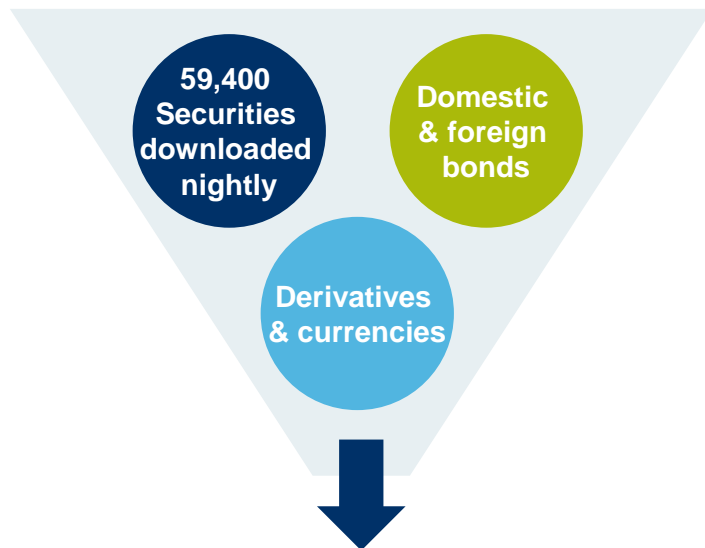
Critical aspect to managing an active multi-strategy approach

BondLab:

Proprietary fixed income risk system since 1998

- Analyzes individual strategies & interactions
- Detailed portfolio risk analytics
- Scenario analysis including “*what if...*”
- Compliance monitoring

Risk analyzed on **absolute basis** or against **any benchmark**



Portfolio tracking error
Scenario analysis
Compliance
Reporting

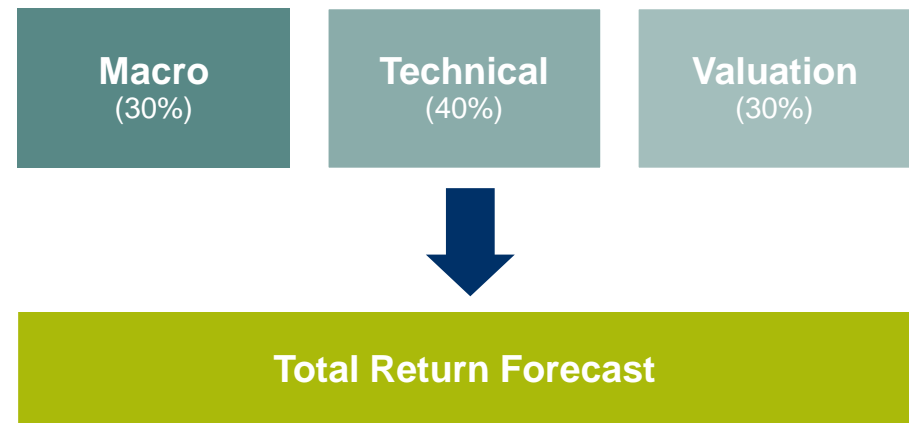
M-Lab:

Wide variety of financial models

- Valuation, custom indicators, return forecasting, etc
- Objectively test intuition on market drivers
- Transparent format (i.e. not a black box)

Decision **support** tools, not decision **making** tools

Forecast aggregation across categories



PH&N Short Term Bond & Mortgage Fund

Spectrum of fixed income investment capabilities

Active management in short bonds

		PH&N Short Term Bond & Mortgage Fund	PH&N Short Core Plus Bond Fund
Core strategies	Government	✓	✓
	Investment grade corporates	✓	✓
“Plus” strategies	Conventional mortgages*	✓	✓
	North American high yield	✗	✓
	Global high yield	✗	✓
	Emerging market debt	✗	✓
Value-added target		35 bps	70 bps
Benchmark		FTSE Canada Short Term Bond Index	
AUM (3/31/25)		\$9,457.8 million	\$2,406.7 million
Inception date		Oct 2002	Aug 2020

*Mortgages in the PH&N Short Term Bond & Mortgage Fund are restricted to first mortgages secured by multi-family properties. Mortgages in the “Plus” strategy used in the PH&N Short Core Plus Bond Fund are first mortgages on income producing properties in Canada.

PH&N Short Term Bond & Mortgage Fund

Portfolio Characteristics – March 31, 2025

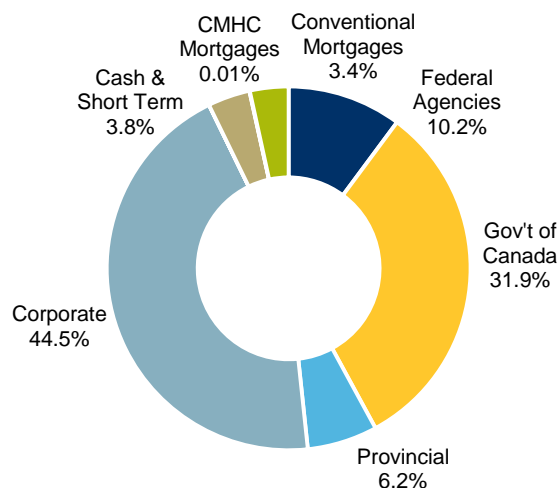
Portfolio characteristics

Market value:	\$9,457.8 million
Modified duration:	2.65 yr
Average maturity:	2.93 yr
Yield:	3.04%

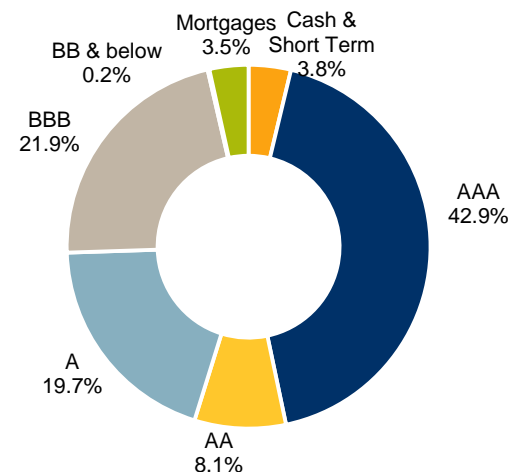
Portfolio constraints

- Average term to maturity 2 to 4 years
- Mortgages may comprise a maximum 40% of net assets
- Maximum 1% per any one conventional mortgage or 2% per CMHC mortgage
- Maximum 35% invested in BBB-rated securities (rated at time of purchase)
- Foreign securities permitted

Sector distribution



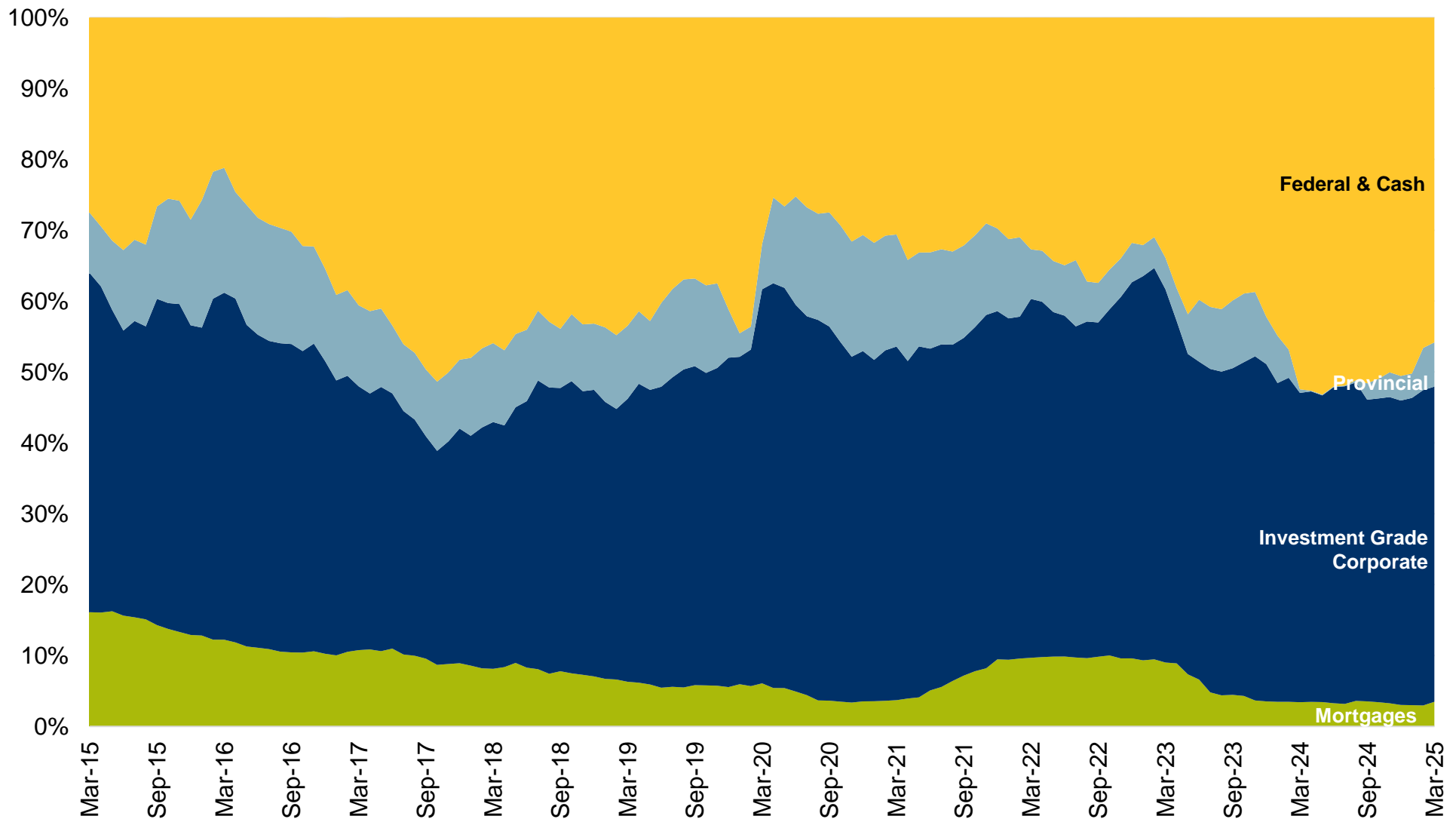
Rating distribution



Source: RBC GAM

PH&N Short Term Bond & Mortgage Fund

Tactical management of asset mix

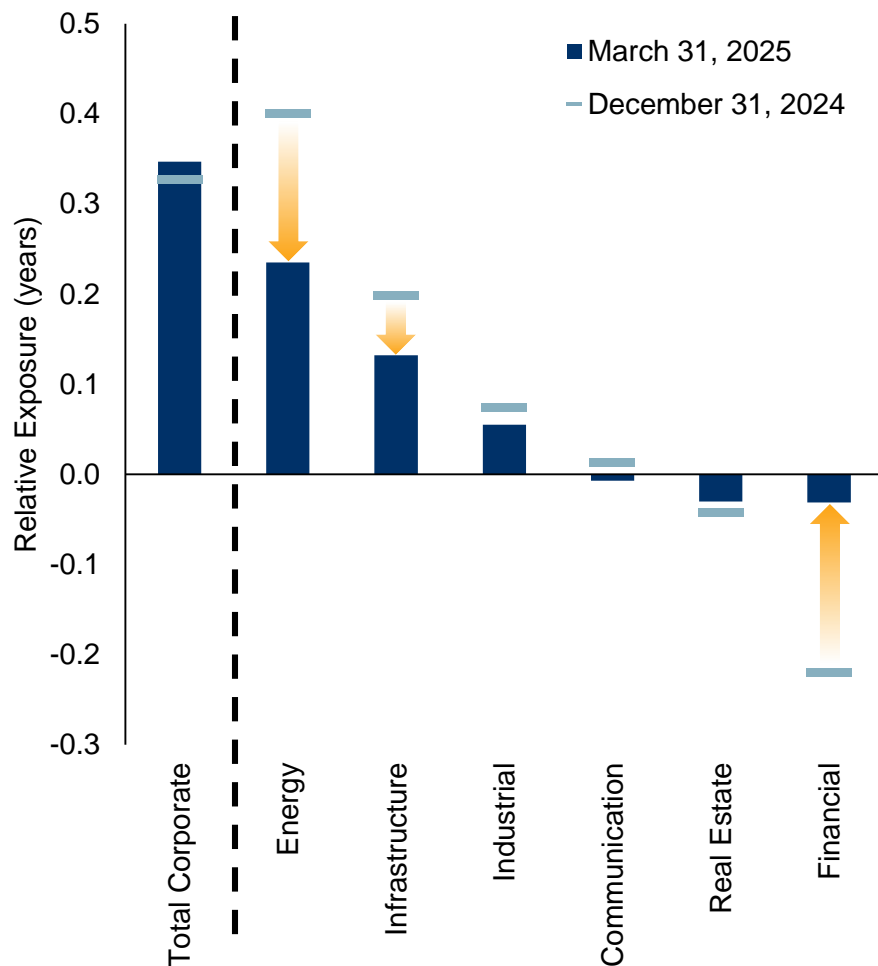


Allocations shown for PH&N Short Term Bond & Mortgage Fund since March 31, 2025. Source: RBC GAM.

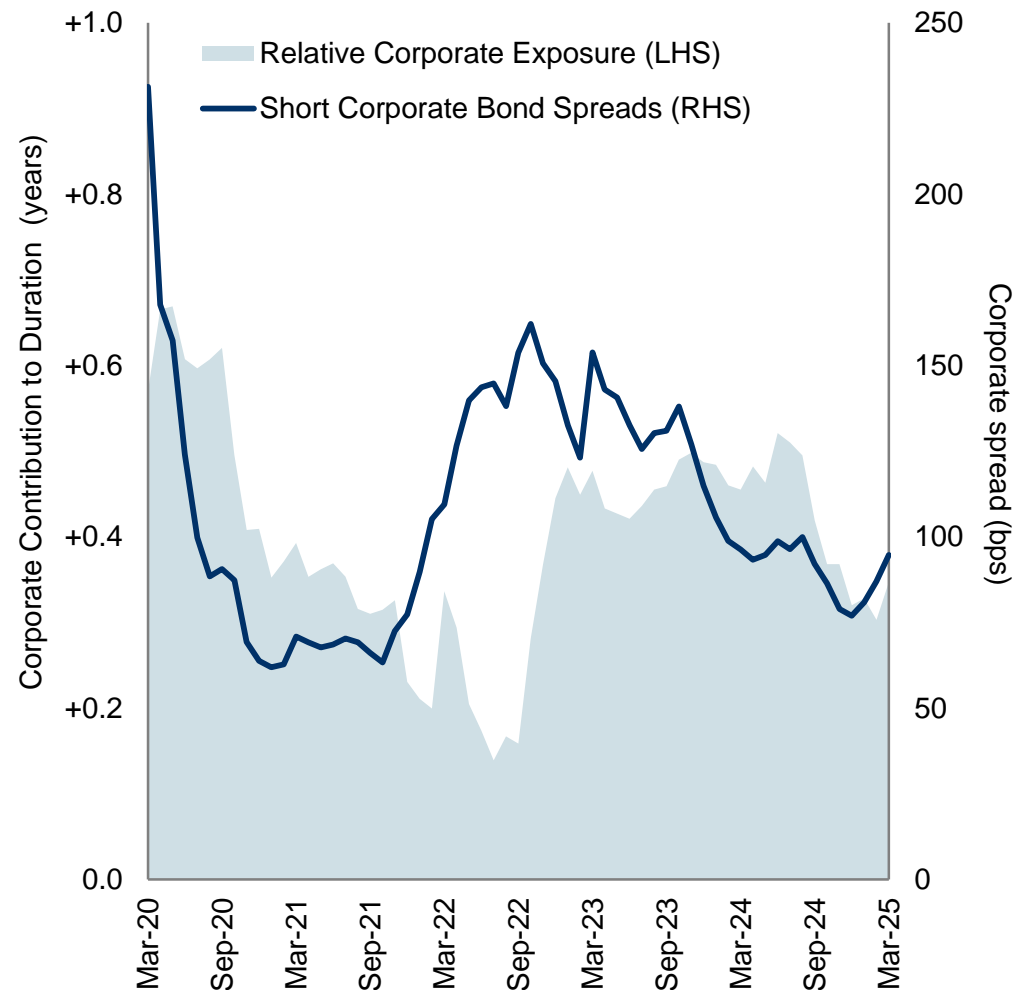
Corporate bonds defensively positioned

Maintained focus on high quality and less economically sensitive sectors

Corporate sector exposure



Corporate exposure and spread



Exposures shown for the PH&N Short Term Bond & Mortgage Fund.
Source: RBC GAM (BondLab). As of March 31, 2025.

PH&N Short Term Bond & Mortgage Fund

Mortgage Characteristics – March 31, 2025

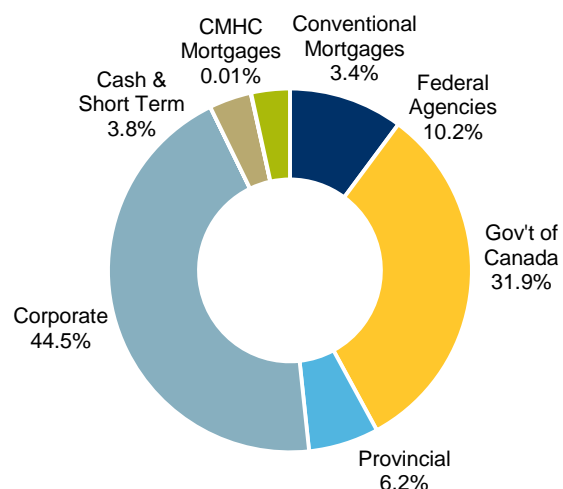
Mortgage statistics

Number of mortgages:	20
Weighted average spread ¹ :	146 basis points
Modified duration:	2.45 yr
Current yield:	4.04%
Weighted amortization:	26.5 yr*
Coverage ratios:	Debt service coverage = 1.89x
	Loan/value = 57%

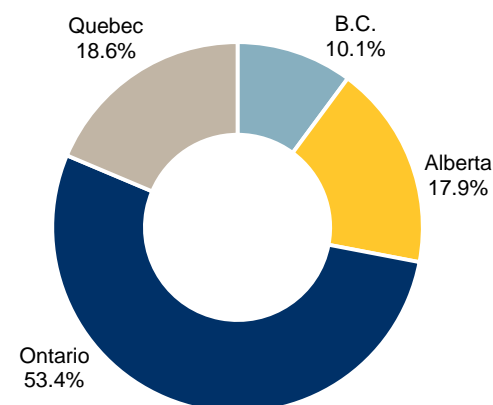
Mortgage constraints

- First mortgages on income producing multi-residential properties in Canada
- Maximum loan-to-value of 75%
- Minimum debt service coverage of 1.2x
- 1% maximum in any one conventional mortgage and 2% maximum in any one CMHC mortgage

Sector Distribution



Mortgage geographic distribution



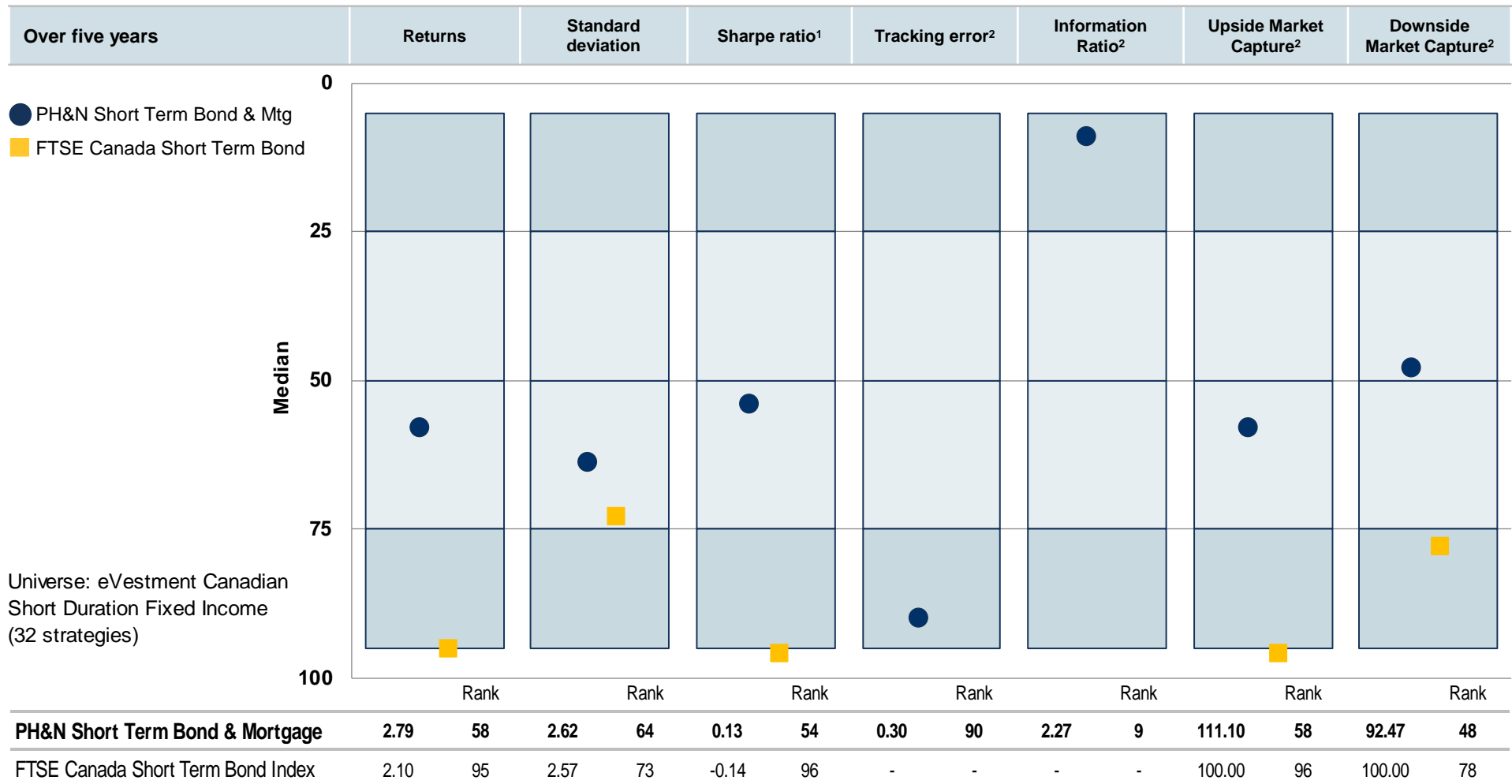
¹ Over equivalent term Canada issues

Yield is reported on a gross-of-fee basis, Series O, standard performance available in the appendix

* Excludes interest only mortgages which represent 18.2% of total mortgages.

Trailing 5-year risk

Versus peer group



PH&N Short Term Bond & Mortgage is represented by the RBC GAM Canadian Fixed Income – Short Term (PH&N IM) Strategy.

Past performance is not indicative of future results and is calculated in CAD. Returns may increase or decrease as a result of currency fluctuations. Rankings change monthly.

Last 5 years through to 31.03.2025. Created on 28.04.2025 from a universe of 32. ¹FTSE Canada 3-Month T-Bill; ²FTSE Canada Short Term Overall Bond Index. Gross of fees performance. eVestment Alliance, LLC and its affiliated entities (collectively, "eVestment") collect information directly from investment management firms and other sources believed to be reliable, however, eVestment does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and is not responsible for any errors or omissions. Performance results may be provided with additional disclosures available on eVestment's systems and other important considerations such as fees that may be applicable. Not for general distribution and limited distribution may only be made pursuant to client's agreement terms. All categories not necessarily included, totals may not equal 100%. Copyright 2012-2025 eVestment Alliance, LLC. All rights reserved. The GIPS Composite Report can be found in the appendix which contains disclosures and important information regarding the performance of the composite.

PH&N Bond Fund

PH&N Enhanced Total Return Bond Fund

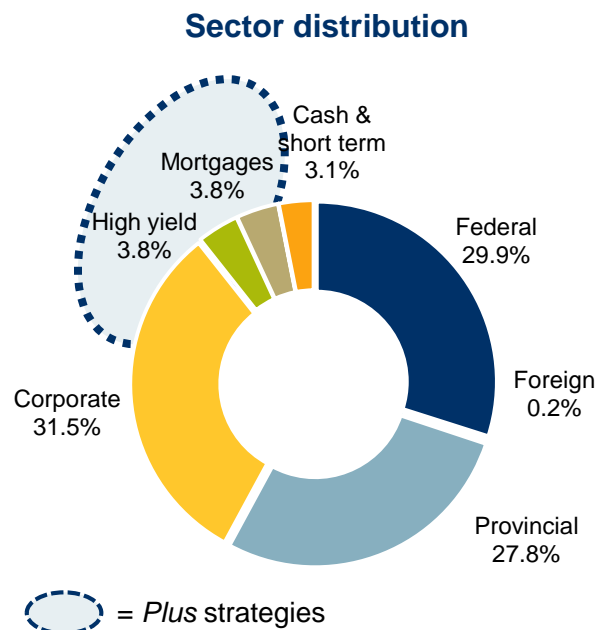
Spectrum of fixed income investment capabilities

Active management in universe bonds

		PH&N Bond Fund	PH&N Enhanced Total Return Bond Fund	PH&N Core Plus Bond Fund
Existing core strategies	Government	✓	✓	✓
	Investment grade corporates	✓	✓	✓
“Plus” strategies	Private placement debt	✗	✓	✓
	Mortgages	✗	✓	✓
	Conservative high yield	✗	✓	✓
Additional “plus” strategies	Global high yield	✗	✗	✓
	Emerging market debt	✗	✗	✓
Value-added target		0.45%	0.65%	1.25%
AUM (March 31, 2025)		\$8.4B	\$4.8B	\$12.8B
Inception Date		Oct 2002	Mar 2008	Jun 2013

PH&N Enhanced Total Return Bond Fund

Portfolio structure and principles



Interest rate anticipation

- Tactical management of duration positioning
- Yield curve influenced by credit and liquidity strategies

Credit & liquidity

- Quasi-government:
 - Overweight to provincials, neutral in federal agencies
- Investment grade corporates:
 - Medium overweight to corporates, defensively positioned in favour of high quality, less-cyclical credit
- High yield bonds:
 - Small position, mindful of the risks given tight valuation levels, cautiously positioned with a bias toward higher quality
- Mortgages
 - Small position, illiquidity premium remains at appealing levels

Portfolio characteristics		Ratings	Fund
Portfolio modified duration*	7.24yr	A & Above	73.1%
Benchmark ¹ modified duration	7.19 yr	BBB	16.6%
Difference	+0.05 yr	BB & below	2.5%
Portfolio yield to maturity**	3.61%	Mortgages	3.1%
Benchmark ¹ yield to maturity	3.33%	Not rated	1.0%
Incremental	+0.28%	Cash & short term	3.1%

* Duration includes the duration of foreign instruments, which are less correlated with Canadian interest rates.

** Yield is reported on a gross-of-fee basis; Series O. Sector distribution as of March 31, 2025, portfolio characteristics as of March 31, 2025.

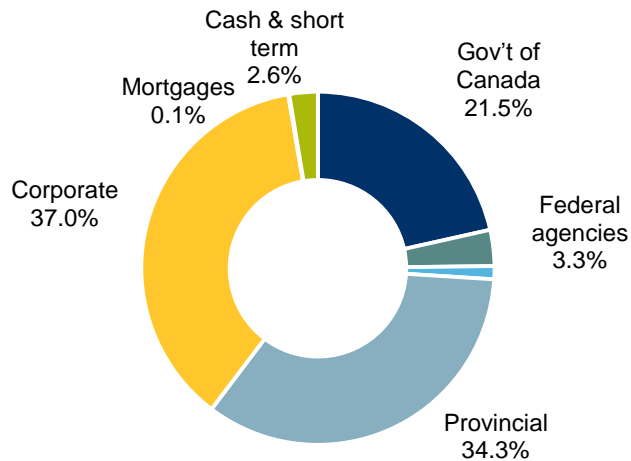
The yield shown is calculated based on the market price of the fund's securities.

¹ Benchmark represents FTSE Canada Universe Bond Index; Source: RBC GAM (BondLab), FTSE Global Debt Capital Markets Inc.

PH&N Bond Fund

Adjusting positioning tactically based on the attractiveness of opportunities

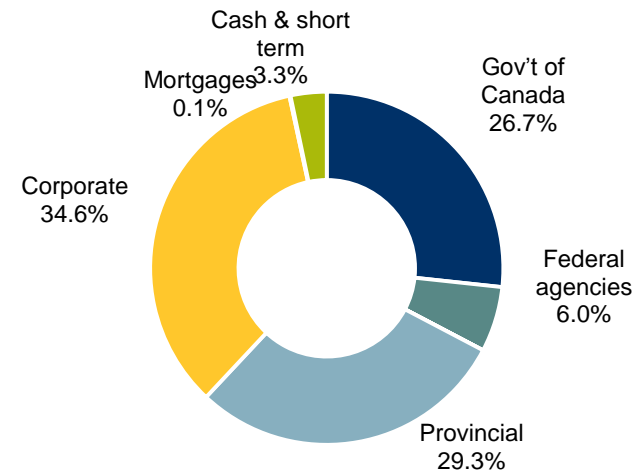
March 31, 2024



Portfolio characteristics

Portfolio modified duration	7.07 yrs
Benchmark* modified duration	7.08 yrs
Difference	-0.01 yrs
Portfolio yield to maturity**	4.37%
Benchmark* yield to maturity	4.21%
Incremental	+0.16%

March 31, 2025



Portfolio characteristics

Portfolio modified duration	7.25 yrs
Benchmark* modified duration	7.19 yrs
Difference	+0.06 yrs
Portfolio yield to maturity**	3.47%
Benchmark* yield to maturity	3.33%
Incremental	+0.14%

* Benchmark represents FTSE Canada Universe Bond Index

** Yield is reported on a gross-of-fee basis

Source: FTSE Global Debt Capital Markets Inc., RBC GAM (BondLab). Portfolio characteristics are subject to change.

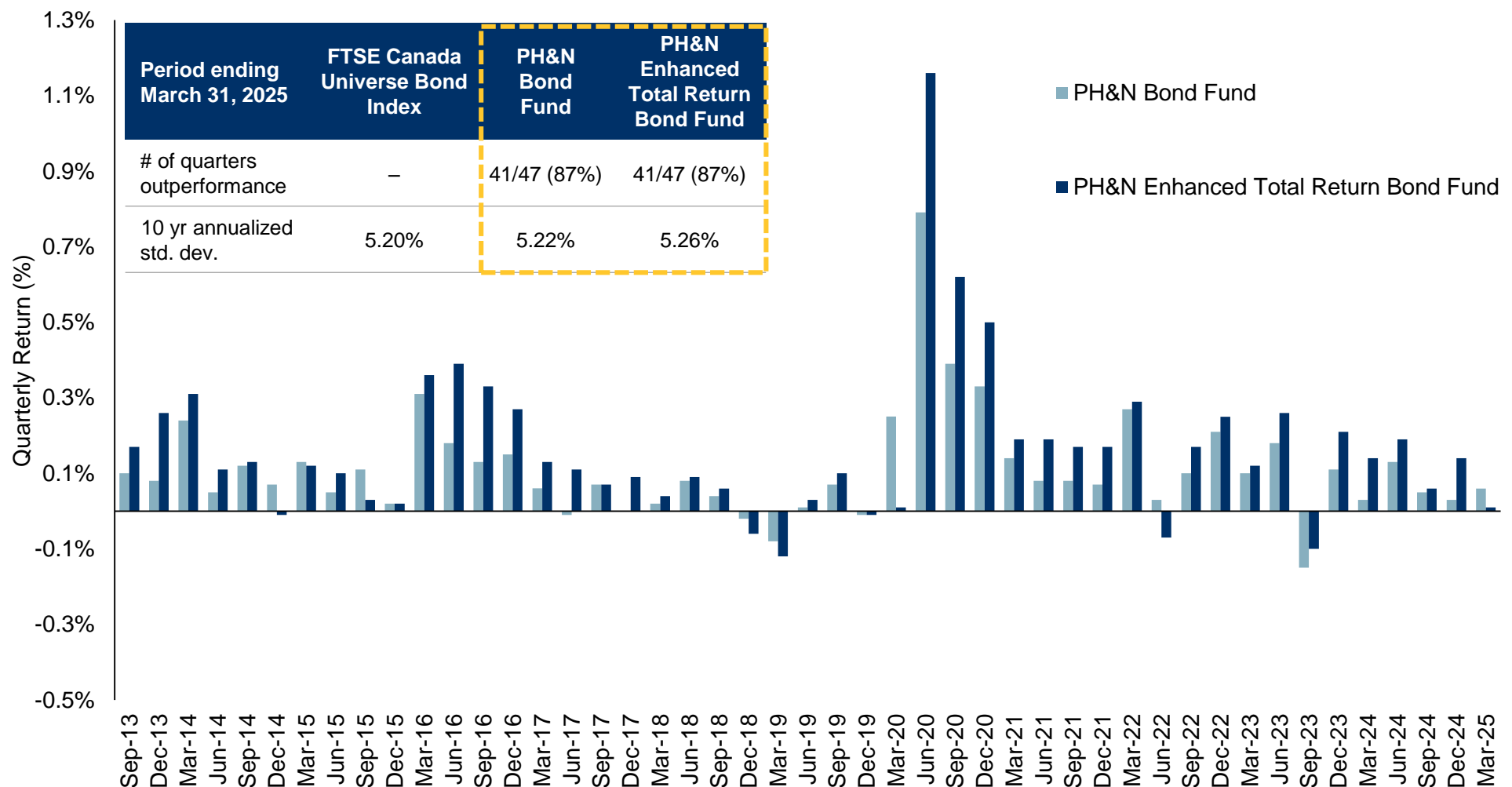
RBC Global Asset Management

PH&N Institutional

Fund comparison in universe bonds

Similar levels of volatility with different return profiles

Quarterly value added vs. Benchmark*



* Benchmark represents the FTSE Canada Universe Bond Index.

Series O returns. Total returns are gross-of-fee and reported in Canadian dollars. Periods less than one year are not annualized.

Source: RBC GAM. Note: Past performance is not a guarantee of future results.

PH&N Mortgage Pension Trust

Mortgage portfolio characteristics – March 31, 2025

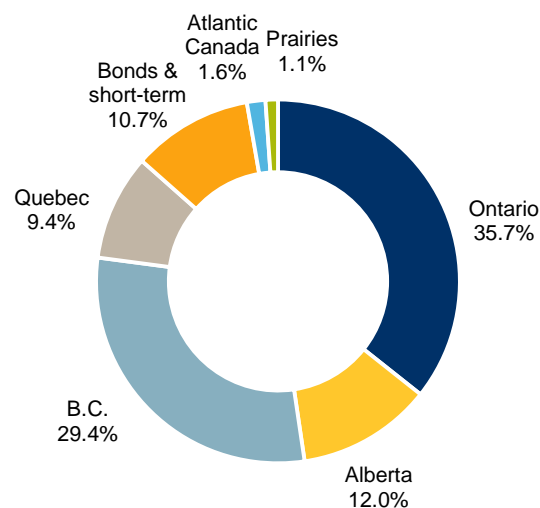
Portfolio statistics

AUM:	\$5,193.7 million
Number of mortgages:	344
Weighted average spread ¹ :	168 basis points
Yield-to-maturity ² :	4.06%
Modified duration:	2.87 yr
Weighted amortization ³ :	22.6 yr
Coverage ratios ⁴ :	Debt service coverage = 1.7x
	Loan/value = 50%

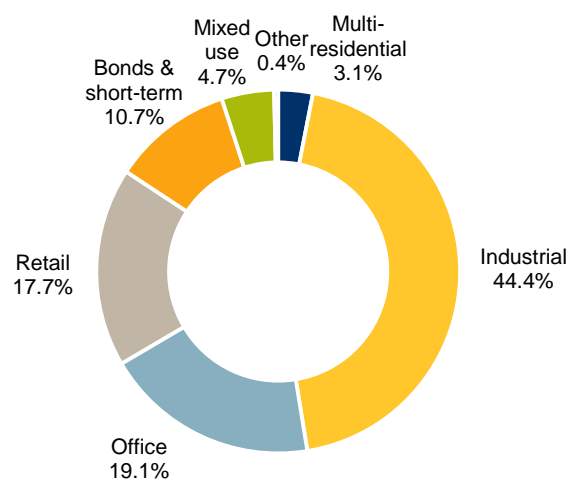
Portfolio constraints

- **First mortgages only on income producing properties in Canada**
- Minimum debt service coverage of 1.25x
- Maximum loan-to-value of 75%
- Maximum term to maturity of 11 years
- No mortgage >2.5% of the market value of the portfolio unless government guaranteed; then not >3.5%

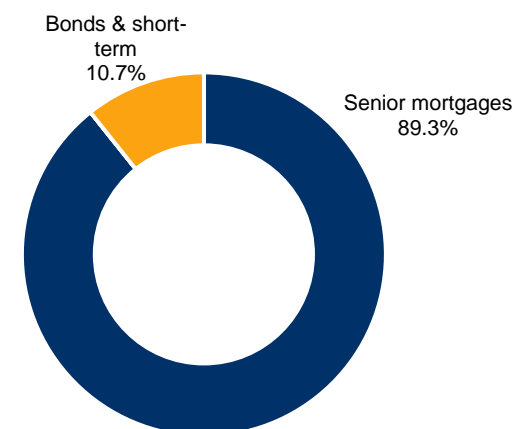
Geographic distribution



Property type distribution



Security distribution



1 Over equivalent term Canada issues.

2 Yield is reported on a gross-of-fees basis; Series O. The yield is calculated based on the market price of the fund's securities.

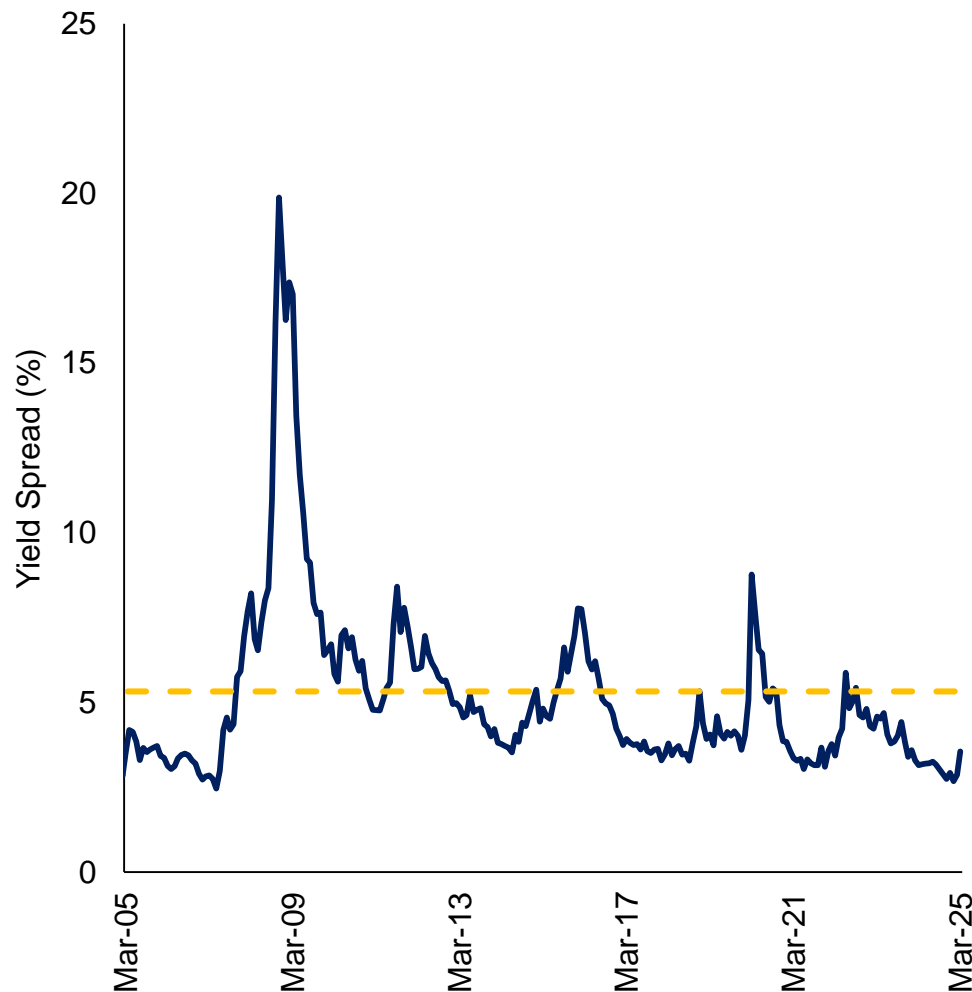
3 Excludes interest only mortgages which represent 19.0% of the total mortgages.

4 This does not include cash.

High yield bond spreads low relative to historical average

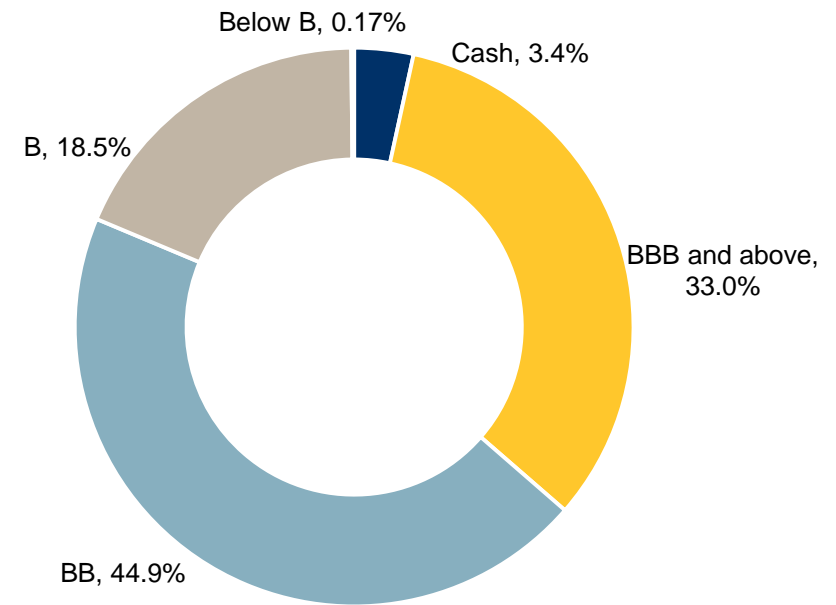
High yield exposure biased towards higher quality

U.S. High Yield Spread



Source: Bloomberg, as of March 31, 2025. US High Yield spread data represented by ICE BofA Merrill Lynch US High Yield index. US high yield default rate represented by ICE BofA Merrill Lynch US High Yield index to December 31 2019, JPMorgan January 31 2020 to current.

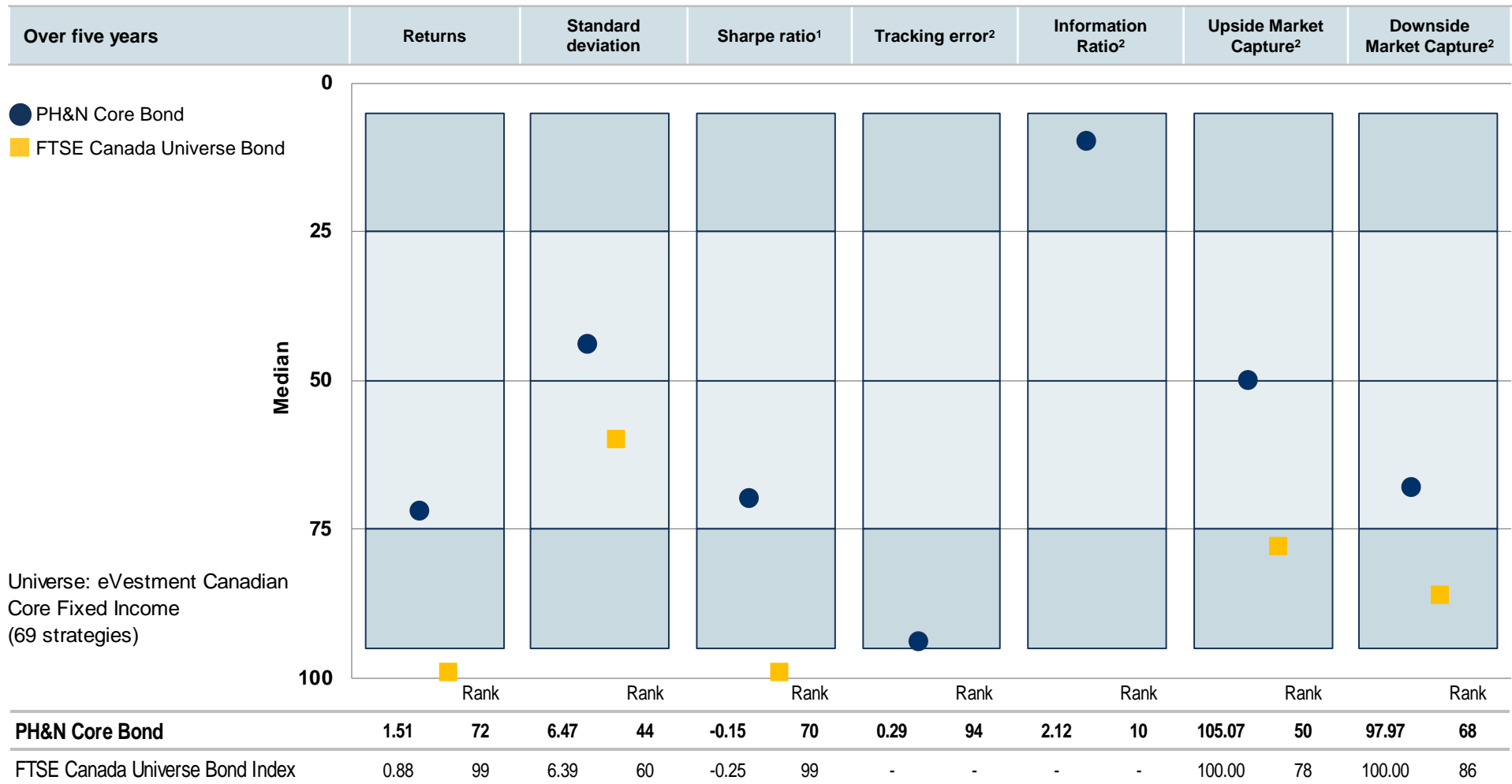
High Yield Bonds Ratings Breakdown



Source: RBC GAM. As of March 31, 2025. Breakdown shown for PH&N Enhanced Total Return Bond Fund.

Trailing 5-year risk statistics

Versus peer group



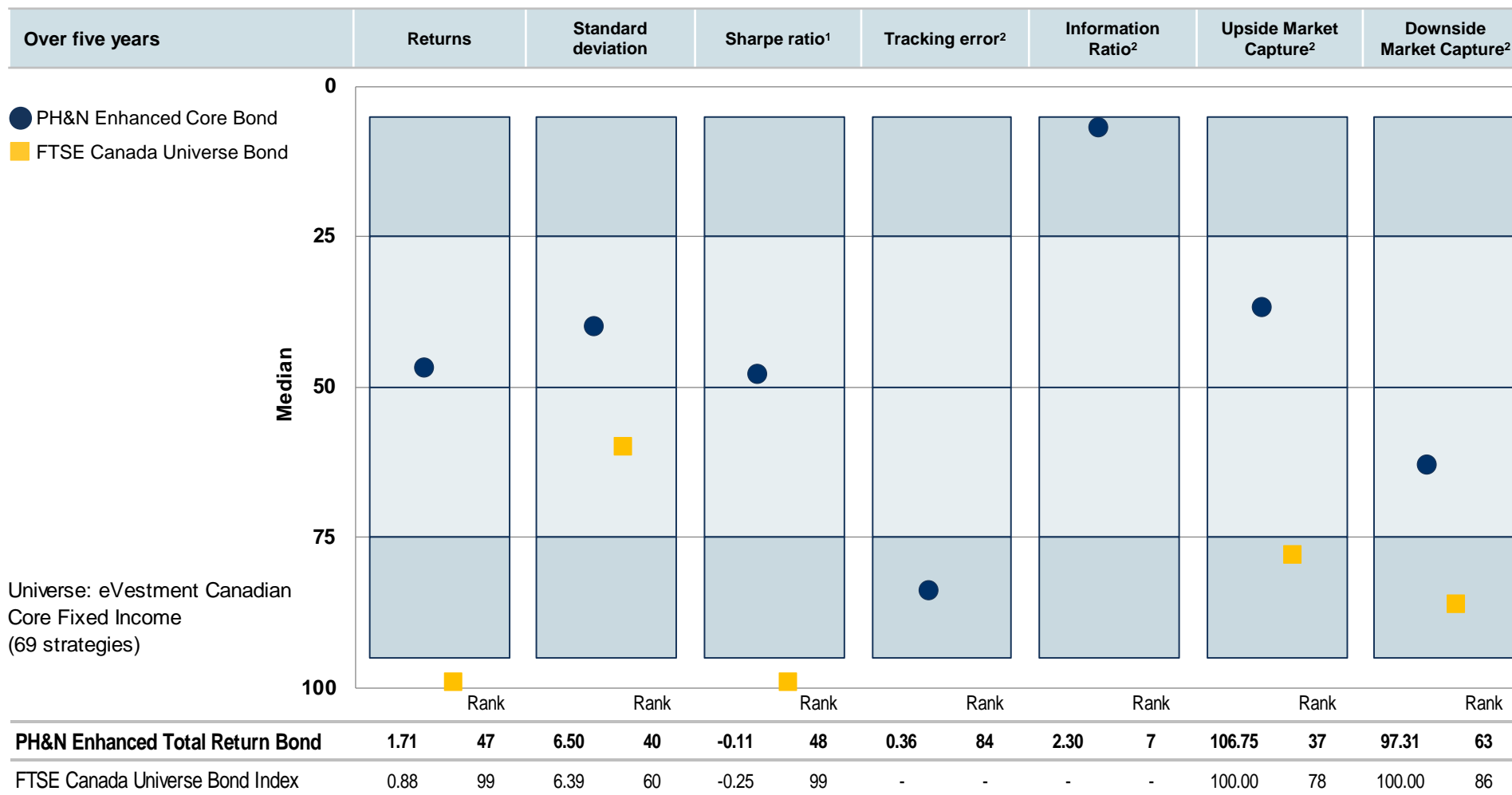
PH&N Core Bond is represented by the RBC GAM Canadian Fixed Income – Core Universe Strategy.

Past performance is not indicative of future results and is calculated in CAD. Returns may increase or decrease as a result of currency fluctuations. Rankings change monthly.

Last 5 years through to 31.03.2025. Created on 28.04.2025 from a universe of 69. ¹FTSE Canada 3-Month T-Bill; ²FTSE Canada Universe Bond Index. Gross of fees performance. eVestment Alliance, LLC and its affiliated entities (collectively, "eVestment") collect information directly from investment management firms and other sources believed to be reliable, however, eVestment does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and is not responsible for any errors or omissions. Performance results may be provided with additional disclosures available on eVestment's systems and other important considerations such as fees that may be applicable. Not for general distribution and limited distribution may only be made pursuant to client's agreement terms. All categories not necessarily included, totals may not equal 100%. Copyright 2012-2025 eVestment Alliance, LLC. All rights reserved. The GIPS Composite Report can be found in the appendix which contains disclosures and important information regarding the performance of the composite.

Trailing 5-year risk statistics

Versus peer group



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Last 5 years through to 31.03.2025. Created on 28.04.2025 from a universe of 69. ¹FTSE Canada 3-Month T-Bill; ²FTSE Canada Universe Bond Index. Gross of fees performance. eVestment Alliance, LLC and its affiliated entities (collectively, "eVestment") collect information directly from investment management firms and other sources believed to be reliable, however, eVestment does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and is not responsible for any errors or omissions. Performance results may be provided with additional disclosures available on eVestment's systems and other important considerations such as fees that may be applicable. Not for general distribution and limited distribution may only be made pursuant to client's agreement terms. All categories not necessarily included, totals may not equal 100%. Copyright 2012-2025 eVestment Alliance, LLC. All rights reserved. The GIPS Composite Report can be found in the appendix which contains disclosures and important information regarding the performance of the composite.

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REPORT

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: May 29, 2025
Re: Town of Huntsville's Investment Plan
Report: ONE JIB 2025-016

1. RECOMMENDATIONS

It is recommended that the Board:

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

2. SUMMARY

The Town of Huntsville has updated its Municipal Client Questionnaire (MCQ), providing information on its MNRI and the investment horizons associated with its reserve balances. It has also reviewed its Investment Policy Statement (IPS) and revised it to reflect changes related to the ONE JIB approved model portfolios. The Town did not approve of the use of long-term alternative investments as part of its annual IPS update. As a result, long-term alternative investments will not be included in Huntsville's investment allocations at this time.

The Town will not contribute additional MNRI at this time but anticipates providing an incremental \$1 million to MNRI later in the year. Several municipal projects are currently under discussion by the council that may affect the municipal budget and financial planning. This in-year contribution may be considered when the Treasurer has greater clarity on these items.

The Town has a relatively long investment horizon associated with MNRI, with good visibility on expected cash flows, especially over the next five years, during which no withdrawals of MNRI are anticipated. Given the circumstances, needs, and investment horizon associated with Huntsville's reserve balances, it is recommended that Model D be utilized for Huntsville. This model includes a 40% allocation to equities. A summary of the allocation details is provided below, which does not reflect the anticipated in-year contribution:

MODEL D (40% Equity)		
Asset Classes	Target Weight	Total Invested (\$)
Cash & Equivalent	0%	\$0
Canadian Fixed Income	45%	\$5,024,631
Global Fixed Income and Credit	15%	\$1,674,877
Canadian Equities	20%	\$2,233,170
Global Equities	20%	\$2,233,170
Alternatives	0	\$0
Total	100%	\$11,165,848

3. BACKGROUND

Huntsville's annual review of its IPS resulted in changes to reflect the new IPS template now being used

Huntsville completed its annual IPS review on April 28, 2025, updating the IPS with changes suggested in the most recently approved ONE JIB IPS template. The amendments to the IPS included necessary and relevant changes as ONE JIB transitions to the model portfolios. In the IPS update, Huntsville has chosen not to allow alternative investments (real estate and infrastructure) as part of its MNRI investments. Huntsville's council could reevaluate this decision during next year's IPS review.

The investment income may help provide Huntsville with an additional source of revenue

Ontario municipalities face significant pressure to deliver new and improved infrastructure for residents (e.g., recreation facilities, fire halls, roads, libraries) while avoiding excessive increases in property tax rates. For example, Huntsville's share of a hospital to be built in the future is anticipated to be about \$10 million, and the Town has so far set aside approximately \$4.6 million for this project. The Treasurer intends to contribute \$230,000 per year to this reserve and hopes that investment returns on the Prudent Investment holdings will help close this funding gap over time. The Province's has not determined when Huntsville will need to contribute, but the treasurer estimates this will be in about 10 years. The municipality realizes that, based on other municipal pressures in its ongoing operating and capital budgets, it may not be able to fully fund its share of the Hospital when it comes due; however, investment returns may help to mitigate the need for the contribution to be funded from the tax base.

For the Town of Huntsville, a 1% increase in property taxes would generate an additional \$225,000 in annual tax revenue, limiting its ability to address the rising costs of anticipated capital needs solely through tax increases. Investment returns can help the municipality meet its capital spending requirements.

Huntsville's holdings will migrate from the Outcomes Framework to ONE JIB's approved model portfolios

Huntsville's MNRI, currently held in funds ONE JIB approved for the transition to the Sub-Investment Manager, are organized according to the Outcomes Framework. The investments will be reallocated into one of the model portfolios approved at the ONE JIB meeting in November 2024.

ONE JIB approved ten model portfolios, each featuring investment allocations that provide a range of risk and return attributes suitable for most Participating Municipalities. One of the model portfolios will be assigned based on the client's needs, circumstances, and risk tolerances. This differs from Huntsville's allocations invested in the Outcomes Framework, where six outcome accounts, each with distinct investment allocations, have been used.

The approved model portfolios are designed specifically to meet the diverse needs of Participating Municipalities. For more information about the decisions that led to this report, please see the New Products Committee Report ([2024-01](#)), dated October 1, 2024.

Huntsville's updated MCQ provides details on the investment horizons associated with municipal reserves

The Treasurer has provided details about the time horizons associated with reserve balances, which have informed the allocation decisions in the Investment Plan. This offers context regarding the purpose and time horizons involved. Table 1 below presents a summary of the key reserves, and the expected horizons associated with them.

Table 1: MNRI by reserve and time horizon forecast, adapted from Table 3.1 of MCQ

Investment Horizon of MNRI				
Reserves and Reserve Funds	Total MNRI (\$)	Investment Horizon < 5 Years (\$)	Investment Horizon 5-10 Years (\$)	Investment Horizon >10 Years (\$)
Capital replacement reserve	\$ 1,077,165	\$ 382,359	\$ 694,806	
Development charges	\$ 2,065,304	\$ 1,854,972	\$ 210,332	
Planning Act	\$ 28,699	\$ 28,699		
Securities	\$ 412,642	\$ 412,642		
Special projects	\$ 4,474,926	\$ 233,705	\$ 231,811	\$ 4,009,410
Stabilization Reserves	\$ 3,107,112	\$ 1,977,877	\$ 1,129,235	
Total MNRI	\$ 11,165,848	\$ 4,890,254	\$ 2,266,184	\$ 4,009,410

As shown in Table 1, a significant portion of its MNRI has an investment horizon that exceeds ten years, primarily related to the Town's share in a hospital to be constructed in the future.

Although a substantial portion of the MNRI has a horizon of less than five years, the Treasurer does not believe that the Town will need to draw down these MNRI balances. The Town is expected to make an additional mid-year contribution of \$1 million to MNRI.

Huntsville does not anticipate a need to withdraw MNRI within the next five years and expects to make a mid-year contribution of \$1 million

Analysis provided by the Treasurer suggests that Huntsville does not anticipate MNRI drawdowns within the next five years. While there is confidence that drawdowns are not needed during this period, the Treasurer noted that there may be MNRI drawdowns within a five-to-ten-year timeframe. However, confidence in the cash flow forecasts diminishes beyond five years. No specific amount was identified for these drawdowns. Table 2 below provides details of the anticipated contributions and withdrawals of MNRI in future years. These details are based on Table 3.3 of the MCQ and feedback from the Treasurer.

Table 2: Anticipated Cash Flow Projections, MNRI by year, adapted from Table 3.3 of MCQ.

	Later in 2025	next year	2 years	3 years	4 years	5+ years
Anticipated MNRI Drawdowns	-	-	-	-		-
Anticipated MNRI Contributions	\$1,000,000	-	-	-		-
Net change in MNRI	\$1,000,000	-	-	-		-

4. ANALYSIS

Huntsville's Investment Plan reflects the Town's circumstances, and the investment horizons associated with MNRI

A review of Huntsville's expected cash flows and future reserve balances was conducted as part of the annual review process. Approximately 40% of MNRI reflects a local share in a hospital to be built in the future. The hospital is not expected to be constructed for at least 10 years, and over time, the Town will make annual contributions to this long-term reserve. As noted above, the Treasurer expects annual contributions to this reserve of \$230,000 and anticipates that \$10 million will ultimately be set aside for this project.

While there is confidence that drawdowns will not be needed within five years, the Treasurer indicated that there may be a need for drawdowns within the five-to-ten-year time frame, which are difficult to quantify with certainty at this time.

Currently, the Town also has three significant projects under consideration by the council, including a roads operations centre, a new fire hall, and a new library. The council has not yet approved these projects, which are currently excluded from the cashflow details provided in Huntsville's MCQ. The Town has sufficient liquidity to address near-term funding needs from MRI, and any adjustments to financial planning for projects under consideration by the council could involve debt financing. The Treasurer intends to contribute an additional \$1 million to MNRI later in the year when there is greater visibility

on these projects and the associated financial planning.

The Investment Plan recommends Huntsville's MNRI be invested in Model D, which has a 40% allocation to equity within a well-diversified portfolio

The investment allocations proposed in the Investment Plan indicate that Huntsville's MNRI has a relatively long investment horizon, with no known liquidity needs within five years, some uncertainty regarding drawdowns beyond five years, and approximately 40% of the overall MNRI has an investment horizon that exceeds ten years.

The CIO and the Sub-Investment Manager have discussed the allocation and agreed on a suitable allocation for Huntsville. The proposed allocation, Model D, which has 40% exposure to equities, is appropriate considering the municipality's investment horizon and circumstances. All MNRI will be invested in a single allocation, and the anticipated mid-year contribution will also be deployed into Model D when received. Table 3 below provides summary statistics for Model D, and Table 4 further details Huntsville's investment allocations.

Table 3: Summary statistics for Model D

Summary Statistics	Model D	<p>Notes:</p> <p>¹ Annual Downside Risk (CVaR95) represents the expected loss during the worst 5% of return outcomes.</p> <p>Hypothetical performance analyses are for illustrative purposes only and there is no guarantee that hypothetical returns or projections will be realized.</p>
Long-Term Return	6.4%	
Annual Downside Risk ¹	-9.6%	
Annual Volatility	6.3%	
Sharpe Ratio	0.48	

Table 4: Proposed Pooled Fund-Level Allocation

MODEL D (40% EQUITY)				
Asset Classes	Minimum (%)	Target Weight (\$)	Maximum (%)	Total Invested (\$)
Cash & Equivalent	0	0	10	\$0
Canadian Fixed Income	35	45	55	\$5,024,631
Short-Term bonds		25		2,791,461
Universe Bonds		0		-
Corporate Bonds		0		-
Private Placement Corporate Debt		10		1,116,585
Commercial Mortgage		10		1,116,585
Global Fixed Income and Credit	0	15	25	\$1,674,877
High Yield Bonds		0		-
Global Multi-Asset Credit		15		1,674,877
Global Bonds		0		-
Emerging Markets Bonds		0		-
Canadian Equities	10	20	30	\$2,233,170
Canadian Equities		10		1,116,585
Canadian Low Volatility Equities		10		1,116,585
Global Equities	10	20	30	\$2,233,170
U.S. Equities		5		558,292
U.S. Low Volatility Equities		5		558,292
International Equities		10		1,116,585
Global Equities		0		-
Global Low Volatility Equities		0		-
Alternatives	0	0	0	\$0
Real Estate		0		-
Infrastructure		0		-
Total		100		\$11,165,848

5. CONCLUSION

Huntsville's overall investment horizon is relatively long, as the largest portion of MNRI is associated with the local share of a hospital to be constructed. This indicates that a significant portion of MNRI will not be needed for at least 10 years. The Treasurer does not anticipate that reserves with a shorter investment horizon will require drawdowns from MNRI. Despite some uncertainty regarding three projects under consideration by the council that have not yet been approved, there is confidence that no MNRI drawdowns will be necessary within five years.

The Investment Plan considers a mid-year contribution of \$1 million, which will be invested in the same allocation as the rest of Huntsville's MNRI. The CIO and OCIO have agreed on an allocation for Huntsville and recommended that the MNRI be deployed into Model D,

which has a 40% allocation to equities. Currently, the Town's allocation will not include exposure to long-term alternative investments. This proposed asset mix and fund allocation align with its IPS and MCQ's investment objectives and risk preferences. Consequently, the Investment Plan is suitable for Huntsville's circumstances and needs, reflecting the time horizons of its MNRI.

ATTACHMENTS

Attachment 1: Town of Huntsville's Investment Policy Statement 2025

Attachment 2: Town of Huntsville's Municipal Client Questionnaire 2025

Attachment 3: Town of Huntsville's proposed Investment Plan 2025

Drafted by: Keith Taylor, Chief Investment Officer; Jennifer Hess, Manager Investment Services
Approved by: Judy Dezell and Donna Herridge, Co-Presidents/CEOs, ONE Investment

Attachment 1



SECTION: Finance	EFFECTIVE DATE: April 28, 2025
RECOMMENDATION NO.: GC28-25	COUNCIL APPROVAL: Res. No. 74-25
SUBJECT: Investment Policy Statement	POLICY NUMBER: Budget&Financial-30

The Town of Huntsville

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 Town of Huntsville

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 2020-53 Prudent Investor Enabling) 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 investments that will not be required to meet financial obligations that become due more than 18 months (1.5 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 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.

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, 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

Not applicable.

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 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 22, 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 April 28, 2025. 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

LDC and other MSC Securities

- Lakeland Holdings Ltd. Ownership in common shares

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 has no authority or responsibility with respect to investment of designated funds.

Reserve Funds of the Huntsville Business Improvement Area (BIA)

- Reserve Funds of the Huntsville Business Improvement Area (BIA)
- Municipal Accommodation Tax Funds – Tourism Entity Share

Appendix 1: ONE JIB Agreement

Municipal Client Questionnaire (MCQ)

The MCQ needs to be updated and reviewed annually in conjunction with your review of your Investment Policy Statement.

Additionally, update the MCQ within 90 days if you experience any significant changes, including:

- a. A significant change in your municipality's financial circumstances, or
- b. A 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: Corporation of the Town of Huntsville

Address: 37 Main Street East, Huntsville, ON P1H 1A1

Treasurer Information

Name: Julia McKenzie, Director of Finance/Treasurer

Phone Number: 705-789-1751 Extension: 2251

Email: julia.mckenzie@huntsville.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? 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. *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 – Investment Objectives and Liquidity Needs

This section of the MCQ asks about your Municipality’s **Money that it Does Not Require Immediately** (MNRI), the purpose or investment objective and the expected investment horizon or when funds may be required to meet forecasted municipal obligations.

3.1 What is the Municipal *funding objective(s), investment horizon(s) and purpose(s)* for the MNRI?

Description (i.e. Funding Objective, Investment Purpose, or Municipal Reserve)	Total MNRI (\$)	Investment Horizon < 5 Years (\$)	Investment Horizon 5-10 Years (\$)	Investment Horizon >10 Years (\$)
Capital replacement rsrv	\$ 1,077,165	\$ 382,359	\$ 694,806	
Development charges	\$ 2,065,304	\$ 1,854,972	\$ 210,332	
Planning Act	\$ 28,699	\$ 28,699		
Securities	\$ 412,642	\$ 412,642		
Special projects	\$ 4,474,926	\$ 233,705	\$ 231,811	\$ 4,009,410
Stabilization Reserves	\$ 3,107,112	\$ 1,977,877	\$ 1,129,235	
FIX TO TOTAL MARKET				
Total MNRI	\$ 11,165,848	\$ 4,890,254	\$ 2,266,184	\$ 4,009,410

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

3.2 What *assumptions or factors* does your municipality include in the 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.

Assume that tax funded contributions to capital will continue to increase and that spending on asset replacement will continue. Forecast does not factor in any inflation to cost estimations for capital.
Assumes that the Local Share for the Hospital will be paid out around 2035 but could be 2035-2040.
Development charge revenue forecast are based on 2024 collections, could be lower if development declines.

3.3 Based on *current* municipal forecasts, do you anticipate drawing down MNRI or increasing MNRI in the upcoming years?

Description	Next Year	2 years	3 years	4 years	5+ years
Anticipated MNRI Drawdowns (#)	\$ 0				
Anticipated MNRI Contributions	\$ 0				
Net Change to MNRI	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

3.4 Does the municipal forecasts used (above) reflect

- ☐ Drawdowns of current reserve balances to address MRI requirements, or
☐ Drawdowns of current reserve balances inclusive of projected future budgetary contributions to address MRI requirements

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

Not formally, working towards a 10 year capital budget.

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

- ☐ Yes ☒ No

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

There are 3 potential capital projects that could have a significant impact on the cashflow, these include a roads operations centre build, new fire hall and new library. At this time these projects are considered by Council but not yet approved to move forward.
The Town is considering adding an additional \$1,000,000 in Q3 2025 to MNRI and further direction will be provided later in the year.

3.8 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?

Unless there is an unforeseeable event, it is not likely that the Town would need to draw down funds for budget shortfalls given the experience over the past 15 years.

3.9 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 amount held for the Local share for the Hospital is a reserve that is to be utilized as the Town's local share contribution (in conjunction with the District of Muskoka and Town of Bracebrige), it is not yet known when this will be paid out. The commitment from Huntsville is to transfer \$10,000,000 as part of its "local share" contribution. The 2024 balance of this fund is \$4,620,049 and any income from ONE Investment on these funds are allocated directly to this reserve.

Section 4 – Municipal MNRI Information

This section summarizes the current MNRI under the management and control of the ONE JIB and the projected increase / decrease as a result of the annual review. *The total value should equal the total MNRI shown in Question 3.1.*

Description	As of Date (DD/MMM/YY)	Value
Invested in ONE JIB as of <i>Date</i> (A)	31-Mar-25	\$ 11,165,848
Additional contributions or withdrawal of MNRI and <i>Date</i> fund to be remitted / paid (B)		
Total MNRI under the management and control of ONE JIB (A + B)		\$ 11,165,848

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

Section 5 – 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 23 day of April, 202025

Julia McKenzie, Director of 

JULIA MCKENZIE Digitally signed by JULIA MCKENZIE
Date: 2025.04.23 17:38:42 -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

Town of Huntsville

DATE: May 29, 2025



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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 Huntsville's Money Not Required Immediately (MNRI) as defined in section 5.2 of Huntsville's Investment Policy Statement (IPS).

This Plan applies to all investments controlled and managed by ONE JIB on behalf of the Town of Huntsville.

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 Town of Huntsville's IPS.

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 Huntsville's investment needs, as described in its IPS, provide Council's guidance to ONE JIB in determining investment allocations. Further guidance from the MCQ and dialogue with the Treasurer informs ONE JIB about Huntsville's current goals, objectives, circumstances, and risk tolerance and helps determine investment allocations. The allocation of Huntsville's MNRI in this Plan is consistent with the details as disclosed in Huntsville's IPS and MCQ. Section 5.2.1 of Huntsville's IPS 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	<ul style="list-style-type: none"> • Preservation of capital • Adequate liquidity of investments, but has no known near-term liquidity needs • 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. • Able to assume a moderate risk profile to emphasize longer-term capital growth
Objectives for reserves to fund the local share of the Hospital	<ul style="list-style-type: none"> • Growth of capital is a key objective. • Returns should at least match inflation • The investment horizon is 10 years or longer

The MNRI invested with ONE JIB will be broadly diversified by asset class, market, sector, issuer, credit quality, and term to maturity to help reduce the volatility of investment returns. 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.	\$11,165,848

Other considerations:

- Huntsville will not be contributing or withdrawing MNRI as part of the Investment Plan update at this time.
 - The Treasurer anticipates making \$1,000,000 contribution to MNRI later in 2025, which will also be invested in Model D.
 - The Treasurer will confirm this contribution at a later date by submitting a mid-year MCQ update form with the relevant details.
- No drawdowns are expected within the next 5 years.
- Some drawdowns are likely to occur beyond 5 years, but the size and magnitude are difficult to project with certainty at this time.
- MNRI, representing the local share of hospital reserves, will grow over time. Investment gains on MNRI will contribute to building these reserves.
 - The local share of hospital reserves will not be required for at least ten years, and possibly longer.
- The Town has three significant projects the council is considering, including a roads operations centre, a new fire hall, and a new library. The council has yet to approve these projects.
 - It is currently unclear how these projects would be financed or how they may affect MNRI, which creates notable uncertainties for planning.
- Council has not yet approved the use of long-term Alternative Investments in allocations.
 - Huntsville's allocations will exclude long-term alternative investment exposure.
- The Town has allocated \$4.6 million to the hospital reserve but will contribute additional MNRI to build this reserve to \$10 million over time.

5.2 Allocations – based on Model D (40% Equity)

MNRI Horizon			
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
Total		100	

** further details on holdings and benchmarks for this model are detailed in an attachment to the New Product Committee report ([2024-003](#))

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 JIB Responsible Investing Policy
- ONE Anti-Money Laundering Policy
- ONE Pricing Error Policy (LL & PI)
- ONE Currency Hedging Policy PI
- ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy
- ONE JIB In-Kind Securities 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 PH&N Overseas 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
Alternatives	Real Estate	RBC Canadian Core Real Estate Fund*
	Infrastructure	RBC Global Infrastructure Fund*

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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	Expected Transfer to JIB/ONE
June 2025	<ul style="list-style-type: none"> - Existing PH&N funds may be sold, or their weightings adjusted to align Huntsville's investment allocations to this Investment Plan. - This plan includes allocations to Model D, which represents a different strategy from the client's current allocation.
Within the next 12 months	<ul style="list-style-type: none"> - Huntsville intends to contribute an additional \$1 million to MNRI before the next annual Investment Plan update. - The incremental MNRI will also be invested in Model D.

9.3 Accommodating Cashflow needs

Income from investments will be automatically reinvested as per the ONE Distribution Policy PI and cashflow needs of Huntsville 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.

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: May 29, 2025
Re: Town of Whitby's Investment Plan
Report: ONE JIB 2025-020

1. RECOMMENDATIONS

It is recommended that the Board:

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

2. SUMMARY

The Town of Whitby has updated its Municipal Client Questionnaire (MCQ) to provide information on its MNRI and the investment horizons associated with its reserve balances. The Town has also reviewed and revised its Investment Policy Statement (IPS) to reflect changes related to model portfolios under the Prudent Investment Offering. Additionally, the Town has approved the inclusion of long-term alternative investments as part of its annual IPS update. While the Town has allowed the use of long-term alternative investments in its IPS, the CIO and Sub-Investment Manager are recommending that they not be considered for inclusion in Whitby's allocation at this time. Whitby estimates that up to 40% of MNRI may be drawn down within the next five years, and there is the potential for other significant, unexpected drawdowns. As alternative investments offer limited liquidity, they may not be suitable given Whitby's potential liquidity requirements.

The Town shall neither contribute nor withdraw from MNRI at this juncture. However, the Town's cash flow projections suggest the potential for approximately \$78 million in MNRI drawdowns within the forthcoming five years, whereas the remaining MNRI is associated with a substantially longer investment horizon.

Based on the circumstances, needs and investment horizon associated with Whitby's reserve balances, it is recommended that Model D be used for the Town. This model features a 40% allocation to equities. A summary is shown below:

MODEL D (40% Equity)		
Asset Classes	Target Weight	Total Invested (\$)
Cash & Equivalent	0%	\$0
Canadian Fixed Income	45%	\$88,875,000
Global Fixed Income and Credit	15%	\$29,625,000
Canadian Equities	20%	\$39,500,000
Global Equities	20%	\$39,500,000
Alternatives	0	\$0
Total	100%	\$197,500,000

3. BACKGROUND

Whitby's annual review of its IPS resulted in changes to reflect the new IPS template that will be used under the OCIO Offering

Whitby completed its annual IPS review on March 24, 2025, updating the IPS with changes suggested in the most recently approved ONE JIB IPS template. The amendments to the IPS included necessary and relevant changes as ONE JIB transitions Participating Municipalities to the approved model portfolios. In the IPS update, Whitby elected to permit the use of long-term alternative investments (real estate and infrastructure) as part of its MNRI investments.

Whitby estimates that up to 40% of MNRI might be withdrawn in the next five years, with potential for further unexpected drawdowns. Alternative investments offer limited liquidity and may not meet Whitby's current liquidity needs. Although the Town has permitted the use of long-term Alternative Investments in its IPS, the CIO and Sub-Investment Manager recommend that they be considered for inclusion in Whitby's allocation at a later date.

Investment income may help provide Whitby with an additional source of revenue

Ontario municipalities are facing significant pressure to provide new and improved infrastructure to residents (e.g., recreation facilities, fire halls, roads, libraries) while avoiding excessive increases in property tax rates. In Whitby's case, in November 2024, they approved a 3-year (2025-2027) multi-year budget with capital projects totaling \$327.1 million and identified a 10-year capital forecast of \$1.55 billion. In the 10-year capital forecast, 47% of the funding is to come from the Development Charge Reserve Funds; however, the Province's Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2005*, will impact future development charge collections. Municipalities that are unable to fund growth-related capital projects through other sources (i.e. grants or the tax base) will need to postpone their capital infrastructure plans. Municipalities cannot incur a deficit under the Municipal Act.

For the Town of Whitby, a 1% increase in property taxes would generate an additional \$1,295,982 in annual tax revenue, restricting its capacity to fund the rising costs of anticipated capital needs through tax increases alone. The Town of Whitby's tax-based

reserves are expected to fund 40% of their capital needs in the next 10 years. Investment returns can assist the municipality in fulfilling its capital spending requirements.

Whitby's holdings will migrate from the Outcomes Framework, with all MNRI to be invested in one of the model portfolios approved by ONE JIB

Whitby's MNRI, currently held in funds ONE JIB approved for the transition to the Sub-Investment Manager, are organized according to the Outcomes Framework. The investments will be reallocated into one of the model portfolios approved at the ONE JIB meeting in November 2024.

ONE JIB approved ten model portfolios. Each features investment allocations that provide a range of risk and return attributes suitable for most Participating Municipalities. One of the model portfolios will be assigned based on the client's needs, circumstances, and risk tolerances.

The approved model portfolios are designed specifically to meet the diverse needs of Participating Municipalities. For more information about the decisions that led to this report, please see the New Products Committee Report ([2024-01](#)), dated October 1, 2024.

Whitby's updated MCQ provides details on the investment horizons associated with municipal reserves

The Treasurer has provided details about the time horizon associated with reserve balances, which have informed allocations in the Investment Plan. This offers context regarding the purpose and time horizon involved. Table 1 below presents a summary of the key reserves, and the expected horizons associated with them.

Table 1: MNRI by reserve and time horizon forecast, adapted from Table 3.1 of MCQ

Investment Horizon of MNRI				
Description (i.e. Funding Objective, Investment Purpose, or Municipal Reserve)	Total MNRI (\$)	Investment Horizon < 5 Years (\$)	Investment Horizon 5-10 Years (\$)	Investment Horizon >10 Years (\$)
Asset Management	12,629,938	12,629,938	-	-
Growth Capital	21,647,377	19,010,170	-	2,637,207
Development	89,855,505	44,160,712	1,925,837	43,768,955
Other Obligatory	58,270,594	2,255,210	2,472,765	53,542,619
Contingency	15,096,586	-	-	15,096,587
Asset Management	12,629,938	12,629,938	-	-
Total MNRI	197,500,000	78,056,030	4,398,602	115,045,368

As shown in Table 1, about \$78 million in reserves has a horizon of less than 5 years, but the majority of its MNRI has an investment horizon exceeding ten years. These time

horizons reflect projects currently approved by council and included in the Town's financial planning.

Whitby will neither contribute nor withdraw MNRI as part of the annual review, but anticipates MNRI drawdowns of \$78 million within the next 5 years

Analysis provided by the Treasurer suggests that Whitby anticipates significant MNRI drawdowns within the next five years, primarily to fund growth-related development projects. Table 2 below provides details of the anticipated contributions and withdrawals of MNRI in future years. Table 2 is based on Table 3.3 of the MCQ and feedback from the Treasurer.

Table 2: Anticipated Cash Flow Projections, MNRI by year, adapted from Table 3.3 of MCQ.

	next year	2 years	3 years	4 years	5+ years
Anticipated MNRI Drawdowns	-	(26,000,000)	(26,000,000)	(26,000,000)	(119,000,000)
Anticipated MNRI Contributions	-	-	-		-
Net change in MNRI	-	(26,000,000)	(26,000,000)	(26,000,000)	(119,000,000)

4. ANALYSIS

Whitby's Investment Plan reflects the investment horizons associated with MNRI, providing flexibility to address MNRI drawdowns as needed

A review of Whitby's expected cash flows and future reserve balances was conducted as part of the annual review process. The majority of MNRI, about \$115 million, has an investment horizon exceeding ten years.

A significant portion of MNRI is expected to be withdrawn over the next few years. Whitby's cash flow projections estimate \$78 million in drawdowns within five years, representing nearly 40% of the total MNRI. To accommodate these drawdowns, Whitby's investments must provide sufficient liquidity, which has been considered when drafting the Investment Plan. No longer-term alternative investments, which are typically less liquid, have been recommended for Whitby's allocations at this time.

Currently, the Town has several projects underway, including the Whitby Sports Complex, a new fire station, and various road projects to accommodate growth. These significant projects may require debt financing and could potentially impact MNRI balances. A large portion of the overall MNRI relates to projects and development-related reserves that support growth within Whitby. The financial planning reflects the Town's current growth estimates. If economic conditions result in slower growth, the Town's cash flow planning may be impacted, indicating a certain degree of uncertainty in the reserve forecasts presented in Table 1. The Investment Plan has considered these factors when

recommending a Model Portfolio.

The Investment Plan recommends Whitby's MNRI be invested in Model D, which has a 40% allocation to equity within a well-diversified portfolio

The investment allocations proposed in the Investment Plan indicate that Whitby's MNRI has a relatively long investment horizon, with nearly 60% of MNRI expected to exceed 10 years. However, the plan must also accommodate substantial potential drawdowns within the next five years. Potential revisions in financial planning related to several large municipal projects may affect the MNRI balances, leading to uncertainty about future MNRI balances. These considerations suggest that a relatively conservative allocation is appropriate. Based on the expected investment horizon of reserves and circumstances, an allocation to Model D, which has a 40% exposure to equities, is recommended. Table 3 below provides summary statistics for Model D, and Table 4 further details Whitby's investment allocations.

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	6.4%	
Annual Downside Risk ¹	-9.6%	
Annual Volatility	6.3%	
Sharpe Ratio	0.48	

Table 4: Proposed Pooled Fund-Level Allocation

MODEL D (40% EQUITY)				
Asset Classes	Minimum (%)	Target Weight (\$)	Maximum (%)	Total Invested (\$)
Cash & Equivalent	0	0	10	\$0
Canadian Fixed Income	35	45	55	\$88,875,000
Short-Term bonds		25		49,375,000
Universe Bonds		0		-
Corporate Bonds		0		-
Private Placement Corporate Debt		10		19,750,000
Commercial Mortgage		10		19,750,000
Global Fixed Income and Credit	0	15	25	\$29,625,000
High Yield Bonds		0		-
Global Multi-Asset Credit		15		29,625,000
Global Bonds		0		-
Emerging Markets Bonds		0		-
Canadian Equities	10	20	30	\$39,500,000
Canadian Equities		10		19,750,000
Canadian Low Volatility Equities		10		19,750,000
Global Equities	10	20	30	\$39,500,000
U.S. Equities		5		9,875,000
U.S. Low Volatility Equities		5		9,875,000
International Equities		10		19,750,000
Global Equities		0		-
Global Low Volatility Equities		0		-
Alternatives	0	0	0	\$0
Real Estate		0		-
Infrastructure		0		-
Total		100		\$197,500,000

5. CONCLUSION

Overall, Whitby's MNRI has a long investment horizon with the potential for significant drawdowns in the next few years. However, no contributions or withdrawals will occur with the 2025 Investment Plan update. The Treasurer estimates that \$78 million of MNRI may be drawn down within five years. Additionally, financial planning for several large projects could also impact MNRI over the coming years, potentially leading to further changes in the Town's MNRI projections. These anticipated drawdowns and the uncertainties surrounding financial planning suggest that investment liquidity is highly relevant for Whitby's MNRI, which was considered when drafting Whitby's Investment Plan.

The CIO and Sub-Investment Manager are recommending that the MNRI be deployed into

Model D, which has a 40% allocation to equities. Currently, the Town's allocation will not include exposure to long-term alternative investments. This proposed asset mix and fund allocation align with its IPS and MCQ's investment objectives and risk preferences. Consequently, the Investment Plan is suitable for Whitby's circumstances and needs, reflecting the time horizons of its MNRI.

ATTACHMENTS

Attachment 1: Town of Whitby's Investment Policy Statement 2025

Attachment 2: Town of Whitby's Municipal Client Questionnaire 2025

Attachment 3: Town of Whitby's proposed Investment Plan 2025

Drafted by: Keith Taylor, Chief Investment Officer; Jennifer Hess, Manager Investment Services
Approved by: Judy Dezell and Donna Herridge, Co-Presidents/CEOs, ONE Investment



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 Resolutions #106-23 and #46-25
Date Approved:	June 4, 2018
Date Revised:	March 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.

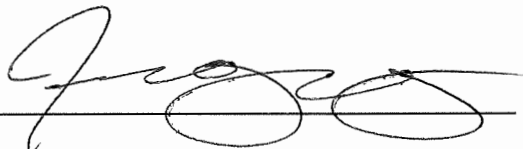
Following the Council's review of the IPS, ONE JIB shall review the Investment Plan and update it, if required.

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:

Fuwing Wong

Treasurer

2025-03-27

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 # 46-25 on this 24 day of March, 2025.

APPENDIX 1: ONTARIO REGULATION 438/97 was included in the Town of Whitby's Investment Policy but is not included in this ONE JIB Agenda Package.

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 4 - ONE JIB Agreement was included in the Town of Whitby's Investment Policy but is not included in this ONE JIB Agenda Package.

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 needs to be updated and reviewed annually in conjunction with your review of your Investment Policy Statement.

Additionally, update the MCQ within 90 days if you experience any significant changes, including:

- A significant change in your municipality's financial circumstances, or
- A 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 mid-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 Road E, 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: Cindy Lin

Phone Number: 905-444-1954

Extension: _____

Email: linc@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? 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. *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 – Investment Objectives and Liquidity Needs

This section of the MCQ asks about your Municipality's **Money that it Does Not Require Immediately** (MNRI), the purpose or investment objective and the expected investment horizon or when funds may be required to meet forecasted municipal obligations.

3.1 What is the Municipal *funding objective(s), investment horizon(s) and purpose(s)* for the MNRI?

Description (i.e. Funding Objective, Investment Purpose, or Municipal Reserve)	Total MNRI (\$)	Investment Horizon < 5 Years (\$)	Investment Horizon 5-10 Years (\$)	Investment Horizon >10 Years (\$)
Asset Management 	12,629,938	12,629,938	0	0
Growth Capital R	21,647,377	19,010,170	0	2,637,207
Development 	89,855,505	44,160,712	1,925,837	43,768,955
Other Obligatory 	58,270,594	2,255,210	2,472,765	53,542,619
Contingency	15,096,586	0	0	15,096,587
Total MNRI	197,500,000	78,056,030	4,398,602	115,045,368

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

3.2 What *assumptions or factors* does your municipality include in the 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.

Forecasted development charge revenue - overall 10 year projections is based off the latest Hemson DC Study (2021), where the total expected DC collections for the 10 years is averaged over the year with a steady growth. Additionally, Council motioned the Proposed Industrial Development Charges Deferral and Installment Payment Program In Support of Tariff Relief which has deferred approximately \$13 million in DC Revenue.

3.3 Based on *current* municipal forecasts, do you anticipate drawing down MNRI or increasing MNRI in the upcoming years?

Description	Next Year	2 years	3 years	4 years	5+ years
Anticipated MNRI Drawdowns	0	(26,000,000)	(26,000,000)	(26,000,000)	(119,000,000)
Anticipated MNRI Contributions	0	0	0	0	0
Net Change to MNRI	0	(26,000,000)	(26,000,000)	(26,000,000)	(119,000,000)

3.4 Does the municipal forecasts used (above) reflect

- ☐ Drawdowns of current reserve balances to address MRI requirements, or
☒ Drawdowns of current reserve balances inclusive of projected future budgetary contributions to address MRI requirements

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

Yes, the forecast beyond 5 years are based on the Town's best estimates/assessments. For instance, the projections of revenue is based on the most recent DC study (2021) from Hemson. While, the cashflow outlays are based on assessment of the capital projects during the 2025-2027 budget publication.

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

☒ YES ☐ NO

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

Over the next 5 years major projects include completion of the new Whitby 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.

3.8 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.

3.9 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?

Despite the MNRI calculations, the Town is not planning additional contributions at this time in order to maintain liquidity for any potential investment opportunities related to Restricted Special Assets

Section 4 – Municipal MNRI Information

This section summarizes the current MNRI under the management and control of the ONE JIB and the projected increase / decrease as a result of the annual review. *The total value should equal the total MNRI shown in Question 3.1.*

Description	As of Date (DD/MMM/YY)	Value*
Invested in ONE JIB as of <i>Date</i> (A)	31-Mar-25	197,500,000
Additional contributions or withdrawal of MNRI and <i>Date</i> fund to be remitted / paid (B)		0
Total MNRI under the management and control of ONE JIB (A + B)		197,500,000

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

Section 5 – 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 25

Fuwing Wong

Name and Signature of Treasurer

Second Signature (if required)

Appendix 1 – Midyear 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

Town of Whitby

DATE: May 29, 2025



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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 5.2 of Whitby's Investment Policy Statement (IPS).

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 Town of Whitby's IPS.

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 IPS, provide Council's guidance to ONE JIB in determining investment allocations. Further guidance from the MCQ and dialogue with the Treasurer informs ONE JIB about Whitby's current goals, objectives, circumstances, and risk tolerance and helps direct how investment allocations will be determined. The allocation of Whitby's MNRI in this Plan is consistent with the details as disclosed in Whitby's IPS and MCQ. Section 5.2.1 of Whitby's IPS 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	<ul style="list-style-type: none"> • Preservation of capital • Adequate liquidity of investments; • 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. • Able to assume a moderate risk profile to emphasize longer-term capital growth • Sufficient liquidity of investments will be required to address planned and unplanned liquidity needs.

The MNRI invested with ONE JIB will be broadly diversified by asset class, market, sector, issuer, credit quality, and term to maturity to help reduce the volatility of investment returns. 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.	\$197,500,000

Other considerations:

- Whitby will neither contribute to nor withdraw MNRI as part of the Investment Plan update. The Town projects drawdowns of \$78 million of MNRI over the next five years. The remaining MNRI is primarily comprised of long-term reserves that will not be needed within the next 10 years.
- Whitby has several projects that could potentially alter liquidity needs within the next five years, including the Whitby Sports Complex, a new fire station, and several road projects.
 - Financial planning for these projects has the potential to impact MNRI balances and may result in unforeseen drawdowns.
- The Town has not considered contributions to MNRI at this time in order to maintain liquidity for investment opportunities related to Restricted Special Assets.
 - The Town could potentially increase its holdings in certain LDC assets under specific circumstances. If other municipal investors choose to sell their stake in Elexicon Energy Inc., Whitby has the right of first refusal, and council could decide to increase its holdings.
 - This is a potential event that is unplanned, and there is no certainty that the transaction will materialize or when it might occur; however, it could lead to a significant, unanticipated decrease in MNRI.
- Council has approved the use of long-term Alternative Investments in allocations
 - As alternative investments offer limited liquidity, they may not be suitable given Whitby's potential liquidity requirements (up to 40% of MNRI may be drawn down within the next five years, and there is the potential for other significant, unexpected drawdowns).

5.2 Allocations – based on Model D (40% Equity)

MNRI Horizon			
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
Total		100	

* further details on holdings and benchmarks for this model are detailed in an attachment to the New Product Committee report ([2024-003](#))

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 JIB Responsible Investing Policy
- ONE Anti-Money Laundering Policy
- ONE Pricing Error Policy (LL & PI)
- ONE Currency Hedging Policy PI
- 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 PH&N Overseas 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
Alternatives	Real Estate	RBC Canadian Core Real Estate Fund*
	Infrastructure	RBC Global Infrastructure Fund*

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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	Expected Transfer to JIB/ONE
June 2025	<ul style="list-style-type: none"> - Existing PH&N funds may be sold, or their weightings adjusted to align Whitby's investment allocations to this Investment Plan. - This plan includes allocations to Model D, which represents a different strategy from the client's current allocation.

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.

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: May 29, 2025
Re: OCIO Annual Review 2025
Report: ONE JIB 2025-021

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

ONE JIB's Policy on Reviewing the External Sub-Investment Manager contemplates an annual review of the Sub-Investment Manager for the Prudent Investment Offering.

Eckler Ltd. has been retained to conduct the review, which includes assessing the service level and operations of the Sub-Investment Manager - PH&N Institutional. This review will include confidential materials and a presentation in closed session as part of the review process.

3. BACKGROUND

A formal review of the external Sub-Investment Manager is required annually as part of ONE JIB's oversight role

Reviewing key external service providers, including the Sub-Investment Manager, is part of ONE JIB's responsibility to ensure proper governance of the Prudent Investment Offering. Eckler Ltd. has been retained by ONE Investment to assist with this annual review process.

As the Sub-Investment Manager began investing the MNRI of Participating Municipalities in July 2024, the evaluation of its services will encompass part of the year, concluding on December 31, 2024.

The review of the Sub-Investment Manager will be conducted in a closed session due to the confidential nature of the discussion

This analysis and discussion of the OCIO provider that is part of the annual OCIO Review includes confidential commercial and financial information intended to be shared with the

ONE JIB for evaluation purposes. This discussion will take place in a closed session of ONE JIB, as the information could reasonably be expected to significantly prejudice the competitive position or interfere with the contractual or other negotiations of ONE JIB, ONE Investment, and/or the Sub-Investment Manager. Attachments to support the discussion will also be shared confidentially with ONE JIB.

4. CONCLUSION

An evaluation of the Sub-Investment Manager will take place as required under the ONE JIB policy. The review will examine the service standards and operations of the Sub-Investment Manager. This assessment will include confidential documents, and a presentation held in a closed session as a part of the review process.

Drafted by: Keith Taylor, CIO

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

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: May 29, 2025
Re: Central Frontenac Investment Plan – Additional Analysis
Report: ONE JIB 2025-028

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

Central Frontenac's Investment Plan was approved at the ONE JIB meeting on November 27, 2024, which included an investment allocation with a 60% allocation to equities. All Central Frontenac's MNRI will be used to cover capital spending to maintain Road 38. Central Frontenac's plan outlined expected annual MNRI contributions and included a schedule of anticipated future drawdowns.

It was noted at that time that the allocation to equities seemed high, considering the expected future MNRI drawdowns involved. There was concern that large negative returns could potentially erode the initial capital invested, making it impossible to achieve the expected schedule of MNRI drawdowns. This report is intended to address this concern and provide more detail on the circumstances.

Investment modelling has been conducted to support the basis of this report, which confirms that the contribution and withdrawal assumptions are unlikely to provide a sustainable investment solution, regardless of the assigned investment allocation. This reflects a common issue facing municipal financial planning, where there is a mismatch between financial obligations and the resources available to meet them. This suggests that additional funding will be required to fund the maintenance of Road 38 or assumed spending needs may require revision.

3. BACKGROUND

All Central Frontenac's MNRI is associated with reserves that will be utilized to maintain Road 38

All Central Frontenac's MNRI is linked to reserves designated for the ongoing maintenance of Road 38. Current projections suggest that \$4 million will be needed for

maintenance spending in four years, and \$8 million will be required every eight years thereafter. However, these expenditure amounts and timelines remain uncertain. Depending on the road's condition, spending may be postponed, or the actual amount spent may vary. Ultimately, the actual expenditure will be limited by Central Frontenac's financial resources, and spending will have to be managed by staff and council within the constraints of the municipality's financial capabilities.

Since concerns have been raised, staff are providing further detail on Central Frontenac's investment allocations

During the ONE JIB meeting on November 27, 2024, concerns were expressed regarding the sustainability of the investment solution presented for Central Frontenac. A specific concern was raised regarding the allocation's ability to provide adequate funding in the future to meet anticipated spending requirements. This concern focused on scenarios where capital losses in earlier years could diminish the value of investments to such an extent that subsequent growth would be insufficient to achieve the stated investment objectives. Consequently, it was questioned whether reducing the allocation to equities would be a prudent strategy to mitigate the associated risks. This report offers further analysis that illustrates the effect of reducing equity exposure and its impact on the likelihood of achieving Central Frontenac's investment goals.

The annual MNRI contributions identified in Central Frontenac's MCQ have not been approved by Council and the actual maintenance spending for Road 38 is not known

The annual contribution amount in the MCQ does not represent a maximum contribution amount approved by Central Frontenac Council. If larger contributions are necessary, the annual contribution amount can be adjusted upwards. It is likely that the \$500,000 annual contributions identified in Central Frontenac's MCQ may not adequately fund the spending needs indefinitely. As appropriate, Central Frontenac's annual contribution may need to be adjusted, and as appropriate, could be increased.

The specific details regarding maintenance have been outlined in Central Frontenac's Investment Plan; however, these are only estimates. The actual amounts and timing of these expenditures are not yet known. The timing of expenditures is flexible and may be expedited or postponed based on road conditions. Furthermore, the actual costs for maintenance will depend on the state of the roads at the time maintenance is carried out.

4. ANALYSIS

Planned contributions of MNRI by Central Frontenac may not be sufficient for the funding plan for Road 38 to be sustainable

It is acknowledged there is a significant risk that the current MNRI and planned contributions may not fully fund the expected future spending. This is not a result of the assigned allocation, as changing the investment allocation to a lower risk profile will not lower Central Frontenac's ability to meet the expected expenditures with the current MNRI

and planned contributions.

Instead, this reflects a common issue facing municipal financial planning, where there is a mismatch between financial obligations and the resources available to meet them. Additional funding may be required for financial planning, or the spending plan could also be adjusted.

Central Frontenac's primary investment goal is to generate investment returns to help fund future road maintenance. Growth of MNRI balances is the main objective, and the Treasurer is fully aware that more funding may be needed for the maintenance of Road 38 than was identified in the Investment Plan. While the Treasurer does not expect additional grant funding for the maintenance of Road 38, Council could potentially approve larger annual contributions to MNRI.

With annual MNRI contributions of \$500,000 it is likely that all MNRI will be depleted within 12 to 20 years, regardless of the investment allocation assigned

The current contribution target of \$500,000 per year is highly unlikely to provide a sustainable investment solution for Central Frontenac, given the existing assumptions of cash flows and investment returns. The issue is that the initial MNRI contribution of \$2.8 million and an annual contribution of \$500,000 may be insufficient; regardless of the investment allocation chosen, this funding plan is likely not sustainable. Lower allocations to equities reduce the probability of the funding plan being sustainable. This conclusion was confirmed by the Monte Carlo analysis demonstrated below.

Monte Carlo analysis was conducted to validate the sustainability of the funding plan for Central Frontenac's MNRI

An investment model was developed to help validate the sustainability of the funding plan and to demonstrate how altering the investment allocation would impact this. This model used Monte Carlo analysis that simulated return scenarios over the next 28 years to determine the probability that the MNRI would be able to fund the expected MNRI drawdowns of \$4 million in year 4, and \$ 8 million in years 12, 20 and 28. This model uses the capital market assumptions and model details as presented in the ONE JIB meeting on November 27, 2024. These returns and variances were used to run 1000 annual return simulation scenarios for each of the 28 years in the study. This analysis was repeated using investment models with equity allocations ranging from 20% to 70% equity to demonstrate the impact of model selection on the outcome.

The simulation results show the probability of achieving the MNRI drawdown targets in each of the anticipated drawdown periods. These probabilities are presented in Table 1 below, assuming an initial MNRI contribution of \$2.8 million and annual contributions of \$500,000. The table displays the probabilities for various investment allocations.

Table 1 – Probability of achieving investment goals (base case scenario)

\$2,800,000 + \$500,000 annually (base case)	Probability of achieving payout goal			
	Y4	Y12	Y20	Y28
Model G - 70% Equity	99.4%	52.6%	24.6%	15.3%
Model F - 60% Equity	99.8%	52.8%	22.1%	12.3%
Model E - 50% Equity	100.0%	51.8%	17.7%	7.6%
Model D - 40% Equity	100.0%	45.7%	8.8%	2.6%
Model C - 30% Equity	100.0%	37.9%	3.6%	0.6%
Model B - 20% Equity	100.0%	24.8%	0.3%	0.0%

As shown in Table 1, there is nearly a 100% probability that the \$4 million drawdown can be funded in year 4, regardless of the assigned investment model. In year 12, when an \$8 million drawdown is anticipated, the probability of the MNRI fully funding this drawdown falls to approximately 52.8% (using model F with a 60% equity allocation), with the probability decreasing as the allocation to equities declines. Table 1 also indicates that by year 20, the funding plan is not sustainable. Central Frontenac's 60% allocation to equities has only a 22.1% chance of fully funding the \$8 million MNRI drawdowns in year 20. Higher allocations to equities enhance the probability of the funding plan being sustainable. This analysis considers the sequence of investment returns, where significant negative returns in the early years could jeopardize the financial plan's capacity to achieve investment goals in later periods.

Central Frontenac may adjust to ensure the financial planning is sustainable

The Treasurer noted that the details in the MCQ and Investment Plan regarding the MNRI contributions and expected spending are not fixed numbers. These are only estimates, and these values may change. If larger contributions are required, Council may approve larger annual contributions.

Additional analysis was conducted using the Monte Carlo Analysis, demonstrating the effect of larger annual contributions, which was shared with the Treasurer. This analysis suggests that increasing the annual contributions to \$600,000 would significantly improve the sustainability of the financial planning. Table 2 below presents the details of this analysis.

Table 2 – Probability of achieving investment goals (scenario 2)

\$2,800,000 + \$600,000 annually (Increased contributions)	Probability of achieving payout goal			
	Y4	Y12	Y20	Y28
Model G - 70% Equity	99.9%	82.0%	62.8%	51.3%
Model F - 60% Equity	100.0%	84.8%	64.1%	51.2%
Model E - 50% Equity	100.0%	87.3%	62.8%	47.9%
Model D - 40% Equity	100.0%	88.2%	57.2%	38.7%
Model C - 30% Equity	100.0%	90.7%	51.9%	28.5%
Model B - 20% Equity	100.0%	90.6%	37.9%	13.3%

In this scenario, the probability of fully funding the year 20 drawdown, with an allocation of 60% equity exposure, rises to 64.1%, significantly surpassing the 22.1% probability in the base case scenario. This analysis indicates that the investment allocation for Central Frontenac is appropriate, as a lower equity allocation would diminish the likelihood of the plan being sustainable in the long term. Larger contributions, rather than lower equity allocations, are crucial for making Central Frontenac's plan to fund the ongoing maintenance of Road 38 sustainable.

5. CONCLUSION

Further analysis has been conducted to assess the sustainability of Central Frontenac's ONE JIB approved Investment Plan and the appropriateness of the assigned investment allocations. This analysis confirmed that the financial planning related to the maintenance of Road 38 may not be sustainable over the long term. The allocation of 60% to equities is appropriate, but additional contributions will likely be necessary from Central Frontenac to address the anticipated future expenditures.

The assigned investment allocation aimed to provide growth over time to help fund anticipated future expenditures. The allocations in the Investment Plan were not designed to be a sustainable investment solution; rather, they were intended to offer investment growth that could potentially offset future expenditures. However, it is important to understand that the details regarding MNRI contributions and expected future drawdowns are only estimates. The actual spending needed for Road 38 may be lower than planned, spending might be postponed, or annual contributions could be increased.

Drafted by: Keith Taylor, Chief Investment Officer

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

To: ONE Joint Investment Board
From: Judy Dezell, Co-President/Co-CEO, ONE Investment
Date: May 29, 2025
Re: ONE JIB Special Meeting – September 4, 2025 - Innisfil
Report: ONE JIB 2025-024

1. RECOMMENDATIONS

It is recommended that the Board:

1. Hold a special meeting at the Town of Innisfil on Thursday, September 4, 2025 at 10:30 a.m.
2. Move its regular business meeting to Thursday, September 11, 2025.

2. SUMMARY

- ONE JIB's annual governance self-evaluation has consistently identified as a priority the opportunity for members to build relationships with municipal investors
- ONE Investment staff encourage members to attend key municipal conferences to hear firsthand from municipalities.
- Visiting Participating Municipalities is another way for ONE JIB members to gain a better understanding of a particular municipality while also interacting with council and staff members.

3. BACKGROUND

ONE JIB's annual governance self-evaluation identified two priorities for 2025 and 2026

The two priorities identified by ONE JIB for focus in 2025 and 2026 are building a pipeline of potential investors and building relationships with municipal investors.

Directly engaging with an existing Participating Municipality in its own community is another level of understanding that can be used by ONE JIB in making investment decisions through the Investment Plan as it takes local issues into account. The interactions will also help ONE JIB understand how to engage similar municipalities as it focuses on one of its Strategic Plan goals of growing assets under management.

4. ANALYSIS

The ONE JIB agenda for the special meeting with include Innisfil's annual Investment Plan review

As noted at the Board's February meeting, the Town of Innisfil had offered to host a special meeting of the ONE JIB. As we worked with Town of Innisfil staff, it became apparent that the best date for a meeting at the Town would be Thursday, September 4, 2025. Starting the meeting at 10:30 a.m. would enable Board Members to travel to Innisfil more easily. This would necessitate moving the Board's regular meeting scheduled for that date to the following Thursday, September 11, 2025.

ONE Investment staff are working on an agenda for the special meeting that will include the annual review of Innisfil's Investment Plan along with reviewing ONE JIB's approved model portfolios. Time will be set aside for a tour of the Town of Innisfil led by town staff.

5. CONCLUSION

ONE Investment staff are looking for different opportunities for ONE JIB to interact with Participating Municipalities to help inform investment decisions.

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

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

To: ONE Joint Investment Board
From: Judy Dezell, Co-President/Co-CEO, ONE Investment
Date: May 29, 2025
Re: ONE JIB Policies – 2025 Review
Report: ONE JIB 2025-023

1. RECOMMENDATIONS

It is recommended that the Board:

1. Approve, as amended, the Responsible Investing Policy and Withdrawals of MNRI Policy.
2. Approve the Fund Deviation Policy and Principles of Good Benchmarks Policy.

2. SUMMARY

- The ONE JIB Withdrawals of MNRI Policy was just reviewed last year. 2025 has marked the first time the policy has been used. Staff have identified some changes necessary after using the policy.
- As ONE Investment has transitioned to a new business model, it has identified gaps in Prudent Investment Offering policies and procedures that should be addressed.
- The proposed new Fund Deviation Policy is designed to recognize that within the approved funds there are alternative investments that are closed funds that take time to enter.
- The Principles of Good Benchmarks Policy is designed to provide clarity to the Sub-Investment Manager (PH&N Institutional) of ONE JIB's expectations of benchmarks used for each of the funds.
- The Compliance manual is being revised due to the new business model. It will include new procedures around reviewing ONE JIB approved model portfolios and how funds will be added or removed from the Investment Management Agreement (IMA).

3. BACKGROUND

ONE JIB has built a set of policies that require regular review

The investment industry is focused on compliance. ONE Investment and ONE JIB are no exception. The Compliance Manual developed by ONE Investment is an example of this focus. It is also a living document that identifies the policies that need to be in place. Good

governance practice establishes a regular review cycle for policies and helps identify gaps to be filled.

ONE JIB accepted Audit Committee's recommended changes to policies in 2024

In 2024, in preparation for the move to the OCIO business model, staff reviewed ONE JIB policies – at that time changes were first brought forward to the Audit Committee, then to ONE JIB. All recommended changes were approved by ONE JIB. For Spring 2025, another review of ONE Investment and ONE JIB related policies was completed by the Audit Committee. The Audit Committee is supportive of staff recommendations for changes to the Withdrawals of MNRI Policy.

The Prudent Investment Offering change in business model has triggered a review to identify gaps in policies and procedures

Planning for the transition to the OCIO business model approach for the Prudent Investment Offering has been ongoing for over a year. The original 11 Participating Municipalities were flawlessly and fully moved over to PH&N Institutional the week of March 3, 2025. Now that the transition is complete and based on questions being received from ONE JIB members on the new business model, staff have started to identify potential gaps in the policies of ONE JIB and the Prudent Investment Offering along with the internal procedures. The Compliance Manual is being fully reviewed and will first go to the Audit Committee in May 2025 with some new procedures for the new business model.

4. ANALYSIS

Responsible investing should remain a priority for ONE Investment and ONE JIB

Prior to the return of Donald Trump as the U.S. President, ESG and responsible investing were experiencing very strong public backlash in the United States (US). The focus of the current US administration has accelerated the decline of ESG focus, which implicitly also embeds diversity, equity and inclusion (DEI) initiatives. Canada's commitment to maintaining sovereignty is reflected in its ongoing dedication to DEI initiatives, Indigenous reconciliation and principled approaches on matters such as responsible investing.

Moreover, currently the policy is predicated on the United Nations Principles of Responsible Investing (UNPRI) and Chartered Financial Analyst (CFA) Institute language around responsible investing, which has not changed. Finally, the purpose of the policy initially was to address questions ONE Investment was receiving around fossil fuel investments. The policy helps ONE explicitly address those concerns. Staff will continue to monitor the UNPRI and CFA Institute for changes to positions, but for now the only change staff are recommending is to move the policy review to every three years.

Practical experience with the Withdrawals of MNRI Policy is prompting suggested changes

The Withdrawals of MNRI Policy was reviewed in 2024, but in the first quarter of 2025 it was used for the first time by two municipalities to make unplanned withdrawals. Upon a

close read of the policy, it was not clear whether the Chief Investment Officer would need to bring a new Investment Plan to ONE JIB as a result. It makes better sense to have flexibility on this and instead acknowledge a new Investment Plan may be required, but also using a pro-rata approach to raising cash is also a reasonable approach. Further, with the transition to the OCIO business model it makes sense to update the policy now. The changes recommended to the policy reflect the approved model portfolios that ONE JIB has instead of the Outcomes Framework along with edits to process to offer clarity.

The Fund Deviation Policy is about recognizing the nature of accessing alternative investments

With the transition to the OCIO business model, ONE JIB has moved from five different funds for Participating Municipalities to 35 with the option to employ even more fund options if desired. Within the current 35 funds, some are considered alternatives that have certain entry points that may not align with the ONE JIB approved Investment Plans. PH&N Institutional, as the Sub-Investment Manager, will instead place funds in a temporary spot until the desired fund becomes available. The policy is designed to acknowledge this and clarify that this is not considered out of balance or non-compliant.

Benchmarks should not just be about making the fund manager look good

During the February 25, 2025 meeting of ONE JIB, there were several questions about the benchmarks that had been selected by the fund manager. While Participating Municipalities are just 15 of the many investors in each of the 35 funds, we don't have the ability to demand specific benchmarks, but what we can do is influence decisions about benchmarks, including secondary benchmarks. That is the intention of the Principles of Good Benchmarks Policy. It is something ONE JIB can point to when discussing benchmarks selected by fund managers.

The policy was drafted based on the CFA Society's perspective of the principles of good benchmarks to be in keeping with standard investment industry expectations.

New procedures within the Compliance Manual will provide clarity for staff and PH&N Institutional

As ONE JIB's agent, ONE Investment has the responsibility for engaging PH&N Institutional, which it has done through signing the IMA. In PH&N Institutional's context, ONE Investment is the customer. In ONE Investment's context, we work collaboratively with ONE JIB on all aspects of the Prudent Investment Offering including the development of model portfolios to implement ONE JIB approved Investment Plans and what funds will be included in the IMA. The Compliance Manual will spell out procedures for both reviewing and altering the model portfolios and how funds will be added or removed from the IMA. Once the Compliance Manual has been reviewed by the Audit Committee, ONE JIB will be informed of the procedures.

5. CONCLUSION

ONE JIB has developed a robust policy framework. Maintaining current policies strengthens the compliance and governance framework. Good policies also provide clarity to ONE staff in executing their duties.

ATTACHMENTS

Attachment 1: Responsible Investing Policy

Attachment 2: Withdrawals of MNRI Policy

Attachment 3: Fund Deviation Policy

Attachment 4: Principles of Good Benchmarks Policy

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

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

Attachment 1

Status: Draft

ONE Investment Policy Statement			
Policy:	Responsible Investing	Date Approved:	Person Most Responsible: Co-Presidents/CEO
		Date of Next Review:	

Purpose

The purpose of this policy is to establish the principles governing responsible investing at ONE Investment.

ONE Investment and ONE JIB believe that ESG risks can have an impact on the long-term risk and return profiles of securities and should be considered in a prudent decision-making framework. Supporting ESG integration is consistent with the fiduciary duty of ONE JIB. ONE Investment and ONE JIB also believe that ESG risks can be further mitigated through engagement with companies and by exercising proxy votes. Investment managers will be selected and evaluated on their ESG and active engagement policies. ONE Investment and ONE JIB see these beliefs as being fully aligned with the long-term sustainability objectives of the communities they serve.

Scope

This policy is applicable to all actively managed assets under management through the ONE Investment Board governed Legal List Program and the ONE JIB governed Prudent Investment Program.

Definitions

- **Active Ownership** involves working with companies on ESG issues to influence and guide their business practices to a desired state. This can be accomplished through various mechanisms with differing levels of involvement, such as exercising proxy voting rights, writing a letter to the company, filing a shareholder resolution, or meeting with company executives.
- **ESG Investing** refers to the practice of incorporating environmental, social and governance factors into investment decisions.

- **ONE Investment** means the not-for-profit organization founded by CHUMS Financing Corporation and Local Authority Services that will serve as an agent of ONE JIB to supply management, administrative and other services required by ONE JIB in the discharge of ONE JIB's duties and responsibilities.
- **ONE JIB** refers to the ONE Joint Investment Board that was formed on May 19, 2020 under section 202 of the Municipal Act, as required under Part II of Ontario Regulation 438/97, to manage the investments of Ontario municipalities under the prudent investor regime. ONE JIB has a services agreement with ONE Investment.
- **ONE Legal List Investment Program** means the program in which municipalities and other eligible investors may jointly invest in securities that are prescribed in Part 1 of the Regulation under Section 418 of the Act.
- **ONE Prudent Investment Program** means the program for municipal investment in respect of which a Participating Municipality has appointed ONE JIB as its Joint Investment Board and has entered into the ONE JIB Agreement.
- **Responsible Investing** means “a strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions and active ownership”, as defined by the United Nations Principles of Responsible Investing (UN PRI).
- **Sustainable Investing** is a term used by certain organizations to refer to the integration of ESG factors in investment decisions. ONE Investment and ONE JIB consider the term interchangeable with responsible investing.

Policy Statement

ONE Investment and ONE JIB commits to the following principles:

- 1) Appoint managers that have policies and processes for incorporating ESG considerations into their risk analysis and security selection.
- 2) Appoint managers that take active approaches to ownership, engaging with management to change practices to a more responsible or sustainable approach, where identified, and voting proxies in a manner that is consistent with the long-term sustainability of the of the organization and strong ESG practices consistent with responsible investing.
- 3) Communicate our ESG expectations to managers.

- 4) Engage with managers to better understand and evaluate their ESG integration process on at least an annual basis.
- 5) Engage with managers on ESG risks in the funds and portfolios.
- 6) Engage with managers on their active ownership activities.
- 7) Incorporate considerations for manager ESG processes and risk exposures as part of manager evaluation.
- 8) Provide resources and training opportunities on ESG matters for all staff and board members involved in investment decision-making.
- 9) Provide resources and training opportunities on ESG matters, with respect to investments, for our clients.
- 10) Communicate to clients on ESG initiatives undertaken by ONE Investment and ONE JIB.
- 11) Establish processes and practices that encourage continuous improvement of the ESG activities of ONE Investment and ONE JIB.

Governance

ONE Investment's Legal List and Prudent Investment Programs have different governance structures. Decisions with respect to the Legal List program are governed by the ONE Investment Board of Directors with input from the Investment Advisory Committee (investment industry experts). Decisions with respect to the Prudent Investment program are governed by ONE JIB. To ensure consistency across programs, all ESG activities will be approved by both governing bodies. The governing bodies will provide recommendations with respect to improvements to ESG integration processes or remediation of ESG risks to Managers through ONE Investment staff.

As ONE Investment and ONE JIB are in the building phase of their joint responsible investing strategy, they have established a time-limited working group that will oversee the development of policies and procedures that will be put forward to the two governing bodies for final approval.

Established in 2023, the ESG Working Group is comprised of members and staff from each of the following stakeholder groups:

- ONE Investment Board of Directors – primarily comprised of municipal staff or elected officials

- ONE Joint Investment Board – governs the Prudent Investment Program and is comprised of a combination of municipal finance experts and institutional investment experts
- ONE’s Investment Advisory Committee – advises ONE Investment on the Legal List Program and is primarily comprised of institutional investment experts
- ONE Legal List Client – advises ONE Investment on the municipal perspective with respect to the Legal List Program and would provide a municipal finance staff perspective
- ONE Prudent Investor Client – advises ONE Investment on the municipal perspective with respect to the Prudent Investment Program and would provide a municipal finance perspective

The working group’s role is to aid ONE Investment and ONE JIB in developing appropriate policies and procedures with respect to ESG integration and ESG oversight responsibilities.

Reporting

We are committed to being transparent with our stakeholders and to regular reporting and disclosure activities. This commitment will be implemented through:

- Updating our website with responsible investing activities.
- Providing a responsible investing update annually.

Review

This policy shall be reviewed every three years.

Attachment 2

Status: **DRAFT**

ONE Joint Investment Board Policy Statement			
Policy:	Withdrawals of Money Not Required Immediately (MNRI)	Date Approved: Date of Next Review:	Person Most Responsible: Chief Investment Officer

Purpose

The purpose of this policy is to establish the principles governing withdrawals of MNRI.

This policy will establish the principles that govern decisions for managing withdrawals of MNRI. As per section 5.O4 of the ONE JIB Agreement, ONE JIB must work with a Participating Municipality to ensure an “orderly liquidation” to withdraw amounts of Managed Assets within 30 days of written notice, barring exceptional circumstances. The 30-day notice period may be waived at ONE JIB’s discretion. The Chief Investment Officer will be required to coordinate transactions to facilitate any withdrawals of MNRI.

Scope

This policy applies to ONE JIB, the Chief Investment Officer of ONE Investment, and the Sub-Investment Manager whose duties include the investment of MNRI of Participating Municipalities in accordance with the related Investment Policy Statement, and Investment Plan. This policy is intended to provide guidance pertaining to how staff and ONE JIB address requested the withdrawals of MNRI that occur in year.

Definitions

- **Asset Allocation (Asset Mix)** means the proportion of each asset class in a portfolio or allocation.
- **Allocation Weight** means the percentage of a particular Investment Fund or Asset Class in relation to total holdings. The term should be associated with a qualifying term such as Asset Class or Investment Fund.

- **Asset Class** means the type of asset category in an investment portfolio. The primary Asset Classes are cash, cash-equivalent instruments, **alternative securities**, fixed income, equities and equity- equivalent securities. These primary Asset Classes can be further subdivided into government and corporate bonds, large and small cap equities and other widely recognized asset categories.
- **Investment Plan** refers to a document that defines how the ONE JIB will invest the MNRI of a Participating Municipality, as outlined in Ontario Regulation 438/97.
- **Managed Assets** means, with respect to a Participating Municipality, the assets of the Participating Municipality managed and controlled by ONE JIB pursuant to, and subject to, the terms and conditions set out in the ONE JIB Agreement.
- **Money Required Immediately (MRI)** means short-term money held by the Participating Municipality that is not under the control and management of ONE JIB. There is no universal definition of MRI, and it is the discretion of each Participating Municipality to define MRI in a way that is appropriate for their circumstances.
- **Money Not Required Immediately (MNRI)** means long-term money held by the Participating Municipality that is delegated to the ONE JIB to control and manage. There is no universal definition of MNRI, and it is the discretion of each Participating Municipality to define MNRI in a way that is appropriate for their circumstances.
- **ONE JIB** refers to the ONE Joint Investment Board that was formed on May 19, 2020 under section 202 of the *Municipal Act*, as required under Part II of Ontario Regulation 438/97, to manage the investments of Ontario municipalities under the prudent investor regime. ONE JIB has a services agreement with ONE Investment.
- **Participating Municipalities** refers to municipal investors having entered into a ONE JIB Agreement for the investment of MNRI.

- **Planned Withdrawal** means an anticipated reclassification of MNRI to MRI where the general amount and timing of the withdrawal is known in advance and was contemplated in **an approved** Investment Plan. Planned withdrawals are fully accommodated through the Investment Plan.
- **Sub-Investment Manager** means the portfolio manager retained by ONE JIB, to provide discretionary investment management services for those assets of the Participating Municipalities that ONE JIB places with the Sub-Investment Manager from time to time, and such earnings, profits, increments and accruals thereon as may occur from time to time.
- **Unplanned Withdrawal** means an unanticipated reclassification of MNRI to MRI due to a sudden change in circumstances that would not have been contemplated in the development of the Investment Plan.

Policy

ONE JIB is responsible for making investment decisions related to the MNRI of Participating Municipalities. The Chief Investment Officer **and the** Sub-Investment Manager of ONE Investment **are** authorized to execute trades, as appropriate, to implement ONE JIB decisions and maintain compliance with the Investment Plans. Withdrawals of MNRI **will be handled in** a manner that is consistent with the following principles:

- 1) Withdrawals shall be managed in accordance with the Participating Municipality's Investment Policy and the related Investment Plan.
- 2) Exact time requirements for the withdrawal will be determined in consultation with the Participating Municipality and, where practicable, a proposed withdrawal plan and revised Investment Plan will be presented to ONE JIB prior to any transactions.
- 3) As appropriate, the size and frequency of trading activities shall be minimized to help reduce the administration and costs of trading.
- 4) When developing a proposed withdrawal plan to accommodate the Participating Municipality's withdrawal request, the Chief Investment Officer **and Sub-Investment Manager** shall consider:
 - a. Liquidity of the Managed Assets.

- b. The realized gains or losses that may be triggered because of the transactions.
 - c. The overall impact on the Participating Municipality's portfolio and Allocation Weights.
 - d. In accordance with section 5.04(e) of the ONE JIB Agreement, whether the size of the request may warrant an extension of the 30-day standard.
- 5) The withdrawal plan, including any realized gains or losses that may be incurred by the proposed transactions, shall be discussed with the Participating Municipality prior to execution.
- 6) The withdrawal plan will be reviewed and approved by the Chief Compliance Officer and Chief Investment Officer prior to execution by the Sub-Investment Manager.
- 7) For Unplanned Withdrawals, the Chief Investment Officer will consult with the ONE JIB Chair and Vice Chair to determine if an updated Investment Plan is required.
 - a. If an updated Investment Plan is required and there is insufficient time for ONE JIB approval, the ONE JIB Chair can approve the withdrawal plan, with the revised Investment Plan to be presented at the next scheduled ONE JIB meeting.
- 8) Transactions relating to a Planned or Unplanned Withdrawal will be reported to ONE JIB and the Participating Municipality.
 - a. All investment transactions will be shared in regular investment reports to the Participating Municipality and ONE JIB.
 - b. The Chief Investment Officer will provide an implementation report with details and explanation of the transaction to ONE JIB at the next scheduled ONE JIB meeting.
 - c. As appropriate, a new Investment Plan may need to be drafted.
- 9) The ONE JIB Chair and Board Secretary will be informed in advance of any transactions related to a Planned or Unplanned withdrawal.
- 10) Notwithstanding the specific rules established for withdrawals, the Chief Investment Officer and the Sub-Investment Manager shall exercise good judgement in determining how to apply the principles in this policy.
- 11) Any matters deemed by both the Chief Investment Officer and the Chief Compliance Officer to warrant a possible extension of the 30-day standard will be referred to the ONE JIB Chair, Vice Chair and Secretary as soon as practicable.
- 12) During withdrawal of MNRI, the liquidity of the funds held may not only prevent the withdrawal from being immediately satisfied. ONE JIB acknowledges it may also disrupt the maintenance of intended allocation weights, potentially leading to



deviations from target allocations and temporary non-compliance of the account. The CIO and Sub-Investment will develop a plan to return to balance as quickly as practicable.

Review

This policy shall be reviewed at least once every three years.



Attachment 3

Status: DRAFT

ONE Joint Investment Board Policy Statement			
Policy:	Fund Deviation Policy	Date Approved: TBD Date of Next Review: TBD	Person Most Responsible: Chief Compliance Officer

Purpose Statement

The purpose of this policy is to recognize the unique nature of illiquid investment options and ONE JIB's expectations in deploying them within approved Investment Plans for Participating Municipalities.

Scope

This policy applies to ONE JIB and the Chief Compliance Officer of ONE Investment, whose duties include **verifying** the investment of MNRI of Participating Municipalities in accordance with the related Investment Policy Statement, and Investment Plan. This policy is intended to provide guidance pertaining to ONE Investment staff and the Sub-Investment Manager when dealing with illiquid securities.

Definitions

- **Asset Allocation (Asset Mix)** means the proportion of each asset class in a portfolio or allocation.
- **Allocation Weight** means the percentage of a particular Investment Fund or Asset Class in relation to total holdings. The term should be associated with a qualifying term such as Asset Class or Investment Fund.

- **Asset Class** means the type of asset category in an investment portfolio. The primary Asset Classes are cash, cash-equivalent instruments, fixed income, equities and equity-equivalent securities. These primary Asset Classes can be further subdivided into government and corporate bonds, large and small cap equities and other widely recognized asset categories.
- **Investment Plan** refers to a document that defines how the ONE JIB will invest the MNRI of a Participating Municipality, as outlined in Ontario Regulation 438/97.
- **Money Not Required Immediately (MNRI)** means long-term money held by the Participating Municipality that is delegated to the ONE JIB to control and manage. There is no universal definition of MNRI, and it is the discretion of each Participating Municipality to define MNRI in a way that is appropriate for their circumstances.
- **Participating Municipalities** refers to municipal investors having entered into a ONE JIB Agreement for the investment of MNRI.
- **Sub-Investment Manager** means the portfolio manager retained by ONE JIB, to provide discretionary investment management services for those assets of the Participating Municipalities that ONE JIB places with the Sub-Investment Manager from time to time, and such earnings, profits, increments and accruals thereon as may occur from time to time.

Policy

ONE JIB is responsible for making investment decisions related to the MNRI of Participating Municipalities. The Chief Investment Officer and the Sub-Investment Manager of ONE Investment are authorized to execute trades, as appropriate, to implement ONE JIB decisions and maintain compliance with the Investment Plans. The Chief Compliance Officer will monitor the compliance of the investments as outlined in the Investment Plan.

Notwithstanding the Asset Mix guidelines and rebalancing rules outlined in the Investment Plan, it is understood that the allocations to private investments are less liquid and may require up to 24 months to gain full investment allocations. During this investment period, the actual Asset Mix may be outside the tolerance limits of the Investment Plan which may be unavoidable. For the purposes of investment compliance, these deviations will not be considered compliance breaches as they would have been anticipated by ONE JIB when Investment Plans are approved. While every effort will be made to maintain the allocation or private investments within the tolerance ranges, ongoing rebalancing of private investments will be limited due to the illiquid nature of the asset class. Any necessary adjustments to the Asset Class weighting will be made as the opportunity arises.



The Chief Investment Officer and Sub-Investment Manager will develop an agreed transition plan that should identify securities where fund liquidity is limited, and implementation may take one or more quarters to attain full allocations. That will be reviewed by the Chief Compliance Officer prior to execution and reported to ONE JIB every quarter until the transition is completed.

As appropriate, substitute funds may need to be held in client allocations while the desired investment allocations are being built. ONE JIB delegates authority to the CIO and CCO to provide oversight to the Sub-Investment Manager when selection of substitute funds may be required. ONE JIB will be kept informed through the quarterly Investment Plan Implementation Report.

Review

This policy shall be reviewed at least once every three years.



Attachment 4

Status: DRAFT

ONE Joint Investment Board Policy Statement			
Policy:	Principles of Good Benchmarks	Date Approved: TBD Date of Next Review: TBD	Person Most Responsible: Chief Investment Officer

Purpose Statement

The purpose of this policy is to establish the principles governing the evaluation of benchmarks employed by the Sub-Investment Manager.

Scope

This policy applies to the Prudent Investment Offering.

Definitions

- **Money Not Required Immediately (MNRI)** means long-term money held by the Participating Municipality that is delegated to the ONE JIB to control and manage. There is no universal definition of MNRI, and it is at the discretion of each Participating Municipality to define MNRI in a way that is appropriate for their circumstances.
- **Participating Municipalities** refers to municipal investors having entered into a ONE JIB Agreement for the investment of MNRI.
- **Sub-Investment Manager** means the portfolio manager retained by ONE JIB, to provide discretionary investment management services for those assets of the Participating Municipalities that ONE JIB places with the Sub-Investment Manager from time to time, and such earnings, profits, increments and accruals thereon as may occur from time to time.

Policy

ONE JIB believes whichever type of performance objective is being measured it is vital that the objective itself is meaningful. The CFA Society has established Global Investment Performance Standards that provides guidance regarding performance benchmarks that are aligned with the beliefs of the ONE JIB. For benchmarks to be valid they need to exhibit the following characteristics

- (1) Unambiguous. The identities and weights of securities or factor exposures constituting the benchmark are clearly defined.
- (2) Investable. It is possible to forgo active management and simply hold the benchmark. That is, investors can effectively purchase all securities in the benchmark.
- (3) Measurable. The benchmark's return is readily calculable on a reasonably frequent basis. A good benchmark will have transparent set of public rules and, therefore, predictability for investment managers.
- (4) Appropriate. The benchmark is consistent with the manager's investment style or area of expertise.
- (5) Reflective of current investment opinions. The manager has current investment knowledge (be it positive, negative, or neutral) of the securities or factor exposures within the benchmark.
- (6) Specified in advance. The benchmark is specified prior to the start of an evaluation period and its calculation methodology is known to all interested parties.
- (7) Owned. The investment manager should be aware of the strengths and weaknesses of any benchmark they are asked to replicate or be judged against. It must also accept accountability for a Participating Municipality's portfolio performance against that benchmark and be ready to explain to the Participating Municipality any variance from the benchmark.

Consideration of the benchmark should be embedded in and integral to the investment process and portfolio construction conducted by the Sub-Investment Manager.

Understanding performance can also be supplemented by secondary benchmarks or other performance proxies. Secondary benchmarks and proxies are informal or alternative metrics that help assess performance when official benchmarks are unavailable or insufficient. They can also serve as analytical tools offering perspectives that can help evaluate how manager performance has been achieved, which provides additional context on investment performance.

ONE JIB views a high-quality benchmark as:

- a. free of conflicts of interest;
- b. provides independent review/pricing; and
- c. has a transparent methodology.

Review

This policy shall be reviewed at least once every five years.

To: ONE Joint Investment Board
From: Colin MacDonald, Manager of Policy, MFOA
Date: May 29, 2025
Re: Municipal Insights Report – Q2 2025
Report: ONE JIB 2025-027

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

In Q2 2025, Ontario's political landscape saw significant developments impacting municipalities. The Progressive Conservative (PC) party secured a third consecutive majority, reinforcing its mandate to standardize development charges (DCs), accelerate infrastructure, and support housing-enabling projects. The introduction of Bill 17, *Protect Ontario by Building Faster and Smarter Act*, signals a shift toward regulatory authority over DCs, including deferrals, exemptions, and potential restructuring of water and wastewater services through Municipal Services Corporations. While the bill expands provincial powers, it also commits to collaboration with municipalities and developers.

Federally, the Liberal party, under new leadership by Prime Minister Mark Carney, won a fourth term with a minority government. Their platform includes halving DCs on multi-residential developments while compensating municipalities for lost revenue—a notable shift from past approaches. The appointment of Gregor Robertson (former Mayor of Vancouver) as Minister of Housing, Infrastructure, and Communities may bring a more municipal-informed perspective to federal policy.

Strong mayor powers, initially limited to select cities, have now been extended to 212 municipalities with councils of six or more. This expansion could lead to administrative shifts and changes in municipal leadership, potentially affecting the Prudent Investment Program.

Overall, while funding stability is expected in the short term, both provincial and federal governments could implement transformative policies that could significantly impact municipal planning, infrastructure financing, and governance.

3. BACKGROUND

The Provincial Progressive Conservative party was successful in securing a third consecutive majority government, elected on a mandate that included standardizing development charges across the Province

On February 27, 2025, the Progressive Conservative party was successful in securing a third consecutive term with a majority government. While the party's platform was largely focused on protecting Ontario's economy from the threat of tariffs, it also touched on housing and infrastructure, which was largely focused on municipalities. The platform included commitments to:

- Encouraging municipalities to accelerate planned public infrastructure projects,
- Standardizing development study and building code permit approval requirements across the province,
- Working with "housing-forward municipalities" by leveraging the province's housing enabling infrastructure funding commitments to revise the development charges approach.

In addition to these housing focused commitments, the platform also includes continued expansion of GO Transit, a tunnel under Highway 401, a Pothole Prevention Fund for road maintenance and a permanent cut of the provincial gas tax.

On March 19, 2025, MPP Rob Flack was appointed Minister of Municipal Affairs and Housing, succeeding Minister Paul Calandra who became the Minister of Education. Minister Flack had previously been Associate Minister of Housing and Parliamentary Assistant to the Minister of Agriculture, Food and Rural Affairs.

The Federal Liberal party was successful in forming government for a fourth consecutive term on April 28, 2025, and Prime Minister Carney has signaled an intent to halve development charges on multi-residential development while keeping municipalities whole

Following a successful Liberal leadership campaign in early 2025, Prime Minister Mark Carney called an election two weeks later. The Federal Liberal party was successful in securing a fourth consecutive mandate – a minority government. While the party's platform was primarily tariff focused, housing and affordability were a secondary issue. Included in the platform was a commitment to cut development charges on multi-residential housing in half while promising to offset related municipal revenue losses.

On May 13, first time MPP, and former Mayor of Vancouver (2008-2018), Gregor Robertson was appointed to cabinet as Minister of Housing, Infrastructure, and Communities.

On April 9, 2025, the Province announced that strong mayor powers would be extended to all municipalities with a council size greater than six on May 1, 2025

On September 8, 2022, the *Strong Mayors, Building Homes Act, 2022* received royal

assent. The Act gave the mayors of the City of Toronto and the City of Ottawa greater authority over municipal decisions that are traditionally divided amongst Council. The powers were then extended in December 2022. The powers include, but are not limited to:

- Authority over the budget, including the ability to veto Council amendments subject to 1/3 support of Council.
- The authority to hire and fire city managers and department heads, with some exceptions.
- The authority to restructure municipal administration.
- Veto power over by-laws that conflict with provincial priorities, with provincial priorities being established in a second regulation.
- Pass a by-law with only 1/3 support of Council, if it aligns with provincial priorities

The powers have since been extended to other municipalities on three separate occasions – the powers were initially assigned to municipalities with provincial housing targets, but on April 9, 2025, the province announced their extension to any municipality with a Council size of six or greater. This brings the total number of municipalities with strong mayors up to 216.

On May 12, 2025, the Province introduced a new housing bill that could have longer term impacts on how municipalities fund and finance growth-related infrastructure

On May 12, 2025, the recently appointed Minister of Municipal Affairs and Housing, Rob Flack, tabled the *Protect Ontario by Building Faster and Smarter Act* (Bill 17).

Bill 17 includes several proposed changes intended to incentivize the reduction of development charges (DCs), increase standardization of DC calculations and building standards, and improve transparency and accountability around the use of DCs collected. Many of the measures introduced were not prescriptive but will give the province increased authority to implement future-defined changes through regulation. These changes include but are not limited to:

- Deferring DC payments for all residential developments to occupancy
- Exploring a public utility model for water and wastewater infrastructure
- Create regulation-making authority to merge DC service categories for credit purposes
- Create regulation-making authority to define a local service
- Exempting long-term care homes from DCs
- Create regulation-making authority to prescribe limits on recoverable capital costs
- Signaled intent to prescribe methodologies for benefit to existing calculations for DCs

The announcement coincided with Minister Bethlenfalvy's (Finance) announcement of a \$400M top up to the Municipal Housing Infrastructure Fund and the Housing-Enabling Water Systems Fund, bringing the combined total of those programs to \$2.3B.

4. ANALYSIS

The re-election of the Progressive Conservative party in Ontario will ensure stability of existing funding programs with a few potential tweaks but may lead to somewhat turbulent policy changes in the near-term on housing

The PC party being elected to its third consecutive majority means that there will be stability in existing funding programs for municipalities with some potential tweaks, for example, the \$400M increase to the housing enabling infrastructure funds.

As demonstrated through the introduction of Bill 17, the Province will begin implementing its mandate commitments. The resulting majority government will likely lead to swift and potentially disruptive policy action within the initial few years with increasing stability coming as a next election draws near. While Bill 17's approach appears minor at first, it does expand the province's power to act more swiftly through regulation later. In particular, the regulatory authority expansion to impose limits on recoverable capital costs under the *Development Charges Act, 1997* could be leveraged to imposed significant reductions to DCs. Additionally, the exploration of Municipal Services Corporations (MSCs) for water and wastewater could result in billions of dollars of services, and reserves, being shifted to an arms-length corporation if the result is applied to all municipalities.

However, embedded in the communication with respect to Bill 17 is a commitment to work with developers and municipalities (through the Association of Municipalities of Ontario) to scope out many of these changes to identify solutions that work for all parties. Many of these changes could have significant impacts on municipal cash-flow forecasts, but there is still a lot of uncertainty in the proposed legislation.

The re-election of the Federal Liberal party to its fourth consecutive term will lead to stability in the short term on existing infrastructure funding programs, but it being a minority government could result in another election soon

Prior to the election many municipalities noted uncertainty with respect to federal infrastructure programs. The Liberal platform confirmed that they intended to continue these programs if re-elected. They will resume, potentially with some tweaks, which means that infrastructure projects that intended to use that funding will likely continue as planned, perhaps with a slight delay.

The specter of US tariffs and their impact on the Canadian economy dominated the election campaign and when combined with a change in leadership resulted in a resurgence in the polls for the Liberal party and contributed significantly to their victory. They were unable, however, to secure a majority government. While they do have a strong minority government, with 170 seats, their ability to govern with confidence may be challenged especially with two parties, the NDP and the Bloc Quebecois, likely looking to regain ground after an election that split many voters between two parties. Minority governments at the federal level have lasted on average 1 year and 140 days. Should a trade agreement be reached with the US, many opposition parties may be incentivized to

bring down the sitting government on a vote of non-confidence.

The appointment of Minister Robertson to Housing, Infrastructure and Communities could result in a federal government that better understands the purpose of DCs and the municipal fiscal circumstance in general.

The platform's commitment to keeping municipalities whole for any DC reductions is a shift from previous programs from the Federal Liberal party, which attempted to incentivize DC freezes, which would have cost municipalities more in revenue than they would have received through grant funding.

Strong mayor powers have now been extended to every participating single-tier and lower-tier municipality in the Prudent Investment Program, which could result in significant changes with staff or perspectives on investing

While strong mayor powers have been leveraged in an incremental way to date, with many mayors delegating new authorities back to council and the CAO, there have been instances where mayors have exercised their power to restructure the municipal organization and to replace existing leadership. For Participating Municipalities, this means that support for prudent investor could shift from mayor to mayor or changes in senior leadership. It could result in some administrative friction where ONE staff may be required to educate and onboard new staff on the program and how it works. Additionally, it could create opportunities where incoming mayors and staff may see value in joining the Prudent Investment Program. Except for Durham Region and the District of Muskoka, all Participating Municipalities are subject to strong mayor powers.

5. CONCLUSION

The second quarter of 2025 marked a pivotal period for Ontario, with new mandates from multiple orders of government poised to reshape infrastructure funding and development charge frameworks. While these changes introduce uncertainty, they also present opportunities for municipalities to collaborate across orders of government on more sustainable and streamlined growth strategies. Continued engagement and adaptability will be essential for municipalities to navigate evolving policies while maintaining fiscal and operational stability.

Drafted by: Colin Macdonald, Manager of Policy, MFOA

Approved by: Judy Dezell and Donna Herridge, Co-presidents/CEOs, ONE Investment



ONE JIB

Nominating Committee Meeting

Report

Meeting #: 2025-01
Date: April 22, 2025, 10:00 a.m.
Location: Hybrid Meeting (In-Person and Virtual)

Members Present:

Committee Chair B. Hughes

G. James

J. Dowty

J. Giles

Others Present:

J. Dezell, Co-President/Co-CEO, ONE Investment

D. Herridge, Co-President/Co-CEO, ONE Investment

J. Hagan, Program Manager, ONE Investment

J. Song, Board Coordinator, ONE Investment

1. Land Acknowledgement

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

We recognize that our work as the Nominating Committee of 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. **Closed Session**

Moved by Committee Member Dowty

THAT the Committee move into closed session under section 239 (2) (b) of the Municipal Act for the purpose of considering applications for the position of Board Member on the ONE Joint Investment Board, under the heading personal matters about identifiable individuals.

Carried

The Committee convened in closed session at 10:03 a.m.

4. **Reconvene in Public Session**

Moved by Committee Member James

THAT the Committee reconvene in public session.

Carried

The Committee reconvened in public session at 11:19 a.m.

Moved by Committee Member Dowty

THAT the Committee receive the confidential documents pertaining to personal matters about identifiable individuals and that ONE staff continue the recruitment process until two new Board members are recommended.

Carried

5. **Adjournment**

Moved by Committee Member Giles

THAT the Committee adjourn its meeting.

Carried

The meeting adjourned at 11:20 a.m.

Denis Kelly, Board Secretary



ONE JIB

Nominating Committee Meeting

Report

Meeting #: 2025-02
Date: April 23, 2025, 10:00 a.m.
Location: Virtual Meeting

Members Present:

Committee Chair B. Hughes

G. James

J. Dowty

J. Giles

Others Present:

J. Dezell, Co-President/Co-CEO, ONE Investment

D. Herridge, Co-President/Co-CEO, ONE Investment

J. Song, Board Coordinator, ONE Investment

S. Weiss, Administrative Assistant, LAS

1. Land Acknowledgement

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

We recognize that our work as the Nominating Committee of 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. **Closed Session**

Moved by Committee Member Giles

THAT the Committee move into closed session under section 239 (2) (b) of the Municipal Act for the purpose of considering applications for the position of Board Member on the ONE Joint Investment Board, under the heading personal matters about identifiable individuals.

Carried

The Committee convened in closed session at 10:08 a.m.

4. **Reconvene in Public Session**

Moved by Committee Member Giles

THAT the Committee reconvene in public session.

Carried

The Committee reconvened in public session at 11:00 a.m.

Moved by Committee Member Dowty

THAT the Committee receive the confidential documents pertaining to personal matters about identifiable individual and that ONE staff continue the recruitment process until two new Board members are recommended.

Carried

5. **Adjournment**

Moved by Committee Member Dowty

THAT the Committee adjourn its meeting.

Carried

The meeting adjourned at 11:08 a.m.

Denis Kelly, Board Secretary



ONE JIB

Nominating Committee Meeting

Report

Meeting #: 2025-03
Date: April 30, 2025, 10:00 a.m.
Location: Virtual Meeting

Members Present:

Committee Chair B. Hughes

G. James

J. Dowty

J. Giles

Others Present:

J. Dezell, Co-President/Co-CEO, ONE Investment

D. Herridge, Co-President/Co-CEO, ONE Investment

J. Hagan, Program Manager, ONE Investment

J. Song, Board Coordinator, ONE Investment

1. Land Acknowledgement

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

We recognize that our work as the Nominating Committee of 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. **Closed Session**

Moved by Committee Member Giles

THAT the Committee move into closed session under section 239 (2) (b) of the Municipal Act for the purpose of considering applications for the position of Board Member on the ONE Joint Investment Board, under the heading personal matters about identifiable individuals.

Carried

The Committee convened in closed session at 10:03 a.m.

4. **Reconvene in Public Session**

Moved by Committee Member James

THAT the Committee reconvene in public session.

Carried

The Committee reconvened in public session at 12:27 p.m.

Moved by Committee Member Dowty

THAT the Committee receive the confidential documents pertaining to personal matters about identifiable individuals and that ONE staff continue the recruitment process until two new Board members are recommended.

Carried

5. **Adjournment**

Moved by Committee Member Dowty

THAT the Committee adjourn its meeting.

Carried

The meeting adjourned at 12:28 p.m.

Denis Kelly, Board Secretary



ONE JIB

Nominating Committee Meeting

Report

Meeting #: 2025-04
Date: May 5, 2025, 1:00 p.m.
Location: Virtual Meeting

Members Present:

Committee Chair B. Hughes

G. James

J. Dowty

J. Giles

Others Present:

J. Dezell, Co-President/Co-CEO, ONE Investment

D. Herridge, Co-President/Co-CEO, ONE Investment

J. Hagan, Program Manager, ONE Investment

J. Song, Board Coordinator, ONE Investment

1. Land Acknowledgement

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

We recognize that our work as the Nominating Committee of 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. Closed Session

Moved by Committee Member James

THAT the Committee move into closed session under section 239 (2) (b) of the Municipal Act for the purpose of considering applications for the position of Board Member on the ONE Joint Investment Board, under the heading personal matters about identifiable individuals.

Carried

The Committee convened in closed session at 1:01 p.m.

4. Reconvene in Public Session

Moved by Committee Member Dowty

THAT the Committee reconvene in public session.

Carried

The Committee reconvened in public session at 3:27 p.m.

Moved by Committee Member Giles

THAT the Committee recommend that the ONE JIB adopt the Committee's confidential recommendation to appoint two individuals to the Board for the terms as noted.

Carried

5. Adjournment

Moved by Committee Member Dowty

THAT the Committee adjourn its meeting.

Carried

The meeting adjourned at 3:28 p.m.

Denis Kelly, Board Secretary