



**ONE JIB
Special Board Meeting
Agenda**

Date: September 4 2025, 10:30 a.m.
Location: Innisfil Town Hall
2101 Innisfil Beach Road, Innisfil, ON

	Pages
1. Land Acknowledgement	
2. Disclosures of Pecuniary Interest	
3. Investment Oversight	
3.a Model Portfolio Review 2025	1 - 61
3.b Town of Innisfil's Investment Plan 2025	62 - 115
4. Meeting Outcomes	
5. Authorizing Motion	
6. Adjournment	
7. Next Meeting	
7.a ONE JIB Regular Meeting Meeting - September 11, 2025 (10:00 a.m. - 3:00 p.m.)	

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: September 4, 2025
Re: Model Portfolio Review 2025
Report: ONE JIB 2025-036

1. RECOMMENDATIONS

It is recommended that the Board:

1. Approve adding up to 10% exposure to Emerging Market equities for model portfolios where equity allocations equal or exceed 50% (i.e., model portfolios E, E+, F, F+, G and G+ as detailed in Attachment 1: Summary of Models Updated to Include Emerging Markets Exposure)
2. Approve adding the RBC Canadian Money Market Fund for use in the model portfolios to reflect the merger of the PH&N Canadian Money Market Fund into the RBC Canadian Money Market Fund and direct ONE Investment to take measures to make this fund available within the Prudent Investment Offering.
3. Approve the use of RBC Emerging Markets Equity Fund and the RBC Emerging Markets Dividend Fund for use in model portfolios and direct ONE Investment to take measures to make this fund available within the Prudent Investment Offering.
4. Approve the addition of Model Portfolio G+ to the roster of Model Portfolios.
5. Approve the 2025 constraints as shown on slide 7 of the Investment Manager's "Model Portfolio Update" presentation on September 4, 2025 (unchanged from 2024).
6. Receive the 2025 risk-return metrics for the model portfolios with and without alternatives as shown on pages 12 and 16 of the Investment Manager's "Model Portfolio Update" presentation on September 4, 2025.
7. Receive the 2025 Fund Fulfillment list on pages 25 and 26 of the Investment Manager's "Model Portfolio Update" presentation on September 4, 2025 (unchanged from 2024).

2. SUMMARY

ONE JIB has approved a set of investment models to guide the investment allocations of Participating Municipalities. These models are developed from analysis provided by the Investment Manager, which relies on a portfolio optimization process. Asset class

correlations, projected returns and other capital market assumptions are key inputs to this analysis. Periodically, the Investment Manager will update its capital market assumptions and review the class asset allocations, which may result in recommendations to adjust the investment allocations of the approved models. It is expected that this review will be carried out annually.

The Investment Manager will present a review of the ten investment models approved by ONE JIB. This presentation will include some recommended changes. The key changes compared to the model portfolios that ONE JIB approved on November 27, 2024, are summarized below:

Current Models	Changes
Investment Constraints	Unchanged
Capital Market Assumptions	Updated by Investment Manager (volatility, return/risk expectations, correlations)
Risk/Return Attributes of Models	Updated by Investment Manager (minor changes only)
Emerging Market Exposure	Emerging market equities added to models with 50%+ equities

3. BACKGROUND

ONE JIB approved model portfolios in November 2024, which are to be reviewed annually

On November 27, 2024, ONE JIB approved ten model portfolios, each designed to offer investment allocations that offer a range of risk and return profiles suitable for most Participating Municipalities. The Investment Manager has completed its annual review of the ten model portfolios and will present to ONE JIB the findings and proposed modifications. The summary of model portfolios with emerging markets included is found in Attachment 1 with the Investment Manager's presentation deck found in Attachment 2.

For further details about the investment models currently approved by ONE JIB, please refer to the New Products Committee Report ([10-01-24](#)), discussed at the November 27, 2024, ONE JIB meeting.

4. ANALYSIS

Updated capital market assumptions make appropriate adjustments to reflect changes in the investment outlook

The Investment Manager will present updated capital market assumptions in the upcoming presentation. These updates have resulted in modest adjustments to the risk-return profile of the model portfolios, reflecting shifts in the economic landscape and evolving market conditions. The slightly lower return expectations for Canadian equities and fixed income are driven by slower growth forecasts, prevailing interest rate environments, and increased market uncertainties specific to Canada. Although the Investment Manager has marginally

increased the assumed returns for US equities, these projections remain notably lower than those for Canadian equities, reflecting the significantly higher valuations of US stocks. Overall, these updates provide a realistic and balanced outlook on risk and return. The assumptions and revisions are appropriate within the context of the changing capital market outlook. The revisions have led to return assumptions for each model portfolio that are approximately 40 basis points lower than those presented to ONE JIB in November 2024. Changes to return and volatility assumptions were modest and did not result in recommended adjustments to allocation weights.

The addition of emerging markets to models will further enhance diversification

The presentation will also discuss the proposed addition of emerging market equities to models with more than 50% equity exposure. The Investment Manager is suggesting the addition of the RBC Emerging Markets Equity Fund and the RBC Emerging Markets Dividend Fund. This change is expected to enhance diversification and slightly improve the risk-adjusted returns of models with higher emerging market allocations. Currently, the international equity exposure in the model portfolios focuses on developed markets in Europe, Australasia, and the Far East. Emerging market equities offer a different geographic footprint and should have distinct performance drivers compared to the existing international market exposure. Adding emerging markets should therefore enhance the diversification benefits in client portfolios. Given the relatively small size of the emerging market allocation, its inclusion is not expected to significantly alter the overall risk-return profile of the model portfolios.

PH&N Canadian Money Market Fund will merge into the RBC Canadian Money Market Fund in November

On August 13, 2025 RBC GAM [announced](#) that the PH&N Canadian Money Market Fund will merge into the RBC Canadian Money Market Fund in November. RBC GAM is merging funds to streamline its money market fund offerings. RBC GAM currently has multiple money market funds with overlapping mandates. Going forward, RBC GAM will have one option for each type of money market fund: Canadian T-Bill fund, Canadian money market fund, and U.S. dollar money market fund. The RBC fund is very similar to the PH&N Institutional fund in terms of performance, exposures, and overall structure. Both funds have delivered similar long-term returns. On an annualized basis over the past 10- and 15- years ending June 30, 2025, the PH&N CMMF earned 2.09% and 1.78%, respectively. Similarly, the RBC Canadian Money Market Fund earned 2.15% and 1.82% over the same periods. There is no impact on fees or fund expenses. The RBC Canadian Money Market Fund is a larger fund, with \$8.1 billion in AUM, compared to \$3.5 billion for the PH&N Canadian Money Market Fund.

5. CONCLUSION

Performing an annual review of model portfolio allocations, including updating capital market risk/return assumptions, helps ensure the model portfolios reflect changing market conditions and remain a prudent way to achieve the investment goals of Participating Municipalities. The Investment Manager is expected to update its model portfolio analysis

annually and present the findings to ONE JIB for approval, which may result in revisions to the allocations.

ATTACHMENTS

Attachment 1: Summary of Models Updated to Include Emerging Markets Exposure

Attachment 2: Model Portfolio Update

Drafted by: Keith Taylor, Chief Investment Officer

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

Summary of Models Updated to Include Emerging Markets Exposure

Modeled Expectations	E	E+	F	F+	G	G+
Long-Term Return	6.43%	6.56%	6.65%	6.73%	6.79%	6.90%
Annual Downside Risk	-12.6%	-11.3%	-14.8%	-13.0%	-16.6%	-16.7%
Annual Volatility	7.6%	7.2%	8.8%	8.2%	9.8%	10.2%
Sharpe Ratio	0.44	0.48	0.41	0.45	0.38	0.38
Fixed Income	50%	40%	40%	30%	30%	20%
Canadian Money Market	0%	0%	0%	0%	0%	0%
Short-Term Bonds and Mortgages	20%	20%	20%	20%	20%	20%
Corporate Bonds	0%	0%	0%	0%	0%	0%
Private Placement Corporate Debt	7.5%	2.5%	0%	0%	0%	0%
Commercial Mortgages*	10%	10%	10%	10%	10%	0%
High Yield Bonds	0%	0%	0%	0%	0%	0%
Global Multi-Asset Credit	12.5%	7.5%	10%	0%	0%	0%
Equities	50%	50%	60%	60%	70%	70%
Canadian Equities	12.5%	12.5%	20%	20%	30%	35%
Canadian Low Volatility Equities	12.5%	12.5%	10%	10%	5%	0%
U.S. Equities	4%	4%	5%	5%	6%	9%
U.S. Low Volatility Equities	4%	4%	5%	5%	6%	3%
International Equities	12%	12%	14%	14%	16%	16%
Emerging Market Equities	5%	5%	6%	6%	7%	7%
Alternatives	0%	10%	0%	10%	0%	10%
Canadian Core Real Estate	0%	5%	0%	5%	0%	5%
Global Infrastructure	0%	5%	0%	5%	0%	5%

ONE Joint Investment Board

Model Portfolio Update

Overview

- The ONE JIB adopted model portfolios in 2024
- The risk-return modelling that developed these portfolios were based on the following key inputs:
 - Capital market assumptions
 - Portfolio constraints
 - Eligible capital market exposures
- Since these inputs can evolve over time, it is recommended to review the models periodically to ensure ongoing appropriateness
- The following annual calendar for review of the model portfolios was established in the February 2025 ONE JIB meeting:
 - Q2: Analysis to be completed and reviewed with ONE staff
 - Q3: Analysis to be presented to ONE JIB for review and approval of any changes, with changes to be implemented as soon as practicable
- This presentation provides our analysis of the model portfolios using updated capital market assumptions effective March 31, 2025

Updated capital market assumptions

- See full disclosure of capital market assumptions in the Appendix
 - Expected returns, risk and correlations at Q2/2025
 - Expected returns and risk at Q2/2024
 - Comparison of expected returns: Q2/2025 vs. Q2/2024
- Comparison of expected returns for some key asset classes:

Asset Classes	2025 Expected Long-Term Return	2024 Expected Long-Term Return	Difference
Cash	3.1%	3.4%	-0.4%
Canadian Universe Bonds	3.6%	4.1%	-0.6%
Global Multi-Asset Credit	6.4%	6.8%	-0.3%
Canadian Equities	7.4%	8.2%	-0.8%
U.S. Equities	5.6%	5.5%	0.1%

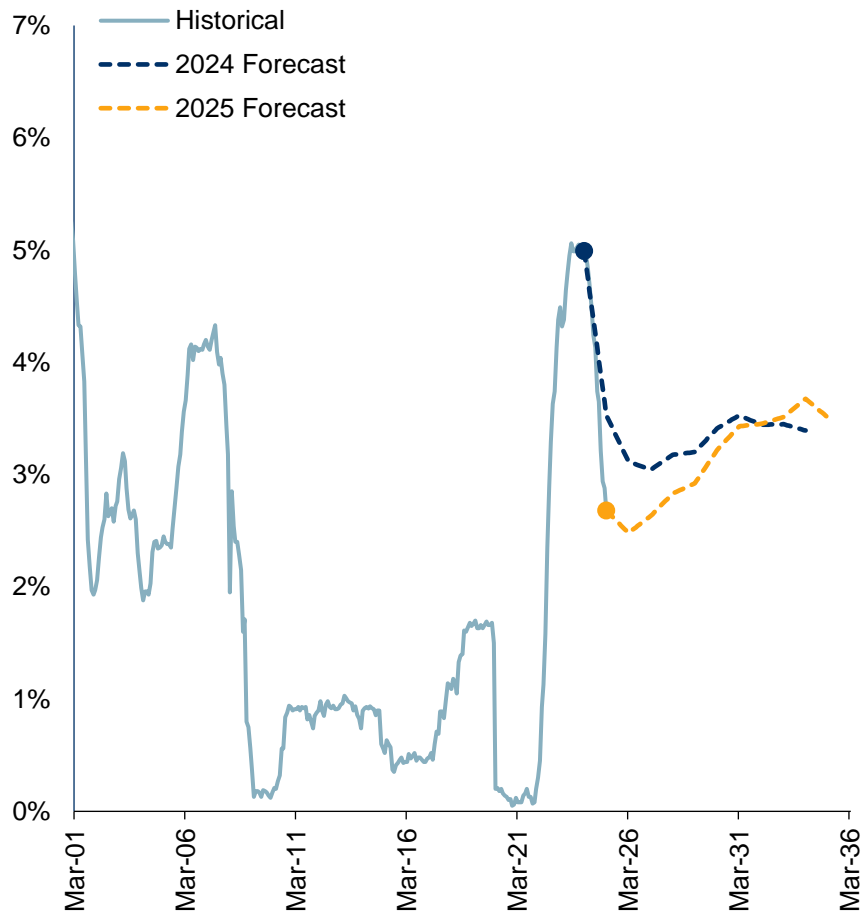
- Return expectations assumptions have broadly declined due to higher bond yields, elevated equity valuations and increased macroeconomic uncertainty

Change in Canadian fixed income forecasts

Lower starting point (rates, spreads) & change in forward curve slope

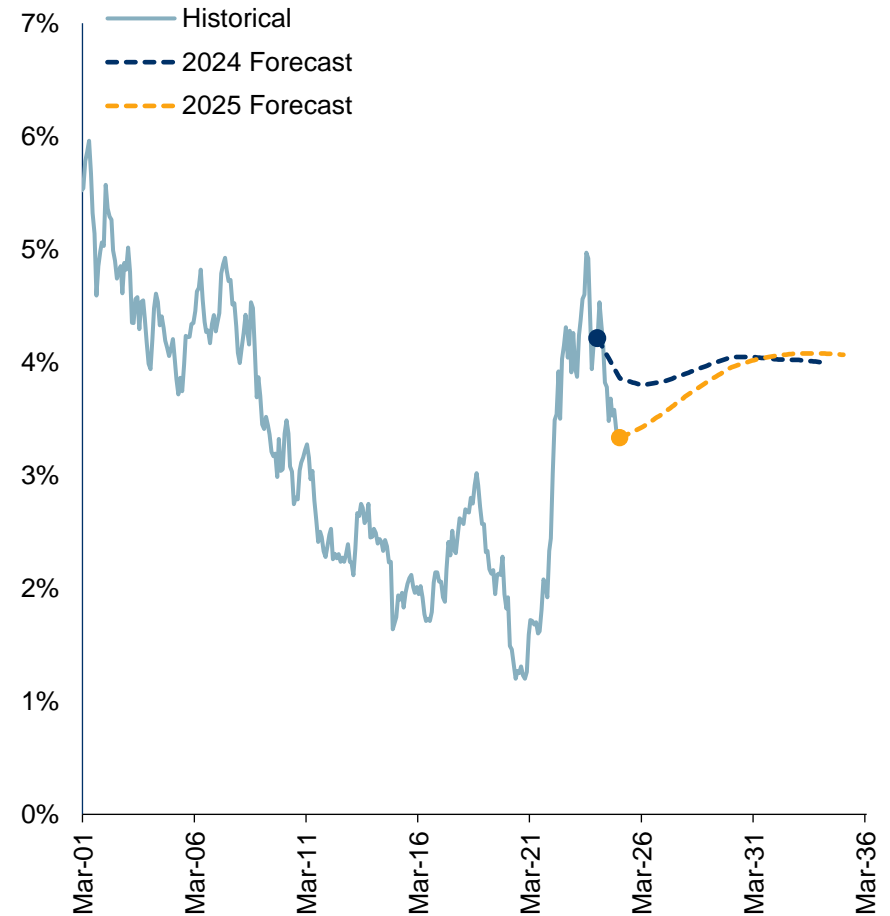
30-Day T-bills

Yield-to-maturity and forward curve



Universe Bonds

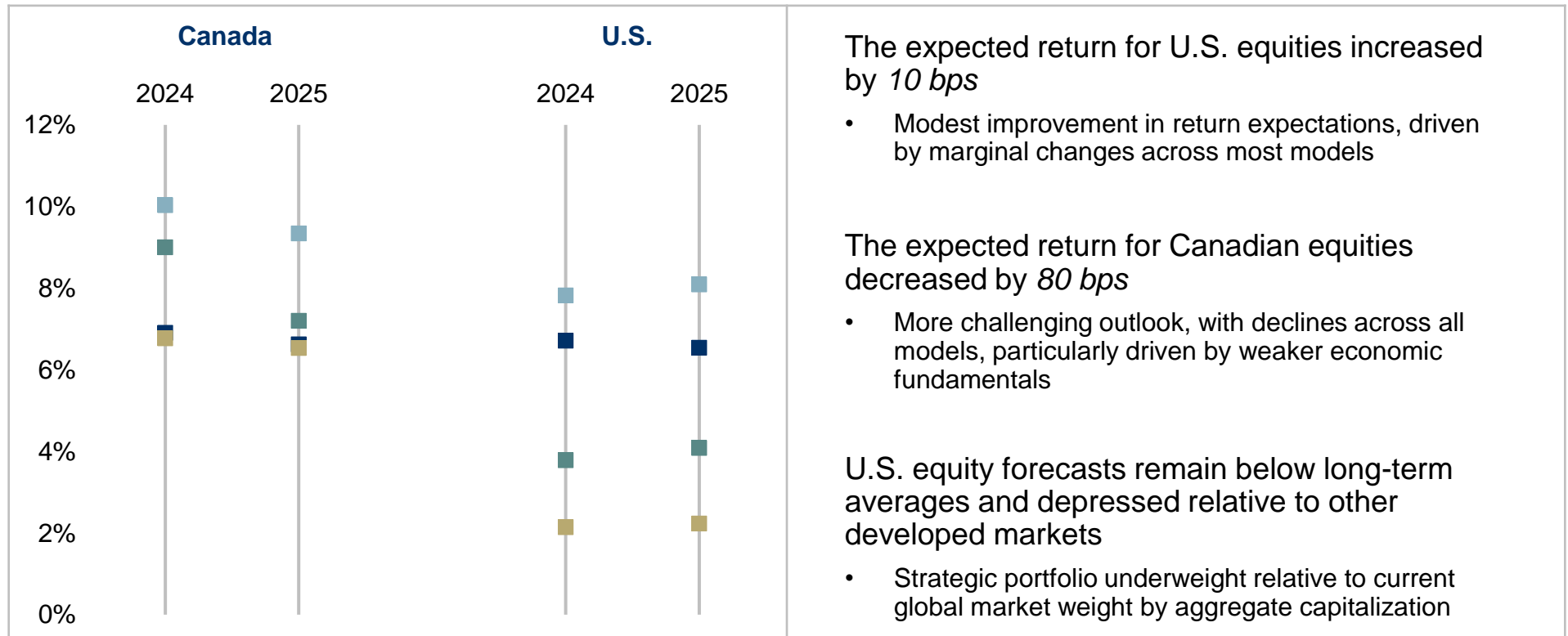
Yield-to-maturity and forward curve



Source: FTSE Global Debt Capital Markets Inc., RBC GAM.

Change in equity forecasts

Driven by changes in underlying models



Cross-Sectional Model	Fair Value Model	Valuation Model	Economic Model
Relies on the capital asset pricing model (CAPM) to estimate long term return from forward-looking measures of an assets internal rate of return	Uses a regression framework to create equilibrium price estimates from P/E and ROE and assumes that markets revert from current levels over time	Estimates future return based on the historical relationship with a composite of different absolute and relative valuation metrics	Uses a combination of historical norms, projections of key economic variables and demographic characteristics to derive expected returns

Source: RBC GAM

Change in multi-asset credit forecasts

Slightly higher component returns offset by increase in currency hedging cost

Asset Classes	Representative Data Series	2024 Expected Long-Term Return	2025 Expected Long-Term Return	Difference
Global Multi-Asset Credit	Custom Index¹	6.8%	6.4%	-0.3%
3 Month U.S. T-Bills	ICE BofA 3 Month US T-Bills (USD)	4.2%	4.3%	+0.2%
Global High Yield Bonds	ICE BofA Global High Yield Index (USD)	6.6%	6.9%	+0.3%
Hard Currency Government EMD	JPM Emerging Market Bond Index (USD)	7.0%	7.1%	+0.1%
Hard Currency Corporate EMD	JPM Corporate Emerging Markets Bond Index (USD)	6.4%	6.4%	+0.0%
Local Currency Government EMD	JPM Government Bond Index-Emerging Markets (GBI-EM) (USD)	6.1%	6.2%	+0.1%
Leveraged Loans	Credit Suisse Leveraged Loan Index (USD)	7.5%	7.3%	-0.2%
Global Convertible Bonds	Thomson Reuters Convertible Global Focus Index (USD)	6.2%	6.6%	+0.5%
				+0.2%
CAD/USD Currency Hedge	Differential between Canadian and U.S. short rates	-0.7%	-1.2%	-0.5%
Global Multi-Asset Credit				-0.3%

¹ 7.5% ICE BofA 3 Month US T-Bills (CAD-H), 35% ICE BofA Global High Yield Index (CAD-H), 11.25% J.P. Morgan Emerging Market Bond Index (CAD-H), 11.25% J.P. Morgan Corporate Emerging Markets Bond Index (CAD-H), 7.5% J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (CAD-H), 7.5% Credit Suisse Leveraged Loan Index (CAD-H) and 20% Thomson Reuters Convertible Global Focus Index (CAD-H).

Source: RBC GAM

Modelling constraints

Modelling constraints unchanged since 2024.

Modelling Constraints	Minimum Allocation	Maximum Allocation
Core Fixed Income & Money Market	20%	-
Any one of money market securities, universe corporate bonds and global sovereign bonds	-	25%
Any one of high yield bonds, emerging market debt, multi-asset global credit	-	15%
Any one of private placement corporate debt and commercial mortgages when 100% fixed income	-	5%
Any one of private placement corporate debt and commercial mortgages when including equities and alternatives	-	10%
Allocation to domestic equities (as a % of total equities)	-	50%
Allocation to low volatility equities (as a % of traditional equity counterpart)	-	50%
Any one of real estate and infrastructure, where applicable	-	5%

Modelling constraints

The constraints are used:

- To provide diversification and avoid overly concentrated portfolios
- To provide portfolio liquidity by specifying maximum limits in illiquid assets
- To ensure that the resulting portfolio is reasonable from a practical standpoint
- To reduce sensitivity to the input parameters and assumptions, especially expected returns

The sizing of the constraints:

- Depends on beliefs on the level of diversification & liquidity and comfort with various asset classes
- Can be changed on further discussion
- Is based on our experience and intended to produce portfolios for further discussion.

Existing model portfolios – no Alternatives

Approved in November 2024

	A	B	C	D	E	F	G
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%

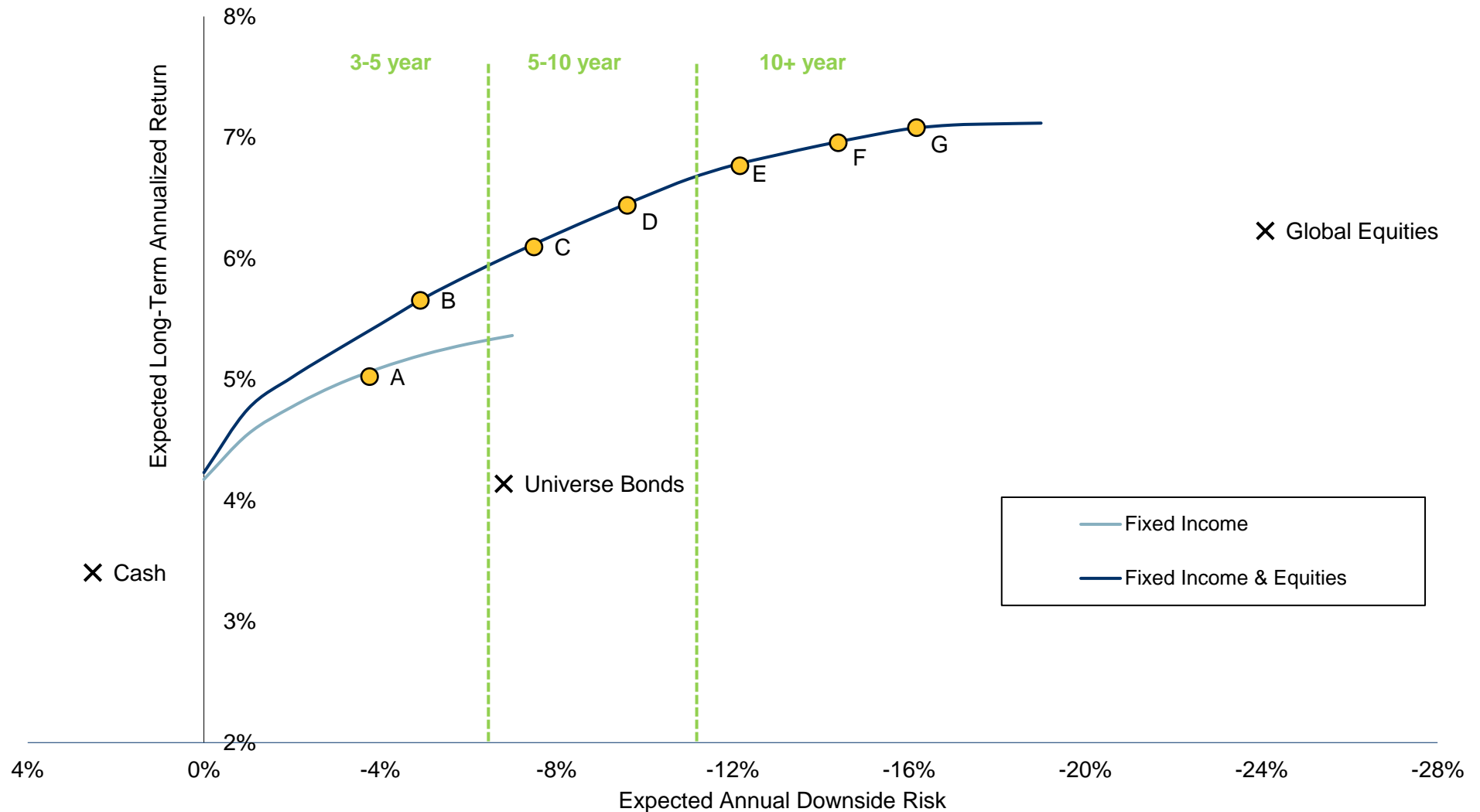
¹ Refer to appendix for modeling assumptions and disclosures.

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

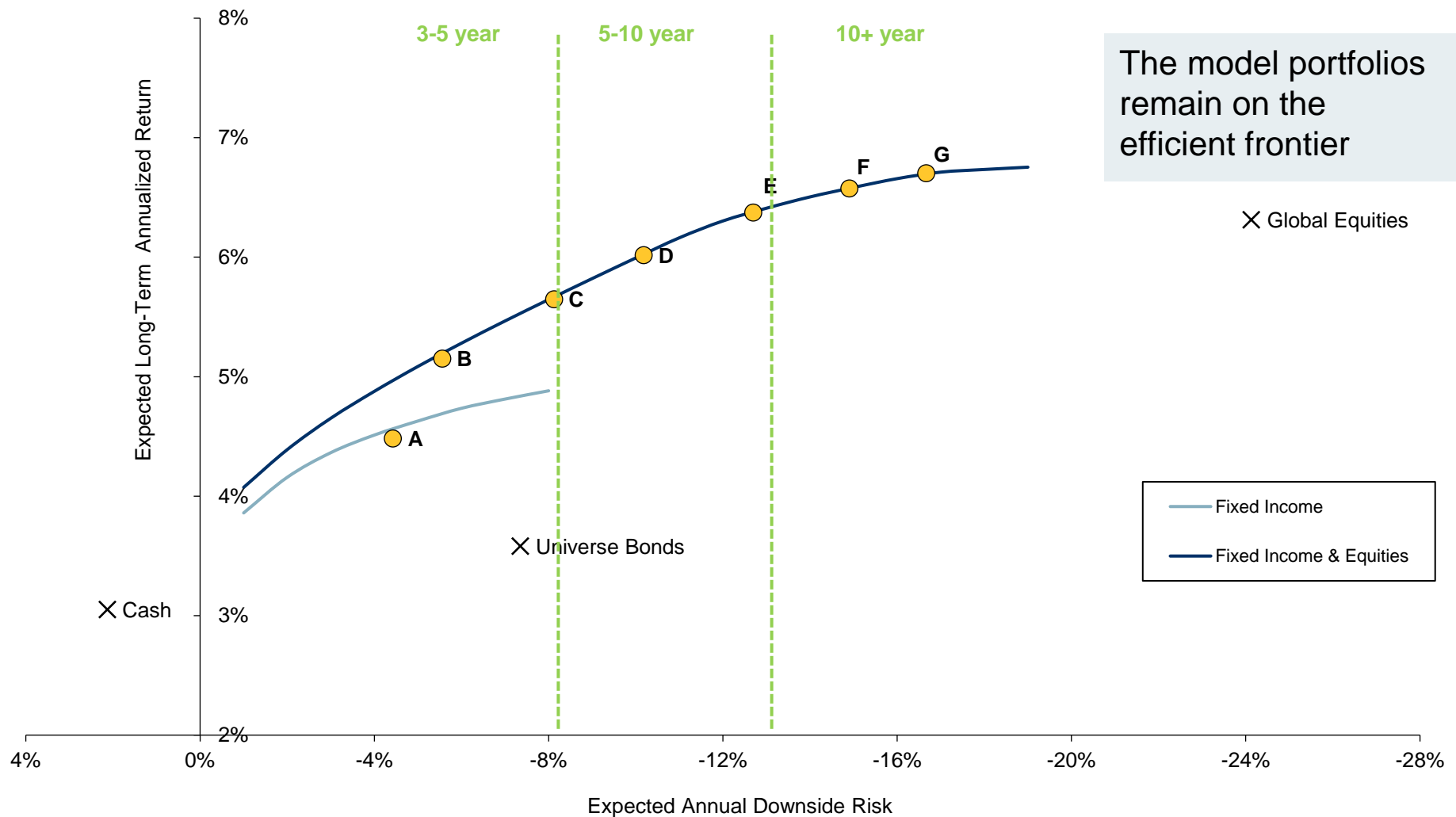
2024 Efficient Frontier analysis

Model portfolios – no allocation to Alternatives



2025 Efficient Frontier analysis

Model portfolios – no allocation to Alternatives



Model portfolios – no Alternatives

Risk/return metrics¹

2025 Modeled Expectations ¹	A	B	C	D	E	F	G
Long-Term Return	4.5%	5.2%	5.6%	6.0%	6.4%	6.6%	6.7%
Annual Downside Risk ²	-4.4%	-5.6%	-8.1%	-10.2%	-12.7%	-14.9%	-16.7%
Annual Volatility	3.3%	4.0%	5.2%	6.4%	7.6%	8.8%	9.9%
Sharpe Ratio	0.43	0.53	0.50	0.47	0.44	0.40	0.37

2024 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

Commentary

- Reduction in Long-Term Returns commensurate with lower expected returns for most asset classes
- Volatility tends to be stable because it is estimated based on long-term historical datasets
- Downside risk shifts with the change in Long-Term return.
- Reduction in Sharpe ratios for models A to D due to the risk-free return declining by less than the return on fixed income (due to changes in starting yield and forward curves).

¹ Refer to appendix for modeling assumptions and disclosures.

² CVaR95 which represents the expected loss during the worst 5% of return outcomes.

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Model portfolios with Alternative asset classes

- We have also reviewed the model portfolios with alternative asset allocations
- Models D+ through G+ have a 5% allocation to each of Canadian Core Real Estate and Global Infrastructure
- These modest allocations continue to provide an attractive risk/return contribution to the model portfolios given the low correlation with public markets

Source: RBC GAM. For full asset class capital market assumptions, please refer to the Capital Markets Assumption table located further in this presentation.

Existing model portfolios – with Alternatives

D+, E+ and F+ approved in November 2024 (G+ shown for illustration)

	A	B	C	D+	E+	F+	G+
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%

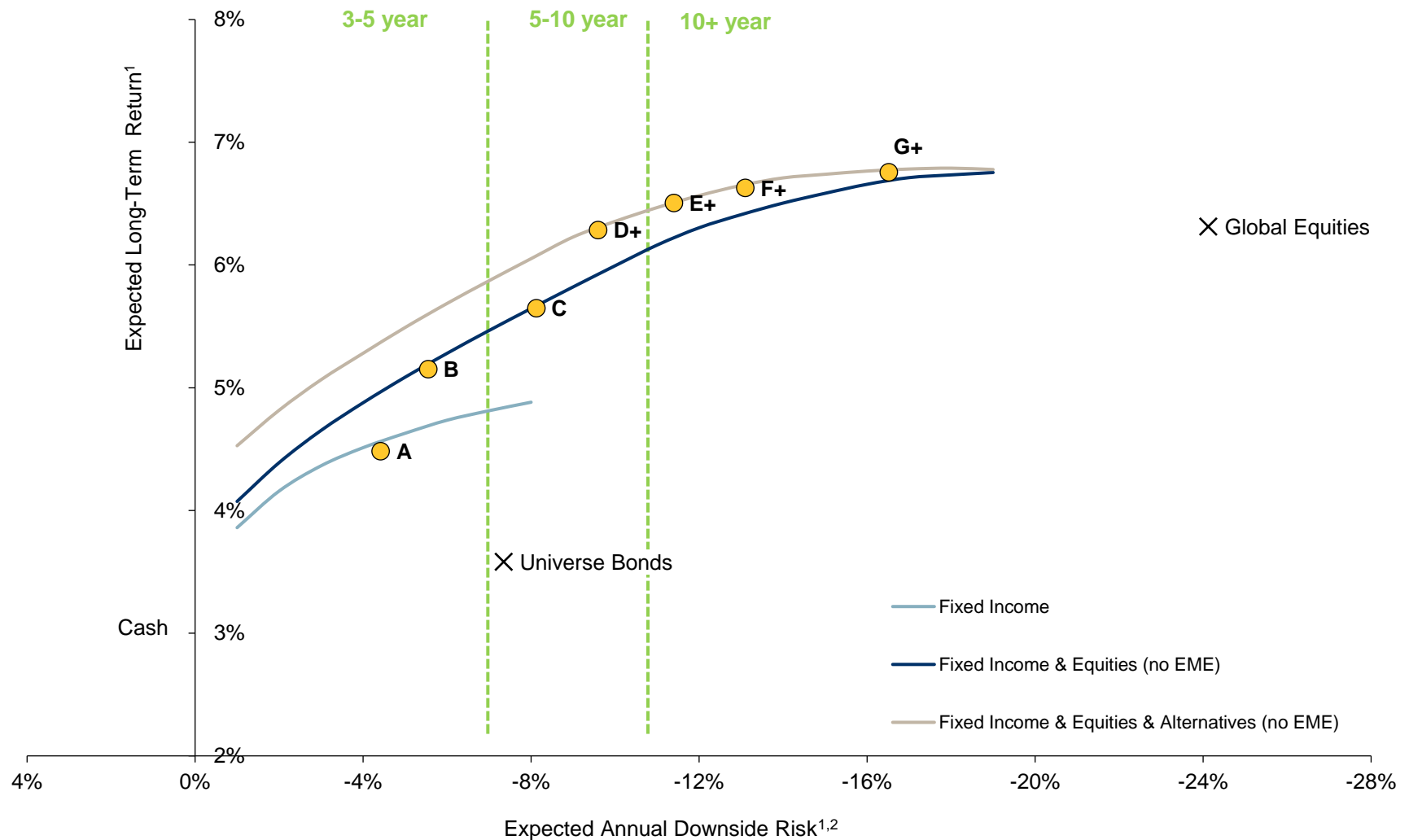
¹ Refer to appendix for modeling assumptions and disclosures.

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2025 Efficient Frontier Analysis

Model portfolios – with Alternatives



Model portfolios – with Alternatives

Risk/return metrics¹

2025 Modeled Expectations ¹	A	B	C	D+	E+	F+	G+
Long-Term Return	4.5%	5.2%	5.6%	6.3%	6.5%	6.6%	6.8%
Annual Downside Risk ²	-4.4%	-5.6%	-8.1%	-9.6%	-11.4%	-13.1%	-16.5%
Annual Volatility	3.3%	4.0%	5.2%	6.3%	7.3%	8.3%	10.2%
Sharpe Ratio	0.43	0.53	0.50	0.51	0.47	0.43	0.36

2024 Modeled Expectations ¹	A	B	C	D1	E1	F1	G1
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

¹ Refer to appendix for modeling assumptions and disclosures.

² CVaR95 which represents the expected loss during the worst 5% of return outcomes.

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New: Analyzing an allocation to EM equities

- Emerging market equities (EME) were initially excluded from list of eligible funds, based on a “walk before you run” approach to global equities
- We have done additional modelling including EME subject to the following constraints:
 - Included where the allocation to equities is 50% or greater
 - EME constrained to 10% of equity allocation
- The models allocate to the constrained level given the attractive risk/return characteristics of EME
- This modest allocation to EME provides modest improvements to the risk/return characteristics of the model portfolios
- See Appendix 3 – The case for Emerging Market Equities

Model portfolios – with EM equities, no alternatives

Detailed allocations and risk/return metrics

Modeled Expectations ¹	E	E with EME	F	F with EME	G	G with EME
Long-Term Return	6.38%	6.43%	6.58%	6.65%	6.70%	6.79%
Annual Downside Risk ²	-12.7%	-12.6%	-14.9%	-14.8%	-16.7%	-16.6%
Annual Volatility	7.6%	7.6%	8.8%	8.8%	9.9%	9.8%
Sharpe Ratio	0.44	0.44	0.40	0.41	0.37	0.38
Fixed Income	50%	50%	40%	40%	30%	30%
Canadian Money Market	0%	0%	0%	0%	0%	0%
Short-Term Bonds and Mortgages	20%	20%	20%	20%	20%	20%
Corporate Bonds	0%	0%	0%	0%	0%	0%
Private Placement Corporate Debt	5%	7.5%	0%	0%	0%	0%
Commercial Mortgages*	10%	10%	10%	10%	10%	10%
High Yield Bonds	0%	0%	0%	0%	0%	0%
Global Multi-Asset Credit	15%	12.5%	10%	10%	0%	0%
Equities	50%	50%	60%	60%	70%	70%
Canadian Equities	15%	12.5%	25%	20%	35%	30%
Canadian Low Volatility Equities	10%	12.5%	5%	10%	0%	5%
U.S. Equities	5%	4%	6%	5%	7%	6%
U.S. Low Volatility Equities	5%	4%	6%	5%	7%	6%
International Equities	15%	12%	18%	14%	21%	16%
Emerging Market Equities	0%	5%	0%	6%	0%	7%
Alternatives	0%	0%	0%	0%	0%	0%
Canadian Core Real Estate*	0%	0%	0%	0%	0%	0%
Global Infrastructure*	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

Model portfolios – with EM equities & alternatives

Detailed allocations and risk/return metrics

Modeled Expectations ¹	E+	E+ with EME	F+	F+ with EME	G+	G+ & EME
Long-Term Return	6.51%	6.56%	6.63%	6.73%	6.76%	6.90%
Annual Downside Risk ²	-11.4%	-11.3%	-13.1%	-13.0%	-16.5%	-16.7%
Annual Volatility	7.3%	7.2%	8.3%	8.2%	10.2%	10.2%
Sharpe Ratio	0.47	0.48	0.43	0.45	0.36	0.38
Fixed Income	40%	40%	30%	30%	20%	20%
Canadian Money Market	0%	0%	0%	0%	0%	0%
Short-Term Bonds and Mortgages	20%	20%	20%	20%	20%	20%
Corporate Bonds	0%	0%	0%	0%	0%	0%
Private Placement Corporate Debt	0%	2.5%	0%	0%	0%	0%
Commercial Mortgages*	10%	10%	10%	10%	0%	0%
High Yield Bonds	0%	0%	0%	0%	0%	0%
Global Multi-Asset Credit	10%	7.5%	0%	0%	0%	0%
Equities	50%	50%	60%	60%	70%	70%
Canadian Equities	15%	12.5%	20%	20%	35%	35%
Canadian Low Volatility Equities	10%	12.5%	10%	10%	0%	0%
U.S. Equities	5%	4%	12%	5%	15%	9%
U.S. Low Volatility Equities	5%	4%	0%	5%	0%	3%
International Equities	15%	12%	18%	14%	20%	16%
Emerging Market Equities	0%	5%	0%	6%	0%	7%
Alternatives	10%	10%	10%	10%	10%	10%
Canadian Core Real Estate*	5%	5%	5%	5%	5%	5%
Global Infrastructure*	5%	5%	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

Comparison vs. Durham portfolios

Durham portfolios

Detailed allocations

	Durham 3-5	Durham 6-10	Durham 10+
Fixed Income	100%	70%	70%
Canadian Money Market	0%	0%	0%
Short-Term Bonds and Mortgages	50%	35%	17.5%
Enhanced Universe Bond Strategy	0%	0%	17.5%
Corporate Bonds	20%	0%	0%
Private Placement Corporate Debt	5%	10%	10%
Commercial Mortgages*	5%	10%	10%
High Yield Bonds	5%	0%	0%
Global Multi-Asset Credit	15%	15%	15%
Equities	0%	30%	30%
Canadian Equities	0%	7.5%	7.5%
Canadian Low Volatility Equities	0%	7.5%	7.5%
U.S. Equities	0%	5%	5%
U.S. Low Volatility Equities	0%	5%	5%
International Equities	0%	5%	5%
Alternatives	0%	0%	0%
Canadian Core Real Estate*	0%	0%	0%
Global Infrastructure*	0%	0%	0%

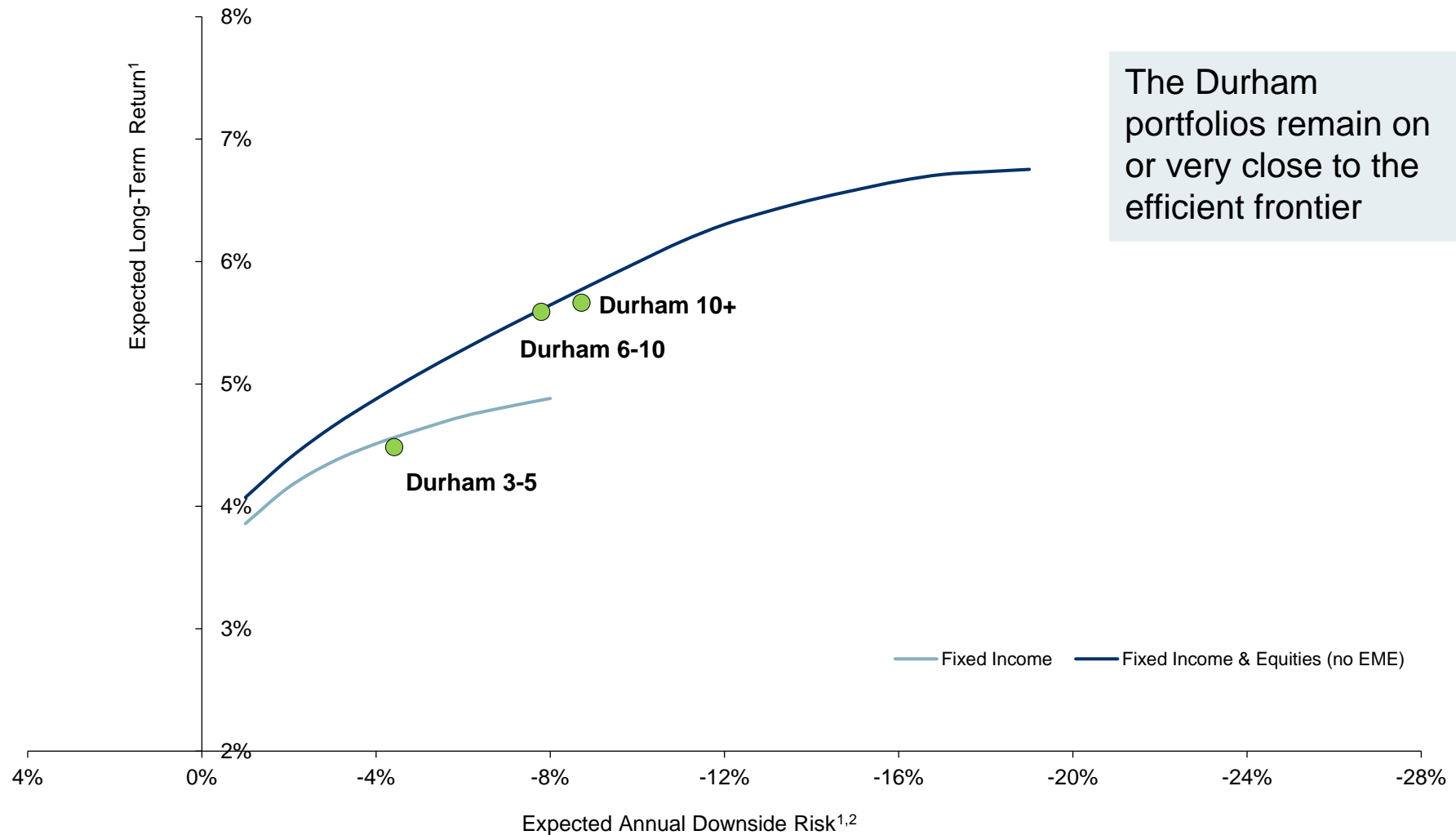
¹ Refer to appendix for modeling assumptions and disclosures.

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

2025 Efficient Frontier Analysis

Custom modeled portfolios for Durham



Durham portfolios

Risk/return metrics

2025 Modeled Expectations ¹	Durham 3-5	Durham 6-10	Durham 10+
Long-Term Return	4.5%	5.6%	5.7%
Annual Downside Risk ²	-4.4%	-7.8%	-8.7%
Annual Volatility	3.3%	5.2%	5.5%
Sharpe Ratio	0.43	0.49	0.47

2024 Modeled Expectations ¹			
Long-Term Return	5.0%	6.4%	6.5%
Annual Downside Risk ²	-3.8%	-9.6%	-10.2%
Annual Volatility	3.3%	6.3%	6.6%
Sharpe Ratio	0.49	0.48	0.47

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

Fund fulfillment

Fund fulfillment

	Approved Fund(s)	Characteristics
Fixed Income		
Canadian Money Market	PH&N Canadian Money Market Fund	Money market
Canadian Short-Term Bonds	PH&N Short Term Bond & Mortgage Fund	Canadian short-term fixed income
	RBC Vision Fossil Fuel Free Short Term Bond Fund	Canadian short-term fixed income with an ESG screen
Canadian Universe Bonds	PH&N Bond Fund	Canadian universe fixed income
	PH&N Enhanced Total Return Bond Fund	Canadian universe fixed income
	RBC Vision Bond Fund	Canadian universe fixed income with an ESG screen
	RBC Vision Fossil Fuel Free Bond Fund	Canadian universe fixed income with an ESG screen
Canadian Corporate Bonds	PH&N Corporate Bond Trust	Canadian corporate bonds
Private Placement Corporate Debt	PH&N Private Placement Corporate Debt Fund	High quality Canadian private credit
Commercial Mortgages	PH&N Mortgage Pension Trust	Canadian conventional commercial mortgages
	RBC Commercial Mortgage Fund	Canadian conventional, conventional plus, and high yield commercial mortgages, and U.S. CMBS
High Yield Bonds	RBC High Yield Bond Fund	U.S. focused high yield bonds
	PH&N High Yield Bond Fund	Canadian focused high yield bonds
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.
Global Bonds	RBC Global Bond Fund	Global sovereign and other high-quality fixed income
	RBC Emerging Markets Bond Fund	EM sovereign and other high-quality fixed income

Bold indicates currently being used in implementation of model and/or Durham portfolios

Fund fulfillment

	Approved Fund(s)	Characteristics
Equities		
Canadian Equities	PH&N Canadian Equity Value Fund	Value
	PH&N Canadian Equity Fund	Growth
	RBC QUBE Canadian Equity Fund	Quantitative core
	RBC Vision Canadian Equity Fund	Growth with ESG screen
Canadian Low Volatility Equities	RBC QUBE Low Volatility Canadian Equity Fund	Quantitative low volatility
	RBC Vision QUBE Fossil Fuel Free Low Volatility Canadian Equity Fund	Quantitative low volatility with an ESG screen
U.S. Equities	PH&N U.S. Equity Fund	Core
	RBC QUBE U.S. Equity Fund	Quantitative core
U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Fund	Quantitative low volatility
International Equities	RBC International Equity Fund	Core
	PH&N Overseas Equity Fund	Concentrated
Global Equities	RBC Global Equity Focus Fund	Concentrated
	RBC Global Equity Leaders Fund	Concentrated
	RBC Vision Global Equity Fund	Concentrated with an ESG screen
	RBC Vision Fossil Fuel Free Global Equity Fund	Concentrated with an ESG screen
	RBC QUBE Global Equity Fund	Quantitative core
Global Low Volatility Equities	RBC QUBE Low Volatility Global Equity Fund	Quantitative low volatility
Alternatives		
Real Estate	RBC Canadian Core Real Estate Fund	Canadian commercial real estate
Infrastructure	RBC Global Infrastructure Fund	Global infrastructure

Bold indicates currently being used in implementation of model and/or Durham portfolios

Appendix 1: Capital market assumptions

Capital market assumptions – Q2 2025

Expected risk and return

Asset Classes	Representative Data Series	Expected Long-Term Return	Expected Annual Volatility	Expected Annual Downside Risk
Cash	FTSE Canada 30 Day TBill Index	3.1%	0.4%	2.1%
Universe Bonds	FTSE Canada Universe Bond Index	3.6%	5.0%	-7.3%
Canadian Money Market	PH&N Canadian Money Market Strategy	3.2%	1.0%	1.3%
Short-Term Bonds and Mortgages	Custom Index ¹	3.6%	2.4%	-1.6%
Enhanced Universe Bond Strategy	Custom Index ²	4.0%	5.1%	-7.7%
Corporate Bonds	Custom Index ³	4.1%	4.4%	-6.4%
Private Placement Corporate Debt	Custom Index ⁴	5.1%	5.3%	-8.0%
Commercial Mortgages*	Custom Index ⁵	6.5%	3.3%	-6.4%
Global Sovereign Bonds	Custom Index ⁶	3.3%	4.1%	-5.3%
High Yield Bonds	ICE BofA US High Yield Master II (CAD-Hedged)	5.6%	9.5%	-16.8%
Broad EMD	Custom Index ⁷	5.2%	10.6%	-15.2%
Global Multi-Asset Credit	Custom Index ⁸	6.4%	8.2%	-16.8%
Canadian Equities	S&P/TSX Composite Index	7.4%	16.8%	-26.1%
Canadian Low Volatility Equities	RBC QUBE Low Volatility Canadian Equity Strategy	6.7%	12.8%	-15.2%
U.S. Equities	S&P 500 Index (CAD)	5.6%	14.7%	-23.4%
U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Strategy (CAD)	5.0%	13.1%	-16.3%
International Equities	MSCI EAFE Index (CAD)	7.8%	16.2%	-28.8%
Global Equities	MSCI World Index (CAD)	6.3%	14.3%	-24.1%
Emerging Market Equities	MSCI Emerging Markets (EM) Index (CAD)	8.3%	20.8%	-32.6%
Canadian Core Real Estate*	RBC Canadian Core Real Estate Strategy	6.3%	9.6%	-13.1%
Global Infrastructure*	EDHEC Infra 300 Index (Local)	6.7%	12.2%	-17.7%
Inflation	Canadian CPI (Non-Seasonally Adjusted)	2.3%	1.5%	N/A

Please see disclosures on the following slide.

Capital market assumptions – Q2 2025

Disclosures

Capital market assumptions represent the views of PH&N Institutional for the purposes of illustrating and understanding the potential risk-reward trade-off of different portfolio decisions and are established by considering a variety of qualitative and quantitative sources of information including: different forecasting models; internal and external research; existing and implied future conditions as priced by capital markets; and internal views of our fund managers. Expected long term annualized returns are for a 10-year forecast time horizon. Volatilities, downside risk and correlations are estimated from historical data and adjusted as required to reflect future market conditions. Investors should be aware of the limitations using forward-looking assumptions in that there is absolutely no guarantee that future performance will occur according to any ex-ante expectation.

* Expected return net of fees

¹ 49% FTSE Canada Short Term Government Bond Index, 45% FTSE Canada Short Term Corporate Bond Index and 6% PH&N Mortgage Strategy.

² 12.5% FTSE Canada Federal Bond Index, 32.5% FTSE Canada Provincial Bond Index, 45% FTSE Canada All Corporate Bond Index, 7.5% PH&N Mortgage Strategy and 2.5% ICE BofA US High Yield Master II (CAD-H).

³ 25% FTSE Canada Corporate AA+ Bond Index, 25% FTSE Canada Corporate A Bond Index and 50% FTSE Canada Corporate BBB Bond Index.

⁴ 97% FTSE Canada Mid Term Federal and 3% FTSE Canada Long Term Federal Bond Index + 50% FTSE Canada Short Term Corporate Bond Index (spread) and 50% FTSE Canada Mid Term Corporate Bond Index (spread).

⁵ 39% PH&N Mortgage Strategy and 61% PH&N High Yield Mortgage Strategy.

⁶ 90% ICE BofA Global Government Index (CAD-H), 3% ICE BofA US High Yield Master II (CAD-H), 2.5% J.P. Morgan Emerging Market Bond Index (CAD-H), 2.5% J.P. Morgan Corporate Emerging Markets Bond Index (CAD-H) and 2% RBC Emerging Markets Foreign Exchange Strategy.

⁷ 22% J.P. Morgan Emerging Market Bond Index (CAD-H), 16% J.P. Morgan Corporate Emerging Markets Bond Index (CAD-H) and 62% J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (CAD-H) (weights according to the market capitalization of each individual index as at March 31, 2025).

⁸ 7.5% ICE BofA 3 Month US T-Bills (CAD-H), 35% ICE BofA Global High Yield Index (CAD-H), 11.25% J.P. Morgan Emerging Market Bond Index (CAD-H), 11.25% J.P. Morgan Corporate Emerging Markets Bond Index (CAD-H), 7.5% J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (CAD-H), 7.5% Credit Suisse Leveraged Loan Index (CAD-H) and 20% Thomson Reuters Convertible Global Focus Index (CAD-H).

Capital market assumptions – Q2 2025

Correlations

Correlations

	Cash	Universe Bonds	Canadian Money Market	Short-Term Bonds and Mortgages	Enhanced Universe Bond Strategy	Corporate Bonds	Private Placement Corporate Debt	Commercial Mortgages	Global Sovereign Bonds	High Yield Bonds	Broad EMD	Global Multi-Asset Credit	Canadian Equities	Canadian Low Volatility Equities	U.S. Equities	U.S. Low Volatility Equities	International Equities	Global Equities	Emerging Market Equities	Canadian Core Real Estate	Global Infrastructure
Cash	1																				
Universe Bonds	0.1	1																			
Canadian Money Market	1.0	0.1	1																		
Short-Term Bonds and Mortgages	0.2	0.9	0.2	1																	
Enhanced Universe Bond Strategy	0.1	1.0	0.1	0.9	1																
Corporate Bonds	0.1	0.9	0.1	0.8	1.0	1															
Private Placement Corporate Debt	0.1	1.0	0.1	0.9	1.0	1.0	1														
Commercial Mortgages	0.2	0.7	0.2	0.7	0.7	0.7	0.7	1													
Global Sovereign Bonds	0.1	0.9	0.1	0.8	0.8	0.7	0.8	0.6	1												
High Yield Bonds	-0.1	0.3	-0.1	0.2	0.4	0.5	0.4	0.2	0.2	1											
Broad EMD	0.0	0.4	0.0	0.3	0.5	0.5	0.4	0.3	0.4	0.7	1										
Global Multi-Asset Credit	0.0	0.3	0.0	0.3	0.5	0.5	0.4	0.2	0.3	0.9	0.9	1									
Canadian Equities	-0.1	0.1	-0.1	0.0	0.3	0.3	0.2	0.1	0.1	0.7	0.6	0.8	1								
Canadian Low Volatility Equities	0.0	0.3	0.0	0.1	0.4	0.4	0.3	0.2	0.2	0.6	0.5	0.6	0.8	1							
U.S. Equities	-0.1	0.2	-0.1	0.1	0.2	0.3	0.2	0.1	0.0	0.5	0.3	0.4	0.6	0.6	1						
U.S. Low Volatility Equities	0.0	0.3	-0.1	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.2	0.3	0.5	0.7	1					
International Equities	0.0	0.2	0.0	0.2	0.3	0.3	0.3	0.2	0.1	0.6	0.5	0.6	0.7	0.6	0.8	0.5	1				
Global Equities	-0.1	0.2	-0.1	0.1	0.3	0.3	0.2	0.2	0.1	0.5	0.4	0.5	0.7	0.6	1.0	0.6	0.9	1			
Emerging Market Equities	0.0	0.2	0.0	0.1	0.3	0.3	0.2	0.1	0.1	0.6	0.7	0.7	0.6	0.5	0.5	0.3	0.7	0.6	1		
Canadian Core Real Estate	0.0	-0.2	0.0	-0.3	-0.2	-0.3	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	0.0	-0.1	0.0	0.0	-0.1	-0.1	1	
Global Infrastructure	0.0	0.4	0.0	0.3	0.4	0.3	0.4	0.3	0.5	0.1	0.2	0.1	0.0	0.2	0.0	0.2	0.1	0.0	0.0	0.3	1

Capital market assumptions represent the views of PH&N Institutional for the purposes of illustrating and understanding the potential risk-reward trade-off of different portfolio decisions and are established by considering a variety of qualitative and quantitative sources of information including: different forecasting models; internal and external research; existing and implied future conditions as priced by capital markets; and internal views of our fund managers. Expected long term annualized returns are for a 10 year forecast time horizon. Volatilities, downside risk and correlations are estimated from historical data and adjusted as required to reflect future market conditions. Investors should be aware of the limitations using forward-looking assumptions in that there is absolutely no guarantee that future performance will occur according to any ex-ante expectation.

Capital market assumptions – Q2 2024

Expected risk and returns

Asset Classes	Representative Data Series	Expected Long-Term Return	Expected Annual Volatility	Expected Annual Downside Risk
Cash	FTSE Canada 30 Day TBill Index	3.4%	0.4%	2.5%
Universe Bonds	FTSE Canada Universe Bond Index	4.1%	5.0%	-6.8%
Canadian Money Market	PH&N Canadian Money Market Strategy	3.5%	0.9%	1.7%
Short-Term Bonds and Mortgages	Custom Index ¹	4.2%	2.4%	-0.9%
Enhanced Universe Bond Strategy	Custom Index ²	4.6%	5.2%	-7.2%
Corporate Bonds	Custom Index ³	4.7%	4.5%	-5.8%
Private Placement Corporate Debt	Custom Index ⁴	5.7%	5.5%	-7.8%
Commercial Mortgages*	Custom Index ⁵	7.0%	3.1%	-5.0%
Global Sovereign Bonds	Custom Index ⁶	3.8%	4.1%	-4.7%
High Yield Bonds	ICE BofA US High Yield Master II (CAD-Hedged)	5.9%	9.8%	-16.2%
Broad EMD	Custom Index ⁷	5.7%	10.5%	-14.2%
Global Multi-Asset Credit	Custom Index ⁸	6.8%	8.4%	-16.2%
Canadian Equities	S&P/TSX Composite Index	8.2%	16.9%	-26.1%
Canadian Low Volatility Equities	RBC QUBE Low Volatility Canadian Equity Strategy	7.4%	11.7%	-15.1%
U.S. Equities	S&P 500 Index (CAD)	5.5%	14.8%	-23.4%
U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Strategy (CAD)	4.9%	12.8%	-15.8%
International Equities	MSCI EAFE Index (CAD)	7.6%	16.5%	-28.5%
Global Equities	MSCI World Index (CAD)	6.2%	14.4%	-24.1%
Canadian Core Real Estate*	RBC Canadian Core Real Estate Strategy	6.3%	9.6%	-13.1%
Global Infrastructure*	EDHEC Infra 300 Index (Local)	6.7%	12.2%	-17.7%
Inflation	Canadian CPI (Non-Seasonally Adjusted)	2.3%	1.5%	N/A

Please see disclosures on the following slide.

Capital market assumptions

Comparison of year-over-year expected returns

Asset Classes	Representative Data Series	2025 Expected Long-Term Return	2024 Expected Long-Term Return	Difference
Cash	FTSE Canada 30 Day TBill Index	3.1%	3.4%	-0.4%
Universe Bonds	FTSE Canada Universe Bond Index	3.6%	4.1%	-0.6%
Canadian Money Market	PH&N Canadian Money Market Strategy	3.2%	3.5%	-0.3%
Short-Term Bonds and Mortgages	Custom Index ¹	3.6%	4.2%	-0.6%
Enhanced Universe Bond Strategy	Custom Index ²	4.0%	4.6%	-0.6%
Corporate Bonds	Custom Index ³	4.1%	4.7%	-0.6%
Private Placement Corporate Debt	Custom Index ⁴	5.1%	5.7%	-0.6%
Commercial Mortgages*	Custom Index ⁵	6.5%	7.0%	-0.6%
Global Sovereign Bonds	Custom Index ⁶	3.3%	3.8%	-0.5%
High Yield Bonds	ICE BofA US High Yield Master II (CAD-Hedged)	5.6%	5.9%	-0.3%
Broad EMD	Custom Index ⁷	5.2%	5.7%	-0.5%
Global Multi-Asset Credit	Custom Index ⁸	6.4%	6.8%	-0.3%
Canadian Equities	S&P/TSX Composite Index	7.4%	8.2%	-0.8%
Canadian Low Volatility Equities	RBC QUBE Low Volatility Canadian Equity Strategy	6.7%	7.4%	-0.7%
U.S. Equities	S&P 500 Index (CAD)	5.6%	5.5%	0.1%
U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Strategy (CAD)	5.0%	4.9%	0.1%
International Equities	MSCI EAFE Index (CAD)	7.8%	7.6%	0.2%
Global Equities	MSCI World Index (CAD)	6.3%	6.2%	0.1%
Emerging Market Equities	MSCI Emerging Markets (EM) Index (CAD)	8.3%	8.2%	0.1%
Canadian Core Real Estate*	RBC Canadian Core Real Estate Strategy	6.3%	6.3%	0.0%
Global Infrastructure*	EDHEC Infra 300 Index (Local)	6.7%	6.7%	0.0%
Inflation	Canadian CPI (Non-Seasonally Adjusted)	2.3%	2.3%	0.0%

Please see disclosures on the following slide.

Understanding the statistics

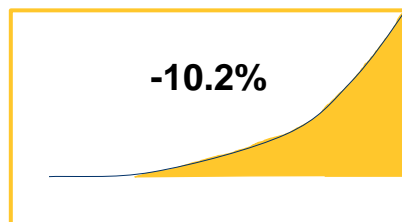
Example – Portfolio D (2025 results)

Current Portfolio	
Expected Return	6.0%
Downside Risk	-10.2%
Volatility	6.4%

Return Distribution

Downside Risk:

Average amount by which the assets could decrease in a year during adverse market outcomes with 1 in 20 probability.



Volatility:

Standard deviation of returns which indicates potential variability from the average.

Expected Return:

The average amount by which assets are expected to grow in a year.

Source: RBC GAM.

Appendix 2: Capital market assumptions - background

Long-term assumptions for strategic portfolio modeling

Overview

The RBC Global Asset Management Long-Term Expected Return (LTER) Committee, led by the CIO, is ultimately responsible for approving best estimate return assumptions

Capital market assumptions are established by considering a variety of qualitative and quantitative sources of information including:



Different forecasting models



Internal and external research



Existing and implied future conditions as priced by capital markets



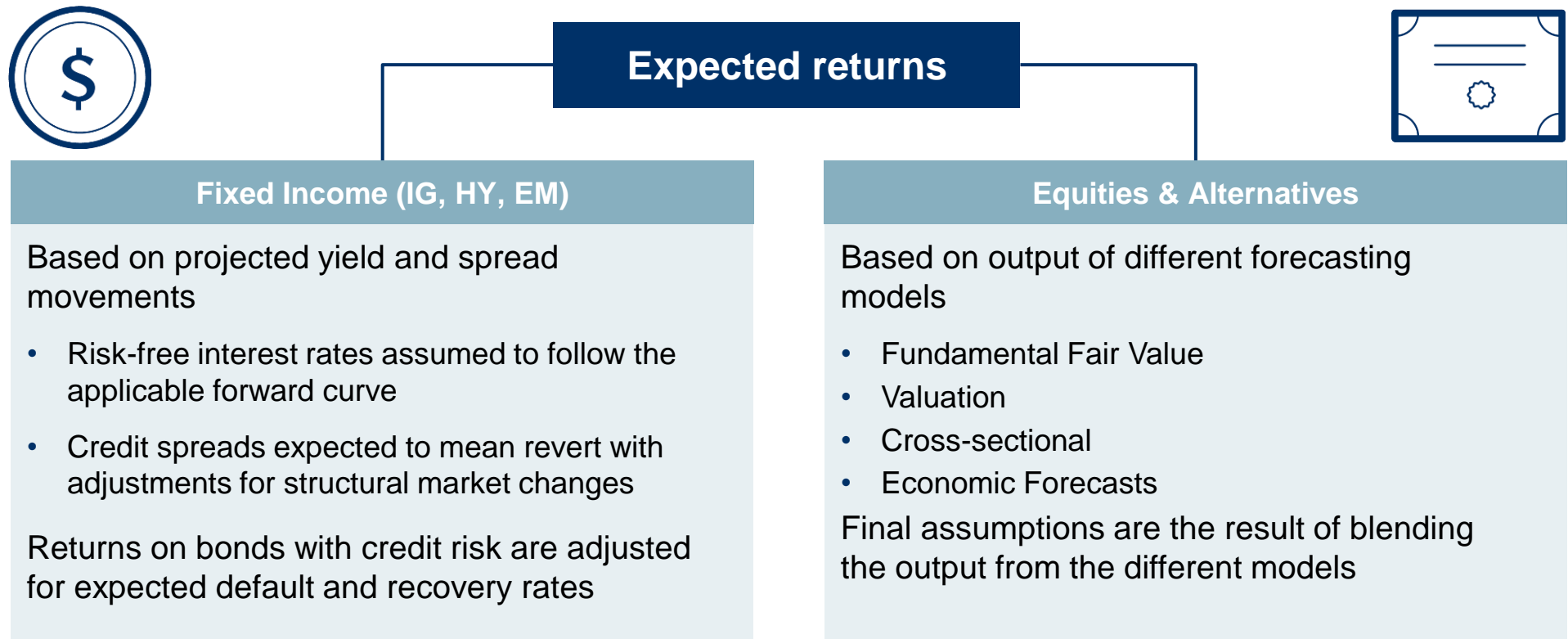
Internal views of our fund managers

Volatilities, downside risk and correlations are estimated from historical data and adjusted as required to reflect future market conditions

Long-term assumptions for strategic portfolio modeling

Framework and methodology (return)

Systematic process with multiple sources of information



The RBC Global Asset Management Long-Term Expected Return (LTER) Committee is ultimately responsible for approving best estimate return assumptions

Long-term assumptions for strategic portfolio modeling

Framework and methodology (risk)

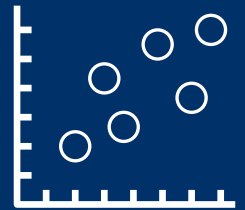
Volatilities and correlations are estimated from historical data and adjusted as required to reflect expected future conditions

Volatilities



Calibrated using a dual-state regime switching lognormal model that better captures empirical characteristics and inherent asset class risk

Correlations



Calibrated from empirical distribution at monthly and/or quarterly frequencies

Model generated estimates of downside risk (i.e. CVaR 95) account for the influence of excess skewness and kurtosis

Long-term assumptions for strategic portfolio modeling

- The views of fund managers are incorporated throughout the process and adjustments are made when deemed necessary
- Most assumptions are for generic asset class representations (e.g. market indices)
 - No provision for explicit added value over a benchmark
 - No provision for specific manager investment style that may affect risk
- Expected structural biases and/or fund data are sometimes incorporated when modeling a specific strategy that does not have a sufficiently representative benchmark
- All alternatives are assumed to be net of IMFs (unless otherwise specified)



Appendix 3: The case for Emerging Market Equities

EM offers strong growth and key diversification benefits



Emerging markets have become the driver of global growth

- Emerging markets (EM) accounts for over 40% of world GDP growth and nearly all “new” consumers to global markets are coming from EM countries.
- The companies that will benefit most from this growth are in domestic EM financial, consumer, and health businesses.



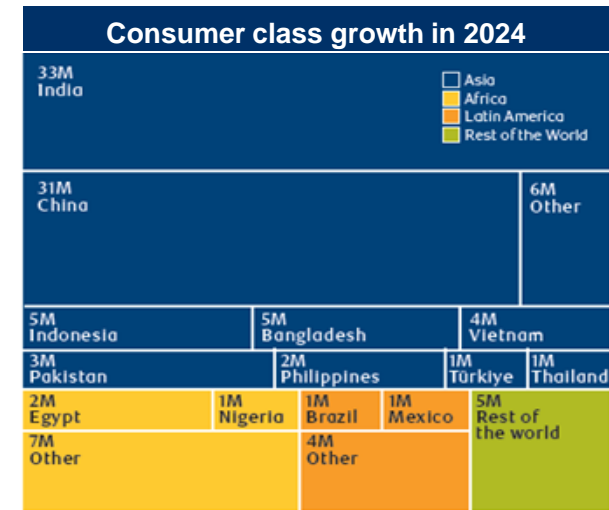
Despite this, EM is trading at historically cheap valuations

- EM performance has historically come in long cycles of over/underperformance relative to developed markets (DM), and many key valuation metrics for EM appear at or near historic lows.
- This current downcycle has been driven by a strong USD, a narrowing of earnings growth between EM and DM, and high concentration of China in the EM index - these factors are now reversing in favour of EM.

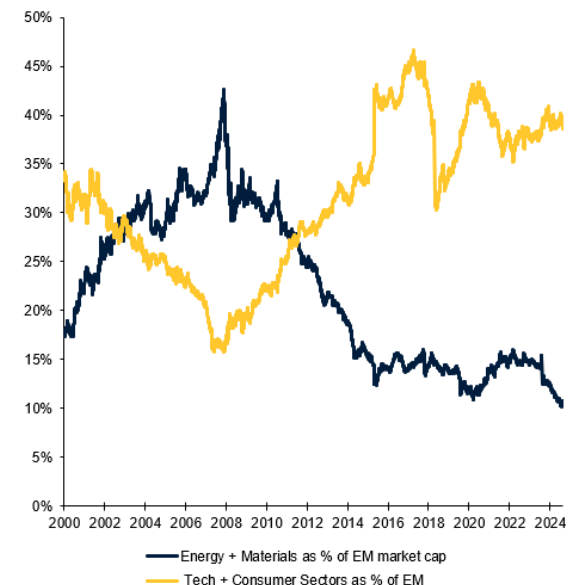


Diversification benefits from adding EM to ONE's current portfolio

- ✓ **EM offers important diversification benefits to ONE's existing equity blend**, particularly when compared with the non-U.S. DM allocation (“EAFE”).
- ✓ For example, the EM index is now dominated by “new economy” companies, such as semi-conductors, software, and “green” technology (solar, EVs).



Technology and Consumer sectors as % of EM market cap

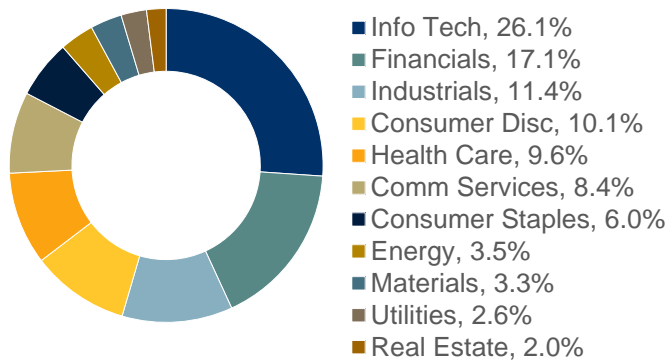


Source: Bloomberg, as at March 2025.

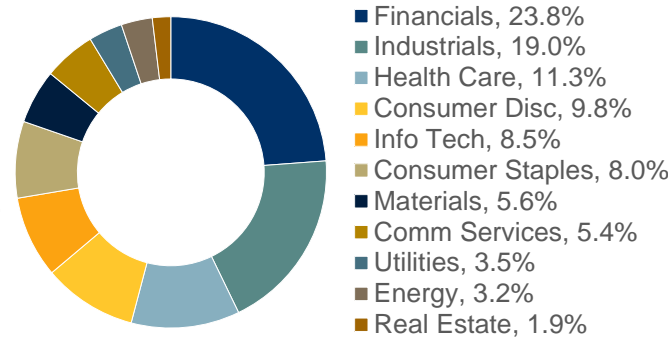
Comparing the World, EAFE and EME indices

Blending offers diversification benefits across sectors and countries

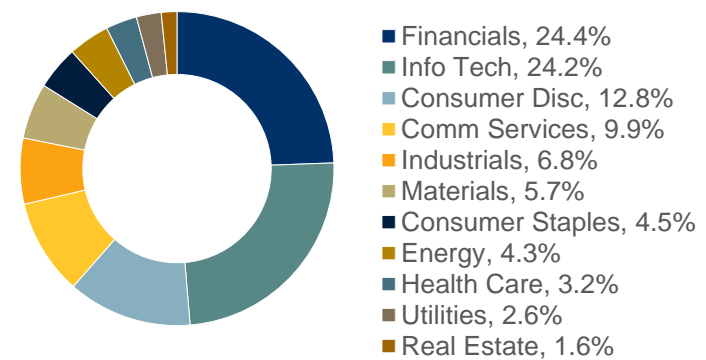
MSCI World Sectors by % Weight



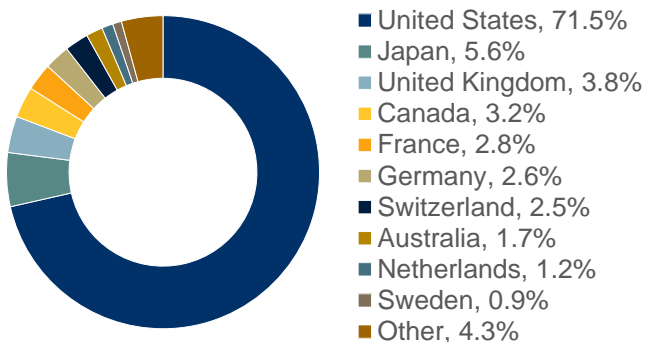
MSCI EAFE Sectors by % Weight



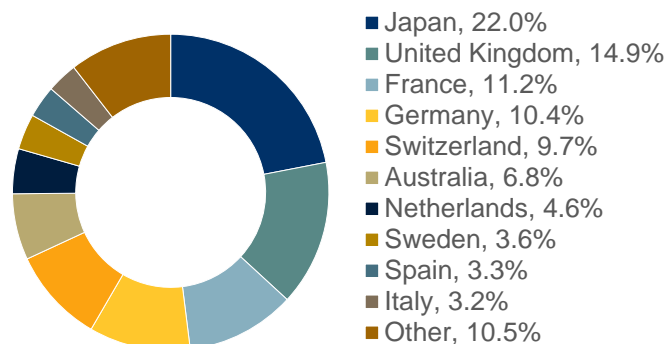
MSCI EME Sectors by % Weight



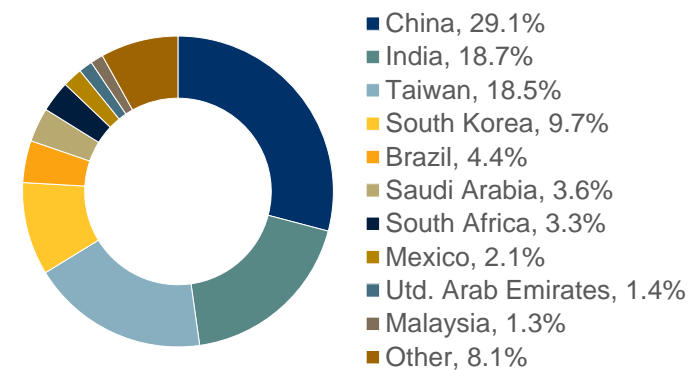
MSCI World Countries by % Weight



MSCI EAFE Countries by % Weight



MSCI EME Countries by % Weight



Appendix 4: Emerging Market Equities Fund Fulfillment

Recommended Emerging Market Equity funds

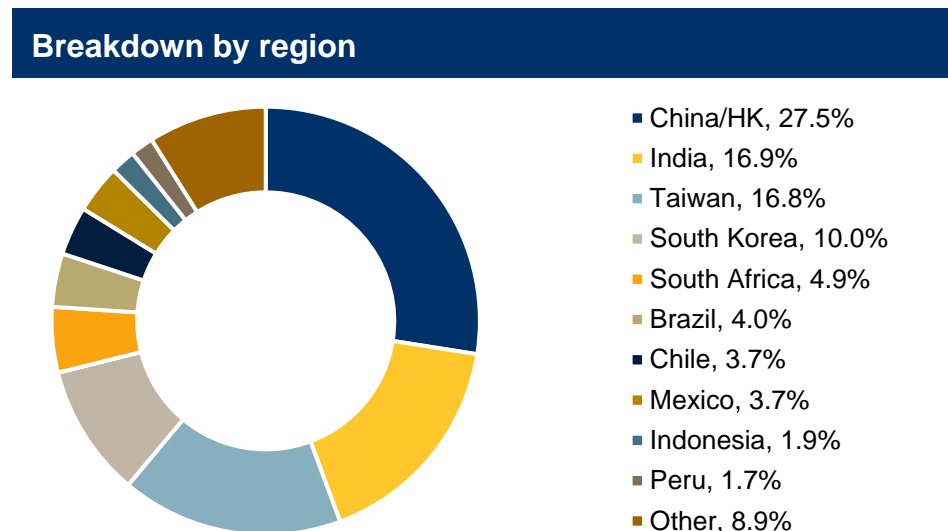
- We would implement using a 50%/50% blend of the following two funds:
 - RBC Emerging Markets Equity Fund
 - RBC Emerging Markets Dividend Fund
- These funds would have to be added to the list of approved funds in the Investment Management Agreement
- Further information on these funds in the following slides

RBC Emerging Markets Equity Fund

Focus on core with a high-quality bias

Returns as of July 31, 2025	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr
RBC Emerging Markets Equity Fund	11.45	14.67	12.66	15.28	6.71	7.40	7.46
<i>MSCI Emerging Markets Net Index C\$</i>	<i>12.97</i>	<i>17.28</i>	<i>14.37</i>	<i>13.34</i>	<i>4.53</i>	<i>6.07</i>	<i>6.42</i>
<i>Difference</i>	<i>-1.52</i>	<i>-2.61</i>	<i>-1.71</i>	<i>+1.94</i>	<i>+2.18</i>	<i>+1.33</i>	<i>+1.04</i>

Top 10 Holdings	Sector	Portfolio (%)
Taiwan Semiconductor	Info Tech	8.9
HDFC Bank	Financials	6.9
Tencent	Communications	5.7
Antofagasta	Materials	3.7
Tata Consultancy	Info Tech	3.3
Mahindra & Mahindra	Consumer Disc	3.2
Samsung	Info Tech	3.2
AIA Group	Financials	3.1
HKEX	Financials	3.1
SK Hynix	Info Tech	2.9



	# of securities	Dividend yield
RBC Emerging Markets Equity Fund	54	2.0%
MSCI Emerging Markets Index	1203	2.5%

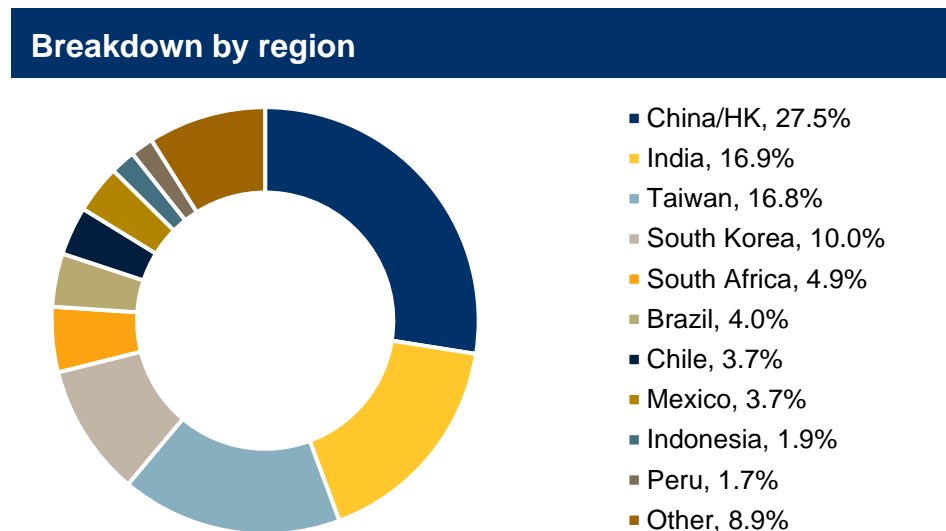
Series O, Performance is in Canadian dollars (CAD) and gross of fees, as of July 31, 2025. Periods less than one year are not annualized. Asset allocation and holdings as of June 30, 2025. Note: Past returns are not indicative of future performance. Since Inception: December 31, 2009. The yield shown is calculated based the average dividend yield of the stocks held by the fund.

RBC Emerging Markets Dividend Fund

Focus on value and dividends

Returns as of July 31, 2025	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr
RBC Emerging Markets Dividend Fund	18.54	21.34	15.91	16.71	6.79	11.50	8.48
<i>MSCI Emerging Markets (Net) Total Return Index (CDN\$)</i>	<i>12.97</i>	<i>17.28</i>	<i>14.37</i>	<i>13.34</i>	<i>4.53</i>	<i>6.07</i>	<i>6.42</i>
<i>Difference</i>	<i>+5.57</i>	<i>+4.06</i>	<i>+1.54</i>	<i>+3.37</i>	<i>+2.26</i>	<i>+5.43</i>	<i>+2.06</i>

Top 10 Holdings	Sector	Portfolio (%)
Taiwan Semiconductor	Info Tech	9.2
Naspers	Consumer Disc	4.7
Alibaba	Consumer Disc	4.4
Samsung	Info Tech	3.3
HDFC Bank	Financials	2.9
China Merchants Bank	Financials	2.8
Axis Bank	Financials	2.6
Redington India	Info Tech	2.4
Ping An Insurance Group	Financials	2.2
Shriram Finance	Financials	2.0



	# of securities	Dividend yield
RBC Emerging Markets Dividend Fund	80	2.6%
MSCI Emerging Markets Index	1203	2.5%

Series O, Performance is in Canadian dollars (CAD) and gross of fees, as of July 31, 2025. Periods less than one year are not annualized. Asset allocation and holdings as of June 30, 2025. Note: Past returns are not indicative of future performance. Since Inception: June 10, 2013. The yield shown is calculated based the average dividend yield of the stocks held by the fund.

RBC GAM Emerging Markets Equity capabilities

London, UK-based EM team manages over U.S.\$19bln

	EM Core Equity	EM Small Cap Equity	EM Equity Focus	EM Fossil Fuel Free Equity	EM ex-China Equity	EM Value Equity
Lead manager	Philippe Langham	Guido Giammattei	Christoffer Enemaerke Philippe Langham	Philippe Langham	Philippe Langham Veronique Erb Ashna Yarashi-Shah	Laurence Bensafi
AUM	US\$ 16,932 m	US\$ 624 m	US\$ 2,156 m	US\$ 132 m	US\$ 566 m	US\$ 1,431 m
Benchmark	MSCI Emerging Markets Net Index	MSCI Emerging Markets Small Cap Net Index	MSCI Emerging Markets Net Index	MSCI Emerging Markets Net Index	MSCI Emerging Markets ex-China Net Index	MSCI Emerging Markets Net Index
Objectives	3% outperformance of benchmark before fees	3% outperformance of benchmark before fees	3.5% outperformance of benchmark before fees	3% outperformance of benchmark before fees	3% outperformance of benchmark before fees	3% outperformance of benchmark before fees
Strategy launch	April 2010	July 2013	December 2018	January 2022	March 2020	July 2013
Vehicles	Segregated Account, SICAV, US '40 Act Fund, US 3C7, Canadian Mutual Fund	Segregated Account, SICAV, Canadian Mutual Fund	Segregated Account, SICAV, US 3C7, CIT, Canadian Mutual Fund	London	Segregated Account, SICAV, US 3C7, US '40 Act Fund, Canadian Mutual Fund	Segregated Account, SICAV, US '40 Act Fund, Canadian Mutual Fund
Team location	London	London	London	EM Fossil Fuel Free Equity	London	London

As at 30.06.2025.

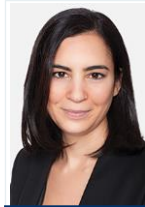
AUM includes all accounts managed in this strategy, this includes accounts which do not appear in the composite.

RBC GAM Emerging Markets investment team

Centralized, diverse, research-focused



Philippe Langham
Head of Emerging Markets Equity
33 years of experience



Laurence Bensafi
Deputy Head of Emerging Markets Equity
27 years of experience



Guido Giammattei
Portfolio Manager
Taiwan & CEE¹
27 years of experience



Veronique Erb
Portfolio Manager
Southeast Asia & Saudi Arabia
25 years of experience



Richard Farrell
Portfolio Manager
China
20 years of experience



Christoffer Enemaerke
Portfolio Manager
Latin America
15 years of experience



Ashna Yarashi-Shah
Portfolio Manager
India subcontinent
13 years of experience



James Bateson
Portfolio Engineer
8 years of experience



Angel Su
Associate Portfolio Manager
China
6 years of experience



Will Hayes
Senior Analyst
South Africa & Korea
10 years of experience



Miya Tailor
Associate Analyst
2 years of experience

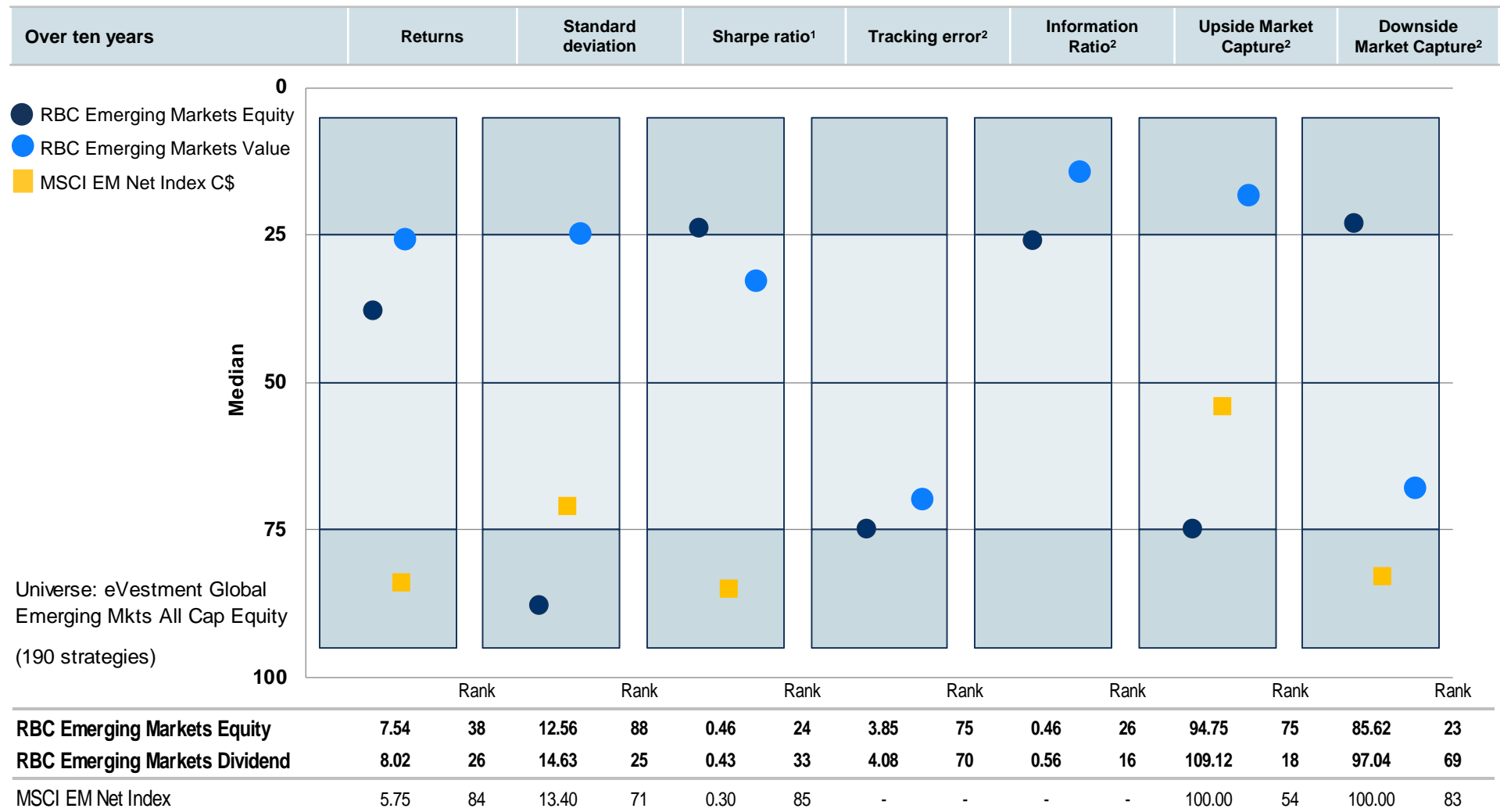


Dijana Jelic
Product Specialist
14 years of experience

As at 30.06.2025. Source: RBC Global Asset Management. ¹Central & Eastern Europe.

Strategies are high performing and complementary

Trailing 10-year risk and return statistics versus index and global peers



RBC Emerging Markets Equity is represented by the RBC GAM Emerging Markets Equity Strategy. RBC Emerging Markets Equity is represented by the RBC GAM Emerging Markets Equity - Value 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 10 years through to 30.06.2025. Created on 26.08.2025 from a universe of 190. ¹FTSE Canada 3-Month T-Bill; ²MSCI Emerging Markets Net 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.

GIPS® Composite Report

Emerging Markets Equity

Composite name: RBC GAM Emerging Markets Equity

Inception date: April 1, 2010

Benchmark: MSCI Emerging Markets Total Return Net Index (CAD)

Currency: CAD

Annual returns

Year end	Composite gross return (%)	Benchmark return (%)	Composite 3 yr std dev (%)	Benchmark 3 yr std dev (%)	Number of portfolios	Internal dispersion (%)	Composite assets (millions)	Firm assets (millions)
YTD 2025	9.24	9.36	13.15	14.15	14	0.28	23,057.3	718,399.2
2024	16.85	17.25	13.72	14.60	12	0.31	19,562.0	689,764.7
2023	10.38	6.88	12.81	13.93	12	0.16	16,133.4	565,826.6
2022	-7.62	-14.28	14.93	15.90	12	0.18	14,503.9	521,320.7
2021	-4.35	-3.37	12.72	13.44	14	0.49	17,950.9	608,286.9
2020	15.65	16.23	13.20	14.15	14	0.50	17,225.5	540,745.5
2019	12.79	12.43	10.02	11.37	13	0.42	13,403.5	469,295.9
2018	-1.94	-6.87	11.39	12.18	10	0.67	9,277.3	417,728.2
2017	28.18	28.26	12.70	12.88	10	0.71	7,763.0	417,179.7
2016	3.18	7.34	12.30	12.61	5	0.29	3,629.0	388,749.0
2015	9.40	2.04	11.07	11.28	5	0.97	2,648.0	383,256.3

Annualized returns (%)

Composite or benchmark	QTD	YTD	1 year	3 year	5 year	7 year	10 year
Composite – Gross of fees	6.56	9.24	14.36	14.53	8.80	7.29	7.54
Benchmark	6.17	9.36	14.96	11.78	6.85	5.03	5.75

The GIPS® Composite Report is incomplete without the full disclosures, continued on the next page
n/a = not applicable, Std dev = Standard deviation

As at 6.30.2025

RBC Global Asset Management
PH&N Institutional

GIPS® Composite Report

Emerging Markets Equity

Composite name: RBC GAM Emerging Markets Equity

Inception date: April 1, 2010

Benchmark: MSCI Emerging Markets Total Return Net Index (CAD)

Currency: CAD

For the purposes of Global Investment Performance Standards (GIPS®), RBC Global Asset Management (RBC GAM) is the asset management division of Royal Bank of Canada (RBC) that has responsibility for managing discretionary assets, and includes the following separate but affiliated subsidiaries: RBC Global Asset Management Inc. (including PH&N Institutional), RBC Global Asset Management (U.S.) Inc., RBC Global Asset Management (UK) Limited, and RBC Global Asset Management (Asia) Limited (outside of North America, RBC GAM conducts business under the brand RBC BlueBay Asset Management). RBC purchased Phillips, Hager & North Investment Management Ltd., including the assets of BonaVista Asset Management Ltd., on May 1, 2008, BlueBay Asset Management LLP on December 17, 2010, and HSBC Global Asset Management (Canada) Limited on March 28, 2024. RBC GAM's lists of composite descriptions, limited distribution pooled fund descriptions and broad distribution pooled funds are available upon request. As of December 31, 2024, the RBC GAM group of companies manages more than C\$689 billion (US\$479 billion) in a full spectrum of asset classes and strategies.

Compliance Statement: RBC GAM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. RBC GAM has been independently verified for the periods January 1, 2002 through December 31, 2023. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS® standards must establish policies and procedures for complying with all the applicable requirements of the GIPS® standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS® standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Composite Description: The Emerging Market Equity Composite includes all portfolios that invest in Emerging Market equities by RBC GAM directly. Starting June 1, 2017 portfolios in this composite cannot hold more than 90% investment in another RBC Mutual Fund.

Benchmark: The benchmark is the MSCI Emerging Markets net index.

Gross of Fees: Gross of fees performance is presented gross of all fees, but after all trading expenses. Returns are presented net of withholding taxes on dividends, interest income and capital gains where applicable.

Performance Calculations: Results are based on all fully discretionary accounts meeting the composite definition, including those accounts no longer with the firm. Returns are shown in Canadian Dollars, and include the reinvestment of all income.

Performance shown for the Emerging Markets Equity Composite is based on information generated by RBC Global Asset Management's internal performance systems, which may differ from the performance shown in official books and records of certain investment funds which form a part of the composite. Official books and records for certain investment funds which form a part of the composite include the impact of a fair value for market timing that is applied to certain securities as of the close of trading for the fund. For the purposes of calculating the Emerging Markets Equity Composite, we prepare a separate performance stream for such funds that eliminates the impact of this fair value adjustment. This second performance stream is used to calculate performance of the composite in an effort to better align the methodology for calculating composite performance with the methodology applied to calculate the benchmark. Additional information regarding policies for valuing investments, calculating performance, and creating GIPS® Reports is available upon request. Past performance is not indicative of future results.

Composite Dispersion: The composite dispersion of annual returns is indicated by the performance of individual accounts representing the equal weighted standard deviation of returns. Dispersion of returns is calculated for portfolios included in the composite for the full year. Calculations are based on gross portfolio returns if gross composite returns are presented. If only net composite returns are presented, then net portfolio returns are used in the composite dispersion calculation.

3-Year Standard Deviation: Periods with less than 3 years of data will show "n/a". Calculations are based on gross composite returns, if gross composite returns are presented. If only net composite returns are presented, then net composite returns are used in the calculation.

Derivatives, Leverage and Short Positions: The portfolios may use derivatives for hedging purposes, and may also use derivatives such as options, futures, forwards and swaps for non-hedging purposes as a substitute for direct investment, as long as the portfolio's use of derivatives is consistent with its investment objectives. Currency hedging is used primarily as a risk management tool to limit the volatility of portfolio returns and may be used tactically to enhance returns. Currency hedge ratios can range between 0-100%, depending on asset class and mandate. No leverage has been used in any of the portfolios contained in the composite.

Fee Schedule: The standard management fee schedule for the portfolios in this composite: 0.90% per annum on the first \$10 million, 0.75% per annum on the next \$10 million, 0.65% per annum on the next \$100 million and 0.60% per annum on amounts over \$120 million. This may not represent the actual fee charged to the client. The fee schedule is subject to change.

Minimum Account Size: Currently there is no minimum account size in order to be included in this composite. Prior to January 01, 2012 an account must be at least \$25,000,000 to be included.

Creation Date: This composite was created on April 1, 2010 and has an inception date of April 1, 2010.

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As at 6.30.2025

RBC Global Asset Management
PH&N Institutional



GIPS® Composite Report

Emerging Markets Equity - Value

Composite name: RBC GAM Emerging Markets Equity - Value

Inception date: July 1, 2013

Benchmark: MSCI Emerging Markets Total Return Net Index (CAD)

Secondary benchmark: MSCI Emerging Markets Value Total Return Net Index (CAD)

Currency: CAD

Annual returns

Year end	Composite gross return (%)	Benchmark return (%)	Benchmark 2 return (%)	Composite 3 yr std dev (%)	Benchmark 3 yr std dev (%)	Benchmark 2 3 yr std dev (%)	Number of portfolios	Internal dispersion (%)	Composite assets (millions)	Firm assets (millions)
YTD 2025	15.37	9.36	8.88	15.29	14.15	12.43	3	0.13	1,948.8	718,399.2
2024	15.25	17.25	13.98	15.51	14.60	12.75	3	0.15	1,698.8	689,764.7
2023	10.16	6.88	11.15	14.34	13.93	12.10	3	0.38	1,620.7	565,826.6
2022	-10.36	-14.28	-9.71	17.96	15.90	15.64	3	0.07	1,655.4	521,320.7
2021	3.58	-3.37	3.12	15.72	13.44	13.90	3	0.57	1,741.9	608,286.9
2020	18.50	16.23	3.62	16.81	14.15	14.84	3	0.25	1,581.5	540,745.5
2019	11.26	12.43	6.28	11.75	11.37	10.79	3	0.06	1,229.3	469,295.9
2018	-9.72	-6.87	-2.68	12.45	12.18	12.16	3	0.19	1,128.4	417,728.2
2017	29.77	28.26	19.65	12.61	12.88	13.28	2	0.15	930.2	417,179.7
2016	13.58	7.34	10.93	12.51	12.61	13.23	2	0.19	552.5	388,749.0
2015	-1.42	2.04	-2.35	n/a	n/a	n/a	2	-	462.5	383,256.3

Annualized returns (%)

Composite or benchmark	QTD	YTD	1 year	3 year	5 year	7 year	10 year
Composite – Gross of fees	8.95	15.37	18.05	15.83	12.45	7.77	8.02
Benchmark	6.17	9.36	14.96	11.78	6.85	5.03	5.75
Secondary benchmark	4.30	8.88	12.34	12.30	9.11	5.10	4.94

The GIPS® Composite Report is incomplete without the full disclosures, continued on the next page
n/a = not applicable, Std dev = Standard deviation

As at 6.30.2025

RBC Global Asset Management
PH&N Institutional

GIPS® Composite Report

Emerging Markets Equity - Value

Composite name: RBC GAM Emerging Markets Equity - Value

Inception date: July 1, 2013

Benchmark: MSCI Emerging Markets Total Return Net Index (CAD)

Secondary benchmark: MSCI Emerging Markets Value Total Return Net Index (CAD)

Currency: CAD

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Compliance Statement: RBC GAM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. RBC GAM has been independently verified for the periods January 1, 2002 through December 31, 2023. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS® standards must establish policies and procedures for complying with all the applicable requirements of the GIPS® standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS® standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Composite Description: The Emerging Markets Equity - Value Composite includes all portfolios that invest in emerging market equities that provide regular dividend income through securities with above average dividend yield managed by RBC GAM directly.

Benchmark: The benchmark is the MSCI Emerging Market Net Index. The Index is designed to measure the equity market performance of emerging markets. Index returns are provided for comparison purposes to represent the investment environment existing during the time periods shown. An index is fully invested, includes the reinvestment of dividends and capital gains, but does not include any transaction costs, management fees, or other costs. Holdings of each separately managed account in a composite will differ from the index. An investor may not invest directly in an index. As of 03/31/2021, the secondary benchmark is the MSCI Emerging Market Value Net Index.

Gross of Fees: Gross of fees performance is presented gross of all fees, but after all trading expenses. Returns are presented net of withholding taxes on dividends, interest income and capital gains where applicable.

Performance Calculations: Results are based on all fully discretionary accounts meeting the composite definition, including those accounts no longer with the firm. Returns are shown in Canadian Dollars, and include the reinvestment of all income. Performance shown for the Emerging Markets Equity Dividend Composite is based on information generated by RBC Global Asset Management's internal performance systems, which may differ from the performance shown in official books and records of certain investment funds which form a part of the composite. Official books and records for certain investment funds which form a part of the composite include the impact of a fair value for market timing that is applied to certain securities as of the close of trading for the fund. For the purposes of calculating the Emerging Markets Equity - Value Composite, we prepare a separate performance stream for such funds that eliminates the impact of this fair value adjustment. This second performance stream is used to calculate performance of the composite in an effort to better align the methodology for calculating composite performance with the methodology applied to calculate the benchmark. Additional information regarding policies for valuing investments, calculating performance, and creating GIPS® Reports is available upon request. Past performance is not indicative of future results.

Composite Dispersion: The composite dispersion of annual returns is indicated by the performance of individual accounts representing the equal weighted standard deviation of returns. Dispersion of returns is calculated for portfolios included in the composite for the full year. Calculations are based on gross portfolio returns if gross composite returns are presented. If only net composite returns are presented, then net portfolio returns are used in the composite dispersion calculation.

3-Year Standard Deviation: Periods with less than 3 years of data will show "n/a". Calculations are based on gross composite returns, if gross composite returns are presented. If only net composite returns are presented, then net composite returns are used in the calculation.

Derivatives, Leverage and Short Positions: The portfolios may use derivatives for hedging purposes, and may also use derivatives such as options, futures, forwards and swaps for non-hedging purposes as a substitute for direct investment, as long as the portfolio's use of derivatives is consistent with its investment objectives. Currency hedging is used primarily as a risk management tool to limit the volatility of portfolio returns and may be used tactically to enhance returns. Currency hedge ratios can range between 0-100%, depending on asset class and mandate. No leverage has been used in any of the portfolios contained in the composite.

Fee Schedule: The standard management fee schedule for the portfolios in this composite: 0.90% per annum on the first \$10 million, 0.75% per annum on the next \$10 million, 0.65% per annum on the next \$100 million and 0.60% per annum on amounts over \$120 million. This may not represent the actual fee charged to the client. The fee schedule is subject to change.

Minimum Account Size: Currently there is no minimum account size in order to be included in this composite.

Creation Date: This composite was created on July 1, 2013 and has an inception date of July 1, 2013.

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Appendix 5: Money Market Funds Merger

Money market funds merger

- On August 13, 2025, RBC GAM announced that the PH&N Canadian Money Market Fund (\$3.5bn) will merge into the RBC Canadian Money Market Fund (\$8.1bn) in November 2025
- We are merging funds to streamline our money market fund offerings:
 - RBC GAM currently has multiple money market funds with overlapping mandates.
 - Going forward, we will have one option for each type of money market fund: Canadian T-Bill fund, Canadian money market fund, and U.S. dollar money market fund.
- The RBC and PH&N Institutional funds are very similar in terms of exposures and overall structure.
- The funds have delivered similar long-term returns:
 - On an annualized basis over the past 10 and 15 years ending June 30, 2025, the PH&N CMMF earned 2.09% and 1.78%, respectively.
 - The RBC Canadian Money Market Fund earned 2.15% and 1.82% over the same periods.
- There is no impact on fees or fund expenses.

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The amount of risk associated with any particular investment depends largely on the investor's own circumstances. Investors should consult their professional advisors/consultants regarding the suitability of the investment solutions mentioned in this presentation.

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T 514-876-1256

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: September 4, 2025
Re: Town of Innisfil's Investment Plan 2025
Report: ONE JIB 2025-034

1. RECOMMENDATIONS

It is recommended that the Board:

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

2. SUMMARY

The Town of Innisfil has updated its Municipal Client Questionnaire (MCQ), providing information on its MNRI and investment horizons. Council has also revised and approved the Investment Policy Statement (IPS) to include changes related to the ONE JIB-approved model portfolios. The Town did not permit the use of long-term alternative investments in its annual IPS update, so they will not be considered in the investment allocations.

The annual Investment Plan update involved adjustments to reflect major changes in the Town's circumstances, as expenditures on large capital projects approach. The Town's total MNRI is \$62.6 million, of which \$53.3 million is expected to draw down within the next five years, with the remaining MNRI having a much longer investment horizon.

Given the circumstances, needs, and investment horizon associated with Innisfil's reserve balances, it is recommended that a two-investment model be used. The funds expected to be drawn down sooner will be assigned to Model B (20% equity), while the longer-term portion of MNRI, with an investment horizon exceeding 10 years, will be allocated to Model F (60% equity). This will result in a significant change in investment allocations, shifting from the current total equity exposure of 48% (spread across three outcomes) to a combined equity allocation of 26% in two models. This change aligns with the Town's investment horizon and capital forecast timelines as updated during the Investment Plan review. The recommended investment allocations are detailed in the table at the top of the next page.

	20% EQUITY MODEL (B)		60% EQUITY MODEL (F)		
Asset Classes	Target Weight	Total Invested (\$)	Target Weight	Total Invested (\$)	Overall Allocation
Cash & Equivalent	0%	\$0	0%	\$0	0%
Canadian Fixed Income	70%	\$37,316,766	30%	\$2,790,000	64%
Global Fixed Income and Credit	10%	\$5,330,967	10%	\$930,000	10%
Canadian Equities	10%	\$5,330,967	30%	\$2,790,000	13%
Global Equities	10%	\$5,330,967	30%	\$2,790,000	13%
Alternatives	0	\$0	0	\$0	0%
Total	100%	\$53,309,666	100%	\$9,300,000	100%

| 3. BACKGROUND

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

Innisfil completed its annual IPS review on June 25, 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 adjustments as ONE JIB shifts to the model portfolios. Innisfil has decided not to include alternative investments (real estate and infrastructure) as part of its MNRI investments. Innisfil's council might reconsider this decision in future years.

Investment income can help provide Innisfil with an additional source of revenue

Ontario municipalities face significant pressure to develop new and improved infrastructure for residents, such as recreation facilities, fire halls, roads, and libraries, while avoiding steep increases in property tax rates. Innisfil has major capital projects planned and has benefited from the strong performance of its MNRI invested with ONE JIB. These investment returns will help to offset some of these costs. These investment returns may reduce the need to fully fund these expenses through the tax base.

For the Town of Innisfil, a 1% increase in property taxes would generate an estimated \$961,000 in additional annual revenue. However, this increase alone may not be sufficient to fully cover the rising costs associated with expected capital needs. Investment returns can play a complementary role in supporting the municipality's ability to meet its capital spending requirements.

Innisfil's holdings will migrate to ONE JIB's approved model portfolios

Innisfil's MNRI is currently held in allocations previously approved by ONE JIB, pending the transition into the model portfolios. As part of this annual review, investments will be

migrated into the model portfolios approved at the ONE JIB meeting in November 2024.

At the November 27, 2024, ONE JIB meeting, ONE JIB approved ten model portfolios, each offering investment allocations that provide a range of risk and return attributes suitable for most Participating Municipalities. Model portfolios will be assigned based on the client's needs, circumstances, and risk tolerances. Due to Innisfil's specific circumstances, two models will be assigned.

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 refer to the New Products Committee Report ([10-01-24](#)), discussed at the November 27, 2024, ONE JIB meeting.

Innisfil'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 guided the proposed allocations in the Investment Plan. Table 1 below summarizes the key reserves and their expected horizons.

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 (\$)
Asset Renewal	\$ 53,309,666	\$ 53,309,666		
Operating Reserves	\$ 9,300,000			\$ 9,300,000
Total MNRI	\$ 62,609,666	\$ 53,309,666		\$ 9,300,000

As shown in Table 1, a sizable portion of its MNRI has an investment horizon of less than 5 years. This marks a notable change in the investment horizon associated with MNRI compared to last year's Investment Plan.

Innisfil anticipates a need to withdraw most of its MNRI within the next five years

The analysis provided by the Treasurer indicates that Innisfil expects significant MNRI drawdowns over the next five years. While there is confidence that these drawdowns will happen, the exact timing of when the funds will be needed remains uncertain. It is unlikely that the entire balance of \$53.3 million will be withdrawn within two years, as suggested in the MCQ. As noted by the Treasurer, the MNRI may be drawn down at a much slower rate; the timing of the construction projects (including required payments) is dependent on several factors (internal and external), which are expected to extend the entire process. Table 2 below outlines the expected contributions and withdrawals of MNRI in future

years, based on Table 3.3 of the MCQ and input from the Treasurer.

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

	Within 5 years	5 to 10 years	10+ years
Anticipated MNRI Drawdowns	\$53,309,666	-	-
Anticipated MNRI Contributions	-	-	-
Net change in MNRI	\$53,309,666	-	-

4. ANALYSIS

Greater clarity on the timing of MNRI drawdowns will be available as Innisfil finalizes its updated capital plan

A review of Innisfil's projected cash flows and future reserve balances was conducted as part of the annual review process. The review showed that the investment horizon for MNRI is becoming significantly shorter, as expected capital expenditures will require the withdrawal of a significant portion of MNRI within the next five years.

Innisfil is currently anticipating that a total of \$53.3 million will be needed within five years, mainly related to two projects aimed at converting rural roads into urban ones. Although the MCQ indicates the withdrawal will be needed within two years, the Treasurer has clarified that this projection was based on the budget and that, from a cash flow perspective, these investments are more likely needed within five years, given the internal and external factors that could easily delay the construction process for the projects.

The Town anticipates having a better understanding of cash flow timing during the 2026 annual review. The Town is currently updating its 2026 financial planning and capital spending forecasts. Not all the spending may require an MNRI drawdown. The expenses are more likely to be spread over the next five years, with some of the costs potentially being debt-financed or funded by other sources. Innisfil does multi-year budgeting, and it is expected that a new financial plan will be finalized in spring 2026.

The approved investment models are under review at the September 4th ONE JIB meeting, which may lead to revisions to the allocations of Models B and D

As the models are reviewed in the September 4th ONE JIB meeting, revisions or modifications to the models may be approved during the meeting. The details of the models in this report and the associated Investment Plan reflect those approved by ONE JIB on November 27, 2024. Any changes to the models being considered by ONE JIB at its September 4, 2025, meeting will supersede the details provided in this report and the attached Investment Plan. The proposed changes to the models do not represent a

significant change to the models' risk profile.

The Investment Plan recommends that Innisfil's MNRI be invested in two models to better represent the investment horizon of MNRI

For most Participating Municipalities, a single investment model that reflects the average investment horizon can be used to represent the consolidated MNRI. However, with Innisfil's proposed investment horizons, its case is different.

As approximately 85 percent of the Town's MNRI is expected to be drawn down within a five-year period, with the remaining balance having an investment horizon more than ten years, maintaining a single investment allocation for the entire MNRI is not recommended. Employing a single model would necessitate repeated revisions to the assigned model portfolio, as large redemptions over the next five years would materially alter the portfolio's overall time horizon.

To address this, it is recommended that two distinct allocation models be adopted to reflect the materially different investment horizons. The shorter - duration allocation would be structured to satisfy the Town's anticipated liquidity requirements over the next five years, while the longer - duration allocation would be positioned for growth beyond a ten - year horizon. This approach will ensure that each pool of funds is managed in a manner consistent with its investment objectives, while minimizing the need for ongoing reallocation.

The \$53.3 million expected to be drawn down within five years has been assigned to Model B, with a 20% allocation to equities, while the \$9.3 million with a much longer investment horizon will be assigned to Model F, which has a 60% allocation to equities. The CIO and the Investment Manager have discussed these allocations and agree that they are appropriate for Innisfil's circumstances and time horizons. Table 3 below provides summary statistics for Models B and F, while Table 4 offers additional details on the investment allocations of the two model portfolios.

Table 3: Summary statistics for proposed models

Summary Statistics	Model F (80% Equity)	Model B (20% Equity)
Long-Term Return	7.0%	5.7%
Annual Downside Risk ¹	-14.4%	-4.9%
Annual Volatility	8.9%	4.0%
Sharpe Ratio	0.40	0.57

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.

Table 4: Proposed Pooled Fund-Level Allocation - Model B

MODEL B (20% EQUITY)				
Asset Classes	Minimum (%)	Target Weight (\$)	Maximum (%)	Total Invested (\$)
Cash & Equivalent	0	0	10	\$0
Canadian Fixed Income	60	70	80	\$6,510,000
Short-Term bonds		50		4,650,000
Universe Bonds		0		-
Corporate Bonds		0		-
Private Placement Corporate Debt		10		930,000
Commercial Mortgage		10		930,000
Global Fixed Income and Credit	0	10	20	\$930,000
High Yield Bonds		0		-
Global Multi-Asset Credit		10		930,000
Global Bonds		0		-
Emerging Markets Bonds		0		-
Canadian Equities	0	10	20	\$930,000
Canadian Equities		5		465,000
Canadian Low Volatility Equities		5		465,000
Global Equities	0	10	20	\$930,000
U.S. Equities		2		186,000
U.S. Low Volatility Equities		2		186,000
International Equities		6		558,000
Global Equities		0		-
Global Low Volatility Equities		0		-
Alternatives	0	0	0	\$0
Real Estate		0		-
Infrastructure		0		-
Total		100		\$9,300,000

Table 5: Proposed Pooled Fund-Level Allocation – Model F

MODEL F (60% EQUITY)				
Asset Classes	Minimum (%)	Target Weight (\$)	Maximum (%)	Total Invested (\$)
Cash & Equivalent	0	0	10	\$0
Canadian Fixed Income	60	70	80	\$37,316,766
Short-Term bonds		50		26,654,833
Universe Bonds		0		-
Corporate Bonds		0		-
Private Placement Corporate Debt		10		5,330,967
Commercial Mortgage		10		5,330,967
Global Fixed Income and Credit	0	10	20	\$5,330,967
High Yield Bonds		0		-
Global Multi-Asset Credit		10		5,330,967
Global Bonds		0		-
Emerging Markets Bonds		0		-
Canadian Equities	0	10	20	\$5,330,967
Canadian Equities		5		2,665,483
Canadian Low Volatility Equities		5		2,665,483
Global Equities	0	10	20	\$5,330,967
U.S. Equities		2		1,066,193
U.S. Low Volatility Equities		2		1,066,193
International Equities		6		3,198,580
Global Equities		0		-
Global Low Volatility Equities		0		-
Alternatives	0	0	0	\$0
Real Estate		0		-
Infrastructure		0		-
Total		100		\$53,309,666

5. CONCLUSION

Innisfil's overall investment horizon has changed significantly over the last year due to upcoming significant capital spending that will require MNRI drawdowns within the next five years. Although there is some uncertainty about the timing of these drawdowns and their final amounts cannot be precisely determined, the MNRI has been allocated to a more conservative, equity-light allocation in anticipation of these likely drawdowns. About 15% of MNRI, or \$9.3 million, is designated for investments with a horizon beyond ten years, which will be allocated with a higher equity share.

The Chief Investment Officer and Investment Manager propose splitting MNRI into two models: the shorter-term portion in Model B and the longer-term portion in Model F, with equity weights of 20% and 60%, respectively. Currently, the Town's portfolio 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. As a result, the Investment Plan is appropriate for Innisfil's situation and needs, reflecting the specific time horizons of its MNRI.

ATTACHMENTS

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

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

Attachment 3: Town of Innisfil'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



Corporate Policy		CP.7.1.6
Section	7	Financial
Subsection	1	General
Subject	6	Investment Policy Statement
Approval Authority: 2023.05.10-CR-01	Effective Date: June 25, 2025	

Attachment 1

Investment Policy Statement for Town of Innisfil (the “Municipality”)

June 25, 2025

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Town of Innisfil

Investment Policy Statement

OVERVIEW

Municipalities that are subject to the *Municipal Act, 2001* (the “**Act**”) have no general power to invest money. Such powers must be found either in express provisions of the Act or by necessary implication.

Historically, municipalities that are subject to the Act had very limited express investment powers under section 418 of the Act. Section 418 continues to apply to all municipalities that are subject to the Act unless they elect to pass a by-law pursuant to the new section 418.1. Section 418 of the Act provides that “money that is not required immediately” can only be invested in securities prescribed by the Province in O. Reg. 438/97 (the “**Regulation**”). These prescribed securities are generally referred to as the “Legal List Securities” and are included in Part I of the Regulation.

Effective January 1, 2019, the new section 418.1 of the Act came into force. Section 418.1 provides that “money that is not required immediately” can be invested under that section in any security, provided that in making the investment the municipality exercises the care, skill, diligence and judgment that a prudent investor would exercise in making the investment. If a municipality elects to pass a by-law under section 418.1, the effect will be that its “money that is not required immediately” must be invested in accordance with the prudent investor regime. The rules, conditions and procedures that apply to investments under section 418.1 are set out in Part II of the Regulation.

Investing “money that is not required immediately” (MNRI) in Legal List Securities or in accordance with the prudent investor regime are mutually exclusive alternatives. That is to say, section 418 does not apply to a municipality that has adopted the prudent investor regime under section 418.1.

Every municipality, regardless of whether section 418 or 418.1 applies to it, has MNRI and also money that is required immediately (MRI). Municipalities retain the management and control of their MRI. The Act does not include any express provisions that deal with the investment of MRI. However, it is consistent with prudent practice to invest such money until it is actually spent, in order to preserve the capital value of that money. Accordingly, it is necessarily implied that a municipality has the power to invest such money on a short-term basis. Because the Act is silent as to how municipalities are to deal with MRI and because of the historical investment powers under the Act, a conservative approach is to invest MRI in appropriate Legal List Securities.

Municipalities that elect to pass a by-law pursuant to the new section 418.1 include in their investment policy:

- i. the basis upon which they distinguish between MNRI and MRI
- ii. principles governing the investment of each category of money

This Investment Policy Statement (IPS) is intended to respond to the foregoing requirements.

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 Town of Innisfil.

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 053-20, 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, reserves funds, sinking funds and current ONE Investment investments that will not be required to meet financial obligations that become due more than 24 months from the date of receipt of such money. The purpose of the money is to fund the municipality's future capital, operational, and contingency needs.

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.

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

5.2.2 MNRI: Eligible Investments

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

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

5.2.3 MNRI: Sinking Funds

Not applicable.

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 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.

Municipal staff will monitor the cash flow needs of the Municipality. Should the needs no longer be met by the asset mix, changes will be made, at the discretion of the Treasurer, taking into consideration the MRI Investment objectives.

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 replaces the existing Investment Policy CP.7.1.6.

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 Town of Innisfil effective June 25, 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:

Audrey Webb

Treasurer

June 25, 2025

Date

REVISION HISTORY

Revision Number	Date	Summary of Changes	Approval Authority
V1	2015.10.21	Policy Adoption	CR-208-12.15
V2	2020.03.11	Annual Review	2020.03.11-CR-01
V3	2021.06.02	Annual Review	2021.06.02-CR-01
V4	2022.05.25	Annual Review	2022.05.25-CR-02
V5	2023.05.10	Annual Review	2023.05.10-CR-01

Schedule A

Restricted Special Assets

LDC and other MSC Securities

LDC - InnPower Corporation	\$37,392,142
LDC – Innterprises Inc.	\$3,234
MSC – InnServices Utilities Inc.	\$208,698,897

Schedule B

Third Party Trust Funds and Designated Funds

Third Party Trust Funds

Not applicable.

Designated Funds

Funds collected under the *Responsibility Agreement*, between the Town of Innisfil and Friday Harbour and Big Bay Resort Association.

Appendix I: 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 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 in-year MCQ update form on the last page of this document.

Section 1 – Client Information

Name of Municipality: Town of Innisfil

Address: 2101 Innisfil Beach Road, Innisfil, ON, L9S 1A1

Treasurer Information

Name: Audrey Webb

Phone Number: 705-436-3710 Extension: 2302

Email: awebb@innisfil.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 (\$)
Asset Renewal	\$ 53,309,666	\$ 53,309,666		
DCs	\$ 0			
Operating Reserves	\$ 9,300,000			\$ 9,300,000
Total MNRI	\$ 62,609,666	\$ 53,309,666	\$ 0	\$ 9,300,000

☒ 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.

- inflation for capital projects has been factored in at rates determined by departments
- indexing of DC rates
- assume that the Town's annual 1% increase of the blended rate will continue for at least next 10 years
- includes an increase in OLG gaming revenues, consistent with historical trends
- DC revenue forecast is from DCBS, but for years 2025-2027, have only used 50% due to the aggressive growth figures used in the DCBS and slowed housing starts
- assume depts will only spend 80% of what they plan to spend
-

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 (#)		(\$ 53,309,666)	\$ 0		
Anticipated MNRI Contributions					
Net Change to MNRI	\$ 0	(\$ 53,309,666)	\$ 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?

Yes, we have a 10-year capital plan (2025-2034), which includes a reserve & reserve fund forecast, however the data for years 2027-2034 is not accurate. Town staff will be undertaking a deep dive into the capital forecast to determine capital priorities and develop a plan that will ensure financial sustainability. Along with this work, the Town will be updating its Long-Range Financial Plan.

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.

The Town has some very large growth related road projects, that have a large non-growth portion. Based on current cash flow projects, the impacts of these projects are felt beginning in 2028. As the Town works to build a realistic 10 year capital plan, we will develop more certainty in our 10 year cash flow projections.

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?

Finance reviews additional requests, and where possible, the dept is required to identify funds in other capital projects that can be deferred or returned to the reserve/reserve fund and re-purposed for the additional request. If funds cannot be re-purposed from another project, Finance will review the affordability of the request for approval by the CAO/Treasurer or Council, dependent on the amount being requested.

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 Town is currently in negotiations with the Orbit developer to determine the share of capital that the Town will be responsible for. This, along with various other Orbit capital projects has not been fully included in the 10-year capital plan, however the forecasted DC and CBC revenues have been included.

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-May-25	\$ 62,984,755
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)		\$ 62,984,755

☐ 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_____

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 Innisfil

DATE: September 4, 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 Innisfil's Money Not Required Immediately (MNRI) as defined in section 5.2 of Innisfil's Investment Policy Statement (IPS).

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

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 Innisfil'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 Innisfil'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 Innisfil's current goals, objectives, circumstances, and risk tolerance and helps determine investment allocations. The allocation of Innisfil's MNRI in this Plan is consistent with the details as disclosed in Innisfil's IPS and MCQ. Section 5.2.1 of Innisfil'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. • Ability to generate income and capital appreciation. • Provide adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements. <p>Diversification by asset class, market sector, issuer, credit quality, and term to maturity.</p>

Details provided in the MCQ suggest that most of the MNRI will be needed within the next five years for growth-related capital projects, though there is some uncertainty about the exact timing of these drawdowns. These expected drawdowns total \$53 million and account for about 85% of MNRI. The rest of the MNRI is not expected to be required for at least ten years.

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 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. The large near-term drawdowns will be invested in an investment allocation that provides sufficient liquidity but has a modest risk profile. For the longer-term portion of MNRI, a higher risk profile can be assumed.

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
MNRI required within 5 years	Model B (20% Equity) assigned.	\$53,309,666
MNRI required beyond 10 years	Model F (60% Equity) assigned.	\$9,300,000

Other considerations:

- Innisfil will neither contribute nor withdraw MNRI as part of the Investment Plan update at this time.
- It was expected that Innisfil's investment horizon would shorten as major capital projects near completion. The updated MCQ reflects this.
 - The updated MCQ indicates that about \$53 million will be needed within the next five years to fund some of these capital projects.
 - Drawdowns are *budgeted* to occur within 2 years, but it is unlikely that the actual spending will happen within this timeframe. Instead, the funds will be withdrawn over the next 5 years.
- Given the significant size of near-term drawdowns, using a single model to represent all MNRI would be inappropriate.
 - Capital preservation is more important for the MNRI with a shorter investment horizon. A lower risk model will be assigned.
 - Capital growth is more important for the portion of MNRI with a much longer investment horizon. A higher risk profile will be assigned.
 - Innisfil's IPS did not permit the use of longer-term alternative investments, and none will be included in Innisfil's allocations.
- Innisfil's MNRI, which was previously held in ONE Investment pooled funds, was transitioned into the OCIO Offering in March 2025, while retaining allocations aligned with the Outcome Framework. The implementation of this investment plan will replace the mapping to the outcomes with allocations to two of the models.

5.2 Allocation Details

Model B (20% Equity)

Allocation = \$53,309,666

MNRI Horizon			
Asset Classes	Minimum	Target Weight	Maximum
Cash & Equivalent	0	0	10
Canadian Fixed Income	60	70	80
Global Fixed Income and Credit	0	10	20
Canadian Equities	0	10	20
Global Equities	0	10	20
Alternative Investments	0	0	0
Total		100	

Model F (60% Equity)

Allocation = \$9,600,000

MNRI Horizon			
Asset Classes	Minimum	Target Weight	Maximum
Cash & Equivalent	0	0	10
Canadian Fixed Income	20	30	40
Global Fixed Income and Credit	0	10	20
Canadian Equities	20	30	40
Global Equities	20	30	40
Alternative Investments	0	0	0
Total		100	

** further details on holdings and benchmarks for this model are detailed in an attachment to the New Products Committee Report ([10-01-24](#)). These investment allocations are subject to review on September 4, 2025, which may lead to revisions when the Investment Plans are implemented.

6

APPLICABLE ONE JIB POLICIES

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

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

7

ELIGIBLE FUNDS

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

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

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

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

	Emerging Markets Bonds	RBC Emerging Markets Bond Fund
	Equities	
Canadian Equities	Canadian Equities	PH&N Canadian Equity Value Fund PH&N Canadian Equity Fund RBC Vision Canadian Equity Fund RBC QUBE Canadian Equity Fund
	Canadian Low Volatility Equities	RBC Vision QUBE Fossil Fuel Free Low Volatility Canadian Equity Fund RBC QUBE Low Volatility Canadian Equity Fund
Global Equities	U.S. Equities	PH&N US Equity Fund RBC QUBE US Equity Fund
	U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Fund
	International Equities	RBC International Equity Fund 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*

8

REBALANCING

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

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

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

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

9

IMPLEMENTATION

9.1 Custodian

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

9.2 Implementation Plan

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

9.3 Accommodating Cashflow needs

Income from investments will be automatically reinvested according to the ONE Distribution Policy PI, and cash flow needs of Innisfil are expected to be financed with the sale of units from the pooled funds. Payment of OCIO Fees and Governance fees will also be financed with the sale of investment pool units.