



**ONE JIB
Regular Board Meeting
Agenda**

Meeting #: 2023-003
Date: September 6 2023, 10:00 a.m.
Location: AMO Office
200 University Avenue - Suite 801, Toronto, ON M5H 3C6

	Pages
1. Land Acknowledgement	
2. Disclosures of Pecuniary Interest	
3. Minutes of Previous Meeting	
3.a Approval of Minutes July 19, 2023	1 - 7
3.b Business Arising from the July 19, 2023 Minutes	
4. Governance and Administrative Matter - Election of the Board Chair and Vice-Chair	
4.a Procedure By-law Amendments – Terms of Chair and Vice-Chair	8 - 9
4.b Election of the Board Chair	
4.c Election of the Board Vice-Chair	
5. Communication	
6. Delegations	
6.a Town of Aurora re. Transition to Prudent Investor	10 - 19
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8. Items Proceeding by Consent	
9. Governance and Administrative Matters	

9.a	ONE Investment Audit Committee Update – September 6, 2023 (consent)	20 - 22
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10.a	Municipal Performance Reports – Q2 2023 (consent)	139 - 400
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10.c	Whitby and Innisfil - Investment Plan Implementation Update (consent)	411 - 412
10.d	Investment Manager Presentation – Mawer’s Global Equity Strategy (consent)	413 - 435
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10.h	District Municipality of Muskoka’s Investment Plan 2023	559 - 619
10.i	ONE HISA and ONE Canadian Government Bond Fund – Implementation Update	620 - 625
10.j	Fund Manager Performance Review Q2 2023	626 - 631
10.k	Allocations and Benchmarks for Outcome Framework - Update	632 - 640
11.	Strategy and Policy	
11.a	Annual ONE JIB Template Review Process Update	641 - 672
11.b	Strategic Plan – Q2 2023 Progress	673 - 675
11.c	Municipal Insights Update Q3 2023	676 - 680
12.	Other Business	
12.a	Remuneration - Board Members who are Municipal Treasurers	
13.	Meeting Outcomes	

14. Authorizing Motion

15. Adjournment

16. Next Meeting

16.a Regular Meeting - November 29, 2023 (10:00 am - 3:00 pm)



ONE JIB

Special Board Meeting

Minutes

Meeting #: 2023-06
Date: July 19, 2023, 10:00 a.m.
Location: Hybrid - AMO Office and Zoom
200 University Avenue - Suite 801, Toronto, ON M5H 3C6

Members Present:

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

Others Present:

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

1. **Land Acknowledgement**

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

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

2. **Disclosures of Pecuniary Interest**

There were no disclosures of pecuniary interest.

3. **Minutes of Previous Meeting**

3.a **Approval of the June 1, 2023, ONE JIB Meeting Minutes**

Moved by Board Member Franken

THAT the minutes of the June 1, 2023, ONE JIB Meeting be approved as circulated.

Carried

3.b **Business Arising from the June 1, 2023 Meeting Minutes**

There was no business arising from the June 1, 2023, ONE JIB Minutes.

4. **Board Committee Reports**

4.a **New Products Committee Report (2023-01), June 21, 2023**

Board Vice-Chair James provided a brief summary of the recommendations in the New Products Committee Report (2023-01) dated June 21, 2023.

Moved by Board Vice-Chair James

THAT the Board receive the presentation from Board Vice-Chair James and adopt the recommendations in the Committee Report as follows:

New Products Committee Workplan

3.a

1. Approve the New Products Committee workplan in Appendix A.
2. Authorize the New Products Committee to work with ONE Investment to continue developing the Large Municipality Offering.
3. (a) Direct ONE Investment staff to implement the approved changes to HISA and the mandate of the ONE Canadian Government Bond Fund expeditiously.

(b) Direct ONE Investment staff to arrange a date with MFS for the implementation of the revised mandate for the ONE Canadian Government Bond Fund, including integration of HISA into the ONE Canadian Government Bond Fund, no later than September 30, 2023, and report back on implementation to the ONE JIB meeting of September 6, 2023.

(c) Provide that:
 - a. References to HISA in the Investment Plans be deemed to be references to the Canadian Government Bond Fund
 - b. References to the Canadian Government Bond Fund in the Investment Plans be deemed to be references to the revised mandate of the Canadian Government Bond Fund
 - c. The “Criteria” table describing the revised mandate for the Canadian Government Bond Fund be amended by deleting references to “corporate obligations” and “Canadian chartered banks” in the “Permitted Securities” part of the table in all relevant documents, to ensure consistency with the approved mandate.
(d) Amend the Workplan in Recommendation 1 accordingly.
4. Defer reorienting the mandate of the Canadian Corporate Bond Fund until the Large Municipality Offering is fully designed.
5. Direct staff to bring forward reports to the Committee to implement key elements of the workplan including:
 - a. Changes to the ONE JIB Outcomes Framework
 - b. Changes to asset allocations for the Outcomes
 - c. An implementation and transition plan

- d. A summary report on ONE JIB's overall investment strategy for the existing Prudent Investment Offering

Outsourced Chief Investment Officer Partner and Large Municipality Offering

3.b

Receive the presentation from Judy Dezell, Co-President/Co-CEO of ONE Investment, and adopt the recommendation in the report.

5

Receive the confidential report and the confidential presentation.

Carried

5. Closed Session

Annual ONE JIB Template Review 2023

Moved by Board Member Giles

THAT the Board move into closed session to hold an Education Session under s. 239 (3.1) of the *Municipal Act* for the purpose of educating the Board Members on the 2023 Annual ONE JIB Template Review.

Carried

The Board convened in closed session at 10:16 a.m.

6. Public Session

Moved by Board Member Rettie

THAT the Board resume in public session.

The Board reconvened in open session at 11:31 a.m.

Carried

Annual ONE JIB Template Review 2023

Moved by Board Member Giles

THAT the Board receive the confidential presentation.

Carried

7. Governance and Administrative Matter

7.a. Annual ONE JIB Template Review 2023

Jennifer Hess, Manager of Investment Services, the Municipal Finance Officers Association, made a presentation on the report on the Annual ONE JIB Template Review 2023.

Moved by Board Member Melinyshyn

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

Carried

8. Meeting Outcomes

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

1. Approving the New Products Committee Workplan, as amended to include the changes recommended by the Committee.
2. Authorizing the New Products Committee to work with ONE Investment to continue developing the Large Municipality Offering.
3. Directing ONE Investment staff to implement the approved changes to HISA and the mandate of the ONE Canadian Government Bond Fund expeditiously.
4. Directing ONE Investment staff to arrange a date with MFS for the implementation of the revised mandate for the ONE Canadian Government Bond Fund no later than September 30, 2023, and to report back on implementation to the ONE JIB meeting of September 6, 2023.
5. Providing that there be technical changes to the wording of the Investment Plans and the "Criteria" table reflecting the revised mandate of the Canadian Government Bond Fund.

6. Deferring the reorientation of the mandate of the Canadian Corporate Bond Fund until the Large Municipality Offering is fully designed.
7. Directing staff to bring forward reports to the New Products Committee to implement key elements of the workplan.
8. Holding a closed Education Session and then receiving a public report on the annual review of the ONE JIB Template for 2023.

9. **Authorizing Motion**

Moved by Board Member Franken

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

Carried

10. **Appreciation – Eleonore Schneider, Program Manager, LAS**

Moved by Board Member Giles

THAT the Board thank Eleonore Schneider, Program Manager, LAS, for her service to the ONE JIB, and wish her well in her new position.

Carried

11. **Adjournment**

Moved by Board Member Rettie

THAT the Board adjourn its meeting.

Carried

The meeting adjourned at 11:41 a.m.

12. **Next Meeting: September 6, 2023 (10:00 am – 3:00 pm).**

Denis Kelly, Board Secretary



REPORT

To: ONE Joint Investment Board
From: Judy Dezell, Co-President/Co-CEO, ONE Investment
Date: September 6, 2023
Re: Procedure By-law Amendments – Terms of Chair and Vice-Chair
Report: ONE JIB 2023-O35

1. RECOMMENDATIONS

It is recommended that the Board:

1. Approve amendments to sections 4(1) and 4(2) of its Procedure By-law to provide for three-year terms for the Chair and Vice-Chair.

2. SUMMARY

This report sets out proposed amendments to sections 4(1) and 4(2) of ONE JIB's Procedure By-law to provide for three-year terms for both the Chair and Vice-Chair. These would align the Board's Procedure By-law with its Terms of Reference.

3. BACKGROUND

The Procedure By-law should be amended to make it consistent with the Terms of Reference

At its meeting of June 1, 2023, ONE JIB amended section 4.11 of its Terms of Reference to provide for three-year terms for both the Chair and the Vice-Chair. It also gave notice, required under its Procedure By-law, that at its meeting of September 6, 2023, it would be considering amendments to sections 4 (1) and 4(2) of the Procedure By-law to provide for three-year terms for both the Chair and the Vice-Chair. The amendments would align the Procedure By-law with the Terms of Reference.

4. ANALYSIS

ONE JIB's Procedure By-law should be amended to provide that the Chair and Vice-Chair are appointed every three years

The change to a three-year term for the Board's Chair and Vice-Chair in the Terms of Reference should be mirrored by a similar change to the Procedure By-law, which currently provides for an annual election of the Chair and Vice-Chair.

The current Chair and Vice-Chair were each appointed on May 19, 2020 for the term ending May 31, 2023, and until a successor is appointed. ONE JIB will be able to hold an election by the Members of ONE JIB for Chair and Vice-Chair for a three-year term once the appropriate changes to the Procedure By-law are finalized. Both the Chair and the Vice-Chair would be appointed from among the Members of the Board and would hold office for three years and until a successor is appointed.

It is proposed that sections 4(1) and 4(2) of the Procedure By-law be amended to read as follows:

4(1) The Members shall appoint the Chair of the Board from among the Members of the Board every three years in accordance with section 4.11 of the Board's Terms of Reference and upon the resignation, death, disqualification, or removal of the current Chair. The Chair shall hold office for a three-year term and until a successor is appointed.

4(2) The Members shall appoint a Vice-Chair of the Board from among the Members of the Board every three years following the appointment of the Chair, and upon the resignation, death, disqualification or removal of the current Vice-Chair. The Vice-Chair shall hold office for a three-year term and until a successor is appointed.

5. CONCLUSION

ONE JIB is demonstrating a commitment to good governance and continuous improvement by keeping foundational documents such as its Terms of Reference and Procedure By-law in alignment.

Drafted by: Judy Dezell, Co-President/CEO

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

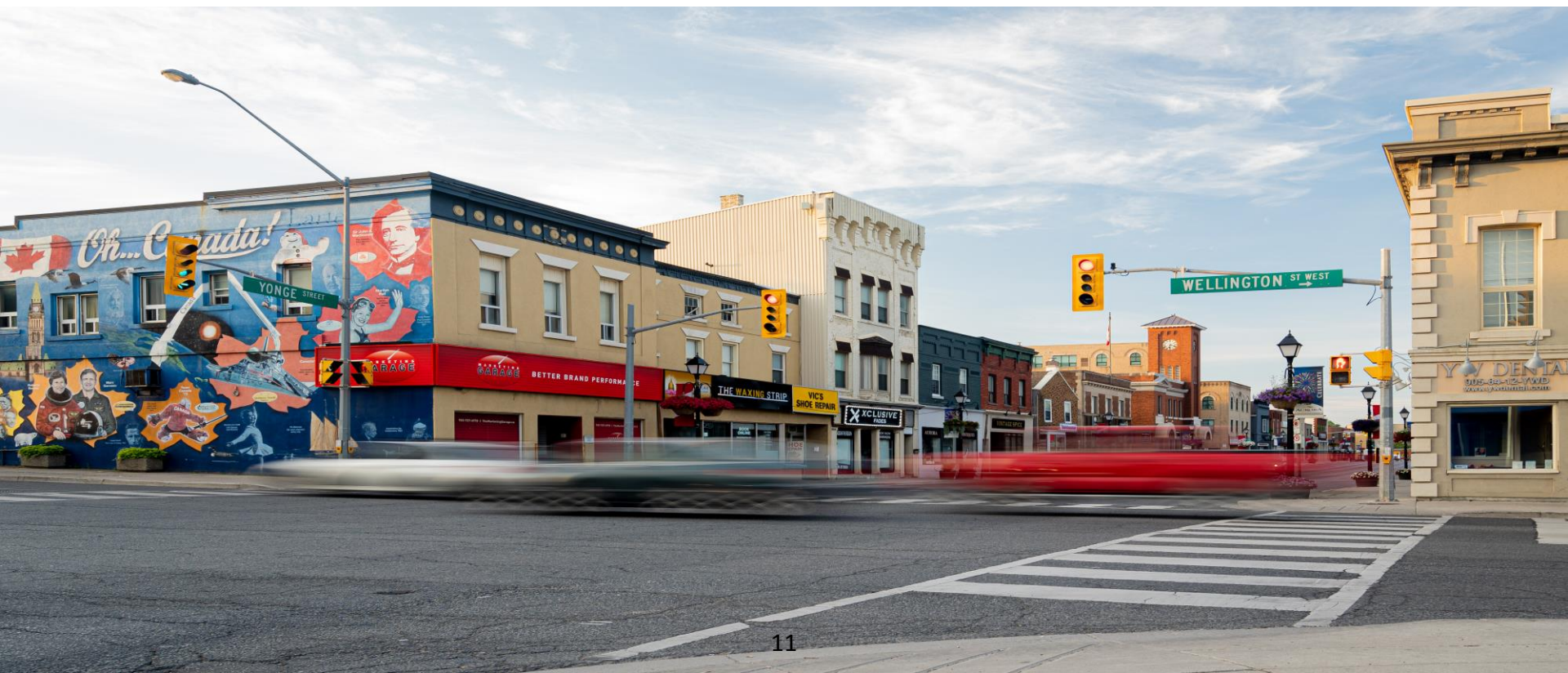
TOWN OF AURORA

Transition to Prudent Investor

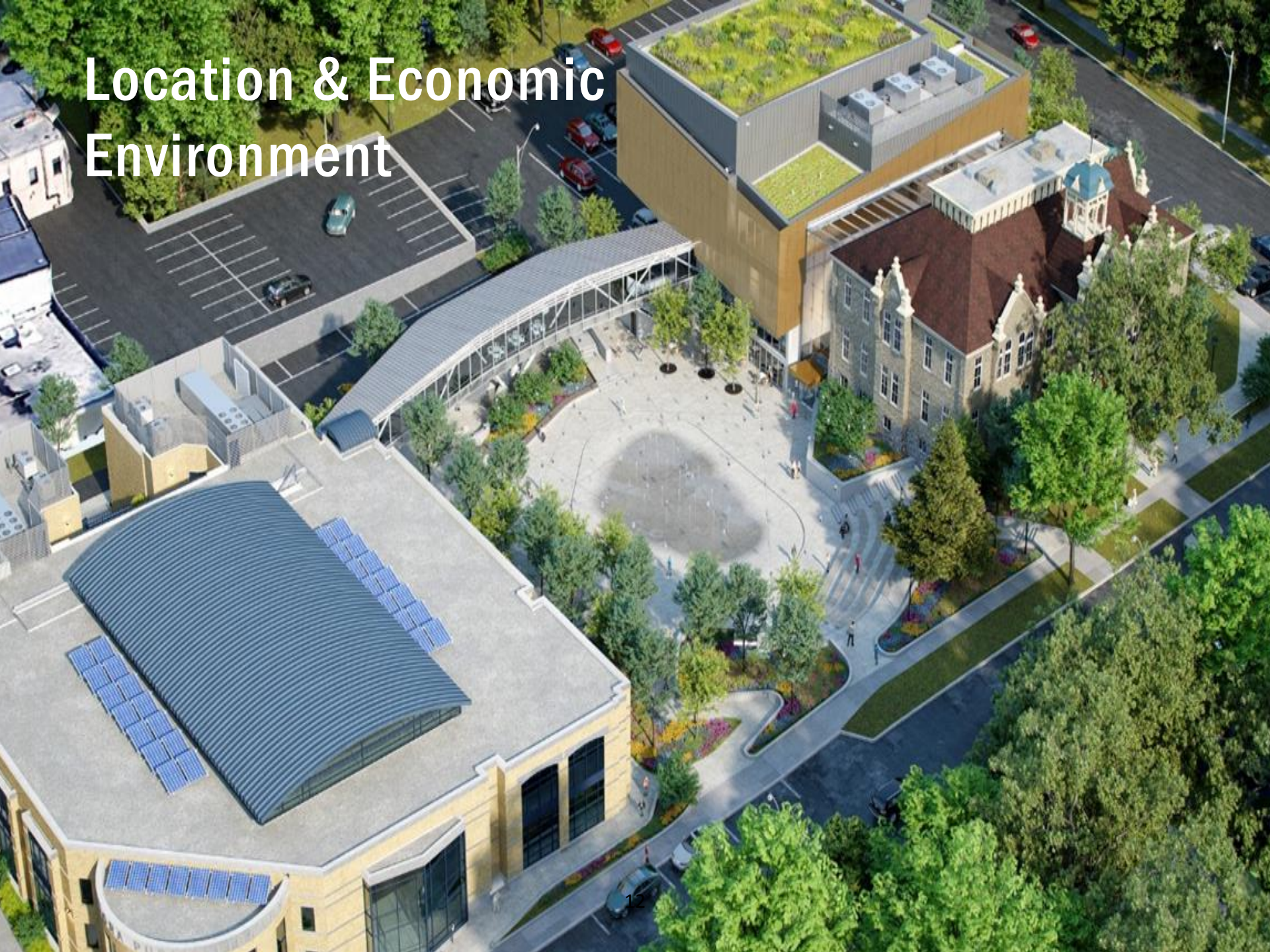




- Location & Economic Environment
- Financial Information
- Journey to Prudent Investor



Location & Economic Environment







Aurora Total Area
49 Sq Km



Main Industries

- Manufacturing (food/auto)
- Engineering & Technology
- FinanceTech/HealthTech



Population
62,000 (2021 Census)



Ranked #24 in Canada's Best Small Cities



AURORA TOWN HALL

Financial Information



2023 Approved Budget

- Tax Levy \$55.0M or 3.5% after growth
- Gross operating budget \$112.6M
- Capital budget \$73.6M

2021 Consolidated Financial Statements

- Net debt \$56.0M
- TCA \$552.9M

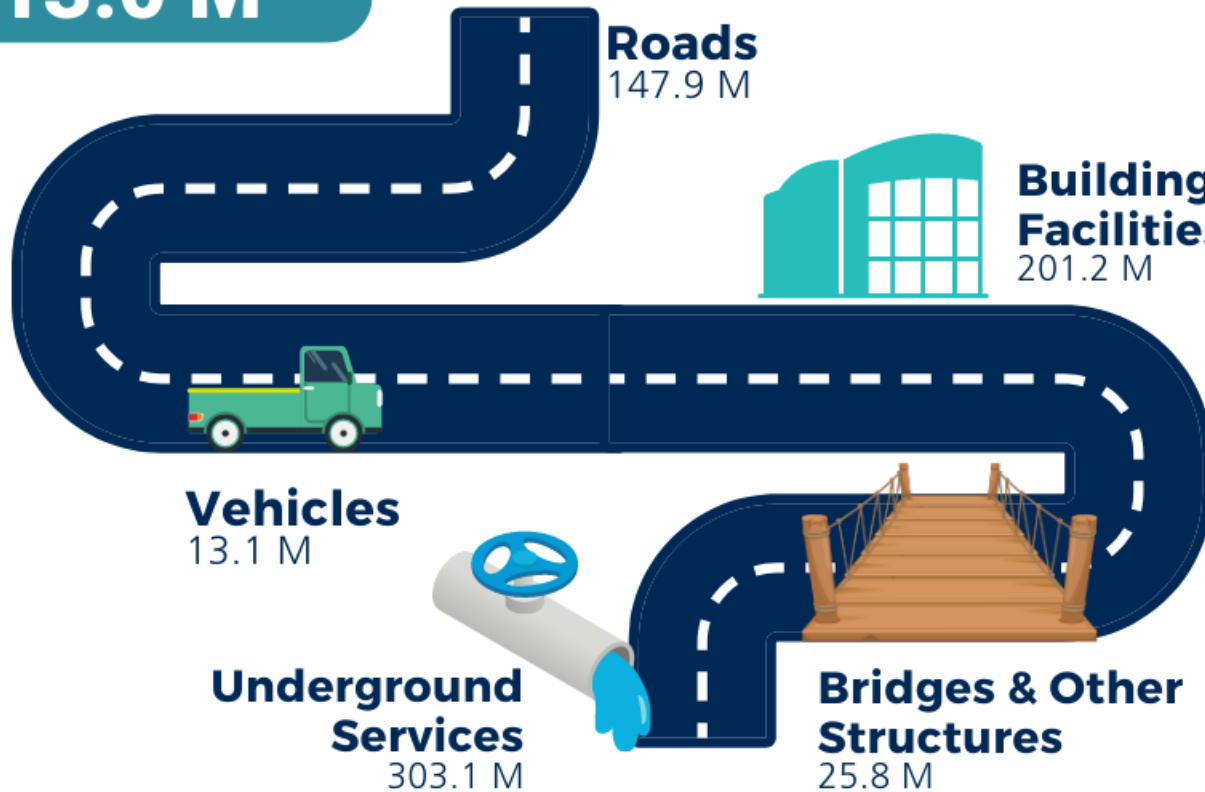
Debt to Reserve Ratio 1:2.2



**Core Assets Total:
\$ 813.0 M**



**Computer
& Other**
9.9 M



Journey to Prudent Investor



October 2019 – Council approves further exploration of prudent investor standard

November 2019 – Council directs staff to bring information related to the implementation of a Prudent Investor regime to FAC

February 2020 – Council requested the completion and adoption of the Town's Fiscal Strategy before approving PI

March 2023 – Council approves joining ONE JIB Prudent Investor

May 2023 – Authorizing by-law passed

September 2023 – ONE JIB Meeting



To: ONE Joint Investment Board
From: Donna Herridge, Co-President/Co-CEO, ONE Investment
Date: September 6, 2023
Re: ONE Investment Audit Committee Update - September 6, 2023
Report: ONE JIB 2023-049

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

The ONE Investment Audit Committee met on May 16, 2023 and this report provides updates on the following topics:

- Approval of 2022 Draft Financial Statements for ONE Investment
- Management update on enterprise-wide risk assessment and compliance task list
- Appointment of PricewaterhouseCoopers (PwC) as auditor for ONE Investment Pooled Funds and BDO Canada for ONE Investment Financial Statements
- ONE JIB and ONE Investment Board Report Updates

3. BACKGROUND

The primary purpose of ONE Investment's Audit Committee is to provide oversight of the financial reporting process, the audit process, its system of internal controls, and compliance with applicable legislation such as the *Municipal Act, 2001* and the Ontario Securities Commission exemption.

The Audit Committee is currently comprised of five representatives as follows:

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

ONE JIB's representatives on the Audit Committee, Heidi Franken and James Giles, bring perspective related to the Prudent Investment Program and ONE JIB, which are a critical part of ONE Investment.

4. ANALYSIS

The Audit Committee received the audit report and recommended approval of the 2022 draft Financial Statements to the ONE Investment Board which received an unqualified audit opinion

Melanie Borho-Persechini, Partner from BDO Canada, reported on the overall status of the audit, findings, internal control matters, adjusted/unadjusted errors and other communications/resources. The draft 2022 Financial Statements were reviewed and recommended for approval by the ONE Investment Board which included an unqualified audit opinion. ONE Investment's 2022 Financial Statements are included in the annual report and are available on [the ONE Investment website](#).

Staff provided the Audit Committee with an update on the Compliance task list and risk assessment

Management provided an update on the Compliance task list and risk assessment, which were unchanged from the previous Audit Committee meeting. The Co-CEO/Presidents continue to meet with Ara Compliance Support on a monthly basis.

Compliance/Anti-money Laundering training has been booked for October 6, 2023. Any member of ONE's Boards or Audit Committee is welcome to attend. The session will be recorded for future access.

The Audit Committee is recommended that the Board reappoint PriceWaterhouse Coopers (PwC) and BDO Canada as the auditors for the 2023 fiscal year for the ONE Investment Annual Statement of Pooled Funds and ONE Investment, respectively.

Staff presented reports regarding the performance of PwC and BDO for the ONE Investment Annual Statement of Pooled Funds and ONE Investment, respectively. Both audits went very smoothly and the Audit Committee is recommended that the Board approve PwC and BDO Canada for the 2023 fiscal year.

Staff provided an update on the key decisions and information from the last ONE JIB and ONE Investment Board meetings

With the expansion of the membership of the Audit Committee, no member sits on both boards while two of the five members sit on neither the ONE JIB nor ONE Investment Board. This report briefly outlined the key aspects of each of the last ONE JIB and ONE Investment Board meetings held on June 1 and June 2, respectively. It was well received by the members of Audit Committee.

5. CONCLUSION

The Audit Committee provides oversight and guidance to ONE Investment. It also provides recommendations to the ONE Investment Board for consideration.

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



REPORT

To: ONE Joint Investment Board
From: Judy Dezell, Co-President/Co-CEO, ONE Investment
Date: September 6, 2023
Re: Board Governance Self-Evaluation Fall 2023
Report: ONE JIB 2023-O34

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report for information.

2. SUMMARY

The ONE JIB Terms of Reference contemplate an annual evaluation of the Board.

ONE JIB has conducted annual self-evaluations online since the Fall of 2020.

This year's evaluation will also be conducted online during the month of October.

3. BACKGROUND

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

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

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

4.13

At least annually, ONE JIB must review and assess:

- a) the adequacy and effectiveness of itself and any committee or subcommittee to which ONE JIB has delegated any of its functions;
- b) the independence of its members and the compensation of its members;
- c) its effectiveness as a board, as well as the effectiveness and contribution of each of its members, including a consideration of:

- i. these Terms of Reference;
 - ii. the competencies and knowledge each member is expected to bring to ONE JIB;
 - iii. the level of complexity of the issues reasonably expected to be raised by members in connection with the matters under review by ONE JIB;
 - iv. the attendance record of each member of ONE JIB and his or her participation in meetings;
 - v. continuing education activities and industry knowledge of each member of ONE JIB; and
 - vi. the ability of each member to contribute the necessary time required to serve effectively on ONE JIB;
- d) its structural effectiveness, including a consideration of:
- i. the frequency of meetings;
 - ii. the substance of meeting agendas;
 - iii. the policies and procedures that ONE Investment has established to refer matters to ONE JIB;
 - iv. the usefulness of the materials provided to members of ONE JIB;
 - v. the collective experience and background of the members of ONE JIB; and
 - vi. the amount and form of compensation the members receive from ONE Investment.
- e) The written minutes of ONE JIB meetings at which these assessments take place shall form the basis of the records of such assessments. ONE JIB may also establish a process for and determine the frequency of additional assessments as it sees fit. ONE JIB shall consider how to respond appropriately to address any weaknesses found in a self-assessment.

ONE JIB completed its most recent annual board governance self-evaluation in Fall 2022. The results of the evaluation and ONE Investment’s responses are documented in Report 23-007.

4. ANALYSIS

Progress has been made on Board priorities during the first half of 2023

There were three priorities for ONE JIB throughout 2023 as identified in Table 1. In addition, ONE JIB has undergone governance training, is undertaking an in-depth review of the MCQ and Investment Plan templates, started work on the implementation of the Strategic Plan and actively participated in several municipal conferences where ONE JIB members have met existing investors and municipal representatives who are interested in investment opportunities for municipalities.

Table 1 - ONE JIB Priorities Next 1-2 Years

Key ONE JIB Areas of Focus	ONE Investment Response	Status as of August 31, 2023
Building relationships with municipal investors	2023 will see a different approach by ONE Investment in making connections between ONE JIB and municipal investors. ONE JIB members will have the	ONE JIB members have attended five different municipal conferences with more planned for Fall 2023. The ONE JIB Chair has also

Key ONE JIB Areas of Focus	ONE Investment Response	Status as of August 31, 2023
	opportunity to attend municipal conferences throughout the year to build further understanding of municipal investor needs.	made presentation to treasurers of some of the largest municipalities in Ontario.
Developing a strategy for expanding municipal participation in the prudent investor program.	The new ONE Strategic Plan has identified a key strategic objective of growing municipal participation in the Prudent Investment Program. ONE JIB will hear about key initiatives undertaken by ONE Investment to advance this key objective of the Strategic Plan.	The RFP process is now complete for the OCIO partner. Work will begin in Fall 2023 to attract at least one large municipal investor for onboarding in 2024 or 2025.
Implementation of the Strategic Plan for ONE JIB with respect to municipal prudent investing	ONE Investment staff will provide quarterly updates on initiatives to advance the key objectives of the Strategic Plan.	ONE JIB now has a tool updated quarterly that helps track the implementation of both annual work initiatives and overall Strategic Plan implementation.

The self-assessment will enable the Board to continue building on what has been accomplished so far

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

The self-assessment will be done online

The survey questions are included in Appendix A to allow ONE JIB members the opportunity to reflect on the questions in advance of completing the survey online. ONE Investment staff will use an online survey tool to set up the self-evaluation survey for ONE JIB members. It will open October 3, 2023 and be available until October 31, 2023. ONE Investment staff will aggregate the results of Sections A, B, C and D of the survey and report back to ONE JIB with recommendations for next steps.

5. CONCLUSION

The proposed self-assessment will fulfill the requirements set out in the Terms of Reference and help the ONE JIB chart a course for the future.

Drafted by: Judy Dezell, Co-President/CEO

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

Attachment 1

ONE JIB Self-Assessment Questionnaire Fall 2023

This survey and a follow-up discussion at a ONE JIB meeting will fulfill the requirement in the ONE JIB's Terms of Reference to carry out an annual self-assessment.

Once completed, Questions 1 to 8 will be aggregated for discussion by ONE JIB at a suitable time. Questions 9 and 10 are designed for individual self-reflection; it will not be aggregated and shared with the group. The questionnaire also includes optional feedback to the Chair of ONE JIB.

The rating scale for each statement is: (1) Strongly Disagree; (2) Disagree; (3) Neutral; (4) Agree; (5) Strongly Agree.

A. How well has the ONE JIB done its job?

1. ONE JIB is making good decisions
2. ONE JIB's governance structure (formation agreement, ONE JIB Agreement, Terms of Reference, service agreement with ONE Investment, procedure bylaw, code of conduct) is working effectively
3. ONE JIB has selected high quality fund managers
4. The outcomes framework is an effective means of translating municipal reserves and investment objectives into asset allocations
5. The core documents (MCQ, Investment Policy Statement template, Investment Plan template) are adequately designed to meet ONE JIB's needs
6. The ONE JIB is making reasonable progress on its priorities
7. The ONE JIB has a sound performance reporting framework in place
8. The ONE JIB is paying sufficient attention to compliance matters
9. Looking at my answers for this section, how might the ONE JIB do a better job?

My overall rating: Excellent (32+) Satisfactory (20-31) Poor (8-19)

B. How well has the ONE JIB functioned?

1. As ONE JIB members we are aware of what is expected of us
2. The agendas of ONE JIB meetings are well planned so that we can get through all necessary ONE JIB business
3. It seems like most ONE JIB members come to meetings prepared
4. We receive written reports to ONE JIB in advance of our meetings and with enough time to review them
5. ONE JIB members participate in discussions

6. We listen to different points of view from ONE JIB members
7. We all support the decisions we make
8. There is an appropriate balance of decision items and information items on the agendas
9. The reports to the ONE JIB are well written
10. The reports to the ONE JIB contain the information we need to make good decisions
11. Staff do a good job of presenting the information in their reports and answering ONE JIB members' questions
12. The training on municipal finance this year has been useful
13. Hybrid meetings worked well
14. The frequency of ONE JIB meetings is adequate for ONE JIB to deliver on its mandate
15. Looking at my answers for this section, how might ONE JIB do a better job?

My overall rating: Excellent (56+) Satisfactory (35-55) Poor (14-34)

C. Does the ONE JIB have effective relationships?

1. On most matters there is a clear understanding of the respective roles of ONE JIB and staff
2. ONE JIB is clear about its relationship with the participating municipalities
3. ONE JIB is clear about its relationship with ONE Investment
4. ONE JIB provides appropriate feedback to staff and is appreciative of staff efforts
5. There is good two-way communication between ONE JIB and ONE Investment Co-Presidents
6. ONE JIB trusts the judgment of the ONE Investment Co-Presidents
7. There is mutual respect between staff and ONE JIB members
8. ONE JIB members have confidence in the advice provided by staff
9. ONE JIB members and staff act appropriately at ONE JIB meetings
10. ONE JIB is sufficiently familiar with the fund managers
11. ONE JIB is sufficiently familiar with the needs of its municipal investors
12. ONE JIB members have good relationships with each other
13. Looking at my answers for this section, how might ONE JIB do a better job?

My overall rating: Excellent (48+) Satisfactory (30-47) Poor (12-29)

D. What should the ONE JIB's priorities be over the next 1-2 years?

1. Reviewing the core documents (MCQ, Investment Policy Statement template, Investment Plan template)
2. Meeting with existing and potential investors
3. Reviewing the outcomes framework
4. Building relationships with municipal investors
5. Gaining a better understanding of municipal finance as it relates to investment
6. Growing assets under management through the OCIO model
7. Developing guidance for municipalities with respect to the prudent investor regimes

8. Developing a data strategy informed by systematic data collection and filling data gaps
9. Carefully monitoring fund manager performance
10. Updating the asset allocation study
11. Participating in ONE JIB governance training
12. Others?

E. Reflecting on my performance as a ONE JIB member

This section is designed for self-reflection. It will not be shared with ONE JIB, but it should inform your thoughts during the governance evaluation discussion.

1. I am aware of what is expected of me as a ONE JIB member
2. I have a good record of meeting attendance
3. I read the minutes, reports and other materials in advance of our ONE JIB meetings
4. I am familiar with the ONE JIB's governance policies and documents
5. I am a good listener at ONE JIB meetings
6. I follow through on things I have said I would do
7. I maintain the confidentiality of all ONE JIB decisions
8. When I have a different opinion than the majority, I raise it
9. I support ONE JIB decisions once they are made even if I do not agree with them
10. I promote municipal prudent investing and ONE JIB whenever I have a chance and it is appropriate
11. I stay informed about issues relevant to municipal prudent investing and bring information to the attention of the ONE JIB
12. I am committed to the ONE JIB and the concept of prudent investing in the municipal sector
13. What additional information or skills do I need to be a better ONE JIB member?

My overall rating: Excellent (48+) Satisfactory (30-47) Poor (12-29)

F. Feedback to the Chair of ONE JIB

This section is optional.

1. The Chair is well prepared for ONE JIB meetings
2. The Chair helps ONE JIB stick to the agenda
3. The Chair tries hard to ensure that every ONE JIB member has an opportunity to be heard
4. The Chair is good at managing the different perspectives of ONE JIB members
5. The Chair is familiar with ONE JIB governance and procedure
6. The Chair helps ONE JIB work well together
7. The Chair demonstrates good listening skills
8. ONE JIB supports the Chair

My overall rating: Excellent (32+) Satisfactory (20-31) Poor (8-19)



REPORT

To: ONE Joint Investment Board
From: Jennifer Hess, Manger of Investment Services, MFOA
Date: September 6, 2023
Re: Town of Aurora - ONE JIB Agreement
Report: ONE JIB 2023-O53

1. RECOMMENDATIONS

It is recommended that the Board:

1. Authorize the Chair and Board Secretary to execute a ONE JIB Agreement on behalf of ONE JIB with the Town of Aurora and ONE Investment.

2. SUMMARY

The Town of Aurora's Council has authorized the execution of the ONE JIB Agreement once ONE JIB has accepted it as a Participating Municipality under the Agreement. The Town has completed the necessary steps to enter into the ONE JIB Agreement. The ONE JIB Agreement is the primary operating document for municipalities that have decided to invest their money that they do not require immediately under the prudent investor regime through ONE JIB. ONE Investment is also a party to the Agreement. ONE Investment provides support and administrative services to the other parties.

3. BACKGROUND

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

Historically, Provincial legislation has restricted municipal investments of money not required immediately (MNRI) to a limited number of securities prescribed by regulation, often referred to as the Legal List. With amendments to municipal legislation and the formation of ONE JIB, municipalities that join ONE JIB can invest in any type of security under the prudent investor regime. Before formally opting into the prudent investor regime by passing an enabling by-law, a Participating Municipality must execute the ONE JIB Agreement.

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

Under the *Municipal Act* (the *Act*) and Ontario Regulation 438/97 (the *Regulation*), a municipality must delegate its investment powers and duties in respect of its MNRI to an Investment Board or a Joint Investment Board before its MNRI can be invested under the prudent investor regime. There are three ways for a municipality to invest through an Investment

Board:

1. It can establish its own Investment Board if it has either \$50 million in net financial assets or \$100 million in money and investments that it does not require immediately, in the opinion of its treasurer.
2. It can partner with other municipalities that collectively meet the \$100 million in money and investments that they do not require immediately to establish a Joint Investment Board. This is how ONE JIB was established by the six founding municipalities.
3. It can enter into an agreement with an already existing Investment Board or Joint Investment Board. The third alternative is the one that enables ONE JIB to accept additional municipalities into the ONE Prudent Investment Program.

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

The ONE JIB Agreement is the primary operating document for municipalities that have decided to invest their MNRI under the prudent investor regime through ONE JIB. It governs the relationship between ONE JIB and any municipality that decides to invest under the prudent investor regime and executes the Agreement. The initial municipal signatories to the agreement constitute the six municipalities that established ONE JIB. They are sometimes referred to as the Founding Municipalities. The municipalities that subsequently enter into the ONE JIB Agreement, together with the Founding Municipalities, are all referred to as Participating Municipalities. ONE Investment is also a party to the agreement. The ONE JIB Agreement was developed with input from the municipal and investment communities, including ONE Investment's members (LAS and CHUMS), its Directors (all municipal representatives) and the Founding Municipalities. The Agreement attached to this report was executed by the Founding Municipalities effective July 2, 2020.

The ONE JIB Agreement is a foundational legal agreement and can only be amended in accordance with the procedures set out in the Agreement.

ONE Investment provides full turn-key service to municipalities looking to participate in ONE JIB

ONE Investment has developed a process for municipalities to participate in the ONE Prudent Investment Program through ONE JIB. In a report to Council, municipalities pass an authorizing by-law ensuring they meet the legislative requirements to enter into an agreement with ONE JIB prior to ONE JIB accepting them as Participating Municipalities. The by-law is pursuant to which:

- They adopt an Investment Policy Statement that sets out their objectives and needs in respect of their MNRI under the prudent investor regime, approve a Municipal Client Questionnaire, authorize municipal staff to execute the ONE JIB Agreement; and
- They officially opt into the prudent investor regime as per the *Act*.

4. ANALYSIS

The Town of Aurora has completed all the steps necessary to join ONE JIB as a Participating Municipality

The Town of Aurora's Council passed a single by-law #65O2-23 on May 23, 2023 authorizing the approval of the completed MCO, the adoption of the Investment Policy Statement, the entering into a Joint Investment Board Agreement through which Participating Municipalities invest under the Prudent Investor Regime, the establishment of a Code of Conduct and the delegation to the Joint Investment Board of the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

Through this by-law the municipality has approved its Investment Policy Statement that permits investing under the prudent investor regime. The Investment Policy Statement was developed using ONE JIB's Investment Policy Statement template. Further detail on The Town of Aurora's Investment Policy Statement is provided in Report 2023-048.

Subject to acceptance into ONE JIB as a Participating Municipality, ONE JIB and the Town of Aurora will agree upon an effective date for the ONE JIB Agreement

Municipalities must pass an irrevocable Prudent Investor Enabling By-law prior to having their MNRI invested under the prudent investor regime. The Town of Aurora combined both the Authorization and Prudent Investor Enabling requirements into a single by-law #65O2-23, which was passed by Council on May 23, 2023.

This means if ONE JIB confirms its acceptance of the Town of Aurora as a Participating Municipality under the ONE JIB Agreement, the "Prudent Effective Date", or the date after which section 418.1 will apply to the Town of Aurora as per the by-law, will be the agreed upon effective date for the ONE JIB Agreement. The Investment Plan can be implemented on or after that date.

The municipality is expected to invest \$42.8 million

The Town of Aurora has submitted a Municipal Client Questionnaire. The Town indicates that it will invest \$42.8 million in MNRI. Further details on the Municipal Client Questionnaire are provided in Reports 2023-47, and 2023-48.

There are no restrictions or clauses in the Town of Aurora's Investment Policy Statement that would limit ONE JIB's ability to manage its MNRI prudently and effectively

A key consideration for ONE JIB in deciding whether to accept a new Participating Municipality is its ability to manage investments in a prudent and effective manner. If, in the opinion of ONE JIB, a municipality has added clauses or restrictions to its Investment Policy Statement that would prevent the prudent investment of MNRI or would make such investment administratively impossible to implement given the structure of the ONE Prudent Investment Program, ONE JIB should not accept the municipality as a Participating Municipality. In the opinion of the Chief

Investment Officer, the Investment Policy Statement of the applicant municipality includes no restrictions or clauses that conflict with the mandates of the Prudent Investment Program Offerings or would limit ONE JIB's ability to manage its MNRI prudently and effectively.

The ONE JIB Agreement contains several key provisions relevant to the investment of the Town's MNRI

The following are highlights of the ONE JIB Agreement. (References to sections and schedules relate to the ONE JIB Agreement.)

(a) Investment Decisions

ONE JIB assumes exclusive control and management of money and investments that Participating Municipalities do not require immediately (Sections 2.01 and 2.04).

All investments are to be made by ONE JIB exercising the care, skill, diligence, and judgment that a prudent investor would exercise in making such investments (Section 10.01).

ONE JIB can notify a Participating Municipality that its investment policy is not prudent and decline to invest in accordance with such policy (Sections 5.01 (d) and 10.05).

(b) Money to be invested

Municipalities have the sole right and obligation to determine the amount of their money and investments that are not required immediately from time to time to be given to ONE JIB for investment (Section 5.04(b)).

(c) Investment Plans

ONE JIB prepares and adopts an investment plan to implement the investment policy of each Participating Municipality. ONE JIB advises on investment policies and changes thereto (Sections 5.02 and 5.03(a)).

ONE JIB updates investment plans when necessary and at least annually (Section 5.03 (b)).

(d) Withdrawal of Money

Money can be withdrawn by a Participating Municipality on 30 days' notice if it determines that money that was formerly not required immediately is then required immediately (Section 5.04 (b)).

ONE JIB can extend the time to return large amounts of money to avoid prejudice to other Participating Municipalities and can delay the return of money in extraordinary circumstances (Sections 5.04 (e) and 5.04 (f)).

(e) Agents

ONE JIB appoints agents including external portfolio managers and custodians to implement transactions (Section 3.02). ONE JIB monitors and reports on agents' performance (Section 3.04).

(f) Reports on Investments

ONE JIB reports on the performance of investments at least annually or more frequently if required and may, if requested by the Municipality, prepare and deliver reports on compliance of

the investments with the Investment Policy Statement and Investment Plan (Section 8).

(g) Members

Membership of ONE JIB cannot include members of municipal council or municipal staff except for municipal treasurers who can constitute up to 25% of the members (Section 7.03).

Members' standards of conduct are set out in a Code of Conduct that is attached as an exhibit to the Terms of Reference; the Terms of Reference are attached as a schedule to the agreement (Schedule "D").

The adherence of members to the Code of Conduct is subject to oversight by an Integrity Commissioner.

(h) Exclusivity

So long as they are parties to the agreement, Participating Municipalities cannot invest under the prudent investor regime through any investment board other than ONE JIB (Section 2.02).

(i) Fees

Investment pools are subject to management fees and other expenses set by ONE Investment; fees are determined on a cost-recovery basis and are reviewed at least annually (Section 9, Schedule "D").

Management fee discounts are to be determined by ONE Investment and paid directly by ONE Investment to Participating Municipalities (Schedule "D").

(j) Complaints

A complaint protocol establishes a process for dealing with complaints by a Participating Municipality with respect to the management of its investments (Section 11).

(k) Indemnities

Participating Municipalities indemnify ONE JIB for liabilities incurred in fulfilling its obligations under the agreement with a standard carve-out for ONE JIB's own misconduct (Section 10.03).

(l) Withdrawals from Agreement

Any Participating Municipality may withdraw from the agreement, subject to certain conditions, so long as it continues to invest through another authorized vehicle (Sections 13.02 and 13.03).

(m) Termination of Agreement

The agreement can only be terminated by no fewer than two Founding Municipalities if certain conditions are met (Section 15.01).

5. CONCLUSION

ONE Investment recommends that ONE JIB agree to accept the Town of Aurora as a Participating Municipality and authorize ONE Investment to work with the Chair and Secretary

of ONE JIB and the municipality to execute the ONE JIB Agreement and complete any other necessary documentation.

ATTACHMENT

Attachment 1: ONE JIB Agreement

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

Attachment 1

MASTER COPY

ONE JOINT INVESTMENT BOARD AGREEMENT

Dated as of July 2, 2020

Between

ONE JOINT INVESTMENT BOARD

and

ONE INVESTMENT

and

**Each of the Municipalities Listed in Schedule A hereto
(THE PARTICIPATING MUNICIPALITIES)**

and

[NAME OF MUNICIPALITY]

THE APPLICANT MUNICIPALITY

Updated as of June 1, 2023

EXPLANATORY NOTES

ONE JIB Agreement

1. The ONE Joint Investment Board Agreement (“ONE JIB Agreement”), dated July 2, 2020, was approved for execution by ONE Joint Investment Board (“ONE JIB”) at its inaugural meeting on May 19, 2020. It has since been amended.
2. Schedule “A” – Participating Municipalities – Schedule “A” of the ONE JIB Agreement sets out the names of the Participating Municipalities and the dates on which the Participating Municipalities joined the ONE Prudent Investment Program. The relevant dates and the total number of Participating Municipalities as at those dates are set out below.
 - (a) On July 2, 2020 the original six Participating Municipalities (sometimes referred to the six Founding Municipalities) became Participating Municipalities - Bracebridge, Huntsville, Innisfil, Kenora, Muskoka and Whitby (total of six).
 - (b) On November 17, 2022- Neebing and Quinte West joined as Participating Municipalities (total of eight).
 - (c) On March 2, 2022-Thunder Bay joined as a Participating Municipality (total of nine).
3. Schedule “C” – Terms of Reference – Schedule “C” of the ONE JIB Agreement contains ONE JIB’s Terms of Reference. The Terms of Reference were originally approved by ONE JIB at its inaugural meeting on May 19, 2020. They have since been amended.
 - (a) Effective December 16, 2022, Exhibit “D” to the Terms of Reference was amended to provide for increased compensation for ONE JIB Members under the authority of section 8.1 of the ONE JIB Agreement. The increased compensation was determined by the Board of ONE Investment to be appropriate at the Board’s December 16, 2022 meeting.
 - (b) Effective June 1, 2023, section 4.11 of the Terms of Reference was amended to provide that after the initial term of the Board Chair and the Vice Chair they shall be elected for three-year terms by the members of ONE JIB.
 - (c) Effective June 1, 2023, section 10.2 of the Terms of Reference was amended to provide that after giving ONE Investment at least 30 days’ notice of a proposed amendment of the Terms of Reference, a majority of the members of ONE JIB at a meeting of ONE JIB at which a quorum is present may approve the proposed amendment and such amendment shall be effective immediately upon the majority of the members of ONE JIB approving the proposed amendment. As soon as practicable thereafter ONE JIB shall notify ONE Investment that the proposed amendment has been approved and is in effect.

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ONE JOINT INVESTMENT BOARD AGREEMENT

This Agreement Dated as of July 2, 2020 made between

ONE JOINT INVESTMENT BOARD

and

ONE INVESTMENT

and

Each of the Municipalities Listed in Schedule A hereto

and

[NAME OF MUNICIPALITY]

THE APPLICANT MUNICIPALITY

RECITALS:

- A. The ONE Joint Investment Board was established by the Founding Municipalities as a Joint Investment Board under section 202 of the *Municipal Act, 2001* (the Act) and in accordance with Part II of Ontario Regulation 438/97 (the **Regulation**);
- B. The Regulation provides that the ONE Joint Investment Board (**ONE JIB**) is a joint municipal service board established under section 202 of the Act for the purposes of Part II of the Regulation;
- C. The Founding Municipalities have entered into the Initial Formation Agreement pursuant to which they agreed to establish and invest through ONE JIB and they have agreed to invest through ONE JIB in accordance with this Agreement;
- D. The Applicant Municipality wishes to make investments pursuant to the provisions of section 418.1 of the Act, and in connection therewith, the Applicant Municipality proposes to pass a by-law (the **Prudent Investor Enabling By-law**) to have section 418.1 of the Act apply to it;
- E. Under the Regulation, the Applicant Municipality, provided that it is not a Founding Municipality, must have entered into an agreement with the parties hereto before the day that the Applicant Municipality passes its Prudent Investor Enabling By-law;
- F. ONE JIB is committed to performing its duties and responsibilities in a manner that is consistent with the Municipal Legislation, as defined below;

NOW THEREFORE, in consideration of the mutual covenants of the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties hereto agree as follows:

SECTION 1 - INTERPRETATION

1.01 Definitions.

In this Agreement

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

Administrator means at any time an entity approved by ONE JIB from time to time to provide administrative and recordkeeping services including receiving and implementing investment instructions, keeping records of holdings and providing reports of such holdings;

Agent means any Administrator, Custodian, Payment Servicer, External Portfolio Manager, 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;

Agreement means this agreement, any schedules attached to this agreement from time to time as the agreement and the schedules may be added, amended, deleted, supplemented, restated, renewed or replaced from time to time;

Authorized Person has the meaning set out in Section 14.01;

Authorizing By-law means any by-law or other action of the Applicant Municipality (whether or not it is also a Founding Municipality) or a Participating Municipality to authorize such Municipality to enter into and be bound by this Agreement and to do all things in furtherance of this Agreement, including the approval and adoption of such Municipality's IPS, but in the case of a Founding Municipality, an Authorizing By-law does not include the Municipality's Prudent Investor Enabling By-law and in the case of a Participating Municipality that is not a Founding Municipality, an Authorizing By-law can also include such Municipality's Prudent Investor Enabling By-law;

Banking Day means a day on which the Payment Servicer and the Custodian are open for business in Toronto, Ontario, other than a Saturday or a Sunday or a statutory holiday in Toronto, Ontario;

CHUMS means CHUMS Financing Corporation and its successors;

Custodian at any time means a financial institution which at such time has been approved by ONE JIB to provide custodial and other custody related services in connection with the Participating Municipality's investments;

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 ONE

Investment Pool. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation;

Founding Municipalities means the municipalities of The Corporation of the Town of Bracebridge, The Corporation of the Town of Huntsville, The Corporation of the Town of Innisfil, The Corporation of the City of Kenora, The District Municipality of Muskoka, and The Corporation of the Town of Whitby, who established ONE JIB pursuant to the Regulation and pursuant to the Initial Formation Agreement;

Initial Formation Agreement means the agreement between the Founding Municipalities dated as of May 19, 2020 under which ONE JIB was formed;

Investment Account means an account or accounts maintained by an Agent in which the Managed Assets of the Participating Municipality are managed or held;

Investment Board means a municipal service board that is established under section 196 of the Act by a municipality for the purposes of Part II of the Regulation and includes for the purposes of Section 13 of this Agreement, the Toronto Investment Board;

IPS, with respect to a Participating Municipality, means the investment policy as adopted and maintained by the council of the Participating Municipality under the Regulation;

Investment Plan, with respect to a Participating Municipality, means the investment plan as adopted and maintained by ONE JIB for the Participating Municipality under the Regulation;

Investment Program Agreements means the agreements entered into, from time to time, by or under the authority of ONE JIB, for and on behalf of the Participating Municipality, with ONE Investment, an Administrator, a Custodian, an External Portfolio Manager and such other persons as ONE JIB considers appropriate for the purpose of carrying out the objectives of the Investment Plan and the IPS;

Joint Investment Board means a 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;

LAS means Local Authority Services and its successors;

Managed Assets means, with respect to a Participating Municipality, the assets of the Participating Municipality managed and controlled by ONE JIB pursuant to, and subject to, the terms and conditions set out in this Agreement;

Municipal Legislation means all applicable legislation that applies to ONE Joint Investment Board including, without limitation, the Act, the *Municipal Conflict of Interest Act*, R.S.O. 1990, c. M.50, as amended from time to time, the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. M.56, as amended from time to time, the Regulation and any other applicable regulations made under such Acts, as they may be amended from time to time;

Municipal Treasurer Representative means a member of ONE JIB who has been nominated by ONE JIB and ONE Investment, in consultation with the Participating Municipalities, to represent

the views and interests of the municipal treasurers of the Participating Municipalities, and who holds the office of treasurer or duly appointed deputy treasurer of a Participating Municipality;

NI 31-103 means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, of the Canadian Securities Administrators;

ONE Investment means the not-for-profit corporation founded by CHUMS and LAS which provides certain management, administrative and other services to ONE JIB in connection with the ONE Investment Offering;

ONE Investment Offering means the comprehensive suite of products and services relating to investment by municipalities in Ontario made available through ONE Investment;

ONE Investment Pool means a pooled investment vehicle whose securities are available to Participating Municipalities through ONE Investment as part of the One Investment Offering;

ONE JIB means the ONE Joint Investment Board, established by the Founding Municipalities as a Joint Investment Board under Part II of the Regulation, as constituted from time to time and acting pursuant to its Terms of Reference as set out in Schedule C;

ONE JIB Services Agreement means the service agreement effective as at May 19, 2020 between ONE JIB and ONE Investment pursuant to which ONE Investment has been appointed an Agent of ONE JIB to, among other things, provide certain management, administrative and other services to ONE JIB;

Participating Municipalities means from time to time each of the municipalities for whom ONE JIB acts as the Joint Investment Board under the terms of this Agreement and includes the Founding Municipalities, any other Participating Municipalities from time to time and also, upon execution by the Applicant Municipality of this Agreement, the Applicant Municipality;

Payment Servicer means at any time a Canadian financial institution which at such time has been approved by ONE JIB to facilitate the transfer of assets of a Participating Municipality between the Participating Municipality's financial institution and an Investment Account;

Prudent Effective Date means the effective date set out in the Prudent Investor Enabling By-law as the date on which section 418.1 applies to the Applicant Municipality;

Prudent Investor Enabling By-law means, with respect to a Municipality, the by-law under which the Municipality makes section 418.1 of the Act apply to it as of the effective date set out in such by-law; and

Regulation means Ontario Regulation 438/97 made under the Act, as it may be amended from time to time;

1.02 Governing Law.

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario.

1.03 Headings and Table of Contents.

The division of this Agreement into sections, subsections, paragraphs, subparagraphs, clauses and schedules, the insertion of headings and the provision of a table of contents are for convenience of reference only and are not to affect the construction or interpretation of this Agreement.

1.04 Number and Gender.

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.05 Severability.

If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of any of the remaining provisions of this Agreement.

SECTION 2 - ONE JOINT INVESTMENT BOARD

2.01 Appointment.

The Applicant Municipality hereby appoints ONE JIB to be its Joint Investment Board, to invest money and investments that the Applicant Municipality, as a Participating Municipality, does not require immediately on behalf of such municipality and to exercise control and management of such money, in accordance with the Act and the Regulation and subject to the terms and conditions of this Agreement.

2.02 Exclusive Appointment.

The appointment of ONE JIB as the Applicant Municipality's Joint Investment Board is exclusive and during the term of this Agreement, the Applicant Municipality, as a Participating Municipality, shall not appoint any other Investment Board or Joint Investment Board to have management or control of any of its money that it does not require immediately under section 418.1 of the Act unless it withdraws from ONE JIB in accordance with Section 13.

2.03 Delegation.

To the fullest extent required by the Act and the Regulation, the Applicant Municipality hereby gives control and management of its investments to ONE JIB, and hereby delegates to ONE JIB (i) the Applicant Municipality's powers to make the investments and (ii) the Applicant Municipality's duties under section 418.1 of the Act.

2.04 Acceptance.

ONE JIB hereby accepts the foregoing appointment and delegation and hereby agrees to invest money that the Applicant Municipality, as a Participating Municipality, does not require immediately on behalf of such municipality in accordance with the Act, the Regulation and such municipality's IPS and subject to the terms and conditions of this Agreement.

2.05 Acceptance by Participating Municipalities.

On execution and delivery of this Agreement and the subsequent Prudent Effective Date, each of the Participating Municipalities shall be deemed to acknowledge and agree that the Applicant Municipality has made the foregoing appointment for ONE JIB to invest money and investments that the Applicant Municipality, as a Participating Municipality, does not require immediately and that the Applicant Municipality is added as a party to this Agreement such that ONE JIB shall act as the Joint Investment Board of such Applicant Municipality, as a Participating Municipality, on and after the Prudent Effective Date.

SECTION 3 - DUTIES OF ONE JIB

3.01 Duties.

ONE JIB shall have the following duties and responsibilities in connection with investing for and on behalf of the Participating Municipalities:

- (a) review the Participating Municipality's IPS, and at the request of the Participating Municipality, provide advice and recommendations with respect thereto;
- (b) adopt and maintain an Investment Plan for the Participating Municipality in accordance with the terms hereof;
- (c) engage one or more Administrators, Custodians, Payment Servicers, External Portfolio Managers, bankers, brokers, dealers, and other Agents as may be required to implement the Investment Plan in accordance with the IPS;
- (d) monitor the performance of the Agents;
- (e) report to the Participating Municipality as required by the Act and the Regulation.

3.02 Engagement of Agents.

ONE JIB may authorize an Agent to exercise any of its functions to the same extent that a prudent investor, acting in accordance with ordinary investment practice, would authorize an agent to exercise any investment function. Any such engagement and authorization may be made only pursuant to an Investment Program Agreement with the Agent which includes the following provisions:

- (a) a requirement that the Agent comply with the requirements contained in each applicable IPS and each applicable Investment Plan;
- (b) a requirement that the Agent report to ONE JIB at regular intervals as specified in the written agreement with the Agent;
- (c) a requirement that the Agent comply with any reasonable directions to the Agent given by ONE JIB.

3.03 Role of ONE Investment.

The Applicant Municipality hereby acknowledges and agrees that in the discharge of its duties and obligations hereunder, ONE JIB requires certain support and administrative services. To obtain such services, ONE JIB hereby engages ONE Investment as its Agent hereunder and under the ONE JIB Services Agreement. Notwithstanding such engagement, ONE JIB confirms that it will at all times be responsible to the Applicant Municipality in the manner contemplated in the Act and the Regulation and as set out herein. The Applicant Municipality further acknowledges and agrees that any fees and expenses payable by it hereunder, directly or indirectly, shall be paid to ONE Investment, who has been duly authorized on behalf of ONE JIB, LAS and CHUMS to collect all such fees and expenses.

3.04 Monitoring Performance.

ONE JIB shall exercise prudence in selecting an Agent, in establishing the terms of the Agent's authority and in monitoring the Agent's performance to ensure compliance with those terms. Prudence in monitoring an Agent's performance includes:

- (a) reviewing the Agent's reports;
- (b) regularly reviewing the agreement between ONE JIB and the Agent and how it is being put into effect, including assessing whether the requirements included in each applicable IPS and each applicable Investment Plan are being complied with;
- (c) considering whether directions should be provided to the Agent or whether the Agent's appointment should be revoked; and
- (d) providing directions to the Agent or revoking the appointment if ONE JIB considers it appropriate to do so.

3.05 Further Authorizations.

Except as may be consented to by the Participating Municipalities in accordance with Section 12.02, ONE JIB shall not permit any further authorization (or sub-delegation) of investment functions by any Agent (other than ONE Investment) to third parties unaffiliated with the Agent. The ONE JIB Services Agreement provides that ONE Investment similarly will not permit further authorization (or sub-delegation) of investment functions by any Agent to third parties unaffiliated with the Agent, and ONE JIB shall require ONE Investment to include provisions with substantially similar effect in all agreements with Agents.

SECTION 4 - REPRESENTATIONS AND WARRANTIES

4.01 Representations and Warranties of Applicant Municipality.

The Applicant Municipality represents and warrants to ONE JIB, ONE Investment and each of the Participating Municipalities that:

- (a) it has taken all actions necessary to authorize it to enter into this Agreement, including passing such Authorizing By-law as the Applicant Municipality has deemed necessary

(which Authorizing By-law can also constitute the Applicant Municipality's Prudent Investor Enabling By-law), which form of Authorizing by-law is appended hereto as Schedule B-1;

- (b) it has prepared a Prudent Investor Enabling By-law under which section 418.1 of the Act will apply to it as of the Prudent Effective Date, which form of by-law is appended hereto as Schedule B-1;
- (c) such Prudent Investor Enabling By-law will be passed by the council of the Applicant Municipality in compliance with the Act and it shall set out a Prudent Effective Date that is after the date the Applicant Municipality has entered into this Agreement;
- (d) it has prepared a written IPS which complies with the Act and has been approved by council and such IPS shall be delivered to ONE JIB and ONE Investment in the manner set out in Section 16.01.

4.02 Representations and Warranties of Participating Municipalities.

Each of the Participating Municipalities, provided that it is not a Founding Municipality, represents and warrants to the Applicant Municipality, ONE JIB and ONE Investment that:

- (a) it has taken all actions necessary to authorize it to enter into this Agreement, including passing such Authorizing By-law as the Participating Municipality has deemed necessary (which Authorizing By-law can also constitute the Participating Municipality's Prudent Investor Enabling By-law), which form of Authorizing by-law is appended hereto as Schedule B-1;
- (b) it has duly passed a Prudent Investor Enabling By-law under which section 418.1 of the Act applies to it as of the Prudent Effective Date, which by-law is in full force and effect;
- (c) this Agreement constitutes a valid and binding obligation of such Participating Municipality.

4.03 Representations and Warranties of Founding Municipalities.

Each of the Participating Municipalities, which is also a Founding Municipality, represents and warrants to the Applicant Municipality, ONE JIB and ONE Investment that:

- (a) it has taken all actions necessary to authorize it to enter into this Agreement, including passing an Authorizing By-law which form of by-law is appended hereto as Schedule B-2;
- (b) it has prepared a Prudent Investor Enabling By-law under which section 418.1 of the Act will apply to it as of the Prudent Effective Date set out therein, which form of by-law is appended hereto as Schedule B-3, and will pass such Prudent Investor Enabling By-law after all Founding Municipalities have entered into this Agreement;
- (c) this Agreement constitutes a valid and binding obligation of such Municipality.

4.04 Representations and Warranties of ONE JIB.

ONE JIB represents and warrants to the Applicant Municipality and each of the Participating Municipalities that:

- (a) it was duly established by the Founding Municipalities as a Joint Investment Board which meets the requirements of the Act and the Regulation;
- (b) it has taken all actions necessary to authorize it to enter into this Agreement;
- (c) this Agreement constitutes a valid and binding obligation of ONE JIB; and
- (d) on the date of the Applicant Municipality's Authorizing By-law, all other Participating Municipalities are parties to this Agreement.

4.05 Representations and Warranties of ONE Investment.

ONE Investment represents and warrants to the Applicant Municipality and each of the Participating Municipalities that:

- (a) it is a duly incorporated not-for-profit corporation formed by LAS and CHUMS for the purpose of facilitating the ONE Investment Offering;
- (b) it has taken all actions necessary to authorize it to enter into this Agreement; and
- (c) this Agreement constitutes a valid and binding obligation of ONE Investment.

SECTION 5 - INVESTMENT POLICY AND INVESTMENT PLAN

5.01 Investment Policy.

- (a) Without limiting the provisions of Section 4.01, the Applicant Municipality acknowledges that in the formulation of its IPS, the Applicant Municipality is required to obtain the advice that a prudent investor would obtain under comparable circumstances. The Applicant Municipality further acknowledges that in planning its investments, it is required to consider, in addition to any other criteria that are relevant in the circumstances, the following:
 - (1) general economic conditions;
 - (2) the possible effect of inflation or deflation;
 - (3) the role that each investment or course of action plays within the Applicant Municipality's portfolio of investments;
 - (4) the expected total return from income and the appreciation of capital; and
 - (5) needs for liquidity, regularity of income and preservation or appreciation of capital.

- (b) The Applicant Municipality confirms that its IPS has been arrived at after careful consideration of the foregoing and that it has been adopted by an Authorizing By-law of the council of the Applicant Municipality in compliance with the Act. The IPS includes the Applicant Municipality's (i) objectives for return on investment and risk tolerance; (ii) need for liquidity including, for greater certainty, anticipated needs for funds for planned projects and needs to have funds available for unanticipated contingencies; and (iii) other requirements with respect to investment matters that the council of the Applicant Municipality considers to be in the interests of the Applicant Municipality. For certainty, notwithstanding any assistance that the Applicant Municipality may have sought and obtained in the preparation of its IPS, including through consultations with ONE JIB or ONE Investment, the Applicant Municipality acknowledges and agrees that its IPS, and the entire contents thereof, is solely the responsibility of the Applicant Municipality and can only be amended or modified by the Applicant Municipality.
- (c) The Applicant Municipality, as a Participating Municipality, shall provide written notice to the board secretary of ONE JIB (the **Secretary**) of any amendment or modification to its IPS. ONE JIB shall be under no obligation to make investments for an Applicant Municipality, as a Participating Municipality, other than in accordance with its written IPS and any amendments thereto made in writing and notified to ONE JIB as provided herein.
- (d) Where ONE JIB in its sole discretion determines that the IPS of a Participating Municipality is inconsistent with the obligations of the Participating Municipality under the Act to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments, ONE JIB may decline to apply the IPS in whole or in part. If ONE JIB determines to rely on this Section 5.01 (d), ONE Investment shall promptly notify the Participating Municipality. In these circumstances, upon sending such notice, ONE JIB shall thereupon be relieved of its duties and obligations as set out in Section 10.05.

5.02 Investment Plan.

- (a) Without limiting the provisions of Section 3.01, ONE JIB acknowledges that the applicable Investment Plan, adopted and maintained by ONE JIB in respect of the Applicant Municipality, as a Participating Municipality, is required to deal with how ONE JIB will invest such municipality's money consistent with such municipality's IPS and is required to set out ONE JIB's projections of the proportions of such municipality's portfolio of investments to be invested at the end of the year in each type of security selected by ONE JIB and may include other requirements. The Investment Plan for the Applicant Municipality shall be delivered to the Applicant Municipality in the manner set out in Section 16.01.
- (b) Amendments to the Applicant Municipality's Investment Plan shall only be made as set out in Sections 5.03 and 5.04.

5.03 Amendments.

- (a) ONE JIB and the Applicant Municipality acknowledge that under subsection 18(4) of the Regulation, the council of the Applicant Municipality is required to review, and if necessary, update the IPS of the Applicant Municipality, as a Participating Municipality, at least annually (the **Annual Policy Review**). In connection with such Annual Policy Review,

ONE JIB may make recommendations to such municipality to amend, modify, supplement, restate or replace its IPS. The treasurer of the Applicant Municipality, as a Participating Municipality, is responsible for arranging the Annual Policy Review by its council. Such municipality shall advise ONE JIB, on an annual basis, (i) of the date as of which the Annual Policy Review was made; (ii) whether any updates or amendments were made to the IPS, and where applicable, the text of any such update or amendment; and (iii) of other comments or observations regarding the municipality's IPS as the municipality considers to be necessary or desirable. Any amendment to the IPS must be provided to the Secretary of ONE JIB as soon as practicable and in any event within 15 days of approval by the municipality's council.

- (b) ONE JIB and the Applicant Municipality acknowledge that under subsection 19(3) of the Regulation, ONE JIB is required, following the Annual Policy Review, to review, and if necessary, update the Investment Plan of the Applicant Municipality, as a Participating Municipality (the **Annual Plan Review**). ONE JIB shall, within a reasonable period of time, not to exceed 90 days from the date that ONE JIB receives the results of the Annual Policy Review, conduct the Annual Plan Review for the municipality. If, following the completion of the Annual Plan Review, ONE JIB considers that an update or amendment of the Investment Plan is required (whether following from the results of the municipality's Annual Policy Review or otherwise), ONE JIB shall make the appropriate updates or amendments to the municipality's Investment Plan and shall provide a copy of the updated and amended Investment Plan to the municipality.
- (c) In addition to amendments made as a result of the Annual Policy Review, the parties acknowledge that the Applicant Municipality, as a Participating Municipality, may make amendments to its IPS, including for the purposes of adding or withdrawing amounts to be invested as contemplated in Section 5.04, at any time and from time to time by action of the council of the municipality. Amendments to an IPS for adding and withdrawing money and investments to be managed by ONE JIB shall be made in accordance with Section 5.04.
- (d) Notice of any amendment to the IPS of an Applicant Municipality, as a Participating Municipality (other than amendments made as a result of the Annual Policy Review), shall be given in writing to the Secretary of ONE JIB or to such other person as ONE JIB may direct as soon as practicable following authorization or adoption. For purposes hereof, the Applicant Municipality and ONE JIB recognize that an amendment to an IPS may be made by by-law or other decision of council (**Council Action**) that affects or purports to affect the IPS. ONE JIB has no obligation to take notice of any such Council Action, whether or not it was widely publicized, and no obligation to assess the validity of any Council Action. ONE JIB shall under no circumstances be deemed to have knowledge of any amendment to the IPS of a municipality or of any Council Action unless and until written notice thereof has been provided to ONE JIB by the treasurer of the Participating Municipality in accordance with Section 5.03(a), Section 5.03(d), or Section 5.03(b) and the notice provisions set out in Section 16.01.
- (e) On receipt of a notice of amendment to the IPS, where ONE JIB considers in its discretion that an update or modification to the corresponding Investment Plan is necessary or desirable, ONE JIB will update or modify such municipality's Investment Plan so as to

provide for consistency between the Investment Plan and the IPS. Such update or modification shall be made and implemented as soon as reasonably practicable, having regard to prevailing economic and market conditions. A copy of any such updated or modified Investment Plan shall be provided to the treasurer of the Participating Municipality.

- (f) Despite any other provision hereof, ONE JIB may make such minor amendments to the Investment Plan of an Applicant Municipality, as a Participating Municipality, as it may consider to be necessary or desirable for the more efficient or effective administration of the assets held in such municipality's Investment Accounts, provided that following such minor amendment, the Investment Plan continues to be consistent with such municipality's IPS.

5.04 Additions and Withdrawals of Money and Investments.

- (a) The Applicant Municipality's IPS referenced in Section 5.01 shall include the Applicant Municipality's criteria for identifying the Managed Assets over which ONE JIB is to have management and control hereunder. Such Managed Assets shall be held in one or more Investment Accounts. It is the responsibility of the Applicant Municipality, as a Participating Municipality, to make contributions to the Investment Accounts in accordance with its IPS. The treasurer of the Applicant Municipality, as a Participating Municipality, shall provide ONE JIB with notice of such contributions, and follow such procedures and protocols in connection therewith, as ONE JIB may prescribe from time to time.
- (b) The Applicant Municipality, as a Participating Municipality, may from time to time amend its IPS so as to add to or withdraw amounts from the Managed Assets. No such amendment shall be binding on ONE JIB unless reasonable written notice has been provided to the Secretary of ONE JIB or other authorized person, in form satisfactory to ONE JIB. Without limiting the foregoing, ONE JIB shall have no obligation to return Managed Assets or part thereof to the Applicant Municipality unless a minimum of 30 days' prior written notice of any request for withdrawal, in form and substance satisfactory to ONE JIB, has been provided to ONE JIB, which notice period may be waived by ONE JIB in its discretion.
- (c) Notwithstanding Section 14.01, ONE JIB shall not be obliged to comply with any notice referred to in paragraphs (a) and (b) of Section 5.04 unless received in writing and signed by the treasurer of the Participating Municipality.
- (d) In all circumstances in which the Applicant Municipality, as a Participating Municipality, anticipates a withdrawal of Managed Assets, whether as a result of the planned maturity of any reserve or otherwise, such Municipality and ONE JIB shall co-operate and work together so as to ensure an orderly liquidation where necessary and timely transfer of Managed Assets or proceeds thereof.
- (e) Notwithstanding Section 5.04(b), if the aggregate dollar amount of the Managed Assets requested to be returned by a Participating Municipality is so large as to risk causing prejudice to other Participating Municipalities or requires additional time to effect an orderly liquidation, ONE JIB, ONE Investment and the Participating Municipality shall work

together to extend the period for the return so that any negative effects of sudden or untimely liquidation are adequately ameliorated.

- (f) In extraordinary circumstances, including dislocated capital markets, acts of God, war, terrorism and the like which prevent normal trading operations in securities markets, or result in the suspension of trading in securities markets, ONE JIB may, in the exercise of its fiduciary obligations, decline to or delay the return of all or a portion of a Participating Municipality's requested Managed Assets. Any Managed Assets not so returned shall be returned as soon as practicable on the cessation of the events which gave rise to the refusal or delay.

SECTION 6 - AGENTS

6.01 Authority.

The Applicant Municipality, as a Participating Municipality, authorizes ONE JIB and ONE Investment to engage Agents on its behalf and to enter into Investment Program Agreements, from time to time, as provided in Section 3.02.

6.02 Administrator.

ONE JIB and ONE Investment will enter into an Investment Program Agreement with an Administrator who is a Canadian chartered Schedule I bank or other regulated Canadian financial institution or who has otherwise satisfied ONE JIB that it has the demonstrated ability to provide and maintain accurate recordkeeping and where required, valuation services for the Investment Accounts.

6.03 Custodian.

ONE JIB and ONE Investment will only enter into an Investment Program Agreement for custody and safekeeping of Managed Assets with a Custodian who, at the time of entering into the Investment Program Agreement, is a Canadian custodian for purposes of NI 31-103.

6.04 External Portfolio Managers.

With respect to

- (a) **Registration** - ONE JIB will not enter into an Investment Program Agreement with an External Portfolio Manager unless the Investment Program Agreement requires the External Portfolio Manager to maintain at all times its status in Ontario as a registered portfolio manager, unless the External Portfolio Manager is exempt from the requirement to be registered under applicable Ontario law.
- (b) **Insurance** - ONE JIB will not enter into an Investment Program Agreement with an External Portfolio Manager unless the Investment Program Agreement requires the External Portfolio Manager to maintain, in full force and effect, bonding or insurance in such amounts and of such types as are required from time to time by regulatory authorities and consistent with industry best practice.

6.05 No rights to assets.

None of ONE JIB, ONE Investment, an Administrator, a Custodian, an External Portfolio Manager or any other service provider or Agent shall have any beneficial or personal right, title or interest in or to the Managed Assets in any Investment Account, other than as specifically set out in any Investment Program Agreement.

SECTION 7 - COMPOSITION AND GOVERNANCE OF ONE JIB

7.01 Appointment and Term of Members.

The initial individual members (**JIB Members**) of ONE JIB were appointed by the Founding Municipalities under the Initial Formation Agreement on the establishment of ONE JIB under the Regulation.

7.02 Prohibition re Membership.

Notwithstanding anything to the contrary contained herein or in any schedule hereto, the following persons may not be appointed to or serve on ONE JIB:

- (a) subject to Section 7.03, an officer or employee of a Participating Municipality;
- (b) a member of council of a Participating Municipality.

7.03 Municipal Treasurers.

- (a) Municipal treasurers are to be represented on ONE JIB as permitted by the Regulation. To give effect to such representation, up to 25% of the membership of ONE JIB shall be reserved for Municipal Treasurer Representatives. ONE JIB and ONE Investment, in consultation with Participating Municipalities, shall nominate individuals to serve as Municipal Treasurer Representatives. Such individuals must hold the office of treasurer or duly appointed deputy treasurer of a Participating Municipality. ONE JIB and ONE Investment shall work in good faith with the Participating Municipalities to give voice to the concerns of municipal treasurers through appropriate Municipal Treasurer Representatives.
- (b) In the event that an individual serving as a Municipal Treasurer Representative is a treasurer or duly appointed deputy treasurer of a Participating Municipality, and such Participating Municipality withdraws from ONE JIB pursuant to Section 13, such individual shall be deemed to have resigned as a member of ONE JIB effective the date of the Participating Municipality's withdrawal. Provided however, that if such individual has been appointed as the treasurer or duly appointed deputy treasurer of another Participating Municipality prior to or at the time of the effective date of withdrawal, and such Participating Municipality agrees, the individual may continue to serve as a Municipal Treasurer Representative.

7.04 Procedural and Other Matters Relating to ONE JIB.

Rules, policies and procedures relating to the appointment, qualifications, conduct, removal, term of office, compensation of JIB Members, calling and holding of meetings and all ancillary matters are set out in Schedule C - *Terms of Reference for ONE JIB* appended hereto and such Terms of Reference form part of this Agreement. ONE JIB is intended to self-governing, subject to the applicable provisions of Municipal Legislation. The parties acknowledge and agree that following the formation of ONE JIB, the JIB Members have authority to amend the Terms of Reference including the exhibits and schedules thereto in accordance with the amendment provisions contained in the Terms of Reference.

7.05 Paramountcy.

In the event of any conflict or inconsistency between a Participating Municipality's policies, by-laws, rules and procedures that otherwise apply to such Participating Municipality's local boards and the policies, by-laws, rules and procedures that apply to ONE JIB as provided under this Agreement, the latter shall prevail.

SECTION 8 - REPORTING

8.01 Annual Investment Report.

ONE JIB shall prepare and provide to the council of each of the Participating Municipalities, no less frequently than once annually, an investment report that includes a statement about the performance of the Participating Municipality's Managed Assets during the period covered by the report and such other information that the council of the Participating Municipality may require or that, in the opinion of its treasurer, should be included as required by the Regulation.

8.02 Compliance Reporting.

ONE JIB shall prepare or arrange for the preparation and delivery of such compliance reports as may be reasonably requested by a Participating Municipality. Such compliance report shall provide information so as to enable the treasurer of the Participating Municipality to state whether or not the Managed Assets have been invested and are held in a manner consistent with the Participating Municipality's IPS and Investment Plan.

SECTION 9 - FEES AND EXPENSES

9.01 Fees and expenses.

Participating Municipalities shall pay the fees and expenses as set out in Schedule D appended hereto, and such fees and expenses may be changed from time to time in accordance with Section 12.01(c).

9.02 Fees Payable to Agents.

To the extent fees and expenses are directly recoverable from a Participating Municipality, ONE JIB shall establish and disclose to the Participating Municipality, the maximum aggregate fees and

expenses payable to the Administrator, the Custodian, the External Portfolio Managers and any other Agents and service providers.

SECTION 10 - STANDARD OF CARE AND LIMITATION OF LIABILITY

10.01 Standard of Care.

In the discharge of its duties hereunder, and in investing money of the Participating Municipality, ONE JIB shall exercise the care, skill, diligence and judgment that a prudent investor would exercise in comparable circumstances and in making such investment.

10.02 Limitation on liability.

Provided that the standard of care set out in Section 10.01 has been met, neither ONE JIB nor any JIB Members shall incur any liability to a Participating Municipality by reason of acting or not acting or as a result of any error in instructions. Each Participating Municipality acknowledges and agrees that ONE JIB makes no representation or warranty as to performance or attaining any yield or appreciation of the Managed Assets in the Investment Accounts. Neither ONE JIB nor any JIB Member shall be liable to a Participating Municipality for any loss or damage relating to any matter arising out of this Agreement, including any loss or diminution in the value of the Managed Assets so long as they acted in a manner consistent with the standard of care set out in Section 10.01.

10.03 Indemnification.

ONE JIB, ONE Investment, and any of their respective members, directors, officers and employees (in each case, an **Indemnified Party**) shall be indemnified by the Participating Municipalities for all liabilities, claims, damages, losses, costs and expenses incurred by them in connection with any action, suit or proceeding that is proposed or commenced or any other claim to which such Indemnified Party may be subject by reason of the management and control of the Managed Assets or otherwise arising out of or in connection with acting on behalf of the Participating Municipalities or in furtherance of the interests of the Participating Municipalities, except that this indemnity shall not apply to (a) losses arising from such Indemnified Party's own wilful misconduct or fraud, or (b) expenses of the Participating Municipalities that the Indemnified Party has agreed to bear. To the fullest extent permitted by law, expenses (including, without limitation, legal fees and expenses) incurred by an Indemnified Party in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Participating Municipalities prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Participating Municipalities of an undertaking by or on behalf of the Indemnified Party to repay such amount if it shall be determined that the Indemnified Party is not entitled to be indemnified as authorized in this Section 10.03. Amounts required to be paid or advanced to an Indemnified Party under this Section 10.03 shall be paid by Participating Municipalities in such proportion as ONE JIB considers to be fair and equitable in the circumstances.

10.04 Performance of Trusts.

ONE JIB shall not be bound to recognize or see to the performance of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the Managed Assets or any interests therein are or may be subject, or to ascertain or inquire whether a contribution or

withdrawal of any such Managed Assets or interests therein by any Participating Municipality or by its treasurer has been duly and properly authorized, or to recognize any person as having any interest in the Managed Assets, but shall be entitled to treat all monies and investments provided to ONE JIB hereunder solely as Managed Assets of the Participating Municipality.

10.05 Where IPS Imprudent.

Neither ONE JIB nor any JIB Members shall incur any liability whatsoever to a Participating Municipality where ONE JIB has determined in its sole discretion, acting reasonably, that the IPS of the Participating Municipality is inconsistent with the duty of the Participating Municipality under the Act to exercise prudence. So long as ONE JIB has provided notice to the Participating Municipality and acts in good faith, ONE JIB may elect to (a) apply the IPS to the best of its ability; or (b) decline to apply the IPS in whole or in part and hold the Managed Assets in cash or cash equivalent instruments pending receipt of an IPS which complies with the Act; or (c) seek direction from legal counsel and act in accordance with such direction. Until such time as ONE JIB has been provided with an IPS which complies with the Act, all of ONE JIB's duties and responsibilities to the Participating Municipality hereunder shall be suspended, and the Participating Municipality shall have no entitlement to have its Managed Assets managed by ONE JIB or to receive any prescribed reports from ONE JIB except to the extent required for ONE JIB to comply with the Act and the Regulation.

SECTION 11 - COMPLAINTS HANDLING

11.01 Initial Complaints.

If a Participating Municipality has a concern or complaint with respect to any aspect of the management of its money and investments by ONE JIB hereunder, including the operation of one or more Investment Accounts, such concern or complaint shall in the first instance be brought to the attention of ONE Investment. Within 30 days of receipt, ONE Investment shall provide the Participating Municipality with written acknowledgement of the complaint and proposed resolution or explanation, if any. If the concern or complaint is one that involves the acts or omissions of an Agent, ONE Investment, on behalf of ONE JIB, shall make the appropriate inquiries of the Agent and otherwise pursue the matter with the Agent.

11.02 Escalation.

In the event that the matter is not resolved to the satisfaction of the Participating Municipality through the procedure set out in Section 11.01, the Participating Municipality may provide written notice to the Chair of ONE JIB, with a copy to the Secretary and to the Chair of ONE Investment, specifying the nature of the concern or complaint. Upon receipt of such written notice, ONE JIB, under the authority of its Chair, shall arrange for an independent investigation of the matter to be conducted by duly qualified persons who are not employees of ONE JIB or ONE Investment. A written report of the results of such investigation containing an explanation and, where appropriate, an outline of steps to redress the matter, shall be provided to the Participating Municipality and made available to all other Participating Municipalities.

SECTION 12 - AMENDMENTS TO THE AGREEMENT

12.01 Amendments not Requiring Approval of Participating Municipalities.

- (a) ONE JIB may, without the approval of, or notice to the Participating Municipalities, but subject to Section 12.01(b) and Section 12.02, make certain amendments to this Agreement, including amendments which:
- (1) are necessary to remove any internal inconsistencies in this Agreement and the schedules hereto or to make minor corrections, including the rectification of any ambiguities, defective provisions, errors, mistakes, or omissions that are, in the opinion of ONE JIB, necessary or desirable and not prejudicial to the Participating Municipalities;
 - (2) are intended to ensure compliance with applicable laws, regulations or policies affecting the Participating Municipalities or ONE JIB;
 - (3) effect certain changes to the policies, by-laws, codes of conduct, rules and procedures governing ONE JIB as contained in the Terms of Reference, provided that such changes are made in compliance with Section 12.01(b)(3);
 - (4) are intended to provide additional protection to the Participating Municipalities;
 - (5) are necessary to reflect a change that, in the reasonable opinion of ONE JIB is reasonable, necessary, or appropriate to enable the Participating Municipalities to take advantage of, or not be detrimentally affected by, changes in the Income Tax Act or other taxation laws; or
 - (6) are intended or are necessary to facilitate efficient or cost effective administration of invested money or investments ;

provided that such amendment is not reasonably expected to materially adversely affect the interests of the Participating Municipalities.

- (b) The following amendments shall only be made as provided below:
- (1) amendments requiring the approval of the Participating Municipalities under Section 12.02 shall be made in accordance with Section 12.02,
 - (2) amendments relating to an update or modification of a Participating Municipality's IPS or Investment Plan shall be made in the manner set out in Section 5, and
 - (3) amendments to the Terms of Reference (including the exhibits and schedules thereto) shall be made by ONE JIB in accordance with the amending provisions contained therein, as contemplated in Section 7.04;
- (c) Subject to Section 12.01(a) and Section 12.02, any other amendment may be made by ONE JIB and shall take effect after not less than 60 days' prior written notice of such

amendment has been given to the treasurers of the Participating Municipalities including, without limitation, amendments to fees and expenses made in accordance with Section 9.01.

- (d) Notwithstanding anything else contained herein, provided that any such municipality has first executed a counterpart to this Agreement and has agreed to be bound hereby, the inclusion of a municipality as a Participating Municipality, and the corresponding amendment to Schedule A hereto, may be made at the sole discretion of ONE JIB without prior notice to or the consent of any Participating Municipality.

12.02 Amendments Requiring Approval of Participating Municipalities.

- (a) No amendment may be made to, or action taken under, this Agreement in respect of the matters described in subparagraphs (1) through (5) of this paragraph (a) of Section 12.02 except with the approval of the Participating Municipalities representing at least 75% of the Participating Municipalities who are at that time parties to this Agreement, and who in the aggregate have not less than 50% by market value of the money or investments which are then under the control and management of ONE JIB, such approval to be evidenced by a by-law of the council of an approving Participating Municipality, passed in compliance with the Act, in form and substance satisfactory to ONE JIB:
 - (1) removal of any member of ONE JIB;
 - (2) any increase in the size of ONE JIB;
 - (3) any change to Section 3.05 relating to further authorizations (sub-delegation);
 - (4) any change to Section 7.03 relating to municipal treasurers; or
 - (5) any change to the amendment provisions of this Agreement.
- (b) Notwithstanding the provisions of this Section 12.02, no amendment to this Agreement may enlarge the power or authority of ONE JIB in a manner inconsistent with the Act or the Regulation.
- (c) Any amendment to this Agreement (including any schedule hereto) which under applicable law requires the approval of the Participating Municipalities shall be effective only upon the written approval of such amendment by the treasurers of the Participating Municipalities, in form and substance satisfactory to ONE JIB.
- (d) Any amendment to this Agreement made under this Section 12.02 shall only be effective upon written notice to all Participating Municipalities regardless of whether a Participating Municipality was included in the Participating Municipalities who provided the necessary approval. The form and substance of such notice shall be appropriate in the circumstances, as determined by the Chair of ONE JIB on the advice of the Secretary of ONE JIB.

12.03 Restatements.

A restated Agreement, setting forth the terms hereof, as amended to the time of execution, may be executed at any time and from time to time by ONE JIB.

SECTION 13 - WITHDRAWAL

13.01 Withdrawal from ONE JIB by Regulation.

A Participating Municipality may withdraw from investing through ONE JIB if it has become subject to a regulation made under clause 16(d) of section 418.1 of the Act providing that section 418.1 of the Act no longer applies to the Participating Municipality.

13.02 Withdrawal from ONE JIB by a Participating Municipality that is not a Founding Municipality.

By entering in to this Agreement, each of the Founding Municipalities and each of the other Participating Municipalities hereby agree and shall be deemed to agree at all times that any Participating Municipality which is not a Founding Municipality may withdraw from ONE JIB for any reason provided that the Participating Municipality wishing to withdraw has effected one of the following alternatives:

- (a) entered into an agreement with another municipality that has established an Investment Board, that Investment Board and any other municipalities investing through that Investment Board to invest through that Investment Board;
- (b) entered into an agreement with the municipalities that have established a Joint Investment Board, that Joint Investment Board and any other municipalities investing through that Joint Investment Board, to invest through that Joint Investment Board; or
- (c) established an Investment Board on its own or established a Joint Investment Board with one or more other municipalities

and such Participating Municipality has given the Investment Board or Joint Investment Board through which it will be investing the control and management of its investments by delegating to the board

- (d) the Participating Municipality's powers to make the investments; and
- (e) the Participating Municipality's duties under section 418.1 of the Act.

13.03 Withdrawal from ONE JIB by a Founding Municipality.

By entering in to this Agreement, each of the Founding Municipalities and each of the other Participating Municipalities hereby agree and shall be deemed to agree at all times that any Founding Municipality may withdraw from ONE JIB for any reason provided that all of the following conditions are met:

- (a) ONE JIB is not dissolved upon the withdrawal;

- (b) the other Founding Municipalities that established ONE JIB have, in the opinion of each of their treasurers, a combined total of at least \$100,000,000 in money and investments that such municipalities do not require immediately;

and the Founding Municipality wishing to withdraw has taken one of the actions described in paragraph (a), (b) or (c) of Section 13.02 and has given the Investment Board or Joint Investment Board through which it will be investing the control and management of its investments by delegating to the board;

- (c) the Founding Municipality's powers to make the investments; and
- (d) the Founding Municipality's duties under section 418.1 of the Act.

13.04 Procedures re Withdrawal.

A Participating Municipality wishing to withdraw from ONE JIB pursuant to Section 13.02 (the **Withdrawing Municipality**) must give the Secretary of ONE JIB a minimum of 90 days' prior written notice of withdrawal. At least 10 days prior to the effective date of withdrawal (the **Effective Date**), ONE JIB must have received a direction (the **Transfer Direction**) duly authorized by a by-law of the council of the Withdrawing Municipality, passed in compliance with the Act, in form and substance satisfactory to ONE JIB. The Transfer Direction shall instruct ONE JIB to (i) pay to ONE JIB, ONE Investment or any Agents any and all fees and expenses payable or accrued to the Effective Date, and (ii) thereafter, to transfer and deliver to the successor Investment Board or Joint Investment Board named in the Transfer Direction, as at the Effective Date, all of the Withdrawing Municipality's money, investments and assets over which ONE JIB has control and management. At the request of the Withdrawing Municipality, ONE JIB shall arrange for the orderly and secure transfer and transmission of such books and records relating to the Investment Accounts of the Withdrawing Municipality as may be reasonable and necessary. Upon such transfer and delivery, ONE JIB shall be relieved and discharged of and from all further obligations to the Withdrawing Municipality with respect to the money and investments of the Withdrawing Municipality. Notwithstanding the withdrawal of the Withdrawing Municipality from ONE JIB, the obligation of such Withdrawing Municipality to indemnify ONE JIB and JIB Members as set out in Section 10.03 shall be unaffected and shall survive any such withdrawal. The notice periods specified in this Section 13.04 may be waived by ONE JIB in its discretion.

SECTION 14 - DIRECTIONS, INSTRUCTIONS AND NOTICES

14.01 Certificate re Authorized Persons.

Each Participating Municipality shall from time to time and upon the written request of ONE JIB, furnish the Secretary of ONE JIB with a certificate signed by its treasurer setting forth the name(s) and title(s) of the authorized officer(s) of the Participating Municipality, which shall include the treasurer and of any other person(s) or representative(s) authorized to act on behalf of the Participating Municipality (**Authorized Persons**), together with specimen signatures of all such Authorized Persons and ONE JIB shall be entitled to rely upon the identification of such Authorized Persons as the person(s) entitled to act on behalf of, and provide directions, instructions and notices for, the Participating Municipality for the purposes of this Agreement until a replacement certificate respecting the same is delivered to ONE JIB.

14.02 Reliance on Authorized Persons.

Provided ONE JIB has complied with its standard of care set forth in Section 10.01, ONE JIB shall:

- (a) not be responsible for:
 - (1) the proper application by any Participating Municipality of any part of its Managed Assets so long as payments to the Participating Municipality have been made in accordance with written directions of such Participating Municipality or an Authorized Person or Authorized Persons as herein provided;
 - (2) the adequacy of the Managed Assets to meet and discharge any and all payments and liabilities in respect of a Participating Municipality; or
 - (3) the compliance by any Participating Municipality with the Act, the Regulation or any Municipal Legislation with respect to the formulation, adoption, or amendment of its IPS, or any decision with respect to additions or contributions to the Managed Assets or withdrawals from the Managed Assets or any other determination as to monies or investments which constitute Managed Assets;
- (b) be fully protected in acting upon any instrument, certificate or other writing believed by it to be genuine and to be signed or presented by an Authorized Person or Authorized Persons;
- (c) be under no duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained; and
- (d) be entitled to decline to take any actions unless it has clear instructions.

14.03 Reliance on Experts and Others.

ONE JIB may rely and act upon any statement, report or opinion prepared by or any advice received from the auditor of the ONE Investment Pools, solicitors or other professional advisers with respect to the Managed Assets and shall not be responsible or held liable for any loss or damage resulting from so relying or acting if the advice was within the area of professional competence of the person from whom it was received, ONE JIB acted in good faith in relying thereon, and the professional adviser was aware that ONE JIB was receiving the advice in its capacity as fiduciary with respect to the Managed Assets. ONE JIB shall in no way be responsible for, nor incur any liability based on, the action or failure to act or for acting pursuant to or in reliance on instructions of the Participating Municipality, a Custodian, Administrator, Payment Agent or External Portfolio Manager or any Agent to whom its responsibilities are properly delegated.

SECTION 15 - TERM AND TERMINATION

15.01 Termination of Agreement.

Two or more Founding Municipalities may dissolve ONE JIB if no other Participating Municipalities are investing through ONE JIB and each such Founding Municipality has effected one of the following alternatives:

- (a) entered into an agreement with another municipality that has established an Investment Board, that Investment Board and any other municipalities investing through that Investment Board to invest through that Investment Board;
- (b) entered into an agreement with the municipalities that have established a Joint Investment Board, that Joint Investment Board and any other municipalities investing through that Joint Investment Board, to invest through that Joint Investment Board; or
- (c) established an Investment Board on its own or established a Joint Investment Board with one or more other municipalities

and each such Founding Municipality has given the Investment Board or Joint Investment Board through which it will be investing the control and management of its investments by delegating to the board

- (d) the Founding Municipality's powers to make the investments; and
- (e) the Founding Municipality's duties under section 418.1 of the Act.

15.02 Participating Municipalities may not Dissolve ONE JIB.

Participating Municipalities do not, either alone or collectively, have the power to dissolve ONE JIB.

SECTION 16 - GENERAL

16.01 Notice.

- (a) **Address for notices.** Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be delivered or sent by registered mail, postage prepaid or email to the addresses or facsimile numbers set out in Schedule A in respect of each Participating Municipality and in the case of ONE JIB or ONE Investment to:

ONE Joint Investment Board
200 University Ave., Suite 801
Toronto, ON M5H 3C6
Attention: The Secretary with copy to the Chair
email: dkelly@oneinvestment.ca

ONE Investment
200 University Ave., Suite 801
Toronto, ON M5H 3C6
Attention: The Secretary - Treasurer
email: amajidi@amo.on.ca

Changes to the addresses and facsimile numbers may be made in the manner set out in this Section 16.01.

- (b) **Effective date.** Any such notice or other communication shall be deemed to have been given and received, if delivered, on the day of delivery (or, if the day is not a Banking Day, on the next following Banking Day) or, if mailed, on the second Banking Day following the day on which it is mailed. If a strike or lockout of postal employees is in effect or generally known to be impending on the date of mailing, any such notice or other communication shall be delivered and not sent by mail.

16.02 Application of the *Municipal Affairs Act*.

In the event that a Participating Municipality becomes subject to supervision under Part III of the *Municipal Affairs Act*, the duties and responsibilities of ONE JIB hereunder, in respect of such Participating Municipality, may be subject to the special jurisdiction and powers that can be exercised in respect of the Participating Municipality and ONE JIB as a local board of such Participating Municipality.

16.03 Further action.

Each party shall at all times promptly execute and deliver and cause to be executed and delivered such documents and take and cause to be taken such action as may be necessary or appropriate to give effect to the provisions of this Agreement.

16.04 Benefit.

This Agreement shall enure to the benefit of and be binding upon each party and their respective successors and permitted assigns.

16.05 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one Agreement.

16.06 Electronic Signatures.

This Agreement may be executed by the parties electronically in accordance with the *Electronic Commerce Act, 2000*, S.O. 2000, c. 17.

[Balance of page intentionally blank]

The parties have executed this Agreement on the dates set out below.

ONE JOINT INVESTMENT BOARD

DATE: _____

BY: _____
(Signature)

(Print Name)

BY: _____
(Signature)

(Print Name)

COUNTERPART OF

ONE JOINT INVESTMENT BOARD AGREEMENT

BY: [INSERT FULL LEGAL NAME OF APPLICANT MUNICIPALITY]

DATE: _____

BY: [HEAD OF COUNCIL]

(Signature)

(Print Name)

BY: [CLERK]

(Signature)

(Print Name)

**SCHEDULE A
PARTICIPATING MUNICIPALITIES
(INCLUDING ADDRESS FOR NOTICES)**

Town of Bracebridge

1000 Taylor Court
Bracebridge, ON P1L 1R6
ATTN: Director of Finance/Treasurer
Phone: (705) 645-6319 x262

Town of Innisfil

2101 Innisfil Beach Rd.
Innisfil, ON L9S 1A1
ATTN: Manager, Legal & Clerk Services/Clerk
Phone: (705) 436-3740 x1401
Email: lparkin@innisfil.ca

City of Kenora

1 Main Street South
Kenora, ON P9N 3X2
ATTN: Treasurer
Phone: (807) 467-2013

The Corporation of the City of Quinte West

7 Creswell Drive
Trenton, ON K8V 5R6
ATTN: Director of Finance/Treasurer
Phone: (613) 392-2841

Town of Whitby

575 Rossland Rd. E.
Whitby, ON L1N 2M8
ATTN: Commissioner,
Corporate Services/Treasurer
Phone: (905) 430-4314

Town of Huntsville

37 Main St. East
Huntsville, ON P1H 1A1
ATTN: Manager of Finance/Treasurer
Phone: (705) 789-1751 x2251

Municipality of Neebing

4766 Highway 61
Neebing, ON P7L 0B5
ATTN: Clerk-Treasurer
Phone: (807) 474-5331

The District Municipality of Muskoka

70 Pine Street
Bracebridge, ON P1L 1N3
ATTN: Commissioner,
Finance & Corporate Services
Phone: (705) 645-2100 x4255

City of Thunder Bay

500 Donald Street E.,
Thunder Bay, ON P7E 5K4
ATTN: City Clerk
Phone: (807) 625-2236

SCHEDULE B – 1
FORM OF APPLICANT/PARTICIPATING MUNICIPALITY
PRUDENT INVESTOR ENABLING BY-LAW FOR APPLICANT MUNICIPALITIES

[MUNICIPALITY FULL LEGAL NAME, INCLUDING THE CORPORATION OF THE XXXXX OR UPPER-TIER MUNICIPALITY FULL LEGAL NAME]

By-law Number [insert number]

A By-law of [Municipality full legal name, including The Corporation of the XXXX or Upper-tier Municipality full legal name] to authorize, as a Participating Municipality, the approval of the completed Municipal Client Questionnaire, the adoption of an Investment Policy Statement, the entering into of a Joint Investment Board Agreement through which Participating Municipalities will invest under the Prudent Investor Regime, the establishment of a Code of Conduct and the delegation to the Joint Investment Board of the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

WHEREAS section 418.1 of the *Municipal Act, 2001* (the “**Act**”) provides that effective January 1, 2019, a municipality may, pursuant to subsection 418.1 (2) of the Act, pass a by-law to have section 418.1 apply to the municipality (the “**Prudent Investor Enabling By-law**”);

AND WHEREAS pursuant to section 418.1 of the Act a municipality may invest money that it does not require immediately in any security provided that in doing so it exercises the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and that it satisfies the requirements prescribed for the purposes of section 418.1 on the day that the municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 3 of section 15 of O. Reg. 438/97 (Part II) (the “**Regulation**”) provides that a municipality may pass a Prudent Investor Enabling By-law under the authority of that paragraph if the municipality satisfies the requirement prescribed in that paragraph (the “**Prescribed Requirement**”) on the day such municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 3 of section 15 of the Regulation requires that before a municipality that intends to invest pursuant to section 418.1 of the Act through a Joint Investment Board that was established by other municipalities passes its Prudent Investor Enabling By-law it must have entered into an agreement with the Joint Investment Board and any other municipalities investing through the Joint Investment Board on the day the municipality passes its Prudent Investor Enabling By-law (individually such municipality is a “**Participating Municipality**”, collectively “**Participating Municipalities**”);

AND WHEREAS subsection 17 (3) of the Regulation provides that a Participating Municipality that satisfies the Prescribed Requirement may invest money and investments that it does not require immediately only by having a Joint Investment Board that meets the following criteria do so on its behalf: (i) the Joint Investment Board is the subject of an agreement referred to in paragraph 3 of section 15; and (ii) the Joint Investment Board has been given the control and management of the Participating Municipality’s money and investments, by the Participating Municipality delegating to the Joint Investment Board, a) the

Participating Municipality's powers to make the investments, and b) the Participating Municipality's duties under section 418.1 of the Act;

AND WHEREAS section 18 of the Regulation provides that the council of a municipality shall adopt and maintain an investment policy in relation to investing under section 418.1 of the Act;

AND WHEREAS the treasurer of The Corporation of the [insert name of the relevant Participating Municipality] (the "**Municipality**") completed a draft Municipal Client Questionnaire, in the form attached hereto as Schedule "A" (the "**Municipal Client Questionnaire**") and prepared the draft investment policy statement attached hereto as Schedule "B", which is referred to as its Investment Policy Statement (the "**IPS**") and the Municipality intends to approve the completed draft Municipal Client Questionnaire and adopt the IPS, in accordance with section 18 of the Regulation;

AND WHEREAS effective on May 19, 2020 The Corporation of the Town of Bracebridge, The Corporation of the Town of Huntsville, The Corporation of the Town of Innisfil, The Corporation of the City of Kenora, The District Municipality of Muskoka and The Corporation of the Town of Whitby (collectively the "**Founding Municipalities**") established a Joint Investment Board pursuant to an Initial Formation Agreement as a joint municipal service board pursuant to section 202 of the Act (the "**Initial Formation Agreement**"), which Joint Investment Board is called ONE Joint Investment Board ("**ONE JIB**") and all of the Founding Municipalities agreed under the Initial Formation Agreement to invest through ONE JIB;

AND WHEREAS ONE JIB and the Founding Municipalities have entered into an agreement that provides that ONE JIB will invest on behalf of the Founding Municipalities under that agreement and that ONE JIB will also invest under that agreement for other Ontario municipalities, as Participating Municipalities, from time to time (the "**ONE JIB Agreement**") on the basis that: (i) before any new Participating Municipality passes its Prudent Investor Enabling By-law it will have entered into the ONE JIB Agreement with ONE JIB and with all of the other Participating Municipalities on the day such new Participating Municipality passes its Prudent Investor Enabling By-law; and (ii) ONE JIB has met the criteria set out in subsection 17 (3) of the Regulation, and will, in accordance with section 418.1 of the Act, the Regulation and the ONE JIB Agreement, invest on behalf of the Participating Municipalities;

AND WHEREAS pursuant to the ONE JIB Agreement, all Participating Municipalities, including the Founding Municipalities, consent to other municipalities that comply with the applicable requirements and criteria under the Act and the Regulation entering into the ONE JIB Agreement from time to time;

AND WHEREAS ONE JIB is subject to all applicable provisions of the Act, including having a code of conduct established by the councils of each of the municipalities for which it is a local board and by having an Integrity Commissioner and Closed Meeting Investigator appointed by the councils of the municipalities for which it is a local board. It has been determined that it would be prudent to have one code of conduct, one Integrity Commissioner and one Closed Meeting Investigator for ONE JIB, rather than one from each of the Founding Municipalities and one from each of the other municipalities that subsequently enter into the ONE JIB Agreement;

AND WHEREAS each of the Founding Municipalities pursuant to an Authorizing By-law that is substantially the same as this By-law, established the code of conduct that is attached to the ONE JIB Agreement as part of the Terms of Reference as the code of conduct for ONE JIB (the "**Code of Conduct**") and authorized ONE JIB to make future changes to the Code of Conduct;

AND WHEREAS the Founding Municipalities directed ONE Investment to undertake a Request for Proposals (“RFP”) process to retain the services of both an Integrity Commissioner and a Closed Meeting Investigator for ONE JIB. The ONE JIB Secretary worked with ONE Investment staff and two representatives of the Founding Municipalities’ municipal clerks in connection with the RFP process. The results were shared with the Founding Municipalities. Thereafter the recommended candidate(s) were submitted to ONE JIB for its consideration and ONE JIB appointed the recommended candidate(s) as its Integrity Commissioner and its Closed Meeting Investigator;

AND WHEREAS each Founding Municipality pursuant to an Authorizing By-law that is substantially the same as this By-law, delegated to ONE JIB the authority to appoint its initial Integrity Commissioner and its initial Closed Meeting Investigator and their respective successors, from time to time, in accordance with the process set out in the Terms of Reference which form part of the ONE JIB Agreement;

AND WHEREAS the Municipality is required to have entered into the ONE JIB Agreement before the Municipality can pass its Prudent Investor Enabling By-law;

AND WHEREAS after ONE JIB confirms its acceptance of the Municipality as a Participating Municipality under the ONE JIB Agreement, ONE JIB and the Municipality will agree upon an effective date for the ONE JIB Agreement vis à vis the Municipality as a Participating Municipality and such effective date will be the effective date of the Municipality’s authorization of the application of section 418.1 of the Act to it, which effective date will also be known as the “**Prudent Effective Date**”;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE MUNICIPALITY OF XXXX, AS A PARTICIPATING MUNICIPALITY, HEREBY ENACTS AS FOLLOWS:

1. The Municipality hereby ratifies, confirms and approves the completion and execution by the treasurer of the Municipal Client Questionnaire for and on behalf of the Municipality.
2. The Municipality hereby adopts the IPS and hereby acknowledges and agrees that control and management of its money and investments that it does not require immediately will be given to ONE JIB pursuant to the ONE JIB Agreement as at the Prudent Effective Date.
3. The Municipality hereby authorizes the entering into of the ONE JIB Agreement after ONE JIB has accepted the Municipality as a Participating Municipality under the ONE JIB Agreement substantially in the form attached hereto as Schedule “C” pursuant to which ONE JIB is given the control and management of the Municipality’s money and investments that it does not require immediately together with that of all of the Participating Municipalities as at the day this By-law is passed by each such municipality delegating to ONE JIB its power to make investments and its duties under section 418.1 of the Act with an effective date that is the Municipality’s Prudent Effective Date and the [head of council] and the treasurer are hereby authorized to execute the ONE JIB Agreement for and on behalf of the Municipality.
4. Pursuant to the ONE JIB Agreement which the Municipality has authorized under this By-law, the Municipality will establish the Code of Conduct for ONE JIB as a local board of the Municipality on the basis that each municipality that invests through ONE JIB will similarly establish the Code of Conduct for ONE JIB in its capacity as a local board of that municipality and the Municipality authorizes ONE JIB to make future changes to the Code of Conduct without further approval from the Municipality.
5. In accordance with the process for appointing an Integrity Commissioner and a Closed Meeting Investigator and their successors from time to time that is described in the Terms of Reference which form

part of the ONE JIB Agreement the Municipality hereby delegates to ONE JIB the authority to appoint its initial Integrity Commissioner and its initial Closed Meeting Investigator and their respective successors from time to time.

6. The delegation to ONE JIB of the power to appoint an initial Integrity Commissioner and an initial Closed Meeting Investigator and their successors will not be revoked prior to the end of the term of the council of the Municipality that made such delegations. These delegations may be revoked at any time thereafter. These delegations remain in effect unless and until such revocation occurs.

7. The Municipality hereby authorizes the application of section 418.1 of the Act to it on the basis that the effective date of the ONE JIB Agreement vis à vis the Municipality as a Participating Municipality will be the same date as the Prudent Effective Date described in this By-law.

8. Any one or more of the [head of council], the treasurer and the clerk are, for and on behalf of the Municipality, each hereby authorized to do all things and to execute all other documents, instruments and papers in the name of the Municipality necessary or desirable to give control and management of its money and investments that it does not require immediately to ONE JIB and to deliver all documents, instruments and papers as required and as authorized by this By-law and such execution shall be conclusive evidence that such documents, instruments and papers so executed are the documents, instruments and papers authorized by this By-law.

9. Sections 1 to 6 inclusive and section 8 of this By-law shall take effect on the day of passing and section 7 of this By-law shall take effect on the Municipality's Prudent Effective Date.

ENACTED and PASSED this [COUNCIL MEETING DATE]

[PRINT NAME XXXXX]

[PRINT NAME XXXXX]

[HEAD OF COUNCIL XXXXX]

[CLERK XXXXX]

SCHEDULE B – 2
FORM OF APPLICANT/PARTICIPATING MUNICIPALITY PRUDENT INVESTOR
AUTHORIZING BY-LAW-PARTICIPATING MUNICIPALITY (CONSOLIDATED)

**[MUNICIPALITY FULL LEGAL NAME, INCLUDING THE CORPORATION OF THE XXXXX OR UPPER-TIER
MUNICIPALITY FULL LEGAL NAME]**

By-law Number **[insert number]**

A By-law of **[Municipality full legal name, including
The Corporation of the XXXX or Upper-tier Municipality full legal name]**
to authorize, as a Participating Municipality, the approval of
the completed Municipal Client Questionnaire,
the adoption of an Investment Policy Statement,
the entering into of a Joint Investment Board Agreement
through which Participating Municipalities will invest
under the Prudent Investor Regime,
the establishment of a Code of Conduct for the Joint Investment Board and
the delegation to the Joint Investment Board of the authority
to appoint its Integrity Commissioner and its Closed Meeting Investigator.

WHEREAS section 418.1 of the *Municipal Act, 2001* (the “**Act**”) provides that effective January 1, 2019, a municipality may, pursuant to subsection 418.1 (2) of the Act, pass a by-law to have section 418.1 apply to the municipality (the “**Prudent Investor Enabling By-law**”);

AND WHEREAS pursuant to section 418.1 of the Act a municipality may invest money that it does not require immediately in any security provided that in doing so it exercises the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and that it satisfies the requirements prescribed for the purposes of section 418.1 on the day that the municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 3 of section 15 of O. Reg. 438/97 Part II (the “**Regulation**”) provides that a municipality may pass a Prudent Investor Enabling By-law under the authority of that paragraph if the municipality satisfies the requirement prescribed in that paragraph (the “**Prescribed Requirement**”) before the day such municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 3 of section 15 of the Regulation requires that before a municipality that intends to invest pursuant to section 418.1 of the Act through a Joint Investment Board that was established by other municipalities passes its Prudent Investor Enabling By-law it must have entered into an agreement with the Joint Investment Board and any other municipalities investing through the Joint Investment Board on the day the municipality passes its Prudent Investor Enabling By-law (individually such municipality is a “**Participating Municipality**”, collectively “**Participating Municipalities**”);

AND WHEREAS subsection 17 (3) of the Regulation provides that a Participating Municipality that satisfies the Prescribed Requirement may invest money and investments that it does not require immediately only by having a Joint Investment Board that meets the following criteria do so on its behalf: (i) the Joint Investment Board is the subject of an agreement referred to in paragraph 3 of section 15; and (ii) the Joint Investment Board has been given the control and management of the Participating Municipality’s money and investments, by the Participating Municipality delegating to the Joint Investment Board, a) the

Participating Municipality's powers to make the investments, and b) the Participating Municipality's duties under section 418.1 of the Act;

AND WHEREAS effective on May 19, 2020 The Corporation of the Town of Bracebridge, The Corporation of the Town of Huntsville, The Corporation of the Town of Innisfil, The Corporation of the City of Kenora, The District Municipality of Muskoka and The Corporation of the Town of Whitby (collectively the "**Founding Municipalities**") established a Joint Investment Board pursuant to an Initial Formation Agreement as a joint municipal service board (under the Act a municipal service board is a local board of the municipality for all purposes) pursuant to section 202 of the Act (the "**Initial Formation Agreement**"), which Joint Investment Board is called ONE Joint Investment Board ("**ONE JIB**") and all of the Founding Municipalities agreed under the Initial Formation Agreement to invest through ONE JIB;

AND WHEREAS ONE JIB and the Founding Municipalities have entered into an agreement that provides that ONE JIB will invest on behalf of the Founding Municipalities under that agreement and that ONE JIB will also invest under that agreement for other Ontario municipalities, as Participating Municipalities, from time to time (the "**ONE JIB Agreement**") on the basis that: (i) before any new Participating Municipality passes its Prudent Investor Enabling By-law it will have entered into the ONE JIB Agreement with ONE JIB and with all of the other Participating Municipalities on the day such new Participating Municipality passes its Prudent Investor Enabling By-law; and (ii) ONE JIB has met the criteria set out in subsection 17 (3) of the Regulation, and will, in accordance with section 418.1 of the Act, the Regulation and the ONE JIB Agreement, invest on behalf of the Participating Municipalities;

AND WHEREAS pursuant to the ONE JIB Agreement, all Participating Municipalities, including the Founding Municipalities, consent to other municipalities that comply with the applicable requirements and criteria under the Act and the Regulation entering into the ONE JIB Agreement from time to time;

AND WHEREAS ONE JIB is subject to all applicable provisions of the Act, including having a code of conduct established by the councils of each of the municipalities for which it is a local board and by having an Integrity Commissioner and Closed Meeting Investigator appointed by the councils of the municipalities for which it is a local board. It has been determined that it would be prudent to have one code of conduct, one Integrity Commissioner and one Closed Meeting Investigator for ONE JIB, rather than one from each of the Founding Municipalities and one from each of the other municipalities that subsequently enter into the ONE JIB Agreement; AND WHEREAS each of the Founding Municipalities pursuant to an Authorizing By-law that is substantially the same as this By-law, established the code of conduct that is attached to the ONE JIB Agreement as part of the Terms of Reference as the code of conduct for ONE JIB (the "**Code of Conduct**") and authorized ONE JIB to make future changes to the Code of Conduct;

AND WHEREAS the Founding Municipalities directed ONE Investment to undertake a Request for Proposals ("**RFP**") process to retain the services of both an Integrity Commissioner and a Closed Meeting Investigator for ONE JIB. The ONE JIB Secretary worked with ONE Investment staff and two representatives of the Founding Municipalities' municipal clerks in connection with the RFP process. The results were shared with the Founding Municipalities. Thereafter the recommended candidate(s) were submitted to ONE JIB for its consideration and ONE JIB appointed the recommended candidate(s) as its Integrity Commissioner and its Closed Meeting Investigator;

AND WHEREAS each Founding Municipality pursuant to an Authorizing By-law that is substantially the same as this By-law, delegated to ONE JIB the authority to appoint its initial Integrity Commissioner and

its initial Closed Meeting Investigator and their respective successors, from time to time, in accordance with the process set out in the Terms of Reference which form part of the ONE JIB Agreement;

AND WHEREAS [Municipality full legal name, including The Corporation of xxxx or Upper-tier Municipality full legal name] the “Municipality” would like to invest under section 418.1 of the Act through ONE JIB and section 18 of the Regulation provides that the council of a municipality shall adopt and maintain an investment policy in relation to investing under section 418.1 of the Act;

AND WHEREAS the treasurer of the Municipality completed a draft Municipal Client Questionnaire, in the form attached hereto as Schedule “A” (the “Municipal Client Questionnaire”) and prepared the draft investment policy statement attached hereto as Schedule “B”, which is referred to as its Investment Policy Statement (the “IPS”) and the Municipality intends to approve the completed draft Municipal Client Questionnaire and adopt the IPS, in accordance with section 18 of the Regulation;

AND WHEREAS the Municipality is required to have entered into the ONE JIB Agreement before the Municipality can pass its Prudent Investor Enabling By-law;

AND WHEREAS after ONE JIB confirms its acceptance of the Municipality as a Participating Municipality under the ONE JIB Agreement, the Municipality will enter into the ONE JIB Agreement, thereafter ONE JIB and the Municipality will agree on an effective date for the ONE JIB Agreement vis-à-vis the Municipality as a Participating Municipality and by a separate by-law the Municipality will authorize such effective date as the effective date of the Municipality’s authorization of the application of section 418.1 of the Act to it, which effective date will also be known as the “Prudent Effective Date”;

NOW THEREFORE THE COUNCIL OF [THE CORPORATION OF THE MUNICIPALITY OF XXXX], AS A PARTICIPATING MUNICIPALITY, HEREBY ENACTS AS FOLLOWS:

1. The Municipality hereby ratifies, confirms and approves the completion and execution by the treasurer of the Municipal Client Questionnaire for and on behalf of the Municipality.
2. The Municipality hereby adopts the IPS and hereby acknowledges and agrees that control and management of its money and investments that it does not require immediately will be given to ONE JIB pursuant to the ONE JIB Agreement as at the Prudent Effective Date.
3. The Municipality hereby authorizes the entering into of the ONE JIB Agreement after ONE JIB has accepted the Municipality as a Participating Municipality under the ONE JIB Agreement substantially in the form attached hereto as Schedule “C” pursuant to which ONE JIB is given the control and management of the Municipality’s money and investments that it does not require immediately together with that of all of the Participating Municipalities as at the day the Municipality’s Prudent Investor Enabling By-law is passed by each such municipality delegating to ONE JIB its power to make investments and its duties under section 418.1 of the Act. Thereafter ONE JIB and the Municipality will determine an effective date for the ONE JIB Agreement vis-à-vis the Municipality as a Participating Municipality and such effective date will also constitute the Municipality’s Prudent Effective Date and the [head of council] and the treasurer are hereby authorized to execute the ONE JIB Agreement for and on behalf of the Municipality.
4. Pursuant to the ONE JIB Agreement which the Municipality has authorized under this By-law, the Municipality will establish the Code of Conduct for ONE JIB as a local board of the Municipality on the basis that each municipality that invests through ONE JIB will similarly establish the Code of Conduct for

ONE JIB in its capacity as a local board of that municipality and the Municipality authorizes ONE JIB to make future changes to the Code of Conduct without further approval from the Municipality.

5. In accordance with the process for appointing an Integrity Commissioner and a Closed Meeting Investigator and their successors from time to time that is described in the Terms of Reference which form part of the ONE JIB Agreement the Municipality hereby delegates to ONE JIB the authority to appoint its initial Integrity Commissioner and its initial Closed Meeting Investigator and their respective successors from time to time.

6. The delegation to ONE JIB of the power to appoint an initial Integrity Commissioner and an initial Closed Meeting Investigator and their successors will not be revoked prior to the end of the term of the council of the Municipality that made such delegations. These delegations may be revoked at any time thereafter. These delegations remain in effect unless and until such revocation occurs.

7. Any one or more of the **[head of council]**, the treasurer and the clerk are, for and on behalf of the Municipality, each hereby authorized to do all things and to execute all other documents, instruments and papers in the name of the Municipality necessary or desirable to give control and management of its money and investments that it does not require immediately to ONE JIB and to deliver all documents, instruments and papers as required and as authorized by this By-law and such execution shall be conclusive evidence that such documents, instruments and papers so executed are the documents, instruments and papers authorized by this By-law.

8. This By-law shall take effect on the day of passing.

ENACTED and PASSED this **[COUNCIL MEETING DATE]**

[PRINT NAME XXXXX]

[PRINT NAME XXXXX]

[HEAD OF COUNCIL XXXXX]

[CLERK XXXXX]

SCHEDULE B – 3
FORM OF APPLICANT/PARTICIPATING MUNICIPALITY
PRUDENT INVESTOR ENABLING BY-LAW FOR APPLICANT MUNICIPALITIES

[MUNICIPALITY FULL LEGAL NAME, INCLUDING THE CORPORATION OF THE XXXXX OR UPPER-TIER MUNICIPALITY FULL LEGAL NAME]

By-law Number **[insert number]**
A By-law of **[Municipality full legal name, including The Corporation of the XXXX or Upper-tier Municipality full legal name]** to
authorize the application of
section 418.1 of the *Municipal Act, 2001* to it,
as a Participating Municipality.

WHEREAS section 418.1 of the *Municipal Act, 2001* (the “**Act**”) provides that effective January 1, 2019 a municipality may, pursuant to subsection 418.1 (2) of the Act, pass a by-law to have section 418.1 apply to the municipality (the “**Prudent Investor Enabling By-law**”);

AND WHEREAS pursuant to section 418.1 of the Act a municipality may invest money that it does not require immediately in any security provided that in doing so it exercises the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and that it satisfies the requirements prescribed for the purposes of section 418.1 on the day that the municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 3 of section 15 of O. Reg. 438/97 Part II (the “**Regulation**”) provides that a municipality may pass a Prudent Investor Enabling By-law under the authority of that paragraph if the municipality satisfies the requirement prescribed in that paragraph (the “**Prescribed Requirement**”) before the day such municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS the Prescribed Requirement requires that before a municipality that intends to invest pursuant to section 418.1 of the Act through a Joint Investment Board that was established by other municipalities passes its Prudent Investor Enabling By-law it must have entered into an agreement with the Joint Investment Board and any other municipalities investing through the Joint Investment Board on the day the municipality passes its Prudent Investor Enabling By-law (individually such municipality is a “**Participating Municipality**”, collectively “**Participating Municipalities**”);

AND WHEREAS subsection 17 (3) of the Regulation provides that a Participating Municipality that satisfies the Prescribed Requirement may invest money and investments that it does not require immediately only by having a Joint Investment Board that meets the following criteria do so on its behalf: (i) the Joint Investment Board is the subject of an agreement referred to in paragraph 3 of section 15; and (ii) the Joint Investment Board has been given the control and management of the Participating Municipality’s money and investments, by the Participating Municipality delegating to the Joint Investment Board, a) the Participating Municipality’s powers to make the investments, and b) the Participating Municipality’s duties under section 418.1 of the Act;

AND WHEREAS effective on May 19, 2020 The Corporation of the Town of Bracebridge, The Corporation of the Town of Huntsville, The Corporation of the Town of Innisfil, The Corporation of the City of Kenora,

The District Municipality of Muskoka and The Corporation of the Town of Whitby (collectively the “**Founding Municipalities**”) established a Joint Investment Board pursuant to an Initial Formation Agreement as a joint municipal service board pursuant to section 202 of the Act (the “**Initial Formation Agreement**”), which Joint Investment Board is called ONE Joint Investment Board (“**ONE JIB**”) and all of the Founding Municipalities agreed under the Initial Formation Agreement to invest through ONE JIB;

AND WHEREAS ONE JIB and the Founding Municipalities have entered into an agreement that provides that ONE JIB will invest on behalf of the Founding Municipalities under that agreement and that ONE JIB will also invest under that agreement for other Ontario municipalities, as Participating Municipalities, from time to time (the “**ONE JIB Agreement**”) on the basis that: (i) before any new Participating Municipality passes its Prudent Investor Enabling By-law it will have entered into the ONE JIB Agreement with ONE JIB and with all of the other Participating Municipalities on the day such new Participating Municipality passes its Prudent Investor Enabling By-law; and (ii) ONE JIB has met the criteria set out in subsection 17 (3) of the Regulation, and will, in accordance with section 418.1 of the Act, the Regulation and the ONE JIB Agreement, invest on behalf of the Participating Municipalities;

AND WHEREAS pursuant to the ONE JIB Agreement, all Participating Municipalities, including the Founding Municipalities, consent to other municipalities that comply with the applicable requirements and criteria under the Act and the Regulation entering into the ONE JIB Agreement from time to time;

AND WHEREAS each of the Founding Municipalities and ONE JIB have agreed that the effective date of the ONE JIB Agreement for each Founding Municipality and of the application of section 418.1 of the Act to each Founding Municipality is July 2, 2020.

AND WHEREAS [Municipality full legal name, including The Corporation of **xxxx** or Upper-tier Municipality full legal name] the “**Municipality**” would like to invest under section 418.1 of the Act through ONE JIB, the Municipality passed an Authorizing Bylaw pursuant to which, among other things, it authorized the entering into of the ONE JIB Agreement as a Participating Municipality, ONE JIB has confirmed its acceptance of the Municipality as a Participating Municipality under the ONE JIB Agreement, the Municipality subsequently executed the ONE JIB Agreement as a Participating Municipality and thereafter ONE JIB and the Municipality agreed on an effective date for the ONE JIB Agreement vis-à-vis the Municipality which effective date will also be the Municipality’s effective date for its authorization of the application of section 418.1 of the Act to it, which effective date will be known as the “Prudent Effective Date”.

NOW THEREFORE THE COUNCIL OF **[THE CORPORATION OF THE MUNICIPALITY OF XXXX]**, AS A PARTICIPATING MUNICIPALITY, HEREBY ENACTS AS FOLLOWS:

1. The Municipality hereby declares that section 418.1 of the Act applies to it as at the Prudent Effective Date on the basis that the ONE JIB Agreement which has already been executed by the Municipality as a Participating Municipality will have an effective date that is the same as the Municipality’s effective date for its authorization of the application of section 418.1 of the Act to it, i.e. the Prudent Effective Date.
2. Any one or more of the [head of council], the treasurer and the clerk are, for and on behalf of the Municipality, each hereby authorized to do all things and to execute all other documents, instruments and papers in the name of the Municipality necessary or desirable to give control and management of its money and investments that it does not require immediately to ONE JIB as authorized by the ONE JIB Agreement as at the Prudent Effective Date and to deliver all documents, instruments and papers as

required and as authorized by this By-law and such execution shall be conclusive evidence that such documents, instruments and papers so executed are the documents, instruments and papers authorized by this By-law.

3. This By-law takes effect on the Prudent Effective Date (, 20) for purposes of the ONE JIB Agreement and this By-law.

ENACTED and PASSED this **[COUNCIL MEETING DATE]**

[PRINT NAME XXXXX]

[PRINT NAME XXXXX]

[HEAD OF COUNCIL XXXXX]

[CLERK XXXXX]

SCHEDULE B – 4
FORM OF FOUNDING MUNICIPALITY
AUTHORIZING BY-LAW

[MUNICIPALITY FULL LEGAL NAME, INCLUDING THE CORPORATION OF THE XXXX OR UPPER-TIER MUNICIPALITY FULL LEGAL NAME]

A By-law of **[Municipality full legal name, including The Corporation of the XXXX or Upper-tier Municipality full legal name]** to authorize, as a Founding Municipality, the entering into of the Initial Formation Agreement pursuant to which a Joint Investment Board will be established and through which all of the Founding Municipalities will invest, the approval of the completed Municipal Client Questionnaire, the adoption of an Investment Policy Statement and the entering into of a Joint Investment Board Agreement through which Participating Municipalities will invest under the Prudent Investor Regime, the establishment of a Code of Conduct for the Joint Investment Board and the delegation to the Joint Investment Board of the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

WHEREAS section 418.1 of the *Municipal Act, 2001* (the “**Act**”) provides that effective January 1, 2019 a municipality may, pursuant to subsection 418.1 (2) of the Act, pass a by-law to have section 418.1 apply to the municipality (the “**Prudent Investor Enabling By-law**”);

AND WHEREAS pursuant to section 418.1 of the Act a municipality may invest money that it does not require immediately in any security provided that in doing so it exercises the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and that it satisfies the requirements prescribed for the purposes of section 418.1 on the day that the municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 2 of section 15 of O. Reg. 438/97 (Part II) (the “**Regulation**”) provides that a municipality may pass a Prudent Investor Enabling By-law under the authority of that paragraph if the municipality satisfies the requirement prescribed in that paragraph (the “**Prescribed Requirement**”) on the day such municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 2 of section 15 of the Regulation requires a municipality that intends to invest pursuant to section 418.1 of the Act through a Joint Investment Board, together with one or more other municipalities (individually a “**Founding Municipality**”, collectively the “**Founding Municipalities**”), to have entered into an agreement to establish and invest through a Joint Investment Board established pursuant to section 202 of the Act and also requires all of the Founding Municipalities to have, in the opinion of each of their treasurers, a combined total of at least \$100,000,000 in money and investments that the Founding Municipalities do not require immediately;

AND WHEREAS subsection 17 (2) of the Regulation provides that a Founding Municipality that satisfies the Prescribed Requirement may invest money and investments that it does not require immediately only by having a Joint Investment Board that meets the following criteria do so on its behalf: (i) the Joint

Investment Board is the subject of an agreement referred to in paragraph 2 of section 15; and (ii) the Joint Investment Board has been given the control and management of the Founding Municipality's money and investments that it does not require immediately, together with that of all the other Founding Municipalities that are party to the agreement referred to under paragraph 2 of section 15, by each Founding Municipality delegating to the Joint Investment Board a) the Founding Municipality's powers to make the investments, and b) the Founding Municipality's duties under section 418.1 of the Act;

AND WHEREAS section 18 of the Regulation provides that the council of a municipality shall adopt and maintain an investment policy in relation to investing under section 418.1 of the Act;

AND WHEREAS the treasurer of The Corporation of the [insert name of the relevant Founding Municipality and delete the name of the relevant Founding Municipality from the list in the next recital] (the "**Municipality**") completed a draft Municipal Client Questionnaire in the form attached hereto as Schedule "A" (the "**Municipal Client Questionnaire**") and prepared the draft investment policy statement attached hereto as Schedule "B" which is referred to as its Investment Policy Statement (the "**IPS**") and the Municipality intends to approve the completed draft Municipal Client Questionnaire and adopt the IPS in accordance with section 18 of the Regulation;

AND WHEREAS [The Corporation of the Town of Bracebridge, The Corporation of the Town of Huntsville, The Corporation of the Town of Innisfil, The Corporation of the City of Kenora, The District Municipality of Muskoka and The Corporation of the Town of Whitby] and the Municipality have expressed an interest in being Founding Municipalities and in entering into an Initial Formation Agreement in the form attached hereto as Schedule "C" (the "**Initial Formation Agreement**") pursuant to which a Joint Investment Board will be established as a joint municipal service board pursuant to section 202 of the Act, which Joint Investment Board will be called ONE Joint Investment Board ("**ONE JIB**"), through which all of the Founding Municipalities will invest their money and investments that they do not require immediately and pursuant to which the Founding Municipalities will appoint the initial members of ONE JIB;

AND WHEREAS all of the Founding Municipalities have agreed that on or before May 1, 2020 they will have passed a by-law in a form substantially the same as this By-law that, among other things, authorizes the entering into of the Initial Formation Agreement with an effective date of May 19, 2020 (the "**JIB Effective Date**");

AND WHEREAS as at the JIB Effective Date all of the Founding Municipalities will have, in the opinion of each of their treasurers, a combined total of at least \$100,000,000 in money and investments that they do not require immediately;

AND WHEREAS on May 19, 2020 after the conclusion of the orientation meeting for the individuals appointed under the Initial Formation Agreement ONE JIB will commence its initial meeting during which it will authorize ONE JIB to enter into the ONE Joint Investment Board Agreement substantially in the form attached as Schedule "D" hereto (the "**ONE JIB Agreement**") that provides that ONE JIB will invest on behalf of the Founding Municipalities on the basis that the Founding Municipalities have met the Prescribed Requirement and the criteria set out in subsection 17 (2) of the Regulation and that ONE JIB will also invest on behalf of other Ontario municipalities that may subsequently enter into such agreement provided that they meet the requirement set out in paragraph 3 of section 15 of the Regulation and the criteria set out in subsection 17 (3) of the Regulation;

AND WHEREAS by entering into the ONE JIB Agreement the Founding Municipalities, and all other municipalities subsequently entering into the ONE JIB Agreement, thereby consent to any other

municipalities entering into the ONE JIB Agreement provided that they comply with the applicable requirements and criteria under the Act and the Regulation;

AND WHEREAS ONE JIB is subject to all applicable provisions of the Act, including having a code of conduct established by the councils of each of the municipalities for which it is a local board and by having an Integrity Commissioner and Closed Meeting Investigator appointed by the councils of the municipalities for which it is a local board. It has been determined that it would be prudent to have one code of conduct, one Integrity Commissioner and one Closed Meeting Investigator for ONE JIB, rather than one from each of the Founding Municipalities and one from each of the other municipalities that subsequently enter into the ONE JIB Agreement;

AND WHEREAS each of the Founding Municipalities will, pursuant to an Authorizing By-law that is substantially the same as this By-law, establish the code of conduct that is attached to the ONE JIB Agreement as part of the Terms of Reference as the code of conduct for ONE JIB (the “**Code of Conduct**”) and will authorize ONE JIB to make future changes to the Code of Conduct;

AND WHEREAS the Founding Municipalities directed ONE Investment to undertake a Request for Proposals (“**RFP**”) process to retain the services of both an Integrity Commissioner and a Closed Meeting Investigator for ONE JIB. The ONE JIB Secretary worked with ONE Investment staff and two representatives of the Founding Municipalities’ municipal clerks in connection with the RFP process. The results were shared with the Founding Municipalities. The recommended candidate(s) will be submitted to ONE JIB during its initial meeting for its consideration;

AND WHEREAS each Founding Municipality will, pursuant to an Authorizing By-law that is substantially the same as this By-law, delegate to ONE JIB the authority to appoint its initial Integrity Commissioner and its initial Closed Meeting Investigator, and their respective successors from time to time, in accordance with the process set out in the Terms of Reference which form part of the ONE JIB Agreement;

AND WHEREAS each of the Founding Municipalities and ONE JIB are required by the Act to have entered into the ONE JIB Agreement before any Founding Municipality can pass its Prudent Investor Enabling By-law;

AND WHEREAS after each of the Founding Municipalities has executed the ONE JIB Agreement, each Founding Municipality will advise the other Founding Municipalities and ONE JIB that it has done so and will thereafter pass its Prudent Investor Enabling By-law on or before June 30, 2020. The effective date of the ONE JIB Agreement and of the Prudent Investor Enabling By-law will be July 2, 2020 (the “**Prudent Effective Date**”);

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE MUNICIPALITY OF XXXX, AS A FOUNDING MUNICIPALITY, HEREBY ENACTS AS FOLLOWS:

1. The Municipality hereby ratifies, confirms and approves the completion and the execution by the treasurer of the Municipal Client Questionnaire for and on behalf of the Municipality.
2. The Municipality hereby immediately authorizes the entering into of the Initial Formation Agreement with May 19, 2020 as its effective date, which date is the JIB Effective Date and the [head of council] and the treasurer are hereby authorized to execute the Initial Formation Agreement for and on behalf of the Municipality.

3. The Municipality hereby adopts the IPS and hereby acknowledges and agrees that control and management of its money and investments that it does not require immediately as set out in the IPS will be given to ONE JIB pursuant to the ONE JIB Agreement as at the Prudent Effective Date (July 2, 2020).

4. The Municipality hereby authorizes the entering into of the ONE JIB Agreement after ONE JIB has executed the ONE JIB Agreement and before the Municipality passes its Prudent Investor Enabling By-law substantially in the form attached hereto as Schedule "D" pursuant to which ONE JIB is given the control and management of the Municipality's money and investments that it does not require immediately, together with that of all other Founding Municipalities, by each such municipality delegating to ONE JIB its power to make investments and its duties under section 418.1 of the Act with an effective date that is the Prudent Effective Date and the [head of council] and the treasurer are hereby authorized to execute and deliver the ONE JIB Agreement for and on behalf of the Municipality with such additions and amendments thereto and such deletions therefrom [as may be approved by-insert required additional approvals, if any] such approval to be conclusively evidenced by the [head of council's] and the treasurer's execution thereof .

5. Pursuant to the ONE JIB Agreement which the Municipality has authorized under this By-law, the Municipality will establish the Code of Conduct for ONE JIB as a local board of the Municipality on the basis that each municipality that invests through ONE JIB will similarly establish the Code of Conduct for ONE JIB in its capacity as a local board of that municipality and the Municipality authorizes ONE JIB to make future changes to the Code of Conduct without further approval from the Municipality.

6. In accordance with the process for appointing an Integrity Commissioner and a Closed Meeting Investigator and their successors from time to time that is described in the Terms of Reference which form part of the ONE JIB Agreement the Municipality hereby delegates to ONE JIB the authority to appoint its initial Integrity Commissioner and its initial Closed Meeting Investigator and their respective successors from time to time.

7. The delegation to ONE JIB of the power to appoint an initial Integrity Commissioner and an initial Closed Meeting Investigator and their successors will not be revoked prior to the end of the term of the council of the Municipality that made such delegations. These delegations may be revoked at any time thereafter. These delegations remain in effect unless and until such revocation occurs.

8. Any one or more of the [head of council], the treasurer and the clerk are, for and on behalf of the Municipality, each hereby authorized to do all things and to execute all other documents, instruments and papers in the name of the Municipality necessary or desirable to give control and management of its money and investments that it does not require immediately to ONE JIB and to deliver all documents, instruments and papers as required and as authorized by this By-law and such execution shall be conclusive evidence that such documents, instruments and papers so executed are the documents, instruments and papers authorized by this By-law.

9. This By-law takes effect on the day of passing.

ENACTED and PASSED this **[COUNCIL MEETING DATE]**

[PRINT NAME XXXXX]

[PRINT NAME XXXXX]

[HEAD OF COUNCIL XXXXX]

[CLERK XXXXX]

SCHEDULE B – 5
FORM OF FOUNDING MUNICIPALITY
PRUDENT INVESTOR ENABLING BY-LAW

[MUNICIPALITY FULL LEGAL NAME, INCLUDING THE CORPORATION OF THE XXXXX OR UPPER-TIER MUNICIPALITY FULL LEGAL NAME]

By-law Number **[insert number]**

A By-law of **[Municipality full legal name, including The Corporation of the XXXX or Upper-tier Municipality full legal name]** to authorize the application of section 418.1 of the *Municipal Act, 2001* to it, as a Founding Municipality.

WHEREAS section 418.1 of the *Municipal Act, 2001* (the “**Act**”) provides that effective January 1, 2019 a municipality may, pursuant to subsection 418.1 (2) of the Act, pass a by-law to have section 418.1 apply to the municipality (the “**Prudent Investor Enabling By-law**”);

AND WHEREAS pursuant to section 418.1 of the Act a municipality may invest money that it does not require immediately in any security provided that in doing so it exercises the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and that it satisfies the requirements prescribed for the purposes of section 418.1 on the day that the municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS paragraph 2 of section 15 of O. Reg. 438/97 (Part II) (the “**Regulation**”) provides that a municipality may pass a Prudent Investor Enabling By-law under the authority of that paragraph if the municipality satisfies the requirement prescribed in that paragraph (the “**Prescribed Requirement**”) on the day such municipality passes the Prudent Investor Enabling By-law;

AND WHEREAS The Corporation of **[insert name of the relevant Founding Municipality and delete the name of the relevant Founding Municipality from the following list]** (the “**Municipality**”) in accordance with the Prescribed Requirement entered into an Initial Formation Agreement with **[The Corporation of the Town of Bracebridge, The Corporation of the Town of Huntsville, The Corporation of the Town of Innisfil, The Corporation of the City of Kenora, The District Municipality of Muskoka and The Corporation of the Town of Whitby]** thereby establishing, pursuant to section 202 of the Act, and agreeing to invest through, ONE Joint Investment Board (“**ONE JIB**”) pursuant to section 202 of the Act (individually a “**Founding Municipality**”, collectively the “**Founding Municipalities**”), effective on May 19, 2020 (the “**JIB Effective Date**”) and as at the JIB Effective Date all of the Founding Municipalities certified that in the opinion of each of their treasurers they had a combined total of at least \$100,000,000 in money and investments that they did not require immediately;

AND WHEREAS subsection 17 (2) of the Regulation provides that a Founding Municipality that satisfies the Prescribed Requirement may invest money and investments that it does not require immediately only by having a Joint Investment Board that meets the following criteria do so on its behalf: (i) the Joint Investment Board is the subject of an agreement referred to in paragraph 2 of section 15; and (ii) the Joint Investment Board has been given the control and management of the Founding Municipality’s money and investments that it does not require immediately, together with that of all the other Founding Municipalities that are party to the agreement referred to under paragraph 2 of section 15, by each

Founding Municipality delegating to the Joint Investment Board a) the Founding Municipality's powers to make the investments, and b) the Founding Municipality's duties under section 418.1 of the Act;

AND WHEREAS section 18 of the Regulation provides that the council of a municipality shall adopt and maintain an investment policy in relation to investing under section 418.1 of the Act;

AND WHEREAS the Municipality has adopted the investment policy statement attached hereto as Schedule "A", which is referred to as its Investment Policy Statement (the "IPS"), in accordance with section 18 of the Regulation;

AND WHEREAS each of the Founding Municipalities and ONE JIB are required to have entered into an agreement referred to in paragraph 2 of section 15 of the Regulation before any Founding Municipality can pass its Prudent Investor Enabling By-law;

AND WHEREAS on or before May 1, 2020 each Founding Municipality authorized its entering into of the ONE Joint Investment Board Agreement (the "**ONE JIB Agreement**") that provides that ONE JIB will invest on behalf of the Founding Municipalities (each such Founding Municipality having at that time met the Prescribed Requirement and the criteria set out in subsection 17 (2) of the Regulation) and that ONE JIB will also invest on behalf of other Ontario municipalities that may subsequently enter into the ONE JIB Agreement, provided that each such municipality meets the requirement set out in paragraph 3 of section 15 of the Regulation and the criteria set out in subsection 17 (3) of the Regulation;

AND WHEREAS ONE JIB held its initial meeting on May 19, 2020 during which it authorized ONE JIB to enter into the ONE JIB Agreement with the Founding Municipalities and thereafter each of the Founding Municipalities executed the ONE JIB Agreement before June 1, 2020 on the basis that July 2, 2020 will be the effective date of the ONE JIB Agreement for the Founding Municipalities and July 2, 2020 will also be the effective date of the Prudent Investor Enabling By-law for each Founding Municipality, which by-law will be passed by each Founding Municipality on or before June 30, 2020.

AND WHEREAS each of the Founding Municipalities and ONE JIB have agreed that the effective date of the ONE JIB Agreement and of the Prudent Investor Enabling By law that each Founding Municipality is required to pass on or before June 30, 2020 is July 2, 2020 (the "**Prudent Effective Date**").

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE MUNICIPALITY OF XXXX, AS A FOUNDING MUNICIPALITY, HEREBY ENACTS AS FOLLOWS:

1. The Municipality hereby declares that section 418.1 of the Act applies to it on the basis that the ONE JIB Agreement will have the same effective date as this By-law, which date is described herein as the Prudent Effective Date.

2. Any one or more of the [head of council], the treasurer and the clerk are, for and on behalf of the Municipality, each hereby authorized to do all things and to execute all other documents, instruments and papers in the name of the Municipality necessary or desirable to give control and management of its money and investments that it does not require immediately to ONE JIB as authorized by the ONE JIB Agreement as at the Prudent Effective Date and to deliver all documents, instruments and papers as required and as authorized by this By-law and such execution shall be conclusive evidence that such documents, instruments and papers so executed are the documents, instruments and papers authorized by this By-law.

3. This By-law takes effect on the Prudent Effective Date (July 2, 2020) for purposes of the ONE JIB Agreement and this By-law.

ENACTED and PASSED this **[COUNCIL MEETING DATE]**

[PRINT NAME XXXXX]

[PRINT NAME XXXXX]

[HEAD OF COUNCIL XXXXX]

[CLERK XXXXX]

**SCHEDULE C
TERMS OF REFERENCE FOR ONE JIB**

ONE JOINT INVESTMENT BOARD

TERMS OF REFERENCE

Effective July 2, 2020

Updated as of June 1, 2023

ONE JOINT INVESTMENT BOARD

TERMS OF REFERENCE

Effective July 2, 2020

1. ESTABLISHMENT & PURPOSE

The ONE Joint Investment Board (“**ONE JIB**”) has been established by the Founding Municipalities to invest money that each of the Founding Municipalities does not require immediately on behalf of each Founding Municipality, to invest money that is not required immediately on behalf of other Ontario municipalities that subsequently enter into the ONE Joint Investment Board Agreement (the “**Agreement**”) and to have control and management of such money, in accordance with the Act and the Regulation.

Each member of ONE JIB has a duty to manage and to direct the management of the investments of the Participating Municipalities over which ONE JIB has been given management and control in accordance with the Act and the Regulation.

ONE JIB is a joint municipal service board established under section 202 of the Act.

2. DEFINITIONS AND INTERPRETATION

These Terms of Reference are a schedule to the Agreement and thus form part of the Agreement. Unless the context otherwise requires, defined terms used herein have the meanings ascribed to such terms in the Agreement. In addition to the defined terms found in Section 1.01 of the Agreement, these Terms of Reference contain the following additional defined terms:

“**Closed Meeting Investigator**” means an individual appointed as the closed meeting investigator in accordance with the requirements of Municipal Legislation.

“**Code of Conduct**” means the code of conduct applicable to members of ONE JIB in accordance with Municipal Legislation, attached as Exhibit A.

“**Integrity Commissioner**” means an individual appointed as the integrity commissioner of ONE JIB in accordance with the requirements of Municipal Legislation.

“**Procedure By-law**” means the procedure by-law applicable to ONE JIB in accordance with Municipal Legislation.

All other rules of interpretation set out in the Agreement apply equally to these Terms of Reference.

3. DUTIES AND RESPONSIBILITIES

3.1 Compliance with Municipal Legislation

ONES JIB shall conduct its business and discharge its responsibilities in accordance with Municipal Legislation.

As a joint municipal service board established under section 202 of the Act, ONE JIB is required to adopt a procedure by-law.

As a joint municipal service board established under section 202 of the Act, ONE JIB is required to have a code of conduct, and the Code of Conduct set out in Exhibit A has been established to apply to ONE JIB and its members.

As a joint municipal service board established under section 202 of the Act, ONE JIB is required to have procedures for the appointment of an integrity commissioner and, if necessary for the appointment of a closed meeting investigator. The Integrity Commissioner and the Closed Meeting Investigator shall be appointed or engaged in accordance with the process set out in Exhibit E.

3.2 Member Responsibility to Comply with Act and Regulation

Each member of ONE JIB shall perform the functions mandated by, and otherwise comply with, the Act and the Regulation, other applicable legislation including securities legislation and these Terms of Reference. If it is apparent that a ONE JIB member has failed to comply with the Act, the Regulation, other applicable legislation or these Terms of Reference in any material respect, a majority of the other members of ONE JIB may vote to remove the member and any such removal shall be final and binding and shall not be subject to any legal challenge by the removed member or any Participating Municipality. As used herein, “material” non-compliance means an act or omission (or series of acts or omissions) which is deliberate and not inadvertent and which either at occurrence or with the passage of time, can reasonably be expected to result in (i) the ONE JIB member being subject to regulatory sanction or discipline; (ii) damage or economic loss, including by way of opportunity cost, to a Participating Municipality; (iii) damage to the reputation of ONE JIB or ONE Investment; or (iv) any detrimental effect on the ability of ONE JIB to function effectively.

3.3 Enumerated Duties

ONE JIB shall perform such services, and have such duties and responsibilities, as may be provided in the Act and the Regulation and as the Participating Municipalities may determine and assign to ONE JIB from time to time, including the following:

- (a) Review the Participating Municipality’s Investment Policy, and at the request of the Participating Municipality, provide advice and recommendations with respect thereto, including the Participating Municipality’s investment objectives and strategies;
- (b) Adopt and maintain an Investment Plan for the Participating Municipality in accordance with the Act and the Regulation and consistent with the Participating Municipality’s Investment Policy;
- (c) Engage one or more Administrators, Custodians, Payment Servicers, External Portfolio Managers, investment counsel, bankers, brokers, dealers, and other Agents as may be required to implement the Investment Plan in accordance with the Investment Policy;
- (d) Monitor the performance of the Agents;

- (e) Report to the Participating Municipality as required by the Act and the Regulation;
- (f) Provide advice and observations to each Participating Municipality and its council regarding economic developments including matters affecting the business outlook, the investment environment and similar matters to assist the Participating Municipality and its council in assessing investment performance and planning;
- (g) Review and provide input on investment objectives, policies and procedures and appropriate risk management and mitigation measures with respect to the Participating Municipality's investments;
- (h) Review and monitor the investment performance of the Participating Municipality's investments, including selection of or recommendations as to appropriate benchmarks, peer group and similar metrics; and
- (i) Provide advice and recommendations with respect to such other matters as may be requested from time to time by ONE Investment or a Participating Municipality.

3.4 ONE JIB Reports to the Participating Municipalities

ONE JIB shall, within 90 days of the end of the financial year of the Participating Municipality, prepare and deliver to the council of the Participating Municipality (to the attention of the treasurer), an investment report (the "**Annual Investment Report**") prepared in accordance with the Regulation that contains:

- (a) a statement about the performance of the Participating Municipality's Managed Assets during the period covered by the report;
- (b) a statement by the treasurer of the Participating Municipality as to whether or not, in the opinion of the treasurer, all investments making up the Managed Assets are consistent with the Participating Municipality's Investment Policy and Investment Plan; and
- (c) such other information related to or incidental to the foregoing that the council of the Participating Municipality may reasonably require.

Prior to finalizing the Annual Investment Report, ONE JIB shall provide a draft report to the Participating Municipality and shall consider any comments on such draft report made by the treasurer of the Participating Municipality. Where ONE JIB is requested to provide additional information as contemplated herein, ONE JIB may request that the Participating Municipality prepare a draft of the report for ONE JIB's consideration and approval.

3.5 ONE JIB Reports to the Municipal Treasurer

ONE JIB shall as soon as practicable notify the treasurer of a Participating Municipality where the Managed Assets include an investment which is not consistent with the Participating Municipality's Investment Policy or Investment Plan. Such notice shall be accompanied by a written report of the results of any assessment which includes a description of each instance of a breach of the Participating Municipality's Investment Policy or Investment Plan, of which ONE JIB

is aware or has reason to believe has occurred, and recommendations for any actions ONE JIB considers should be made to the rectify the non compliance.

3.6 ONE JIB Reports to Securities Regulatory Authorities

ONE JIB shall, as soon as practicable, notify in writing the Ontario Securities Commission or other applicable securities regulatory authority where ONE JIB becomes aware of the occurrence of a material breach of applicable securities legislation applicable to ONE JIB or to ONE Investment. ONE JIB may also, but is not required to, communicate directly with securities regulatory authorities with respect to any concerns or issues that it may not otherwise be required to report and any other matter, but only if it has first communicated its concerns to ONE Investment and to the relevant Participating Municipality and considered any response received from the Participating Municipality.

3.7 Secretary to ONE JIB

The work of ONE JIB shall be supported by a secretary (the “**Secretary to ONE JIB**”), who may be engaged or employed by ONE Investment, but who shall be appointed by ONE JIB, acting on the advice of ONE Investment, to the office of Secretary to ONE JIB and have a reporting relationship with the Chair of ONE JIB . The Secretary shall advise ONE JIB as to certain procedural and jurisdictional matters, including those matters specified in the Procedure By-Law, and be responsible to provide such secretarial, research, clerical and administrative services as ONE JIB may require in the discharge of its duties. From time to time, ONE JIB, acting on the advice of ONE Investment, may appoint an alternate Secretary or assistant to the Secretary to provide support as may be required in the circumstances.

3.8 Legal and Other Advisors

If ONE JIB determines that it is useful or necessary for ONE JIB to carry out its duties, ONE JIB may engage, or seek advice from, at the expense of the Participating Municipalities, legal counsel, accountants or any other advisors, in each case provided that such person has the requisite knowledge and experience to provide such advice. ONE JIB has the authority to agree to reasonable compensation and proper expenses for any independent legal counsel and other advisors engaged by ONE JIB. ONE JIB may retain advisors selectively, and only to assist, not replace, ONE JIB decision making. Prior to retaining an independent advisor, the Chair of ONE JIB will provide advance notice to ONE Investment.

4. CONSTITUTION

4.1 Number and Quorum

ONE JIB shall be comprised of not fewer than seven and not more than ten members. The Participating Municipalities may change the size of ONE JIB in accordance with the Agreement, but shall seek the input of the Chair of ONE JIB prior to doing so. A majority of members shall constitute a quorum for the transaction of business at any meeting of ONE JIB.

4.2 Qualification

Each member of ONE JIB shall have such experience and expertise in investment management, risk management, finance, corporate governance, accounting, law or in such other areas of expertise as may be determined to be appropriate from time to time by ONE JIB or a committee thereof in consultation with ONE Investment.

No person shall be qualified to be a member of ONE JIB if that person is less than eighteen years of age, is of unsound mind and has been so found by a court in Canada or elsewhere, has been sanctioned or disciplined by a securities regulatory authority in Canada or elsewhere within the previous 20 years, or is not an individual or has the status of a bankrupt.

4.3 Appointment of Members and Nominating Committee

The Founding Municipalities have appointed the initial members of ONE JIB. Subsequent members of ONE JIB, including those appointed to fill vacancies as referred to in Section 4.6, are to be appointed as follows by the then incumbent members of ONE JIB and with the approval of ONE Investment.

ONE JIB and ONE Investment may form a nominating committee (the “**Nominating Committee**”), made up of no fewer than three and no more than nine members to identify individuals to fill vacancies on ONE JIB. The Chair of the Nominating Committee shall be a member of ONE JIB. The other members of the Nominating Committee need not be members of ONE JIB and may be senior officers of ONE Investment and/or representatives of the Participating Municipalities. The Nominating Committee, in recommending a new member or reappointing a member, shall consider:

- (a) the competencies and skills ONE JIB, as a whole, should possess;
- (b) the competencies and skills of each other member of ONE JIB; and
- (c) the competencies and skills the prospective member would bring to ONE JIB.

The then incumbent members of ONE JIB and ONE Investment shall give consideration to individuals nominated by the Nominating Committee and a new member shall be appointed with the affirmative vote of a simple majority of members, and the approval of ONE Investment. ONE JIB members may decline to follow the recommendation of the Nominating Committee, in which case the Chair of ONE JIB may form a new Nominating Committee.

Where the Chair of ONE JIB so directs, vacancies may be filled by the Participating Municipalities in such manner as the Participating Municipalities consider to be appropriate provided, however, that any vacancy filled by the Participating Municipalities (rather than by ONE JIB itself) shall be effective only upon at least a simple majority of the Participating Municipalities duly passing a by-law in compliance with the Act approving the candidate as a member of ONE JIB.

4.4 Consent

Upon first acting as a member of ONE JIB, every member appointed in accordance with Section 4.3 shall be deemed to have consented to (a) acting as a member of ONE JIB on the terms and

conditions set out herein, and (b) the public disclosure of the existence of ONE JIB, the names of its members, the matters reviewed by ONE JIB, the recommendations of ONE JIB, the compensation and expenses of the members of ONE JIB, and any other matter that is required to be disclosed pursuant to the terms of applicable legislation and rules or any decision made under applicable municipal law; provided that the members of ONE JIB, acting reasonably and promptly following a request, shall be entitled to review and require changes to the text of any such disclosure.

4.5 Adherence to Code of Conduct

Every member of ONE JIB shall comply at all times with the Code of Conduct for members of ONE JIB, a copy of which is attached as Exhibit A.

4.6 Vacancies of Office

A member of ONE JIB shall cease to hold office:

- (a) if the member dies, resigns by a written resignation received and accepted by the Chair of ONE JIB in accordance with Section 4.7 or is removed from office in accordance with Section 4.8;
- (b) if the member is a Municipal Treasurer Representative, and is a treasurer of a Participating Municipality, and such Participating Municipality withdraws from ONE JIB; provided however, that if such individual has been appointed as the treasurer of another Participating Municipality prior to or at the time of the effective date of withdrawal, and such Participating Municipality agrees, the individual may continue to serve as a Municipal Treasurer Representative;
- (c) upon the member accepting employment or other engagement with a financial services provider, unless such employment or engagement has first been approved by the Integrity Commissioner and the Chair of ONE JIB;
- (d) if the member is of unsound mind as determined by a court in Canada or elsewhere, bankrupt, prohibited from acting as a director or officer of any issuer in Canada, subject to any penalties or sanctions made by a court relating to provincial and territorial securities legislation or a party to a settlement agreement with a provincial or territorial securities regulatory authority;
- (e) if the member is absent from meetings of ONE JIB for the greater of (i) three consecutive months in the event that ONE JIB holds monthly meetings and (ii) three consecutive meetings, without being authorized to do so by a resolution of ONE JIB;
- (f) if a member has his or her seat on ONE JIB declared vacant in any judicial process; or
- (g) if a member forfeits his or her membership on ONE JIB under the Act or any other Act of the Ontario legislature.

Clause 4.6(e) does not apply to vacate the membership of a member of ONE JIB who is absent for 20 consecutive weeks or less if the absence is a result of the member's pregnancy, the birth of the member's child or the adoption of a child by the member.

If a vacancy occurs in the office of a member of ONE JIB, ONE JIB shall fill a vacancy on ONE JIB as soon as practicable and a person appointed to fill a vacancy shall continue as a member for the remainder of the term so replaced.

4.7 Resignations

Unless otherwise agreed to by ONE Investment and a majority of the other members of ONE JIB, a member of ONE JIB shall resign from ONE JIB upon: becoming aware that personal circumstances may have an adverse impact on the reputation of ONE JIB, a material change in employment that may have an adverse effect on the member's contribution or effectiveness on ONE JIB or accepting a directorship with a financial institution or a company which results in the member becoming subject to a conflict of interest as described in Section 6.2.

A member of ONE JIB may resign by notice in writing filed with the Secretary and the Chair of ONE JIB. A resignation is not effective if it would reduce the number of members of ONE JIB to less than a quorum.

4.8 Removal of Member

A member or members of ONE JIB may be removed from office by a majority vote of the other members of ONE JIB, including in the circumstances described in Section 3.2 or Section 4.6. Removal shall be effected by instrument in writing delivered to such member or members specifying the effective date of such removal. If a Participating Municipality recommends to ONE JIB that it remove a member, ONE JIB shall consider such recommendation, although the final determination shall be in the discretion of ONE JIB as a whole.

4.9 Term

The term of office of a member of ONE JIB shall be no more than three years and no less than one year, and shall be set by ONE Investment or ONE JIB, as the case may be, at the time such member is appointed. Staggered terms are permitted. A member may not be reappointed for a term of office that, if served, would result in the member serving on ONE JIB for longer than nine years unless ONE Investment agrees to such reappointment.

4.10 Orientation and Continuing Education

ONE Investment and ONE JIB shall provide orientation consisting of educational or informational programs that enable a new ONE JIB member to understand: (a) the role of ONE JIB and its members collectively; and (b) the role of the individual member, including the commitment of time and energy that is expected from the member. ONE JIB may supplement such orientation, and any orientation provided by ONE Investment on the nature and operation of municipal finance with such educational programs that it reasonably deems necessary or desirable. Each member of ONE JIB shall participate in orientation and continuing education programs provided or recommended by ONE JIB or ONE Investment.

4.11 Chair and Vice-Chair

After the initial term of the Chair and the Vice-Chair, the Chair and the Vice-Chair of ONE JIB shall be elected for three-year terms by the members of ONE JIB and upon the resignation, death, disqualification or removal of the current Chair or of the Vice-Chair. The members of ONE JIB shall take into account ONE Investment's recommendations, if any, when electing the Chair and the Vice-Chair. Each of the Chair and the Vice-Chair must be a member of ONE JIB. The Chair is responsible for managing the mandate, responsibilities and functions of ONE JIB. The Chair's primary functions are to lead ONE JIB meetings, facilitate the operations and deliberations of ONE JIB, foster communications among ONE JIB members, and ensure ONE JIB carries out its responsibilities in a timely and effective manner. The Chair shall work with the Secretary, who shall act as board secretary of ONE JIB and set agendas and circulate meeting materials for ONE JIB meetings in accordance with the Procedure By-law, and shall be ONE JIB's primary contact with ONE Investment in preparing for meetings. On an ongoing basis, the Chair shall assess whether ONE JIB has appropriate administrative support, access to senior management of ONE Investment and access to outside advisers for the purpose of ONE JIB fulfilling its mandate.

ONE JIB may, by by-law or resolution, appoint a member of ONE JIB to act in the place of the Chair or other member of ONE JIB designated to preside at meetings in ONE JIB's Procedure By-law when the Chair or designated member is absent or refuses to act or the office is vacant, and while so acting such member has all of the powers and duties of the Chair or designated member, as the case may be, with respect to the role of presiding at meetings.

4.12 Committees

In addition to the Nominating Committee provided for in Section 4.3, ONE JIB may authorize any other committee or subcommittee to perform any of its functions, except the removal of a member of ONE JIB. Any such committee or subcommittee shall be chaired by a member of ONE JIB, and its members appointed by ONE JIB, but such members of such committee or subcommittee need not all be ONE JIB members. If any such committee is constituted as an ad hoc committee, ONE JIB shall by resolution provide it with a written mandate or terms of reference, and if constituted as a standing committee of ONE JIB, ONE JIB shall amend and supplement these Terms of Reference to include a defined mandate and more detailed reporting requirements. Any committee or subcommittee formed under this Section 4.12 shall report on its meetings to ONE JIB, generally by way of a report filed at the next following meeting of ONE JIB, and in any case at least annually. Delegation of a function to a committee does not absolve ONE JIB from its responsibility for the function. The Procedure By-law applies to proceedings of committees of ONE JIB with necessary modifications.

4.13 Self Assessments

At least annually, ONE JIB must review and assess:

- (a) the adequacy and effectiveness of itself and any committees or subcommittee to which ONE JIB has delegated any of its functions;
- (b) the independence of its members and the compensation of its members;

- (c) its effectiveness as a board, as well as the effectiveness and contribution of each of its members, including a consideration of:
 - (i) these Terms of Reference;
 - (ii) the competencies and knowledge each member is expected to bring to ONE JIB;
 - (iii) the level of complexity of the issues reasonably expected to be raised by members in connection with the matters under review by ONE JIB;
 - (iv) the attendance record of each member of ONE JIB and his or her participation in meetings;
 - (v) continuing education activities and industry knowledge of each member of ONE JIB; and
 - (vi) the ability of each member to contribute the necessary time required to serve effectively on ONE JIB;
- (d) its structural effectiveness, including a consideration of:
 - (i) the frequency of meetings;
 - (ii) the substance of meeting agendas;
 - (iii) the policies and procedures that ONE Investment has established to refer matters to ONE JIB;
 - (iv) the usefulness of the materials provided to members of ONE JIB;
 - (v) the collective experience and background of the members of ONE JIB; and
 - (vi) the amount and form of compensation the members receive from ONE Investment.
- (e) The written minutes of ONE JIB meetings at which these assessments take place shall form the basis of the records of such assessments. ONE JIB may also establish a process for and determine the frequency of additional assessments as it sees fit. ONE JIB shall consider how to respond appropriately to address any weaknesses found in a self-assessment.

5. MEETINGS OF ONE JIB

5.1 Calling and Place of Meetings

Meetings of ONE JIB shall be called by the Chair of ONE JIB, in accordance with the Procedure By-law.

Except as may be permitted under the Act, meetings of ONE JIB shall be open to members of the public. Provided that the Secretary has confirmed that a meeting meets all requirements of the

Procedure By-law, members may attend and participate by way of conference call or other electronic facility which allows all meeting participants to hear one another.

Exhibit B sets out the current limited circumstances under which meetings of ONE JIB may or shall be closed, in accordance with the provisions of the Act.

5.2 Notice of Meeting

Notice of the time and place of each meeting of ONE JIB shall be given by the Secretary as required under the Procedure By-law. The notice shall identify the main matters to be addressed at the meeting. The Secretary shall arrange for the notice of meeting to be posted or publicized as required.

Persons wishing to make deputations or representations to a meeting on any matter to be addressed at a meeting shall make appropriate arrangements to do so through the Secretary.

5.3 Persons Entitled to Participate

When submitting a matter to ONE JIB for its recommendation or approval, ONE Investment and its representatives shall be entitled to be present at meetings of ONE JIB to outline the nature of the question or matter to be reviewed by ONE JIB. Any other person may participate in the meeting in accordance with the Procedure By-law and on the invitation of the Chair of the meeting or with the consent of ONE JIB. ONE JIB shall hold at least one segment of one meeting annually at which ONE Investment, any entity related to ONE Investment or any of their representatives are not in attendance.

5.4 Conduct of Meetings

All other procedural matters pertaining to the conduct of meetings, including voting at meetings, are governed by the Procedure By-Law.

5.5 Minutes of the Meetings and other Records

Minutes of all meetings of ONE JIB and reports of all ONE JIB committee meetings shall be kept. The Secretary to ONE JIB or his or her designee shall be responsible for taking the minutes of the meeting and otherwise serving as secretary of the meeting. Procedures relating to approval, adoption and publication of minutes are contained in the Procedure by-Law.

The Secretary to ONE JIB shall be responsible for maintaining records of these Terms of Reference, minutes and reports of meetings, copies of the agenda and materials provided to ONE JIB, copies of materials and written reports prepared by ONE JIB and copies of ONE JIB's own determinations. ONE JIB may satisfy this recordkeeping requirement by arranging for ONE Investment to keep such records. Other than as set out in Exhibit C, all of the foregoing records shall be subject to disclosure in accordance with the Act and the *Municipal Freedom of Information and Protection of Privacy Act*.

6. CONFLICTS OF INTEREST

6.1 Application of the *Municipal Conflict of Interest Act*

ONE JIB is a local board for purposes of the *Municipal Conflict of Interest Act* (MCIA) and members are subject to such Act. A member of ONE JIB shall comply with such Act.

6.2 Duty to Disclose

Members of ONE JIB are required to make disclosure of their direct and indirect pecuniary interests in accordance with the requirements of the MCIA and the Code of Conduct. The Code of Conduct contains additional specific provisions relating to disclosure of pecuniary interests. The Secretary to ONE JIB shall be available to assist members of ONE JIB with the disclosure process.

Furthermore, to the extent not covered by the provisions of the MCIA and the Code of Conduct, a member of ONE JIB shall disclose to ONE JIB and to ONE Investment any circumstances or relationships which exist at the time of appointment or which arise thereafter, which could constitute a conflict of interest. For purposes hereof, a conflict of interest includes circumstances or relationships, including serving on any other boards or commissions, which (a) a reasonable person would consider to constitute a conflict of interest which could interfere with the ONE JIB member's ability to act in good faith and in the best interests of the Participating Municipalities; or (b) to a reasonable person would be expected to interfere with the member's exercise of independent judgement.

Having disclosed or declared a conflict of interest, the member shall thereupon take direction from the Chair of ONE JIB who shall be advised by the Secretary to ONE JIB.

7. STANDARD OF CARE AND INDEMNITY

7.1 Standard of Care

All members of ONE JIB in exercising their powers and discharging their duties as a member of ONE JIB shall:

- (i) act honestly and in good faith with a view to the best interests of the Participating Municipality; and
- (ii) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

7.2 Indemnification

All members of ONE JIB, their respective heirs, executors and assigns, (in each case, an **Indemnified Party**) shall be indemnified by the Participating Municipalities for all liabilities, claims, damages, losses, costs and expenses incurred by them in connection with any action, suit or proceeding that is proposed or commenced or any other claim to which such Indemnified Party may be subject by reason of the management and control of the Managed Assets or otherwise arising out of or in connection with acting on behalf of the Participating Municipalities or in

furtherance of the interests of the Participating Municipalities, except that this indemnity shall not apply to (a) losses arising from such Indemnified Party's own wilful misconduct or fraud, or (b) expenses of the Participating Municipalities that the Indemnified Party has agreed to bear. To the fullest extent permitted by law, expenses (including, without limitation, legal fees and expenses) incurred by an Indemnified Party in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Participating Municipalities prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Participating Municipalities of an undertaking by or on behalf of the Indemnified Party to repay such amount if it shall be determined that the Indemnified Party is not entitled to be indemnified as authorized in this Section 7.2. Amounts required to be paid or advanced to an Indemnified Party under this Section 7.2 shall be paid by Participating Municipalities in such proportion as ONE JIB considers to be fair and equitable in the circumstances.

Further, the members shall not be liable to ONE Investment or the Participating Municipalities or to any person for any loss or damages relating to any matter regarding ONE Investment and its investments, including any loss or diminution in the value of the Participating Municipalities' investments or assets. To the fullest extent permitted by law, expenses (including, without limitation, legal fees and expenses) incurred in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Participating Municipalities prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Participating Municipalities of an undertaking by or on behalf of the member to repay such amount if it shall be determined that the member is not entitled to be indemnified. The foregoing indemnification applies only if the member has acted in a manner consistent with the standard of care set out in Section 7.1 above.

7.3 Liability

Unless otherwise required by applicable legislation, no member of ONE JIB shall be liable to ONE Investment or the Participating Municipalities or any other person if the member of ONE JIB complied with the standard of care set forth in Section 7.1, including reliance on advice in the manner contemplated in Section 3.8.

7.4 Insurance

Each member of ONE JIB shall be entitled to an indemnity by ONE Investment and/or an affiliate of ONE Investment to the fullest extent permitted by applicable law. ONE JIB or ONE Investment may purchase and maintain (or reimburse individual ONE JIB members for the cost of) insurance in such amounts and on such terms as are commercially reasonable on behalf of the members of ONE JIB against any liability that may be asserted against or expense that may be incurred by members of ONE JIB in connection with, or in any way related to, acting as members of ONE JIB.

8. FEES AND EXPENSES

8.1 Compensation

The Founding Municipalities, together with ONE Investment, shall set the initial amount of compensation and expenses of the members of ONE JIB. After the initial compensation and expenses are set, the members of ONE JIB, other than the Municipal Treasurer Representatives, shall be entitled to receive such reasonable compensation and expenses for acting as members

of ONE JIB as ONE Investment, in consultation with ONE JIB, may from time to time determine. Such compensation may, but need not, include an annual retainer amount or stipend for acting as a ONE JIB member, as well as compensation for attendance at information, continuing education and similar sessions at which no formal business is conducted. The compensation shall be set out in Exhibit D and amended from time to time as provided herein. ONE Investment must consider ONE JIB's most recent assessment of its compensation and ONE JIB's recommendations, if any, of the amount and type of compensation and expenses in setting the compensation of ONE JIB members. In the event ONE JIB disagrees with ONE Investment's recommendation, ONE JIB shall discuss the issue with ONE Investment in a good faith attempt to reach an agreement. In determining the appropriate level of compensation, ONE Investment must consider:

- (a) the nature and complexity of the investments made by and on behalf of the Participating Municipalities;
- (b) the nature and extent of the workload of each member of ONE JIB, including the commitment of time and energy that is expected from each member;
- (c) industry best practices, including industry averages and surveys on similar board compensation; and
- (d) the best interests of the Participating Municipalities.

8.2 Reimbursement of Expenses.

Members shall be entitled to reimbursement for their reasonable expenses incurred in attending meetings of ONE JIB and other out of pocket expenses incurred in connection with acting as a ONE JIB member. ONE Investment will request production of receipts and documents supporting expenses.

9. CONFIDENTIALITY

9.1 Maintaining Confidentiality

The definition of Confidential Information is found in the Code of Conduct. Each member shall, in accordance with the Act and the Code of Conduct, protect the confidentiality, and prevent the unauthorized disclosure or use, of Confidential Information. Each member shall promptly notify ONE JIB's Chair or ONE Investment of any inadvertent disclosure, misuse or misappropriation of Confidential Information of which he or she becomes aware.

The members of ONE JIB shall not be subject to any confidentiality obligation in respect of any Confidential Information that is or was (i) information in the public domain; (ii) disclosed to the member by a third person not subject to a confidentiality obligation to ONE JIB, ONE Investment or a Participating Municipality; (iii) approved by ONE JIB, ONE Investment or a Participating Municipality for disclosure to another person or the public; or (iv) required by law to be disclosed by the member.

9.2 Public Statements and Dealing with Media

In the event ONE JIB, or any of its members, is contacted by the media or a regulator, in respect of any issue related to ONE Investment, the request will be referred to the Chair of ONE JIB or his or her designate.

10. AMENDMENTS

10.1 General

A notice or document required to be sent to a member of ONE JIB or to ONE Investment may be sent by prepaid mail addressed to, or may be delivered personally or by courier to, the member at the member's latest address provided by the member to ONE Investment, and to ONE Investment at

ONE Joint Investment Board
200 University Ave., Suite 801
Toronto, ON M5H 3C6
Attention: The Secretary with copy to the Chair
email: dkelly@oneinvestment.ca

or such other address as ONE Investment may notify each member of ONE JIB. A notice or document if mailed to a member of ONE JIB or ONE Investment shall be deemed to have been received at the time it would be delivered in the ordinary course of mail unless there are reasonable grounds for believing that the member or ONE Investment did not receive the notice of the document at that time or at all.

10.2 Amendments

ONE JIB may amend these Terms of Reference from time to time, in consultation with ONE Investment. A decision by ONE JIB to propose to amend these Terms of Reference must be approved at a meeting of ONE JIB at which a quorum is present, by a majority of the members of ONE JIB. ONE JIB shall provide ONE Investment with at least 30 days' notice of any such proposal to amend these Terms of Reference and ONE JIB must consider ONE Investment's recommendations relating to such proposed amendment. Upon expiry of the 30-day notice period, a majority of the members of ONE JIB may approve the proposed amendment at a meeting of ONE JIB at which a quorum is present, and such amendment shall be effective immediately upon the majority of the members of ONE JIB approving the proposed amendment. As soon as is practicable thereafter ONE JIB shall notify ONE Investment that the proposed amendment has been approved and is in effect. ONE JIB shall include a description of any material amendments to these Terms of Reference in its annual report to Participating Municipalities. ONE JIB may not amend these Terms of Reference (i) in a manner inconsistent with the Act and the Regulation, (ii) to give ONE JIB functions other than those prescribed by the Act and the Regulation, or (iii) other than as permitted by this Section 10.2, without the prior written consent of ONE Investment.

10.3 Electronic Delivery

Provided the addressees have consented in writing or electronically, the notice requirements may be satisfied by creating and providing an electronic document. An electronic document is deemed

to have been received when it enters the information system designated by the addressee (provided that it has been properly addressed) or, if the document is posted on or made available through a generally accessible electronic source, when the addressee receives notice in writing of the availability and location of that electronic document, or, if such notice is sent electronically, when it enters the information system designated by the addressee.

10.4 Computation of Time

In computing the time when a notice or document must be given or sent under any provision requiring a specified number of days' notice of any meeting or other event, the day on which the notice or documents is given or sent shall be excluded and the day on which the meeting or other event occurs shall be included.

10.5 Omission and Errors

The accidental omission to give any notice or send any document or the non-receipt of any notice or document or any error in any notice or document not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded on such notice or document.

EXHIBIT A
ONE JOINT INVESTMENT BOARD
CODE OF CONDUCT

POLICY STATEMENT

This Code of Conduct establishes standards of conduct for Members of the ONE Joint Investment Board (“**ONE JIB**”) in the conduct of their official duties. It is a schedule to the agreement between ONE JIB, each Participating Municipality and ONE Investment under which all Participating Municipalities and ONE JIB agree to the terms pursuant to which ONE JIB will manage and control the money that is not required immediately of the Participating Municipalities (the “**ONE JIB Agreement**”).

Unless the context otherwise requires, defined terms used herein have the meanings ascribed to such terms in the ONE JIB Agreement. In the event of a discrepancy or inconsistency between the provisions contained in the ONE JIB Agreement and those contained in this Code of Conduct, the ONE JIB Agreement shall prevail.

APPLICATION

This Code of Conduct applies to the Chair and the other Members of ONE JIB acting in their capacity as Members of ONE JIB. This includes, but is not limited to, the conduct of ONE JIB Members in the following circumstances:

- in relation to matters immediately before, and/or solely within the purview of ONE JIB;
- when interacting with ONE JIB and ONE Investment staff and/or another Member of ONE JIB;
- in relation to business conducted by ONE JIB;
- while on the premises of ONE JIB, whether such premises are owned, leased or simply occupied by ONE JIB;
- during an event or function of ONE JIB;
- while serving on any board, committee or other body to which the Member was appointed by ONE JIB; and
- during a non-ONE JIB event or function where the ONE JIB Member has been expressly invited or is participating as a representative of ONE JIB.

PURPOSE

The purpose of this Code of Conduct is to set a standard of conduct for Members of ONE JIB as required by the *Municipal Act, 2001* (the “**Act**”). Abiding by this standard helps to promote good governance and maintain public confidence in ONE JIB and the Participating Municipalities.

1.0 DEFINITIONS

1.1 The following terms shall have the following meanings in this Code of Conduct:

- (a) **“Act”** means the *Municipal Act, 2001*, S.O. 2001, c. 25;
- (b) **“Child”** means a child born within or outside marriage and includes an adopted child and a person to whom a parent has demonstrated a settled intention to treat as a child of her or his family;
- (c) **“Committee”** means a committee or sub-committee established by ONE JIB;
- (d) **“Confidential Information”** means any non-public, proprietary or private information, related to the functions of ONE JIB, ONE Investment, the Participating Municipalities or any of the investment funds managed by ONE JIB or any agent of ONE JIB and, without limiting the foregoing, includes:
 - (i) any such information provided orally, in writing or electronically, and
 - (ii) all or any part of any documented information to the extent that any applicable legislation, including the Act and the *Municipal Freedom of Information and Protection of Privacy Act*, permits or requires such information, including personal information, to be private;
- (e) **“Integrity Commissioner”** means the Integrity Commissioner appointed by ONE JIB;
- (f) **“Member”** means a member of ONE JIB, including the Chair;
- (g) **“MNPI”** means material non-public information;
- (h) **“Non-pecuniary Interest”** means a private or personal interest that a Member may have that is non-financial in nature but that arises from a relationship with a person or entity that would be considered by a reasonable person, apprised of all the circumstances, as being likely to influence the Member’s decision in any matter in which the Non-pecuniary Interest arises;
- (i) **“ONE Investment”** means the not-for-profit corporation founded by CHUMS Financing Corporation and Local Authority Services which provides certain management, administrative and other services to ONE JIB under the ONE Joint Investment Board Services Agreement made between ONE JIB and ONE Investment;
- (j) **“ONE JIB”** means the ONE Joint Investment Board that has been established under subsection 202(1) of the Act in accordance with Part II of O. Reg. 438/97, as constituted from time to time, acting pursuant to the ONE JIB Agreement;
- (k) **“Parent”** means a person who has demonstrated a settled intention to treat a child as a member of her or his family whether or not that person is the natural parent of the child;

- (l) **“Participating Municipalities”** means the municipalities for whom ONE JIB acts as the Joint investment Board under the terms of the ONE JIB Agreement from time to time;
- (m) **“Pecuniary Interest”** means a direct or indirect interest of a financial nature, including the interest of the Parent or Spouse or any Child of the Member, if known to the Member; and
- (n) **“Spouse”** means a person to whom a person is married or with whom the person is living in a conjugal relationship outside marriage.

2.0 STATEMENT OF PRINCIPLES

2.1 The following principles will guide Members and assist with the interpretation of this Code of Conduct:

- (a) Members shall serve the public in a conscientious and diligent manner;
- (b) Members shall always act with integrity, accountability and transparency, and shall avoid the improper use of influence in their office as well as conflicts of interest, both apparent and real;
- (c) Members shall perform their duties and arrange their private affairs in a manner that promotes public confidence and will stand up to public scrutiny;
- (d) Members shall observe and comply with the laws of Canada, Ontario and the laws and policies adopted by ONE JIB, including but not limited to the following:
 - (i) *Criminal Code,*
 - (ii) *Municipal Act, 2001,*
 - (iii) *Municipal Conflict of Interest Act,*
 - (iv) *Municipal Freedom of Information and Protection of Privacy Act,*
 - (v) *Occupational Health and Safety Act,*
 - (vi) *Human Rights Code,*
 - (vii) *Securities Act,*
 - (viii) *ONE JIB Procedure By-law;* and
- (e) Members shall be fair and respectful of differences and have a duty to work together for goodwill, the common good and the public interest.

2.2 The statements set out in Section 2.1 are key principles that are intended to facilitate an understanding, application and interpretation of the Code of Conduct – the principles are *not* operative provisions of the Code of Conduct and are not intended to be enforced independently as such.

3.0 GENERAL DUTIES

- 3.1 In exercising her or his powers and discharging her or his duties as a Member, each Member shall:
- (a) act honestly and in good faith with a view to the best interests of ONE JIB and the Participating Municipalities;
 - (b) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
 - (c) refrain from making:
 - (i) any statement known to be false or with the intent to mislead ONE JIB, ONE Investment staff, the Participating Municipalities or the public, and
 - (ii) any disparaging comment or unfounded and speculative accusation about the motives of another Member, ONE Investment staff, the Participating Municipalities or the public.

4.0 CONDUCT AT MEETINGS

- 4.1 Members will conduct themselves at all ONE JIB and Committee meetings with decorum and in accordance with ONE JIB's Procedure By-law and any other applicable procedural rules and policies.

5.0 CONFIDENTIAL INFORMATION

- 5.1 Members receive confidential information from a number of sources as part of their work. This includes information ONE JIB receives in confidence that falls under the privacy provisions of the *Municipal Freedom of Information and Protection of Privacy Act* and other applicable privacy laws as well as information received during closed meetings of ONE JIB or its Committees. It also includes information that a Member is restricted from using or disclosing under the *Criminal Code*, the *Securities Act*, or due to any contractual obligations or policies of ONE JIB or ONE Investment.
- 5.2 Members are only entitled to information in the possession of ONE JIB that is relevant to matters before ONE JIB or its Committees.
- 5.3 Members shall not use confidential information for personal or private gain or for the gain of any other person including, without limitation, a Parent, Spouse, Child, grandchild, friend or associate.
- 5.4 Members shall not directly or indirectly benefit, or aid others to benefit, from knowledge relating to the property and assets of ONE JIB, ONE Investment or any of the Participating Municipalities.
- 5.5 Without limiting the generality of any provision of Section 5.0, Members acknowledge that in the course of discharging their responsibilities, they may have access to MNPI about securities issuers, including public companies. All such MNPI is considered "confidential information." Any use of MNPI to make an investment decision or recommendation or to "tip" others who might make an investment decision on the basis of the MNPI is unethical and illegal and could result in civil and/or criminal penalties. If a Member learns of MNPI about an issuer, the Member must refrain from

disclosing it (other than to another person with a need to know) or making use of such information in any manner until the information has been publicly disclosed or is no longer material.

5.6 Members shall not disclose the content of any confidential information, or the substance of confidential deliberations, of a closed meeting of ONE JIB or any of its Committees. Each Member has a duty to hold information received at closed meetings in strict confidence for as long and as broadly as the confidentiality applies. Members must not, either directly or indirectly, release, make public or in any way divulge any confidential information or any confidential aspect of closed ONE JIB or Committee deliberations to anyone, unless authorized by ONE JIB or as required by law.

5.7 Members shall not disclose, use or release information in contravention of applicable privacy laws.

6.0 STAFF AND ONE JIB RELATIONS

6.1 ONE JIB, ONE Investment and the Participating Municipalities approve budgets, policies and other governance of ONE JIB through their by-laws, resolutions and other decisions. Individual Members do not direct or oversee the functions of ONE Investment staff.

6.2 Members shall respect the role of ONE Investment staff in the administration of the business affairs of ONE JIB. Members shall respect that:

- (a) staff provide advice and make policy recommendations in accordance with their professional ethics, expertise and obligations. Members shall not falsely or maliciously injure the reputation of staff members whether professional or ethical or otherwise;
- (b) staff serves ONE JIB as a whole, and the combined interests of all Members as evidenced through the decisions of ONE JIB. Members shall not:
 - (i) make requests or statements or take actions which may be construed as an attempt to influence the independent administration of ONE JIB business, or
 - (ii) attempt to intimidate, threaten, or influence any staff member from carrying out that person's duties, including any duty to disclose improper activity;
- (c) staff carry out their duties based on political neutrality and without undue influence from any individual Member. Members shall not invite or pressure any member of staff to engage in partisan political activities or be subjected to discrimination or reprisal for refusing to engage in such activities.

7.0 DISCRIMINATION AND HARASSMENT

7.1 ONE JIB is committed to providing and maintaining a working environment that is based on respect for the dignity and rights of everyone acting in conjunction with ONE JIB and meeting its obligations under the *Human Rights Code* and the *Occupational Health and Safety Act*. It is ONE JIB's goal to provide a healthy, safe, and respectful work environment that is free from any form of harassment or discrimination.

7.2 All Members have a duty to treat members of the public, one another and ONE Investment staff with respect and without abuse, bullying or intimidation and to ensure that their work environment is free from discrimination, harassment and violence. This duty applies to all in-person activities and to all electronic communications, including the use of social media.

8.0 USE OF ONE JIB PROPERTY

8.1 ONE JIB and ONE Investment are the stewards of ONE JIB's assets. The Participating Municipalities and the community place their trust in ONE JIB to make decisions for the public good in relation to these assets.

8.2 By virtue of her or his office or appointment, a Member shall not:

- (a) use or permit the use of ONE JIB or ONE Investment facilities, equipment, supplies, services, staff or other resources for activities other than ONE JIB's business;
- (b) seek financial gain for herself or himself, or of any other person including, without limitation, her or his Parent, Spouse, Child, grandchild, friend or associate, from the use or sale of information owned by ONE JIB or ONE Investment or intellectual property, computer programs, web or social media accounts, technological innovations, or other patents, trademarks or copyright held by ONE JIB or ONE Investment;
- (c) use any information she or he may obtain about any proposed trading activity in, or other transaction involving, the investment portfolios of the Participating Municipalities to trade for her or his own account or for the account of any other person including, without limitation, her or his Parent, Spouse, Child, grandchild, friend or associate in respect of which the Member has trading authority.

9.0 CONFLICTS OF INTEREST

9.1 Members shall take appropriate steps to avoid conflicts of interest, both apparent and real and are required to comply with the *Municipal Conflict of Interest Act*. Proactive steps to mitigate conflicts of interest are important to maintaining public confidence in Members, ONE JIB and the Participating Municipalities.

9.2 Members may seek guidance from the Integrity Commissioner if they believe that they may have a conflict between their responsibilities to the public as a Member and any other, Pecuniary Interest or Non-pecuniary Interest.

9.3 To the extent not covered by the *Municipal Conflict of Interest Act* or the ONE JIB Agreement, a Member shall disclose to ONE JIB and to ONE Investment any circumstances or relationships which exist at the time of appointment or which arise thereafter which could constitute an existing or potential conflict of interest. For this purpose, a potential conflict of interest includes circumstances or relationships, including serving on any other boards or commissions, which a reasonable person:

- (a) would consider to constitute a conflict of interest which could interfere with the Member's ability to act in good faith and in the best interests of ONE JIB and the Participating Municipalities; or

(b) would expect to interfere with the Member's exercise of independent judgment.

10.0 BUSINESS RELATIONS

10.1 A Member shall not be a director or hold an executive position with any organization whose objectives and mandate are in conflict with, or may reasonably be perceived to be in conflict with, the objectives and mandate of ONE JIB. Before taking a new executive position, the Member shall inform the Chair and the Integrity Commissioner to obtain advice about the new circumstances.

10.2 A Member shall not act as a paid agent of ONE JIB or provide goods, consulting or other services to ONE JIB directly or indirectly through a partnership, professional or closely-held corporation.

10.3 If a Member becomes aware that an entity in which the Member has a material interest, as a director, employee or agent, may offer or provide goods, consulting or other services to ONE JIB, the Member shall:

(a) disclose those circumstances to the Chair; and

(b) seek written advice from the Integrity Commissioner about the application of the *Municipal Conflict of Interest Act* and whether, in consideration of the circumstances, the Member's ongoing membership is in the best interests of ONE JIB.

In providing written advice pursuant to Section 10.3(b), the Integrity Commissioner shall consider the risk of harm to the reputation of ONE JIB and the Participating Municipalities.

10.4 Unless otherwise agreed to by ONE Investment and a majority of the Members, a Member shall resign from ONE JIB upon becoming aware of:

(a) any personal circumstances that may have an adverse impact on the reputation of ONE JIB;

(b) a material change in employment that may have an adverse effect on the Member's contribution to ONE JIB; or

(c) a conflict of interest as described in Sections 9.0 or 10.0 resulting from the Member accepting a directorship with a financial institution or other corporation.

11.0 IMPROPER USE OF INFLUENCE

11.1 Members shall not use the influence of their office or appointment for any purpose other than the exercise of their official duties.

11.2 Members shall not use the status of their position to influence the decision of another person which may affect the Pecuniary Interest or Non pecuniary Interest of themselves, or of any other person including, without limitation, a Parent, Spouse, Child, grandchild, friend or associate, or for the purpose of creating a disadvantage to another person.

12.0 GIFTS AND BENEFITS

- 12.1 Gifts to Members risk the appearance of improper influence. Gifts may appear to induce influence or create an incentive for Members to make decisions on the basis of relationships rather than in the best interests of ONE JIB or its Participating Municipalities. Members shall not accept a fee, advance, gift, gift certificate, cash or personal benefit connected directly or indirectly with the performance of her or his duties.
- 12.2 A gift, benefit or hospitality that is connected directly or indirectly to the performance of the Member's duties provided with the Member's knowledge to a Member's Spouse, Child, Parent, grandchild or to a Member's friend or associate is deemed to be a gift to that Member.
- 12.3 Notwithstanding Section 12.1, Members shall be entitled to accept any gifts or benefits in their public capacity in the following circumstances:
- (a) compensation authorized by law;
 - (b) gifts or benefits that normally accompany the responsibilities of office and are received as an incident of protocol or social obligation;
 - (c) gifts or benefits given in recognition of services provided without compensation by Members volunteering their time;
 - (d) a suitable memento at a function honouring the Member;
 - (e) food, lodging, transportation and entertainment provided by:
 - (i) provincial, regional or local governments or political subdivisions of them,
 - (ii) the federal government,
 - (iii) a foreign government within a foreign country,
 - (iv) Association of Municipalities of Ontario,
 - (v) Local Authority Services,
 - (vi) Municipal Finance Officers' Association of Ontario,
 - (vii) CHUMS Financing Corporation,
 - (viii) ONE Investment, or
 - (ix) a conference, seminar or event organizer where the Member is either speaking or attending in an official capacity;

- (f) participating in or consuming food and beverages at banquets, receptions, sporting events or similar functions, if:
 - (i) attendance serves a legitimate business purpose, or supports a charitable cause in the community, a board of trade or chamber of commerce;
 - (ii) the person extending the invitation or a representative of the organizing entity is in attendance; and
 - (iii) the value is reasonable and the invitations infrequent;
 - (g) gifts of nominal value (e.g. a baseball cap, t-shirt, flash drive, book);
 - (h) any gift or personal benefit, if the Integrity Commissioner is of the opinion, before the gift or personal benefit has been accepted, that it is unlikely that receipt of the gift or benefit gives rise to a reasonable presumption that the gift or benefit was given in order to influence the Member in the performance of her or his duties.
- 12.4 The exceptions set forth in Section 12.3 do not apply where the gifts or benefits are provided by potential administrators, custodians, payment servicers, portfolio managers, investment counsel, bankers, brokers, dealers or other agents as may be required to implement the Investment Plan in accordance with a Participating Municipality's Investment Policy Statement.
- 12.5 In the case of Sections 12.3 (b), (d), (e) and (f) of, if the value of the gift or benefit exceeds \$300, or if the total value of gifts and/or benefits received from any one source during the course of a calendar year exceeds \$300, the Member shall, within thirty (30) days of receipt of the gift or benefit or reaching the annual limit, file a disclosure statement with the Integrity Commissioner. The disclosure statement will be a matter of public record. The disclosure statement shall provide the following information:
- (a) the nature of the gift or benefit;
 - (b) its source and date of receipt;
 - (c) the circumstances under which it was given or received;
 - (d) its estimated value;
 - (e) what the Member intends to do with the gift or benefit; and
 - (f) whether the gift or benefit will at any point be left with ONE JIB or ONE Investment.
- 12.6 On receiving a disclosure statement, the Integrity Commissioner shall examine it to ascertain whether receipt of the gift or benefit might, in her or his opinion, create a conflict between a private interest and the public duty of the Member. In the event that the Integrity Commissioner makes this preliminary determination, she or he shall call upon the Member to justify receipt of the gift or benefit.

12.7 Should the Integrity Commissioner determine that receipt was inappropriate, she or he may direct the Member to return the gift or benefit, reimburse the donor for the value of the gift or benefit if already consumed, or forfeit the gift or benefit or remit the value of the gift or benefit if already consumed to ONE JIB or ONE Investment.

12.8 Except in the cases of Sections 12.3 (a) and (e), a Member may not under any circumstances accept a gift or benefit worth in excess of \$500 or gifts and benefits worth in the aggregate in excess of \$500 from one source during a calendar year.

13.0 COMMUNICATION

13.1 Members shall seek to advance the public interest with honesty and refrain from making any statement through any medium (including and without limiting the generality of the foregoing, through any social media platform) to Participating Municipalities, other stakeholder groups, the media or the public unless such statement is authorized by the Chair of ONE JIB or her or his delegate.

14.0 ELECTION ACTIVITY

14.1 Members are required to conduct themselves in accordance with elections legislation as may be amended from time to time, and any ONE JIB policies. The use of ONE JIB resources, including property and ONE Investment staff time, for any election-related activity is strictly prohibited. Election-related activity applies to the Member's campaign and any other election campaigns for municipal, provincial or federal office.

15.0 INTEGRITY COMMISSIONER'S ADVICE

15.1 It is the duty of the Member to seek the Integrity Commissioner's written advice on any potential situation where the Member might reasonably be expected to be in contravention of this Code of Conduct.

15.2 Any written advice given to a Member by the Integrity Commissioner binds the Integrity Commissioner in any subsequent consideration of the conduct of the Member in the same matter as long as all the relevant facts known to the Member were disclosed to the Integrity Commissioner and the facts remain unchanged.

16.0 RESPONSIBILITIES

16.1 Members shall:

- (a) consult with the Integrity Commissioner if they need any advice or clarification regarding their obligations under this Code of Conduct; and
- (b) adhere to the provisions of this Code of Conduct and ensure compliance with all applicable legislation as well as all procedures, rules or policies of ONE JIB governing their ethical behaviour.

16.2 The Integrity Commissioner shall:

- (a) investigate complaints related to a Member's alleged contravention of this Code of Conduct;
- (b) provide written advice to Members with respect to their obligations under the Code of Conduct and the *Municipal Conflict of Interest Act*;
- (c) provide educational information about the Code of Conduct and the *Municipal Conflict of Interest Act*; and
- (d) provide such advice and opinions as may be from time to time requested by ONE JIB.

17.0 CONTRAVENTION

17.1 The Integrity Commissioner shall establish a complaint protocol to investigate complaints of contraventions by Members of this Code of Conduct and applications under section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*.

17.2 Members shall not act in reprisal or threaten reprisal against a person who makes a complaint, files an application or provides information to the Integrity Commissioner during an investigation.

17.3 Members are expected to cooperate with requests for information during investigations relating to the Code of Conduct and the *Municipal Conflict of Interest Act*. Members shall not destroy documents or erase electronic communications or refuse to respond to the Integrity Commissioner where a complaint has been lodged under the Code of Conduct, the *Municipal Conflict of Interest Act* or any process for complaints adopted by ONE JIB.

17.4 Where a report is received from the Integrity Commissioner that there has been a contravention of the Code of Conduct, ONE JIB may impose either of the following penalties on the Member as permitted by the Act:

- (a) a reprimand; or
- (b) a suspension of the remuneration paid to the Member in respect of her or his services on ONE JIB for a period up to 90 days.

17.5 ONE JIB may, on the basis of a recommendation from the Integrity Commissioner, also take any or all of the following corrective or remedial actions, and require that the Member:

- (a) provide a written or verbal apology;
- (b) return property or make reimbursement of its value or of money spent;
- (c) be removed from or not be appointed to the membership on a Committee;
- (d) be removed from or not be appointed as chair of a Committee; and
- (e) comply with any other remedial or corrective action or measure deemed appropriate by the Integrity Commissioner.

18.0 COMPLAINT PROTOCOL

18.1 The Complaint Protocol is Appendix "A" to this Code of Conduct and applies to Complaints (as defined in Appendix "A") under this Code of Conduct and the *Municipal Conflict of Interest Act*.

APPENDIX A
ONE JOINT INVESTMENT BOARD CODE OF CONDUCT
COMPLAINT PROTOCOL

Defined terms used herein, unless the context otherwise requires, have the meanings ascribed to such terms in the Code of Conduct. In the event of a discrepancy or inconsistency between the provisions contained in the Code of Conduct and those contained in this Complaint Protocol, the Code of Conduct shall prevail.

PART A - INFORMAL COMPLAINT PROCEDURE

1. Any individual who identifies or witnesses behaviour or activity by a Member that they believe contravenes the Code of Conduct may seek to address the prohibited behaviour or activity themselves in the following manner by following the Informal Complaint Procedure:
 - (a) document the incident(s) where the Member may have contravened the Code of Conduct including dates, times, locations, other persons present, and any other relevant information;
 - (b) advise another person about the concerns regarding the Member's actions, to corroborate the incident;
 - (c) advise the Member that the behaviour or activity appears to contravene the Code of Conduct;
 - (d) identify to the Member the specific provision(s) of the Code of Conduct that may have been contravened;
 - (e) encourage the Member to acknowledge and agree to stop the prohibited behaviour or activity and to undertake to refrain from future occurrences of the prohibited behaviour or activity;
 - (f) if applicable:
 - (i) confirm to the Member that his or her response is satisfactory, or
 - (ii) advise the Member that his or her response is unsatisfactory;
 - (g) consider the need to pursue the matter in accordance with the Formal Complaint Procedure set out in Part B, or in accordance with any other applicable judicial or quasi-judicial process or complaint procedure.

2. Individuals are encouraged to pursue the Informal Complaint Procedure as the first means of remedying behaviour or activity of a Member that they believe contravenes the Code of Conduct.

3. The Integrity Commissioner may be requested to assist in an attempt to settle or resolve the issue with the Member and the individual but will participate only if both parties have consented.
4. The Informal Complaint Procedure is not a precondition or a prerequisite to pursuing the Formal Complaint Procedure related to the Code of Conduct set out in Part B.

PART B - FORMAL COMPLAINT PROCEDURE

Formal Complaints

5. (1) Any individual who identifies or witnesses behaviour or activity by a Member that they reasonably believe contravenes the Code of Conduct may file a formal complaint ("Complaint") to request an inquiry by the Integrity Commissioner as to whether a Member has contravened the Code of Conduct in accordance with the following requirements:
 - (a) a Complaint shall be in writing on the prescribed form (Formal Complaint Form # 1 attached hereto) and shall be dated and signed by an identifiable individual (the "complainant");
 - (b) the Complaint must set out reasonable and probable grounds for the allegation that the Member has contravened the Code of Conduct and must be accompanied by a supporting sworn affidavit setting out the evidence in full in support of the allegation; and
 - (c) Members of ONE JIB may also file a Complaint against any of its Members of an alleged contravention of the Code of Conduct by passing a resolution requesting the Integrity Commissioner to undertake an inquiry.
- (2) An elector, as defined in section 1 of the *Municipal Conflict of Interest Act*, or a person demonstrably acting in the public interest (collectively, a "complainant") may file a formal application requesting that the Integrity Commissioner carry out an inquiry concerning an alleged contravention of section 5, 5.1 or 5.2 of that statute by a Member in accordance with the following requirements:
 - (a) an application (also referred to as a "Complaint" herein) shall be in writing on the prescribed form (Complaint Form #2 attached hereto), dated and signed by an identifiable individual;
 - (b) the application shall include a statutory declaration attesting to the fact that:
 - (i) the complainant became aware of the contravention not more than six (6) weeks before the date of the application, or
 - (ii) in the case where the complainant became aware of the alleged contravention during the period of time described in paragraph 1 of subsection 223.4.1(5) of the *Municipal Act, 2001*, that the complainant became aware of the alleged contravention during that period of time;

- (c) ONE JIB may also pass a resolution requesting the Integrity Commissioner to undertake an inquiry respecting an alleged contravention of section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act* by a Member and provide a statutory declaration as required by Section 5(2) to be sworn by a Member of ONE JIB.
- (3) Complainants who file a formal Complaint under Sections 5(1) or 5(2) must provide a full and complete record of evidence to substantiate or support the allegations set out in the Complaint to the Integrity Commissioner who is under no obligation whatsoever to, but may, seek additional information.

Filing of Complaint and Classification by Integrity Commissioner

- 6. (1) The Complaint may be filed with the Integrity Commissioner by hard copy or by e-mail at the following mailing or email addresses:

John Mascarin
Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Email: jmascarin@airdberlis.com
Tel: 416-865-7721

- (2) The Integrity Commissioner shall initially classify the Complaint to determine if the matter is, on its face, a Complaint with respect to a contravention of the Code of Conduct and not covered by other legislation or other ONE JIB procedures, policies or rules as set out in Section 7 or whether it is a Complaint with respect to an alleged contravention of section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*.

Complaints Outside Integrity Commissioner's Jurisdiction or Not for Investigation

- 7. (1) If the Complaint, including the supporting affidavit or the statutory declaration, is not, on its face, a Complaint with respect to a contravention of the Code of Conduct or the Complaint relates to matters addressed by other legislation under another procedure, policy or rule of ONE JIB or whether it is a Complaint with respect to an alleged contravention of section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*, the Integrity Commissioner shall advise the complainant in writing as follows:

Criminal Matter

- (a) if the Complaint is, on its face, an allegation of a criminal nature consistent with the *Criminal Code*, the complainant shall be advised that:
 - (i) the Integrity Commissioner will refer it to the appropriate police service, or
 - (ii) the complainant may pursue it with the appropriate police service if the complainant wishes to pursue any such allegation;

Municipal Freedom of Information and Protection of Privacy Act

- (b) if the Complaint is more appropriately addressed under the *Municipal Freedom of Information and Protection of Privacy Act*, the complainant shall be advised that the matter must be referred to the Secretary to deal with under any access and privacy policies of ONE JIB under that statute;

Other Procedure, Policy or Rule Applies

- (c) if the Complaint appears to fall within the scope of another procedure, policy or rule of ONE JIB, the complainant shall be advised to pursue the matter under such procedure, policy or rule with the appropriate official or staff member; and

Lack of Jurisdiction

- (d) if the Complaint is, for any other reason not within the jurisdiction of the Integrity Commissioner (for example, it relates to a decision of ONE JIB as a whole and not one or more individual Members), the complainant shall be so advised and provided with any additional reasons and referrals, if any, as the Integrity Commissioner considers appropriate.

- (2) If it becomes apparent to the Integrity Commissioner at any time that the Complaint with respect to a contravention of the Code of Conduct or with respect to an alleged contravention of section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*, relates to any of the following matters, the Integrity Commissioner shall advise the complainant in writing as follows:

Matter Already Pending

- (a) if the Complaint is in relation to a matter which is subject to an outstanding complaint under another process such as a court proceeding, a human rights or workplace harassment complaint or similar process, or to a civil matter that is pending before the courts, the Integrity Commissioner may, in his/her sole discretion, suspend any investigation, in whole or in part, pending the result of the other process;

Similar Matter Already Pending

- (b) if the Complaint is in relation to a similar matter which is subject to an outstanding Complaint before the Integrity Commissioner, the Integrity Commissioner may, in his/her sole discretion, consider the matter in conjunction with the similar matter or deal with it separately, including not undertaking an inquiry if the matter can be adequately addressed in any report and/or recommendations made with respect to the Complaint in the similar matter; and

Other Ethical Code or Policy Applies

- (c) if the Complaint is in relation to a matter which is governed by a code of conduct, ethical code or similar procedure or policy of another body or entity which also

governs the Members (for example, another professional or regulatory body to which the Member may belong), the Integrity Commissioner shall consider the most appropriate forum for the Complaint and may, in his/her sole discretion, defer consideration of the matter pending any determination made by the other body or entity and shall so advise the complainant and, if necessary, the Member.

- (3) Nothing in Section 7 precludes the Integrity Commissioner from reporting to ONE JIB any matter that is suspended, summarily dismissed, terminated or not otherwise investigated.

Limitation Period

8. (1) The Integrity Commissioner shall not accept a Complaint under the Code of Conduct for which the event giving rise to the Complaint occurred or came to the attention of the complainant more than six (6) months prior to the date of the filing of the Complaint. The complainant must establish that the event giving rise to the Complaint occurred and/or came to the complainant's attention within six (6) months of the Complaint being filed in accordance with Section 6.
- (2) The Integrity Commissioner shall not accept an application with respect to an alleged contravention of section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act* except in accordance with the requirements of subsections 8(2)-(7) of that statute and section 223.4.1 of the *Municipal Act, 2001*.

Refusal to Conduct Investigation

9. (1) The Integrity Commissioner has a discretion as to whether to carry out an investigation. If the Integrity Commissioner is satisfied at any time, after considering the information contained in the Complaint, that the Complaint:
 - (a) is frivolous or vexatious,
 - (b) is not made in good faith,
 - (c) constitutes an abuse of process,
 - (d) discloses no grounds or insufficient grounds for an investigation,
 - (e) does not warrant a full investigation, or
 - (f) is not otherwise in the public interest,

the Integrity Commissioner shall not be required to conduct an investigation and may summarily dismiss the Complaint, and, where this becomes apparent during the course of an investigation, the Integrity Commissioner shall terminate the inquiry and provide notice to the complainant and, if necessary, to the Member. The Integrity Commissioner shall report the refusal to conduct an investigation to ONE JIB.

Opportunities for Resolution

10. Following receipt and review of a formal Complaint or at any time during an investigation where the Integrity Commissioner, in his or her discretion, believes that an opportunity to resolve the matter may be successfully pursued without a formal investigation, and both the complainant and the Member agree, efforts may be pursued to achieve an informal resolution.

Investigation

11. (1) The Integrity Commissioner may proceed as follows, except where the Integrity Commissioner has a full factual record and believes, in his or her sole discretion, that no additional information is required, or where otherwise required by the *Public Inquiries Act, 2009*, or where the Integrity Commissioner has not otherwise terminated the inquiry:
- (a) provide the Member with a copy of the Complaint but not disclose:
 - (i) the identity of the complainant, or
 - (ii) the identity of any witnesses set out in the Complaint or persons that are to be questioned/interviewed by the Integrity Commissioner,unless it is essential for the Member to adequately respond to the Complaint, which determination shall be made in the Integrity Commissioner's sole and absolute discretion;
 - (b) request that the Member provide a written response to the allegations in the Complaint to the Integrity Commissioner within seven (7) days;
 - (c) provide a copy of the Member's response to the complainant with a request that any written reply be provided by the complainant to the Integrity Commissioner within seven (7) days.
- (2) If necessary, after reviewing the submitted materials, the Integrity Commissioner may contact and speak to or correspond with any other persons, access and examine any other documents or electronic materials, including any materials on ONE JIB's computers and servers, and may enter any ONE JIB work location relevant to the Complaint for the purpose of investigation and potential resolution.
- (3) Preliminary or proposed finding(s) may be provided to a Member if the Integrity Commissioner considers that the Member may have contravened the Code of Conduct.
- (4) The Integrity Commissioner may, but is under no obligation, to provide the Member and the complainant with a draft of the proposed final report on the Complaint.
- (5) The Integrity Commissioner may make interim reports to ONE JIB where the Integrity Commissioner considers it necessary or required to address any instances of interference, obstruction, intimidation, delay, reprisal or retaliation by the Member or by any other person encountered during the formal Complaint investigation, and may also disclose

such information as is necessary in the Integrity Commissioner's opinion for the purposes of the interim report(s).

- (6) The Integrity Commissioner is entitled to make such additional inquiries and provide such additional reports to ONE JIB where necessary and as required to address any instances of non-compliance with any decision of ONE JIB including the failure to comply with any penalties or corrective measure or actions imposed by ONE JIB.
- (7) The Integrity Commissioner shall retain all records related to the Complaint and investigation but may provide copies of certain records, in confidence, to ONE JIB's administrative staff who are required to ensure that any such records are securely and confidentially retained.

No Complaint Prior to Municipal Election

12. (1) Notwithstanding any other provision of this Complaint Protocol, no Complaint may be filed with the Integrity Commissioner, no report shall be made by the Integrity Commissioner to ONE JIB during the period of time starting on nomination day for a regular municipal election year, as set out in section 31 of the *Municipal Elections Act, 1996* and ending on the voting day in a regular election as set out in section 5 of the *Municipal Elections Act, 1996*.
- (2) If the Integrity Commissioner has received a Complaint and has commenced an inquiry but has not completed the inquiry before nomination day in a regular municipal election year, the Integrity Commissioner shall terminate the inquiry on nomination day but may commence an inquiry in respect of the same Complaint if within six (6) weeks after the voting day in a regular municipal election the individual who made the request makes a written request to the Integrity Commissioner in accordance with subsection 223.4(8) of the *Municipal Act, 2001*.

Advice Provided to Member by Integrity Commissioner

13. (1) Subject to Section 13(2), a Member is entitled to rely upon any written advice given by the Integrity Commissioner to the Member respecting the Code of Conduct in any subsequent consideration of the conduct of the Member in the same matter provided that the Member fully disclosed in writing all relevant facts known to him or her to the Integrity Commissioner and acted in accordance with the written advice provided by the Integrity Commissioner.
- (2) If the Integrity Commissioner applies to a judge under section 8 of the *Municipal Conflict of Interest Act* for a determination as to whether the Member contravened section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*, the Member is entitled to advise the judge of any written advice given by the Integrity Commissioner provided that the Member fully disclosed in writing all relevant facts known to him or her to the Integrity Commissioner and acted in accordance with the written advice provided by the Integrity Commissioner.
- (3) A Member under investigation by the Integrity Commissioner shall not request advice from the Integrity Commissioner as to the Member's rights under the Code of Conduct, the *Municipal Conflict of Interest Act* or generally at law with respect to any specific

matter that the Integrity Commissioner is investigating or reviewing with respect to the Member, nor is the Member entitled to rely upon any statement(s) made by the Integrity Commissioner during the course of any investigation or review that may impact the Member's rights under the Code of Conduct, the *Municipal Conflict of Interest Act* or generally at law.

- (4) If a Member under investigation by the Integrity Commissioner requests advice, such request shall be delegated in writing to any person other than a Member that the Integrity Commissioner, in consultation with ONE JIB, considers capable of providing informed advice to the Member.
- (5) If the Integrity Commissioner applies to a judge under section 8 of the *Municipal Conflict of Interest Act* for a determination as to whether the Member contravened section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*, the Integrity Commissioner is entitled to recommend and advocate for penalties to the judge under subsection 9(1) of the *Municipal Conflict of Interest Act*.

Authority to Abridge or Extend

14. Notwithstanding any timeline or time limit set out in the Code of Conduct or this Complaint Protocol, the Integrity Commissioner shall retain the right to abridge or extend any timeline or time limit therein if the Integrity Commissioner considers it, in his or her sole and absolute discretion, to be in the public interest.

Investigation Report

15. (1) The Integrity Commissioner shall report to the complainant and the Member no later than ninety (90) days after the official receipt of any Complaint under the Code of Conduct. If the investigation process is anticipated to or takes more than ninety (90) days, the Integrity Commissioner shall provide a brief interim report to ONE JIB and advise the parties of the approximate date the report will be available. The Integrity Commissioner may also, at his or her discretion, advise any witnesses or other persons of the approximate date the report will be available.
- (2) Where the Complaint is sustained in whole or in part, the Integrity Commissioner shall report to ONE JIB outlining the findings, the terms of any settlement and/or any recommended remedial or corrective measure or action.
- (3) The Integrity Commissioner may provide a copy of the report to the complainant and the Member whose conduct has been investigated in advance of the public release of the report, in strict confidence until the report is publicly released. The Member shall have the right to address the report if it is considered appropriate by ONE JIB.
- (4) Where the Complaint is not sustained, the Integrity Commissioner is not obligated to report to ONE JIB on the result of the investigation or any findings but may do so at his or her discretion and may also include such information as he/she deems necessary in a report or as part of an annual or other periodic report by the Integrity Commissioner.

- (5) The Integrity Commissioner shall complete the investigation under the *Municipal Conflict of Interest Act* no later than one hundred and eighty (180) days after the official receipt of any application validly made under Section 5(2).

Findings

16. (1) If the Integrity Commissioner determines that:
- (a) there has been no contravention of the Code of Conduct, or section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*, or
 - (b) a contravention occurred but:
 - (i) the Member took all reasonable measures to prevent it, including having sought and followed the advice of the Integrity Commissioner;
 - (ii) it was trivial,
 - (iii) it was committed through inadvertence, or
 - (iv) it resulted from an error in judgment made in good faith,
- the Integrity Commissioner may so state in the report and may make appropriate recommendations pursuant to the *Municipal Act, 2001*, including, but not limited to, a recommendation of no penalty or remedial measures or corrective actions.
- (2) If the Integrity Commissioner:
- (a) considers it appropriate, once he or she has concluded the investigation under Section 5(2), he or she may apply to a judge under section 8 of the *Municipal Conflict of Interest Act* for a determination as to whether the Member has contravened section 5, 5.1 or 5.2 of that statute; or
 - (b) does not proceed with an application to the judge, he or she shall so advise the complainant and the Member in writing.
- (3) The Integrity Commissioner shall provide a written report to ONE JIB providing the reasons for his or her decision under Section 16(2).

Report to ONE JIB

17. (1) Upon receipt of a report from the Integrity Commissioner with respect to the Code of Conduct, the Secretary shall place the report on the next regular meeting agenda of ONE JIB for consideration by ONE JIB.
- (2) A report from the Integrity Commissioner may also be considered by ONE JIB in advance of its next regular meeting should ONE JIB agree to hold a special or other meeting before its next regular meeting to consider the report.

Duty of ONE JIB

18. ONE JIB shall consider and make a determination on the Integrity Commissioner's report under Section 17 at the same meeting at which the report is tabled.

Public Disclosure

19. (1) The Integrity Commissioner and every person acting under his or her instructions shall preserve confidentiality where appropriate and where it does not interfere with the course of any investigation, except as required by law and as required by this Complaint Protocol.
- (2) The Integrity Commissioner shall retain all records related to the Complaint and investigation although copies may be provided to ONE JIB's administrative staff, subject to the duty of confidentiality under subsection 223.5 of the *Municipal Act, 2001*.
- (3) The identity of the Member who is the subject of the Complaint shall not be treated as confidential information in the Integrity Commissioner's report to ONE JIB. The identity of the complainant and of any other person, including any witnesses, may be disclosed if deemed appropriate and necessary by the Integrity Commissioner, if consented to by the complainant or any other person, or such information has already been publicly disclosed.
- (4) All reports from the Integrity Commissioner to ONE JIB shall be made available to the public by the Secretary.

Delegation by Integrity Commissioner

20. The Integrity Commissioner, in consultation with ONE JIB, may delegate in writing to any person, other than a Member of ONE JIB, any of the Integrity Commissioner's powers and duties under Part V.1 of the *Municipal Act, 2001*.

Complaint Protocol Applicable to Committees

21. The provisions of this Complaint Protocol shall apply, with modifications as necessary, to all committees or sub-committees of ONE JIB and their members.

Code of Conduct — Formal Complaint Form # 1

AFFIDAVIT

I, _____ (first and last name),
of the _____ in the Province of Ontario.

MAKE OATH AND SAY (or AFFIRM):

1. I reside at: _____ (full address) and
may be contacted at telephone: _____ and email: _____.

2. I have reasonable and probable grounds to believe that:
_____ (name of Member),
a member of ONE Joint Investment Board has contravened the following section(s) of the Code of Conduct
of ONE Joint Investment Board: _____. The particulars of which
are attached hereto.

3. Facts constituting the alleged contravention (use separate page if required)

This affidavit is made for the purpose of requesting that this matter be reviewed and/or investigated by ONE Joint Investment Board's Integrity Commissioner and for no other purpose.

SWORN (or AFFIRMED) before me at)
the _____ of _____ on)
_____ (date))
_____)
_____)
A Commissioner for taking affidavits etc.)

(Signature)

Please note that signing a false affidavit may expose you to prosecution under ss. 131 and 132 or 134 of the *Criminal Code*, R.S.C. 1985, c. C-46 and also to civil liability for defamation.

Municipal Conflict of Interest Act – Complaint Form # 2

STATUTORY DECLARATION

I, _____ (*first and last name*), of the
_____ in the Province of Ontario.

I SOLEMNLY DECLARE THAT:

1. I reside at: _____ (*full address*) and may
be contacted at telephone: _____ and email: _____.

2. I have reasonable and probable grounds to believe that:
_____ (*specify name of Member*),

a member of ONE Joint Investment Board, has contravened the following section(s) of the *Municipal
Conflict of Interest Act*, R.S.O. 1990, c. M.50: _____.

3. I became aware of the facts constituting the alleged contravention not more than six (6) weeks
ago and they comprise the following: (use separate page if required)

This declaration is made for the purpose of requesting that this matter be investigated by ONE Joint Investment Board's Integrity Commissioner and for no other purpose.

DECLARED before me at)
the _____ of _____ on)
_____ (date))
)
_____)
A Commissioner for taking affidavits etc.)

_____)
(Signature)

Please note that signing a false declaration may expose you to prosecution under ss. 131 and 132 or 134 of the *Criminal Code*, R.S.C. 1985, c. C-46 and also to civil liability for defamation

EXHIBIT B
CLOSED MEETINGS PERMITTED OR REQUIRED

The provisions of the Act, as amended from time to time, currently provide that except as provided in section 239 of the Act, all meetings shall be open to the public.

A meeting or part of a meeting may be closed to the public in accordance with section 239 of the Act if the subject matter being considered is,

- the security of the property of ONE JIB;
- personal matters about an identifiable individual, including ONE JIB employees;
- a proposed or pending acquisition or disposition of land by ONE JIB;
- labour relations or employee negotiations;
- litigation or potential litigation, including matters before administrative tribunals, affecting ONE JIB;
- advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
- a matter in respect of which ONE JIB may hold a closed meeting under another Act;
- information explicitly supplied in confidence to ONE JIB by Canada, a province or territory or a Crown agency of any of them;
- a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to ONE JIB, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization;
- a trade secret or scientific, technical, commercial or financial information that belongs to ONE JIB and has monetary value or potential monetary value;
- a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of ONE JIB;

A meeting of ONE JIB or of a committee of ONE JIB may be closed to the public if the meeting is held for the purpose of educating or training the members provided no member discusses or otherwise deals with any matter in a way that materially advances the business or decision-making of ONE JIB or committee.

A meeting may be closed to the public during a vote if the meeting is one that is closed to the public in accordance with this Exhibit B and if the vote is for a procedural matter or for giving instructions to officers, employees or agents of ONE JIB or a committee of ONE JIB or persons retained by or under a contract with ONE JIB.

A meeting or part of a meeting shall be closed to the public in accordance with section 239 of the Act if the subject matter being considered is,

- a request under the *Municipal Freedom of Information and Protection of Privacy Act* if ONE JIB is the head of an institution for the purposes of that Act; or
- an ongoing investigation respecting ONE JIB by the Ombudsman appointed under the *Ombudsman Act*, an Ombudsman referred to in subsection 223.13(1) of the Act, or the investigator referred to in subsection 239.2(1) of the Act.

EXHIBIT C
ONE JIB MAY REFUSE DISCLOSURE OF A RECORD

The provisions of the *Municipal Freedom of Information and Protection of Privacy Act*, as amended from time to time, currently provide that ONE JIB may refuse to disclose a record:

- that reveals the substance of deliberations of a meeting of ONE JIB or a committee of ONE JIB if a statute authorizes holding that meeting in the absence of the public.
- if the disclosure would reveal advice or recommendations of an officer or employee of an institution or a consultant retained by an institution.
- that reveals a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence implicitly or explicitly, if the disclosure could reasonably be expected to,
 - (a) prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization;
 - (b) result in similar information no longer being supplied to ONE JIB where it is in the public interest that similar information continue to be so supplied;
 - (c) result in undue loss or gain to any person, group, committee or financial institution or agency; or
- that contains,
 - (a) trade secrets or financial, commercial, scientific or technical information that belongs to an institution and has monetary value or potential monetary value;
 - (b) information whose disclosure could reasonably be expected to prejudice the economic interests of an institution or the competitive position of an institution;
 - (c) information whose disclosure could reasonably be expected to be injurious to the financial interests of an institution;
 - (d) positions, plans, procedures, criteria or instructions to be applied to any negotiations carried on or to be carried on by or on behalf of an institution;
 - (e) plans relating to the management of personnel or the administration of an institution that have not yet been put into operation or made public;
 - (f) information including the proposed plans, policies or projects of an institution if the disclosure could reasonably be expected to result in premature disclosure of a pending policy decision or undue financial benefit or loss to a person.

EXHIBIT D
COMPENSATION FOR ONE JIB MEMBERS

- The Chair of ONE JIB will receive an annual \$15,000 retainer and \$1,000 per board meeting.
- The Vice Chair of ONE JIB will receive an annual \$10,000 retainer and \$1,000 per board meeting.
- Board members of ONE JIB will receive an annual \$5,000 retainer and \$1,000 per board meeting.
- All Board members of ONE JIB will also be remunerated \$500 for attending business meetings of ONE JIB.
- Municipal Treasurer Representatives will not be eligible for compensation.

EXHIBIT E
PROCESS TO APPOINT INTEGRITY COMMISSIONER AND CLOSED MEETING INVESTIGATOR

Initial Appointment of Integrity Commissioner and Closed Meeting Investigator

1. Prior to the effective date of the ONE JIB Agreement (July 2, 2020) the Founding Municipalities directed ONE Investment to conduct a Request for Proposal (“RFP”) process to retain the services of an initial Integrity Commissioner and an initial Closed Meeting Investigator for ONE JIB.
2. The Secretary to ONE JIB worked with a member of ONE Investment staff and two representatives of the Founding Municipalities’ clerks (the “Initial Appointment Subcommittee”) on the RFP. The results of the RFP were shared with the Founding Municipalities.
3. The candidates recommended by the Initial Appointment Subcommittee were submitted to ONE JIB during its initial meeting on May 19, 2020 and thereafter ONE JIB appointed an initial Integrity Commissioner in accordance with section 223.3 of the Act and an initial Closed Meeting Investigator in accordance with section 239.2 of the Act.

Successor Integrity Commissioner and Successor Closed Meeting Investigator

4. In the event that ONE JIB determines that the appointment of a successor Integrity Commissioner or Closed Meeting Investigator is required it shall direct ONE Investment to conduct an RFP process in consultation with a committee comprised of the Secretary to ONE JIB, a member of ONE Investment staff and two representatives of the Participating Municipalities’ clerks (the “Successor Appointment Committee”), to retain the services of a successor Integrity Commissioner and a successor Closed Meeting Investigator, the results of which RFP shall be shared with the Participating Municipalities.
5. ONE JIB shall consider the candidate(s) recommended by the Successor Appointment Committee at its first meeting after receipt of such recommendation(s).
6. ONE JIB shall appoint a successor Integrity Commissioner and/or successor Closed Meeting Investigator and enter into appropriate agreements with each such successor and subsequently notify the Participating Municipalities of the identity of the successor Integrity Commissioner and/or the successor Closed Meeting Investigator, as applicable.

**SCHEDULE D
FEES AND EXPENSES**

Approach to Fees and Expenses

As a not-for-profit entity, the ONE Investment structures fees so as to recover its operating costs and set aside appropriate reserves for future investment. Neither ONE JIB nor ONE Investment will charge fees directly to Participating Municipalities. By entering into the ONE JIB Agreement, a Participating Municipality agrees that the Managed Assets (subject to exceptions as set out in the Participating Municipality’s IPS and Investment Plan) will be invested in ONE Investment Pools as selected by ONE JIB on the advice and recommendation of ONE Investment and as set out in the Participating Municipality’s IPS and Investment Plan.

The ONE Investment Pools will be subject to management fees and other expenses, which are described below. Except for taxes, ONE Investment expects to bundle such fees and expenses into a single fee, where the rate of such fee will differ depending on the ONE Investment Pool. ONE Investment fees are approved by the ONE Investment Board and are reviewed, at least annually. The details of the fee structure will be publicly available.

The following is a representative example of the fund fees:

	Cdn Gov’t Bond	Corp. Bond	Global Bond	Global Equity	Canadian Equity
Single Fee	35.0 bps	40.0 bps	45.0 bps	75.0 bps	45.0 bps

Management Fee Discounts

Charging fees on a cost recovery basis makes it difficult to offer Participating Municipalities significant discounts. Any discounts that may apply will be offered solely at the discretion of the ONE Investment Board of Directors and paid directly by ONE Investment to the Participating Municipality to offset fees charged to the ONE Investment Pools.

Name of Discount	Discount in Basis Points (bps)	Description
Founding Municipality Discount	4 bps	In effect for 10 years from the ONE JIB establishment date May 19, 2020
Managed Asset Tier \$50 million	6 bps	For Participating Municipality with Managed Assets in excess of \$50 million in ONE Investment Pools. This rebate is cumulative with any other Managed Asset tier discount.
Managed Asset Tier \$100 million	3 bps	For Participating Municipality with Managed Assets in excess of \$100 million in ONE Investment Pools. This rebate is cumulative with any other Managed Asset tier discount.

Name of Discount	Discount in Basis Points (bps)	Description
Managed Asset Tier \$200 million	3 bps	For Participating Municipality with Managed Assets in excess of \$200 million in ONE Investment Pools. This rebate is cumulative with any other Managed Asset tier discount.
Managed Asset Tier \$300 million	3 bps	For Participating Municipality with Managed Assets in excess of \$300 million in ONE Investment Pools. This rebate is cumulative with any other Managed Asset tier discount.

The single fee outlined above will cover costs associated with:

External Management Fees

External management and performance fees (if any) charged by external portfolio managers.

The rate of management fees charged by external managers is generally directly related to the total value of the assets managed by such manager. As assets under management (AUM) increase, the rate of management fees can be expected to fall. As a result, ONE Investment investors can expect to benefit from lower management fees in comparison to investing alone.

Operating Expenses

Each ONE Investment Pool will be charged third party administration fees, which include the payment for services provided to the ONE Investment Pool and to the Managed Assets. Such third party services include custody, fund administration, fund accounting, trustee services, legal, audit and other professional services.

ONE Investment will charge each ONE Investment Pool a ONE administration fee. The ONE administration fee will compensate ONE Investment for its overhead and other expenses. The ONE administration fee allows ONE Investment to provide compensation to, and pay the expenses of, the members of ONE JIB.

This ONE administration fee will not be applied at the same rate for all ONE Investment Pools.

ONE Investment intends to monitor the rate of administrative fees to ensure that net revenues remain appropriate, taking into account ONE Investment’s not for profit status. Growth of AUM may result in a reduction in the rate of the ONE administrative fee over time, and will be evaluated on at least an annual basis.

Trading Costs and Expenses

In the normal course of implementing their investment mandates, the ONE Investment Pools will incur transaction costs. Such transactions costs include trading commissions, exchange fees and duties, interest, regulatory fees and similar ancillary expenses that are associated with the implementation, execution and settlement of portfolio transactions. As is normal industry practice, these transaction costs are borne by the applicable ONE Investment Pool.

Taxes and Interest

Management fees and expenses normally attract HST/GST. All such taxes are excluded in the above fee illustrations. Any interest expense incurred or payable by a ONE Investment Pool is charged as an expense of the applicable ONE Investment Pool.

All fees and expenses will be accrued daily and paid by the ONE Investment Pools.

All fees and expenses reduce the potential returns available from the applicable ONE Investment Pool. Effectively, the aggregate fees indirectly incurred by each Participating Municipality will be a proportion of the amount invested. The aggregate fees indirectly incurred by each Participating Municipality are also influenced by the allocation of the investments in the ONE Investment Pools.

Reporting to Participating Municipalities on Fees

As part of the annual fund audit, Participating Municipalities will be provided with a fee summary, with fees and expenses presented as a single fixed administrative charge to each ONE Investment Pool with taxes on a separate line.



REPORT

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: September 6, 2023
Re: Municipal Performance Reports - Q2 2023
Report: ONE JIB 2023-040

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

On August 2, 2023, ONE Investment distributed quarterly reporting packages for the second quarter of 2023 to the Participating Municipalities. These packages allow the Participating Municipalities to monitor the performance of their investments. The reporting packages are included as an Appendix to this report.

3. BACKGROUND

The reporting packages follow the standardized format used in previous quarters

The packages include information such as book values and market values of investments, investment income, gains, transactions, and performance by outcome and by fund. Commentary on performance is also included in the reporting packages. The details support municipal reporting needs while also providing valuable performance-related information. These reports are normally distributed to the Participating Municipalities within six weeks of the quarter's end.

4. CONCLUSION

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

Drafted by: Keith Taylor, Chief Investment Officer

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

QUARTERLY INVESTMENT REPORT

For The Period Ended June 30, 2023

Bracebridge Prudent Investor Portfolio

1000 Taylor Court
Bracebridge, ON
P1L 1R6

Judson, Paul
Director of Finance/Treasurer
pjudson@bracebridge.ca
(705) 645-5264

ONE Investment

200 University Ave, Suite 801
Toronto, Ontario
M5H 3C6

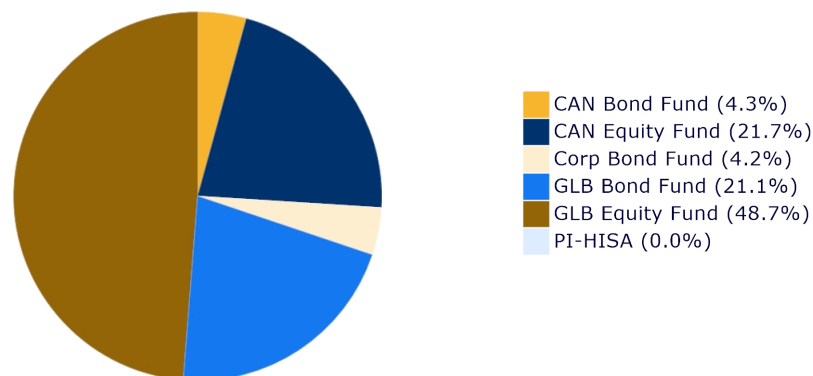
Relationship Manager

Wardah Mir, Client Service Representative
416-971-9856
one@oneinvestment.ca

Bracebridge Prudent Investor Portfolio
Executive Summary for the Quarter Ended June 30, 2023

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	2.3%	8.0%	13.9%	2.1%	-	-	6.5%	07/02/2020

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	291,642.09	-	-	(2,284.36)	-	289,357.73
CAN Equity Fund	1,425,264.42	-	-	51,067.31	-	1,476,331.73
Corp Bond Fund	284,003.69	-	-	(1,341.02)	-	282,662.67
GLB Bond Fund	1,386,561.43	50,655.20	-	(4,392.53)	-	1,432,824.10
GLB Equity Fund	3,251,920.39	-	50,000.00	109,343.86	-	3,311,264.25
PI-HISA	57.10	-	-	-	0.71	57.81
Total	6,639,449.12	50,655.20	50,000.00	152,393.26	0.71	6,792,498.29

**Bracebridge Prudent Investor Portfolio
Performance History At
June 30, 2023**

Performance by Fund

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	1.2	2.4	4.0	2.4	-	-	-	1.7	07/02/2020
ONE Canadian Equity Fund	3.5	9.6	17.0	2.6	-	-	-	12.6	07/02/2020
ONE Global Equity Fund	3.3	11.0	19.4	5.1	-	-	-	8.7	07/02/2020
ONE Canadian Corporate Bond Fund	-0.4	2.1	2.8	-3.1	-	-	-	-2.5	07/02/2020
ONE Canadian Government Bond Fund	-0.7	0.9	1.2	-1.7	-	-	-	-1.1	07/02/2020
ONE Global Bond Fund	-0.2	2.6	4.1	-2.9	-	-	-	-0.5	07/02/2020

Performance by Outcome

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
JIB1BRBCONT	2.0	7.4	12.7	1.6	-	-	-	5.7	07/02/2020
JIB2BRBTD10P	2.5	8.6	15.0	2.6	-	-	-	7.3	07/02/2020
JIBBRBCASH	1.2	2.4	4.0	2.4	-	-	-	1.8	08/06/2020

QUARTERLY REVIEW

During the second quarter of 2023, the Canadian equity markets moved modestly higher as the economic backdrop remained supportive and investor sentiment remained strong. The ONE Canadian Equity Fund generated returns of 3.5% in the quarter, outperforming the broader Canadian equity markets. During the quarter, inflation pressures continued to ease amidst signs of continued strength in the Canadian economy. This is a positive outcome that has helped bolster equity market performance. While some remain concerned about the prospects of a potential economic recession on the horizon, economic indicators remain quite robust.

For the second quarter in a row, the Information Technology sector has been the best-performing sector in the Canadian equity market, with returns of almost 17% in the quarter. The performance of Shopify, a large-cap e-commerce company, accounted for much of the sector's strength, with returns in excess of 30% in the quarter. The Fund has no allocation to Shopify and did not benefit from the strength of this stock. The fund's holdings in the Industrial sector fared much better, as Finning International, a dealer of construction equipment, had returns of 21.8%. As Finning International is one of the fund's largest holdings, representing over 4% of the fund, its performance has made a large contribution to overall fund returns.

One area of notable weakness in the Canadian equity markets was the Materials sector, which had returns of negative 6.9% in the quarter due to weak metal prices. The prices of some industrial metals, such as zinc, nickel, and aluminium, were sharply lower, while precious metals like silver and gold experienced more modest declines. The manager positions the fund with a significant underweight exposure to this sector, which helps reduce the volatility of the fund. This positioning limits the effect of the weakness of this sector on fund performance in the quarter.

QUARTERLY REVIEW

Global equity markets performed well in the second quarter, with the ONE Global Equity Fund producing returns of 3.3% in the quarter, modestly underperforming its benchmark. US equity markets performed better than most other regions during the quarter, with a rally in US stocks concentrated in large-market-cap technology stocks like Apple, Microsoft, and Nvidia. These stocks benefited from frenzied interest in Artificial Intelligence (AI) due to their anticipated long-term growth prospects. Fund performance did not fully participate in the strength of the Technology sectors due to an underweight sector allocation and stock selection that did not emphasize the AI theme.

During the quarter, most countries and regions other than the USA had modest returns, but Japanese stocks had strong returns as signs of inflation were welcomed by investors after three decades of low inflation or deflation. While the Japanese equity market was up over 18% in local currency terms, sharp weakness in the Japanese Yen offset most of the gains. The fund has fairly light exposure to Japanese equities. In contrast, returns were weak in the Asian Pacific, excluding Japan, as Chinese economic growth disappointed. The Chinese and Hong Kong markets were particularly weak in the quarter. The fund has minimal exposure to stocks in this region.

The outlook for inflation and how it factors into the interest rate policy of central banks remains the key consideration for the market outlook. The current term structure of interest rates indicates a high probability of recession on the horizon, and there remains considerable uncertainty about the path of future inflation and interest rates, suggesting notable risks for the market outlook. The manager's emphasis on bottom-up security analysis to guide security selection seeks to invest in firms that have good long-term prospects. This means that the fund tends to focus on long-term returns from holdings rather than taking a view on current market themes and the near-term outlook.

QUARTERLY REVIEW

Global bond markets had mixed performance during the quarter as central banks continued to raise their short-term policy interest rates across western economies. During the quarter, all three ONE Investment bond funds had modestly negative performance in response to rising North American interest rates. The ONE Canadian Bond Fund and ONE Canadian Corporate Bond Fund had returns of -0.7% and -0.4%, respectively, in the quarter, while the ONE Global Bond Fund had returns of -0.2%. All three bond funds outperformed their benchmarks in the quarter, with the ONE Global Fund outperforming by more than 3%, due primarily to its currency hedges that offset the effect of a stronger Canadian dollar.

Overall bond yields were relatively unchanged in the Eurozone as the pace of rate hikes by the European Central Bank slowed, but in North America, bond prices fell on the back of further central bank rate hikes. In the UK, Bond yields moved notably higher, with the 10-year sovereign bond yield increasing by almost 0.9% in the quarter. Inflation remains stubbornly high in the UK, leading to larger rate hikes by the Bank of England during the quarter.

In Asia, the tone of the bond markets was different. While Japanese Bond prices tended to be relatively flat in the quarter, other parts of Asia-Pacific tended to have better performance, responding to interest rate cuts by the Bank of China. A slower than anticipated post-covid recovery in China has led to policy action to bolster economic growth that has had a positive impact on regional bonds.

Inflation remains a dominant theme as the market attempts to assess the trajectory of interest rates. Inflation rates have been declining steadily since the 2022 peaks in the US and Canada, which has given some hope that rate cuts may be on the horizon, but the most recent inflation figures remain above the 2% level that central banks typically target. Further evidence of inflation pressures will be required before central banks can consider cutting rates.

Bracebridge Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of June 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	57.810	1.00	57.81	1.00	57.81	0.00%
CAN Equity Fund	1,131.776	1,022.16	1,156,860.78	1,304.43	1,476,331.73	21.73%
GLB Equity Fund	2,809.110	1,009.58	2,836,026.32	1,178.75	3,311,264.25	48.75%
Corp Bond Fund	315.192	990.42	312,173.35	896.79	282,662.67	4.16%
CAN Bond Fund	307.907	983.70	302,890.23	939.75	289,357.73	4.26%
GLB Bond Fund	1,650.669	985.59	1,626,894.91	868.02	1,432,824.10	21.09%
					6,792,498.29	100.00%

**Bracebridge Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Bracebridge - Contingency Outcome
Account Number: 570050021**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	189.95	990.58	188,163.32	896.79	170,348.04	5.2%	(808.17)	0.00
CAN Equity Fund	487.63	1,022.16	498,440.29	1,304.43	636,087.06	19.5%	22,002.68	0.00
CAN Bond Fund	185.69	983.75	182,677.70	939.75	174,507.22	5.3%	(1,377.66)	0.00
GLB Bond Fund	972.67	987.72	960,727.15	868.02	844,303.14	25.8%	(2,367.48)	0.00
GLB Equity Fund	1,219.01	1,009.56	1,230,672.51	1,178.75	1,436,919.25	44.0%	47,097.91	0.00
			<u>3,060,680.97</u>		<u>3,262,164.71</u>	100.0%	64,547.28	0.00

**Bracebridge Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.0	7.4	12.7	1.6	-	-	-	5.7	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-9.1	12.7	-	-	-

**Bracebridge Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Bracebridge - Target Date 10 Year Plus Outcome
Account Number: 570050039**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	125.24	990.17	124,010.03	896.79	112,314.63	3.1%	(532.85)	0.00
CAN Equity Fund	644.14	1,022.16	658,420.49	1,304.43	840,244.67	23.8%	29,064.63	0.00
CAN Bond Fund	122.21	983.63	120,212.53	939.75	114,850.51	3.2%	(906.70)	0.00
GLB Bond Fund	677.99	982.54	666,167.76	868.02	588,520.96	16.6%	(2,025.05)	0.00
GLB Equity Fund	1,590.10	1,009.59	1,605,353.81	1,178.75	1,874,345.00	53.0%	62,245.95	0.00
			<u>3,174,164.62</u>		<u>3,530,275.77</u>	100.0%	87,845.98	0.00

**Bracebridge Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.5	8.6	15.0	2.6	-	-	-	7.3	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-9.4	15.9	-	-	-

**Bracebridge Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

Account Name: Bracebridge - Cash Outcome
Account Number: 9021979612

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	57.81	1.00	57.81	1.00	57.81	100.0%	0.00	0.71
			<u>57.81</u>		<u>57.81</u>	100.0%	0.00	0.71

**Bracebridge Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.2	2.4	4.0	2.4	-	-	-	1.8	08/06/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	2.0	0.4	-	-	-

Bracebridge Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Bracebridge - Target Date 10 Year Plus Outcome
Account Number: 570050039

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	GLB Bond Fund	05/04/2023	05/04/2023	0.74	655.20
Buy	GLB Bond Fund	05/04/2023	05/04/2023	57.01	50,000.00
Sell	GLB Equity Fund	05/04/2023	05/04/2023	43.14	50,000.00

Bracebridge Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Bracebridge - Cash Outcome
Account Number: 9021979612

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	0.24	0.24
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	0.23	0.23
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	0.24	0.24

**Bracebridge Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
June 30, 2023**

In accordance with the terms of section 8.02 of the ONEJIB Agreement dated as of July 2, 2020 (the "ONE JIB Agreement") ONE Investment confirms as follows:

With respect to the quarter ended June 30, 2023 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

A handwritten signature in black ink that reads "Keith Taylor".

Keith Taylor, Chief Investment Officer, ONE Investment
On the behalf of the ONE Joint Investment Board

APPENDIX

ONE JIB - Outcome Framework - Target Allocations

Outcome							<u>Allocation</u>			
	HISA	Canadian Equity Fund	Global Equity Fund	Canadian Government Bond Fund	Canadian Corporate Bond Fund	Global Bond Fund	Equity	Fixed Income	Cash	Total
Cash	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%			100.0%	100%
Stable Return	10.0%	9.0%	21.0%	9.0%	9.0%	42.0%	30.0%	60.0%	10.0%	100%
Contingency	0.0%	18.0%	42.0%	6.0%	6.0%	28.0%	60.0%	40.0%		100%
Asset Management	0.0%	27.0%	63.0%	1.5%	1.5%	7.0%	90.0%	10.0%		100%
Target Date 3-5	20.0%	3.0%	7.0%	10.5%	10.5%	49.0%	10.0%	70.0%	20.0%	100%
Target Date 5-10	0.0%	15.0%	35.0%	7.5%	7.5%	35.0%	50.0%	50.0%		100%
Target Date 10+	0.0%	22.5%	52.5%	3.75%	3.75%	17.5%	75.0%	25.0%		100%

ONE JIB - Outcome Framework - Defined

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon	Allocation		
					Equity	Fixed Income	Cash
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years			100%
Stable Return	Stable Return	Income generation: To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)	30%	60%	10%
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk, emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)	60%	40%	
	Asset mgt reserves	Contributions to generate returns to fund asset management reserves	Higher risk, emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)	90%	10%	
Target Date	Target Date 3-5 yrs.	Preservation of capital	Low risk; high liquidity	3 - 5 years	10%	70%	20%
	Target Date 5-10 yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 - 10 years	50%	50%	
	Target Date 10+ yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long term inflation-adjusted growth	> 10 years	75%	25%	

Glossary and Definitions for Quarterly Reports

Account

ONE Investment clients have one or more custodial accounts. All Prudent Investor Funds will be administered with ONE Investment's custodian, CIBC Mellon. Unlike Legal List accounts, MNRI invested in the ONE Investment Prudent Investor Funds will be under the control of the ONE Joint Investment Board. In most cases, the Prudent Investor clients will have multiple accounts with the custodian, with the account structure based on the investment outcomes assigned to each client. This will allow reporting to the municipal client based on the investment outcome framework.

Annual and Annualized Returns: please see Returns below.

Asset Allocation

Asset allocation is the single biggest driver of fund returns and should be set taking into account municipal risk tolerance. Also known as asset mix, it is the combination of asset classes in a fund and is normally shown as the percentage weights in each. Example asset classes are money market, Canadian bonds, global bonds, Canadian stocks and global stocks. Each of the ONE JIB Outcomes has an associated asset allocation that is designed to be appropriate for the intended investment Outcome.

Asset Mix: See Asset allocation.

Benchmark

The Benchmark is the standard against which investors compare their portfolio returns to understand its performance. Benchmark can be set either at the asset class level or for the overall portfolio. At the asset class level, benchmarks are usually chosen to represent the entire market; active managers seek to outperform their benchmarks by at least the amount of fees they charge.

For example, a typical benchmark for Canadian stocks is the S&P/TSX Composite Index which is calculated by Standard and Poor's (S&P) and for Canadian money market, the typical benchmark is the FTSE 182-Day Treasury Bill Index from the Financial Times Stock Exchange Group (FTSE). For a portfolio that aims to have risk halfway between these two asset classes, the total portfolio benchmark might be 50% S&P/TSX Composite Index and 50% FTSE 182-Day Treasury Bill Index.

Benchmark returns are always time weighted. (See Returns below for more detail on time weighted returns)

Blended Benchmark

A blended benchmark is a benchmark that is constructed from two or more underlying benchmarks. The weights of each underlying benchmark used in a blended benchmark remain constant over time.

Canadian Corporate Bond Fund

The ONE Investment Canadian Corporate Bond Fund holds short and mid-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Fund is 4.5 to 7.51 years. MFS aims to outperform the benchmark, which is:

- 48% FTSE Canada Universe All Government Bond Index +
- 40% FTSE Canada Short-Term Corporate A Index +
- 10% FTSE Canada Universe Corporate AAA/AA Index +
- 2% FTSE Canada 91-Day Treasury Bill Index.

Canadian Equity Fund

The ONE Canadian Equity Fund holds Canadian stocks managed by Guardian Capital. Guardian aims for below-market risk, achieved with a ONE-imposed constraint on the weight of Material and Energy sectors because of the expected above-market volatility of these sectors.

Canadian Government Bond Fund

This ONE Government Canadian Bond Fund holds short-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Bond Fund is 1.73 to 3.73 years. MFS aims to outperform the benchmark, which is:

- 95% FTSE Canada Short-Term Government Bond Index +
- 5% FTSE Canada 91-Day Treasury Bill Index.

Book Value

Book value is the Unit Cost of each holding multiplied by the number of units. It represents the amount originally paid to invest in the holding and takes into account all contributions and withdrawals.

CAD

This is a short form for “Canadian dollars”. Although the outcomes have exposure to foreign securities, all returns in the report reflect Canadian dollar-based returns. Foreign holdings will be impacted by movements in foreign currencies which may impact investment returns. This impact can be reduced by currency hedging strategies. The global equity exposure does not hedge currency exposure, but the global bond exposure may use hedging. The degree to which global bond exposure is hedged back to the Canadian dollar may vary and will reflect the currency hedging strategy of the external manager.

Consolidated Holdings

Consolidated holdings are the aggregate value of all investments with ONE Investment. Consolidated holdings detailed in this report only reflect MNRI balances invested in ONE Investment’s Prudent Investor Funds and HISA balances under the control of the ONE JIB. In certain cases, clients may hold ONE Investment Legal List portfolios or HISA which will not be reflected in consolidated holdings in this report. Additionally, ‘in-kind’ securities pledged to the ONE JIB will not be reflected in this report.

Discounts

Certain fee discounts apply for investors in the ONE Investment Prudent Investor offering. These discounts include a 4bps discount that applies to AUM of Founding Members, and ‘tier discounts’ that apply for any investors with balances in excess of certain thresholds. These discounts would not apply to HISA balances but would apply to balances in Legal List portfolios (if applicable). Discounts will be rebated to the municipalities on a quarterly basis. These discounts are not taken into consideration in the performance details in this investment report.

Distribution: a cash payment of interest or dividends made by ONE Investment from a fund.

Duration

This statistic applies to bonds and is similar in concept to term to maturity. The difference is that duration also takes into account the size and timing of interest payments. A bond with higher coupon payments will have a shorter duration than one with the same term to maturity and lower coupon payments: the reason is that the higher-coupon bond receives more of its return earlier. The higher the duration of a bond, the higher its sensitivity to interest rate movements.

Fees

Fees include all expenses involved in managing the fund: external investment manager fees, custody costs, ONE Investment's costs and administrative costs.

Global Bond Fund

The ONE Global Bond Fund is an unconstrained global bond mandate managed by Manulife Asset Management. The unconstrained nature of the mandate means that the fund will contain a mix of global government, corporate and securitized debt, including emerging markets and high-yield securities. The mandate is not constrained by sector or currency. Manulife aims to outperform the benchmark, which is Bloomberg Barclays Multiverse Index Unhedged.

Global Equity Fund

The ONE Global Equity Fund holds Global stocks managed by Mawer Investment Management. Mawer aims to outperform the benchmark, which is MSCI All Country World Index (ACWI). This mandate invests in both emerging and developed markets. Manager will allocate capital to the best global opportunities, which may include both large and small capitalization companies. This mandate is intended to be a broadly diversified portfolio of wealth-creating companies bought at discounts to their intrinsic values that typically employ a long-term holding period.

High Interest Savings Account (HISA)

This bank account is provided by CIBC. Its very short-term nature precludes it from being considered an investment. Interest income from HISA will be reflected only in the executive summary page as will a list of HISA transitions. As the HISA product is a demand deposit, its value of his does not fluctuate daily. In this way it differs from the ONE Investment fund whose price change in response to changes in the value of underlying investments. Returns for individual accounts holding HISA will not be presented in the report beyond what is disclosed in the executive summary. HISA balances held in the Prudent Investor Offering reflect MNRI and will be under the control of the ONE JIB.

Holdings: the ONE Investment funds or HISA Balances held in client accounts.

Inception Date

The inception is the first date that an investment was made. For each account, this will be the first time funds were transferred in; for funds offered by ONE Investment, it is the date the funds started. For ONE JIB Founders, the Inception date is July 2, 2020.

Income

Income is a cash flow generated by an investment and normally includes interest on bonds and dividends on stocks. It is differentiated from capital gains, which also contribute to returns, but which are not considered income.

Investment Manager

Investment managers are external firms hired by ONE Investment to create funds to our specifications. These are MFS Investment Management Canada for Canadian fixed income, Manulife Asset Management for global fixed income, Guardian Capital Group Ltd for Canadian equity, and Mawer Investment Management Ltd for global equity.

Market Value

The value of an investment at current market prices, calculated by multiplying the Price (defined below) by the number of units held.

ONE Joint Investment Board (ONE JIB)

The joint board established by founding municipalities as a municipal services board under section 202 of the Act as required under Part II of the Regulation, and is the duly appointed Joint Investment Board for the municipality, as constituted from time to time and acting pursuant to the Terms of Reference set out in the ONE JIB Agreement.

Outcome

Outcome means, in the context of the Investment Plan, the same thing as ‘solution’. Investment Outcomes are a set of investment allocations with varying risk/return characteristics. The Outcomes assigned to each municipal investor are intended to reflect the needs and circumstances of the municipality. ONE JIB has five pre-defined basic outcomes:

Cash:

The Cash Outcome is designed for investments with a time horizon of less than 3 years. Preservation of capital and liquidity are the highest priorities. Investments allocated to this outcome are expected to be transferred back to the care and control of the municipal treasurer when the funds are reclassified as MRI.

Contingency:

The Contingency outcome is designed for investing contingency reserves. The funds in this outcome may be drawn upon to meet unexpected needs and infrequent events. The investment horizon for this outcome is typically greater than 5 years, with an emphasis placed on long-term growth and preservation of purchasing power is a key consideration.

Asset Management Reserves:

The Asset Management Reserve Outcome is specifically designed for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to help fund asset management objectives. The long-term nature of asset management reserves allows this Outcome to emphasize long-term growth.

Stable Return:

The Stable Return Outcome is designed to provide an annual income while preserving the value of the principal investment. The principal amount is often invested in perpetuity with no intent to withdraw for the foreseeable future. This outcome is frequently used by municipalities looking to replace the income stream of a utility that has been sold, with some or all proceeds of the sale acting as the principal.

Target Date:

The Target Date Outcomes are designed for contributions toward planned capital projects. There are three target date designs for different time horizons: 3 to 5 years; 5 to 10 years; and greater than 10 years. For capital projects in the 3-to-5-year range, preservation of capital is prioritized. For projects in the 5-to-10-year range, emphasis is placed on inflation mitigation and meeting target funding requirements. For projects in the greater-than-10-year range, emphasis is placed on longer-term inflation adjusted growth.

Price

The price of ONE funds is the unit price at a point in time, also known as the net asset value, which is calculated daily by CIBC Mellon. This price takes into account the last traded prices of all securities held by the manager, the bid/ask spread where no recent trade is available and a daily accrual for all fees including investment management and administration.

Prudent Investor Standard

The standard requiring ONE JIB, when investing money under section 418.1 of the Act, to exercise the care, skill, diligence and judgement that a prudent investor would exercise in making such an investment but does not restrict the securities in which a municipality can invest. The Prudent Investor standard applies to the entire portfolio of Long-Term Funds under control of ONE JIB rather than to individual securities.

Quality

This statistic refers to the creditworthiness of bonds based on ratings provided by bond rating agencies such as S&P, DBRS, Fitch and Moody's. The highest quality bonds are rated AAA and range down from there to AA, A and BBB, all of which are investment grade ratings. Ratings below BBB are considered high yield. The lower a credit rating, the higher a bond's yield to maturity and commensurate risk of default on interest payments or principal. The credit rating on an entire fund is calculated as a weighted average.

Realized and Unrealized Gains

Capital gains reflect the movement in the Price of investments as they rise over time relative to their average Unit Cost. Negative gains are losses, meaning that the Price of the units in the account is lower than the average Price paid for them (Unit Cost). Because gains / losses are calculated based on net asset values, they are diminished by the amount of fees. (Please see Fees, Price and Unit Cost.)

- **Unrealized gains** exist “on paper” until the investment is sold in return for cash, at which point they become realized.
- **Realized gains** are generated by withdrawals from accounts during the time period in question based on the unit Price compared to the Unit Cost.

Returns

Returns measure the percentage increment in value generated by investments over a period of time. Unless otherwise noted, time-weighted total returns are reported here, which include all forms of income and capital gains. There are different aspects to return calculations explained below.

- **Calendar Year Return:** reflects the total return generated by investments in the specified year any between January 1 to December 31.
- **Annualized Returns:** the total return generated by investments in each year for holding periods greater than one year. Annualized returns are the geometric average over a multi-year period, meaning they represent the compound return. For periods of one year or less, the actual return is shown without the effect of compounding.
- Returns in this report are calculated net of fees based on the Prices of the ONE Investment funds. These are calculated daily by CIBC Mellon and take into account all fees and costs associated with managing the fund.
- Return details in this report do not account for fee discounts that may apply for some Prudent Investor clients.
- **Time-weighted returns:** returns in this report are time-weighted in order for them to be compared to the benchmarks. Time-weighted returns are calculated in a way that excludes the effect of the timing of contributions and withdrawals (cash flows) from the fund. (To capture the effect of cash flows and measure their impact on returns, investors would instead need use dollar-weighted return calculations.)

Unit Cost

Unit Cost is the weighted average Price paid for all the Fund units held in the account and reflects the impact of units bought and sold over time.

Unrealized Gains: Please see Realized and Unrealized Gains

Value Added: The return generated by an investment manager above (or below, if negative) the benchmark.

Year to Date: The time period beginning January 1 and ending at the most recent quarter end.

QUARTERLY INVESTMENT REPORT

For The Period Ended June 30, 2023

Huntsville Prudent Investor Portfolio

37 Main St. East
Huntsville, ON
P1H 1A1

McKenzie, Julia
Director of Finance/Treasurer
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ONE Investment

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Relationship Manager

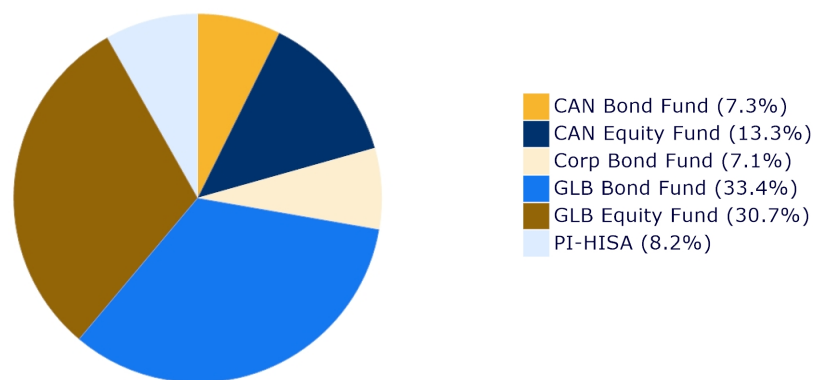
Wardah Mir, Client Service Representative
416-971-9856
one@oneinvestment.ca

Huntsville Prudent Investor Portfolio

Executive Summary for the Quarter Ended June 30, 2023

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	1.4%	5.8%	9.7%	0.4%	-	-	3.2%	07/02/2020

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	723,183.00	-	-	(5,664.51)	-	717,518.49
CAN Equity Fund	1,259,399.82	-	-	45,124.38	-	1,304,524.20
Corp Bond Fund	698,141.49	-	-	(3,296.50)	-	694,844.99
GLB Bond Fund	3,280,905.89	876.84	-	(9,182.96)	-	3,272,599.77
GLB Equity Fund	2,906,655.80	-	-	98,500.01	-	3,005,155.81
PI-HISA	792,090.74	-	-	-	9,950.51	802,041.25
Total	9,660,376.74	876.84	0.00	125,480.42	9,950.51	9,796,684.51

**Huntsville Prudent Investor Portfolio
Performance History At
June 30, 2023**

Performance by Fund

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	1.2	2.4	4.0	2.4	-	-	-	1.8	07/02/2020
ONE Canadian Equity Fund	3.5	9.6	17.0	2.6	-	-	-	12.6	07/02/2020
ONE Global Equity Fund	3.3	11.0	19.4	5.1	-	-	-	8.7	07/02/2020
ONE Canadian Corporate Bond Fund	-0.4	2.1	2.8	-3.1	-	-	-	-2.5	07/02/2020
ONE Canadian Government Bond Fund	-0.7	0.9	1.2	-1.7	-	-	-	-1.1	07/02/2020
ONE Global Bond Fund	-0.2	2.6	4.1	-2.9	-	-	-	-0.5	07/02/2020

Performance by Outcome

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
JIB1HNTCONT	1.9	7.3	12.5	1.5	-	-	-	5.7	07/02/2020
JIB2HNTTD35	0.3	3.1	5.0	-0.9	-	-	-	0.8	07/02/2020
JIB3HNTTD10P	2.5	8.6	15.0	2.6	-	-	-	7.3	07/02/2020
JIBHNTCASH	1.1	2.2	17.4	17.2	-	-	-	11.4	07/02/2020
JIB4HNTTD510	1.6	6.5	11.0	-	-	-	-	-0.3	08/04/2021

QUARTERLY REVIEW

During the second quarter of 2023, the Canadian equity markets moved modestly higher as the economic backdrop remained supportive and investor sentiment remained strong. The ONE Canadian Equity Fund generated returns of 3.5% in the quarter, outperforming the broader Canadian equity markets. During the quarter, inflation pressures continued to ease amidst signs of continued strength in the Canadian economy. This is a positive outcome that has helped bolster equity market performance. While some remain concerned about the prospects of a potential economic recession on the horizon, economic indicators remain quite robust.

For the second quarter in a row, the Information Technology sector has been the best-performing sector in the Canadian equity market, with returns of almost 17% in the quarter. The performance of Shopify, a large-cap e-commerce company, accounted for much of the sector's strength, with returns in excess of 30% in the quarter. The Fund has no allocation to Shopify and did not benefit from the strength of this stock. The fund's holdings in the Industrial sector fared much better, as Finning International, a dealer of construction equipment, had returns of 21.8%. As Finning International is one of the fund's largest holdings, representing over 4% of the fund, its performance has made a large contribution to overall fund returns.

One area of notable weakness in the Canadian equity markets was the Materials sector, which had returns of negative 6.9% in the quarter due to weak metal prices. The prices of some industrial metals, such as zinc, nickel, and aluminium, were sharply lower, while precious metals like silver and gold experienced more modest declines. The manager positions the fund with a significant underweight exposure to this sector, which helps reduce the volatility of the fund. This positioning limits the effect of the weakness of this sector on fund performance in the quarter.

QUARTERLY REVIEW

Global equity markets performed well in the second quarter, with the ONE Global Equity Fund producing returns of 3.3% in the quarter, modestly underperforming its benchmark. US equity markets performed better than most other regions during the quarter, with a rally in US stocks concentrated in large-market-cap technology stocks like Apple, Microsoft, and Nvidia. These stocks benefited from frenzied interest in Artificial Intelligence (AI) due to their anticipated long-term growth prospects. Fund performance did not fully participate in the strength of the Technology sectors due to an underweight sector allocation and stock selection that did not emphasize the AI theme.

During the quarter, most countries and regions other than the USA had modest returns, but Japanese stocks had strong returns as signs of inflation were welcomed by investors after three decades of low inflation or deflation. While the Japanese equity market was up over 18% in local currency terms, sharp weakness in the Japanese Yen offset most of the gains. The fund has fairly light exposure to Japanese equities. In contrast, returns were weak in the Asian Pacific, excluding Japan, as Chinese economic growth disappointed. The Chinese and Hong Kong markets were particularly weak in the quarter. The fund has minimal exposure to stocks in this region.

The outlook for inflation and how it factors into the interest rate policy of central banks remains the key consideration for the market outlook. The current term structure of interest rates indicates a high probability of recession on the horizon, and there remains considerable uncertainty about the path of future inflation and interest rates, suggesting notable risks for the market outlook. The manager's emphasis on bottom-up security analysis to guide security selection seeks to invest in firms that have good long-term prospects. This means that the fund tends to focus on long-term returns from holdings rather than taking a view on current market themes and the near-term outlook.

QUARTERLY REVIEW

Global bond markets had mixed performance during the quarter as central banks continued to raise their short-term policy interest rates across western economies. During the quarter, all three ONE Investment bond funds had modestly negative performance in response to rising North American interest rates. The ONE Canadian Bond Fund and ONE Canadian Corporate Bond Fund had returns of -0.7% and -0.4%, respectively, in the quarter, while the ONE Global Bond Fund had returns of -0.2%. All three bond funds outperformed their benchmarks in the quarter, with the ONE Global Fund outperforming by more than 3%, due primarily to its currency hedges that offset the effect of a stronger Canadian dollar.

Overall bond yields were relatively unchanged in the Eurozone as the pace of rate hikes by the European Central Bank slowed, but in North America, bond prices fell on the back of further central bank rate hikes. In the UK, Bond yields moved notably higher, with the 10-year sovereign bond yield increasing by almost 0.9% in the quarter. Inflation remains stubbornly high in the UK, leading to larger rate hikes by the Bank of England during the quarter.

In Asia, the tone of the bond markets was different. While Japanese Bond prices tended to be relatively flat in the quarter, other parts of Asia-Pacific tended to have better performance, responding to interest rate cuts by the Bank of China. A slower than anticipated post-covid recovery in China has led to policy action to bolster economic growth that has had a positive impact on regional bonds.

Inflation remains a dominant theme as the market attempts to assess the trajectory of interest rates. Inflation rates have been declining steadily since the 2022 peaks in the US and Canada, which has given some hope that rate cuts may be on the horizon, but the most recent inflation figures remain above the 2% level that central banks typically target. Further evidence of inflation pressures will be required before central banks can consider cutting rates.

Huntsville Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of June 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	802,041.250	1.00	802,041.25	1.00	802,041.25	8.19%
CAN Equity Fund	1,000.066	1,074.19	1,074,270.42	1,304.43	1,304,524.20	13.32%
GLB Equity Fund	2,549.423	1,041.04	2,654,066.60	1,178.75	3,005,155.81	30.68%
Corp Bond Fund	774.809	984.37	762,704.31	896.79	694,844.99	7.09%
CAN Bond Fund	763.515	981.34	749,273.82	939.75	717,518.49	7.32%
GLB Bond Fund	3,770.162	995.50	3,753,231.63	868.02	3,272,599.77	33.41%
					9,796,684.51	100.00%

**Huntsville Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Huntsville - Contingency Outcome
Account Number: 570050047**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	236.93	988.40	234,191.09	896.79	212,485.76	5.5%	(1,008.08)	0.00
CAN Equity Fund	557.98	1,037.31	578,806.50	1,304.43	727,859.50	18.9%	25,177.15	0.00
CAN Bond Fund	233.79	982.87	229,785.69	939.75	219,705.77	5.7%	(1,734.48)	0.00
GLB Bond Fund	1,151.16	993.86	1,144,097.25	868.02	999,238.89	26.0%	(2,801.93)	0.00
GLB Equity Fund	1,427.96	1,016.22	1,451,124.51	1,178.75	1,683,223.34	43.8%	55,171.02	0.00
			<u>3,638,005.04</u>		<u>3,842,513.26</u>	100.0%	74,803.68	0.00

**Huntsville Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.9	7.3	12.5	1.5	-	-	-	5.7	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-9.1	12.6	-	-	-

**Huntsville Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Huntsville - Target Date 3 to 5 Year Outcome
Account Number: 570050054**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	802,038.56	1.00	802,038.56	1.00	802,038.56	21.5%	0.00	9,950.48
Corp Bond Fund	416.59	983.57	409,753.92	896.79	373,601.29	10.0%	(1,772.45)	0.00
CAN Equity Fund	92.64	1,107.16	102,577.64	1,304.43	120,854.89	3.2%	4,180.46	0.00
CAN Bond Fund	410.63	980.99	402,835.33	939.75	385,900.83	10.3%	(3,046.53)	0.00
GLB Bond Fund	2,017.86	996.13	2,010,069.06	868.02	1,751,559.89	47.1%	(4,911.48)	0.00
GLB Equity Fund	238.25	1,073.76	255,830.27	1,178.75	280,846.45	7.5%	9,205.30	0.00
			<u>3,983,104.78</u>		<u>3,714,801.91</u>	100.0%	3,655.30	9,950.48

**Huntsville Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	0.3	3.1	5.0	-0.9	-	-	-	0.8	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-6.1	1.9	-	-	-



**Huntsville Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Huntsville - Target Date 10 Year Plus Outcome
Account Number: 570050062**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	43.52	990.56	43,111.37	896.79	39,030.32	3.1%	(185.17)	0.00
CAN Equity Fund	227.31	1,022.16	232,352.58	1,304.43	296,518.35	23.8%	10,256.77	0.00
CAN Bond Fund	42.24	983.70	41,551.83	939.75	39,695.33	3.1%	(313.38)	0.00
GLB Bond Fund	223.65	990.12	221,441.20	868.02	194,134.08	15.5%	(550.75)	0.00
GLB Equity Fund	573.44	1,009.63	578,972.75	1,178.75	675,953.57	54.2%	22,155.74	0.00
			<u>1,117,429.73</u>		<u>1,245,331.65</u>	100.0%	<u>31,363.21</u>	<u>0.00</u>

**Huntsville Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.5	8.6	15.0	2.6	-	-	-	7.3	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-9.4	15.9	-	-	-



**Huntsville Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Huntsville - Cash Outcome
Account Number: 9021979515**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	2.69	1.00	2.69	1.00	2.69	100.0%	0.00	0.03
			<u>2.69</u>		<u>2.69</u>	100.0%	0.00	0.03

**Huntsville Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.1	2.2	17.4	17.2	-	-	-	11.4	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	15.4	16.6	-	-	-

**Huntsville Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Huntsville - Target Date 5 to 10 Year Outcome
Account Number: 570050377**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	77.75	972.93	75,647.93	896.79	69,727.62	7.0%	(330.80)	0.00
CAN Equity Fund	122.11	1,314.61	160,533.70	1,304.43	159,291.46	16.0%	5,510.00	0.00
CAN Bond Fund	76.84	977.29	75,100.97	939.75	72,216.56	7.2%	(570.12)	0.00
GLB Bond Fund	377.48	1,000.36	377,624.12	868.02	327,666.91	32.9%	(918.80)	0.00
GLB Equity Fund	309.76	1,188.46	368,139.07	1,178.75	365,132.45	36.7%	11,967.95	0.00
			<u>1,057,045.79</u>		<u>994,035.00</u>	100.0%	15,658.23	0.00

**Huntsville Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.6	6.5	11.0	-	-	-	-	-0.3	08/04/2021

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-8.9	-	-	-	-

Huntsville Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Huntsville - Target Date 3 to 5 Year Outcome
Account Number: 570050054

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	3,339.30	3,339.30
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	3,244.18	3,244.18
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	3,367.00	3,367.00

Huntsville Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Huntsville - Target Date 10 Year Plus Outcome
Account Number: 570050062

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	GLB Bond Fund	05/04/2023	05/04/2023	1.00	876.84

Huntsville Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Huntsville - Cash Outcome
Account Number: 9021979515

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	0.01	0.01
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	0.01	0.01
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	0.01	0.01

**Huntsville Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
June 30, 2023**

In accordance with the terms of section 8.02 of the ONEJIB Agreement dated as of July 2, 2020 (the "ONE JIB Agreement") ONE Investment confirms as follows:

With respect to the quarter ended June 30, 2023 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

A handwritten signature in black ink that reads "Keith Taylor".

Keith Taylor, Chief Investment Officer, ONE Investment
On the behalf of the ONE Joint Investment Board

APPENDIX

ONE JIB - Outcome Framework - Target Allocations

Outcome							<u>Allocation</u>			
	HISA	Canadian Equity Fund	Global Equity Fund	Canadian Government Bond Fund	Canadian Corporate Bond Fund	Global Bond Fund	Equity	Fixed Income	Cash	Total
Cash	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%			100.0%	100%
Stable Return	10.0%	9.0%	21.0%	9.0%	9.0%	42.0%	30.0%	60.0%	10.0%	100%
Contingency	0.0%	18.0%	42.0%	6.0%	6.0%	28.0%	60.0%	40.0%		100%
Asset Management	0.0%	27.0%	63.0%	1.5%	1.5%	7.0%	90.0%	10.0%		100%
Target Date 3-5	20.0%	3.0%	7.0%	10.5%	10.5%	49.0%	10.0%	70.0%	20.0%	100%
Target Date 5-10	0.0%	15.0%	35.0%	7.5%	7.5%	35.0%	50.0%	50.0%		100%
Target Date 10+	0.0%	22.5%	52.5%	3.75%	3.75%	17.5%	75.0%	25.0%		100%

ONE JIB - Outcome Framework - Defined

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon	Allocation		
					Equity	Fixed Income	Cash
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years			100%
Stable Return	Stable Return	Income generation: To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)	30%	60%	10%
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk, emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)	60%	40%	
	Asset mgt reserves	Contributions to generate returns to fund asset management reserves	Higher risk, emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)	90%	10%	
Target Date	Target Date 3-5 yrs.	Preservation of capital	Low risk; high liquidity	3 - 5 years	10%	70%	20%
	Target Date 5-10 yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 - 10 years	50%	50%	
	Target Date 10+ yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long term inflation-adjusted growth	> 10 years	75%	25%	

Glossary and Definitions for Quarterly Reports

Account

ONE Investment clients have one or more custodial accounts. All Prudent Investor Funds will be administered with ONE Investment's custodian, CIBC Mellon. Unlike Legal List accounts, MNRI invested in the ONE Investment Prudent Investor Funds will be under the control of the ONE Joint Investment Board. In most cases, the Prudent Investor clients will have multiple accounts with the custodian, with the account structure based on the investment outcomes assigned to each client. This will allow reporting to the municipal client based on the investment outcome framework.

Annual and Annualized Returns: please see Returns below.

Asset Allocation

Asset allocation is the single biggest driver of fund returns and should be set taking into account municipal risk tolerance. Also known as asset mix, it is the combination of asset classes in a fund and is normally shown as the percentage weights in each. Example asset classes are money market, Canadian bonds, global bonds, Canadian stocks and global stocks. Each of the ONE JIB Outcomes has an associated asset allocation that is designed to be appropriate for the intended investment Outcome.

Asset Mix: See Asset allocation.

Benchmark

The Benchmark is the standard against which investors compare their portfolio returns to understand its performance. Benchmark can be set either at the asset class level or for the overall portfolio. At the asset class level, benchmarks are usually chosen to represent the entire market; active managers seek to outperform their benchmarks by at least the amount of fees they charge.

For example, a typical benchmark for Canadian stocks is the S&P/TSX Composite Index which is calculated by Standard and Poor's (S&P) and for Canadian money market, the typical benchmark is the FTSE 182-Day Treasury Bill Index from the Financial Times Stock Exchange Group (FTSE). For a portfolio that aims to have risk halfway between these two asset classes, the total portfolio benchmark might be 50% S&P/TSX Composite Index and 50% FTSE 182-Day Treasury Bill Index.

Benchmark returns are always time weighted. (See Returns below for more detail on time weighted returns)

Blended Benchmark

A blended benchmark is a benchmark that is constructed from two or more underlying benchmarks. The weights of each underlying benchmark used in a blended benchmark remain constant over time.

Canadian Corporate Bond Fund

The ONE Investment Canadian Corporate Bond Fund holds short and mid-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Fund is 4.5 to 7.51 years. MFS aims to outperform the benchmark, which is:

- 48% FTSE Canada Universe All Government Bond Index +
- 40% FTSE Canada Short-Term Corporate A Index +
- 10% FTSE Canada Universe Corporate AAA/AA Index +
- 2% FTSE Canada 91-Day Treasury Bill Index.

Canadian Equity Fund

The ONE Canadian Equity Fund holds Canadian stocks managed by Guardian Capital. Guardian aims for below-market risk, achieved with a ONE-imposed constraint on the weight of Material and Energy sectors because of the expected above-market volatility of these sectors.

Canadian Government Bond Fund

This ONE Government Canadian Bond Fund holds short-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Bond Fund is 1.73 to 3.73 years. MFS aims to outperform the benchmark, which is:

- 95% FTSE Canada Short-Term Government Bond Index +
- 5% FTSE Canada 91-Day Treasury Bill Index.

Book Value

Book value is the Unit Cost of each holding multiplied by the number of units. It represents the amount originally paid to invest in the holding and takes into account all contributions and withdrawals.

CAD

This is a short form for “Canadian dollars”. Although the outcomes have exposure to foreign securities, all returns in the report reflect Canadian dollar-based returns. Foreign holdings will be impacted by movements in foreign currencies which may impact investment returns. This impact can be reduced by currency hedging strategies. The global equity exposure does not hedge currency exposure, but the global bond exposure may use hedging. The degree to which global bond exposure is hedged back to the Canadian dollar may vary and will reflect the currency hedging strategy of the external manager.

Consolidated Holdings

Consolidated holdings are the aggregate value of all investments with ONE Investment. Consolidated holdings detailed in this report only reflect MNRI balances invested in ONE Investment’s Prudent Investor Funds and HISA balances under the control of the ONE JIB. In certain cases, clients may hold ONE Investment Legal List portfolios or HISA which will not be reflected in consolidated holdings in this report. Additionally, ‘in-kind’ securities pledged to the ONE JIB will not be reflected in this report.

Discounts

Certain fee discounts apply for investors in the ONE Investment Prudent Investor offering. These discounts include a 4bps discount that applies to AUM of Founding Members, and ‘tier discounts’ that apply for any investors with balances in excess of certain thresholds. These discounts would not apply to HISA balances but would apply to balances in Legal List portfolios (if applicable). Discounts will be rebated to the municipalities on a quarterly basis. These discounts are not taken into consideration in the performance details in this investment report.

Distribution: a cash payment of interest or dividends made by ONE Investment from a fund.

Duration

This statistic applies to bonds and is similar in concept to term to maturity. The difference is that duration also takes into account the size and timing of interest payments. A bond with higher coupon payments will have a shorter duration than one with the same term to maturity and lower coupon payments: the reason is that the higher-coupon bond receives more of its return earlier. The higher the duration of a bond, the higher its sensitivity to interest rate movements.

Fees

Fees include all expenses involved in managing the fund: external investment manager fees, custody costs, ONE Investment's costs and administrative costs.

Global Bond Fund

The ONE Global Bond Fund is an unconstrained global bond mandate managed by Manulife Asset Management. The unconstrained nature of the mandate means that the fund will contain a mix of global government, corporate and securitized debt, including emerging markets and high-yield securities. The mandate is not constrained by sector or currency. Manulife aims to outperform the benchmark, which is Bloomberg Barclays Multiverse Index Unhedged.

Global Equity Fund

The ONE Global Equity Fund holds Global stocks managed by Mawer Investment Management. Mawer aims to outperform the benchmark, which is MSCI All Country World Index (ACWI). This mandate invests in both emerging and developed markets. Manager will allocate capital to the best global opportunities, which may include both large and small capitalization companies. This mandate is intended to be a broadly diversified portfolio of wealth-creating companies bought at discounts to their intrinsic values that typically employ a long-term holding period.

High Interest Savings Account (HISA)

This bank account is provided by CIBC. Its very short-term nature precludes it from being considered an investment. Interest income from HISA will be reflected only in the executive summary page as will a list of HISA transitions. As the HISA product is a demand deposit, its value of his does not fluctuate daily. In this way it differs from the ONE Investment fund whose price change in response to changes in the value of underlying investments. Returns for individual accounts holding HISA will not be presented in the report beyond what is disclosed in the executive summary. HISA balances held in the Prudent Investor Offering reflect MNRI and will be under the control of the ONE JIB.

Holdings: the ONE Investment funds or HISA Balances held in client accounts.

Inception Date

The inception is the first date that an investment was made. For each account, this will be the first time funds were transferred in; for funds offered by ONE Investment, it is the date the funds started. For ONE JIB Founders, the Inception date is July 2, 2020.

Income

Income is a cash flow generated by an investment and normally includes interest on bonds and dividends on stocks. It is differentiated from capital gains, which also contribute to returns, but which are not considered income.

Investment Manager

Investment managers are external firms hired by ONE Investment to create funds to our specifications. These are MFS Investment Management Canada for Canadian fixed income, Manulife Asset Management for global fixed income, Guardian Capital Group Ltd for Canadian equity, and Mawer Investment Management Ltd for global equity.

Market Value

The value of an investment at current market prices, calculated by multiplying the Price (defined below) by the number of units held.

ONE Joint Investment Board (ONE JIB)

The joint board established by founding municipalities as a municipal services board under section 202 of the Act as required under Part II of the Regulation, and is the duly appointed Joint Investment Board for the municipality, as constituted from time to time and acting pursuant to the Terms of Reference set out in the ONE JIB Agreement.

Outcome

Outcome means, in the context of the Investment Plan, the same thing as ‘solution’. Investment Outcomes are a set of investment allocations with varying risk/return characteristics. The Outcomes assigned to each municipal investor are intended to reflect the needs and circumstances of the municipality. ONE JIB has five pre-defined basic outcomes:

Cash:

The Cash Outcome is designed for investments with a time horizon of less than 3 years. Preservation of capital and liquidity are the highest priorities. Investments allocated to this outcome are expected to be transferred back to the care and control of the municipal treasurer when the funds are reclassified as MRI.

Contingency:

The Contingency outcome is designed for investing contingency reserves. The funds in this outcome may be drawn upon to meet unexpected needs and infrequent events. The investment horizon for this outcome is typically greater than 5 years, with an emphasis placed on long-term growth and preservation of purchasing power is a key consideration.

Asset Management Reserves:

The Asset Management Reserve Outcome is specifically designed for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to help fund asset management objectives. The long-term nature of asset management reserves allows this Outcome to emphasize long-term growth.

Stable Return:

The Stable Return Outcome is designed to provide an annual income while preserving the value of the principal investment. The principal amount is often invested in perpetuity with no intent to withdraw for the foreseeable future. This outcome is frequently used by municipalities looking to replace the income stream of a utility that has been sold, with some or all proceeds of the sale acting as the principal.

Target Date:

The Target Date Outcomes are designed for contributions toward planned capital projects. There are three target date designs for different time horizons: 3 to 5 years; 5 to 10 years; and greater than 10 years. For capital projects in the 3-to-5-year range, preservation of capital is prioritized. For projects in the 5-to-10-year range, emphasis is placed on inflation mitigation and meeting target funding requirements. For projects in the greater-than-10-year range, emphasis is placed on longer-term inflation adjusted growth.

Price

The price of ONE funds is the unit price at a point in time, also known as the net asset value, which is calculated daily by CIBC Mellon. This price takes into account the last traded prices of all securities held by the manager, the bid/ask spread where no recent trade is available and a daily accrual for all fees including investment management and administration.

Prudent Investor Standard

The standard requiring ONE JIB, when investing money under section 418.1 of the Act, to exercise the care, skill, diligence and judgement that a prudent investor would exercise in making such an investment but does not restrict the securities in which a municipality can invest. The Prudent Investor standard applies to the entire portfolio of Long-Term Funds under control of ONE JIB rather than to individual securities.

Quality

This statistic refers to the creditworthiness of bonds based on ratings provided by bond rating agencies such as S&P, DBRS, Fitch and Moody's. The highest quality bonds are rated AAA and range down from there to AA, A and BBB, all of which are investment grade ratings. Ratings below BBB are considered high yield. The lower a credit rating, the higher a bond's yield to maturity and commensurate risk of default on interest payments or principal. The credit rating on an entire fund is calculated as a weighted average.

Realized and Unrealized Gains

Capital gains reflect the movement in the Price of investments as they rise over time relative to their average Unit Cost. Negative gains are losses, meaning that the Price of the units in the account is lower than the average Price paid for them (Unit Cost). Because gains / losses are calculated based on net asset values, they are diminished by the amount of fees. (Please see Fees, Price and Unit Cost.)

- **Unrealized gains** exist “on paper” until the investment is sold in return for cash, at which point they become realized.
- **Realized gains** are generated by withdrawals from accounts during the time period in question based on the unit Price compared to the Unit Cost.

Returns

Returns measure the percentage increment in value generated by investments over a period of time. Unless otherwise noted, time-weighted total returns are reported here, which include all forms of income and capital gains. There are different aspects to return calculations explained below.

- **Calendar Year Return:** reflects the total return generated by investments in the specified year any between January 1 to December 31.
- **Annualized Returns:** the total return generated by investments in each year for holding periods greater than one year. Annualized returns are the geometric average over a multi-year period, meaning they represent the compound return. For periods of one year or less, the actual return is shown without the effect of compounding.
- Returns in this report are calculated net of fees based on the Prices of the ONE Investment funds. These are calculated daily by CIBC Mellon and take into account all fees and costs associated with managing the fund.
- Return details in this report do not account for fee discounts that may apply for some Prudent Investor clients.
- **Time-weighted returns:** returns in this report are time-weighted in order for them to be compared to the benchmarks. Time-weighted returns are calculated in a way that excludes the effect of the timing of contributions and withdrawals (cash flows) from the fund. (To capture the effect of cash flows and measure their impact on returns, investors would instead need use dollar-weighted return calculations.)

Unit Cost

Unit Cost is the weighted average Price paid for all the Fund units held in the account and reflects the impact of units bought and sold over time.

Unrealized Gains: Please see Realized and Unrealized Gains

Value Added: The return generated by an investment manager above (or below, if negative) the benchmark.

Year to Date: The time period beginning January 1 and ending at the most recent quarter end.

QUARTERLY INVESTMENT REPORT

For The Period Ended June 30, 2023

Innisfil Prudent Investor Portfolio

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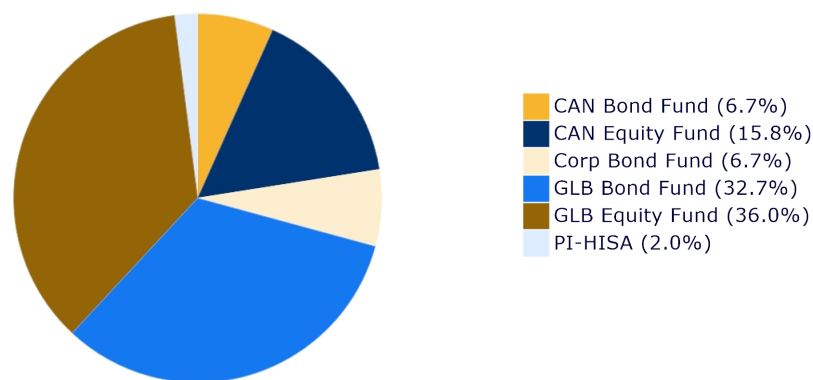
Relationship Manager

Wardah Mir, Client Service Representative
416-971-9856
one@oneinvestment.ca

Innisfil Prudent Investor Portfolio
Executive Summary for the Quarter Ended June 30, 2023

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	1.6%	6.8%	11.6%	1.2%	-	-	5.4%	07/02/2020

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	3,320,046.30	-	-	(21,366.14)	-	3,298,680.16
CAN Equity Fund	7,533,394.78	-	-	267,785.54	-	7,801,180.32
Corp Bond Fund	3,319,411.03	-	-	(11,125.46)	-	3,308,285.57
GLB Bond Fund	15,825,600.86	354,301.85	-	(45,057.62)	-	16,134,845.09
GLB Equity Fund	17,546,049.92	-	350,000.00	580,093.82	-	17,776,143.74
PI-HISA	253.18	1,000,000.00	-	-	3.19	1,000,256.37
Total	47,544,756.07	1,354,301.85	350,000.00	770,330.14	3.19	49,319,391.25

**Innisfil Prudent Investor Portfolio
Performance History At
June 30, 2023**

Performance by Fund

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	1.2	2.4	4.0	2.4	-	-	-	1.7	07/02/2020
ONE Canadian Equity Fund	3.5	9.6	17.0	2.6	-	-	-	12.6	07/02/2020
ONE Global Equity Fund	3.3	11.0	19.4	5.1	-	-	-	8.7	07/02/2020
ONE Canadian Corporate Bond Fund	-0.4	2.1	2.8	-3.1	-	-	-	-2.5	07/02/2020
ONE Canadian Government Bond Fund	-0.7	0.9	1.2	-1.7	-	-	-	-1.1	07/02/2020
ONE Global Bond Fund	-0.2	2.6	4.1	-2.9	-	-	-	-0.5	07/02/2020

Performance by Outcome

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
JIB1INNCNT	2.0	7.4	12.7	1.6	-	-	-	5.7	07/02/2020
JIBINNCASH	1.2	2.4	4.0	2.4	-	-	-	1.8	08/06/2020
JIB2INNTD510	1.5	6.5	11.0	-	-	-	-	-0.2	08/04/2021
JIB3INNTD35	-	-	-	-	-	-	-	0.0	06/20/2023

QUARTERLY REVIEW

During the second quarter of 2023, the Canadian equity markets moved modestly higher as the economic backdrop remained supportive and investor sentiment remained strong. The ONE Canadian Equity Fund generated returns of 3.5% in the quarter, outperforming the broader Canadian equity markets. During the quarter, inflation pressures continued to ease amidst signs of continued strength in the Canadian economy. This is a positive outcome that has helped bolster equity market performance. While some remain concerned about the prospects of a potential economic recession on the horizon, economic indicators remain quite robust.

For the second quarter in a row, the Information Technology sector has been the best-performing sector in the Canadian equity market, with returns of almost 17% in the quarter. The performance of Shopify, a large-cap e-commerce company, accounted for much of the sector's strength, with returns in excess of 30% in the quarter. The Fund has no allocation to Shopify and did not benefit from the strength of this stock. The fund's holdings in the Industrial sector fared much better, as Finning International, a dealer of construction equipment, had returns of 21.8%. As Finning International is one of the fund's largest holdings, representing over 4% of the fund, its performance has made a large contribution to overall fund returns.

One area of notable weakness in the Canadian equity markets was the Materials sector, which had returns of negative 6.9% in the quarter due to weak metal prices. The prices of some industrial metals, such as zinc, nickel, and aluminium, were sharply lower, while precious metals like silver and gold experienced more modest declines. The manager positions the fund with a significant underweight exposure to this sector, which helps reduce the volatility of the fund. This positioning limits the effect of the weakness of this sector on fund performance in the quarter.

QUARTERLY REVIEW

Global equity markets performed well in the second quarter, with the ONE Global Equity Fund producing returns of 3.3% in the quarter, modestly underperforming its benchmark. US equity markets performed better than most other regions during the quarter, with a rally in US stocks concentrated in large-market-cap technology stocks like Apple, Microsoft, and Nvidia. These stocks benefited from frenzied interest in Artificial Intelligence (AI) due to their anticipated long-term growth prospects. Fund performance did not fully participate in the strength of the Technology sectors due to an underweight sector allocation and stock selection that did not emphasize the AI theme.

During the quarter, most countries and regions other than the USA had modest returns, but Japanese stocks had strong returns as signs of inflation were welcomed by investors after three decades of low inflation or deflation. While the Japanese equity market was up over 18% in local currency terms, sharp weakness in the Japanese Yen offset most of the gains. The fund has fairly light exposure to Japanese equities. In contrast, returns were weak in the Asian Pacific, excluding Japan, as Chinese economic growth disappointed. The Chinese and Hong Kong markets were particularly weak in the quarter. The fund has minimal exposure to stocks in this region.

The outlook for inflation and how it factors into the interest rate policy of central banks remains the key consideration for the market outlook. The current term structure of interest rates indicates a high probability of recession on the horizon, and there remains considerable uncertainty about the path of future inflation and interest rates, suggesting notable risks for the market outlook. The manager's emphasis on bottom-up security analysis to guide security selection seeks to invest in firms that have good long-term prospects. This means that the fund tends to focus on long-term returns from holdings rather than taking a view on current market themes and the near-term outlook.

QUARTERLY REVIEW

Global bond markets had mixed performance during the quarter as central banks continued to raise their short-term policy interest rates across western economies. During the quarter, all three ONE Investment bond funds had modestly negative performance in response to rising North American interest rates. The ONE Canadian Bond Fund and ONE Canadian Corporate Bond Fund had returns of -0.7% and -0.4%, respectively, in the quarter, while the ONE Global Bond Fund had returns of -0.2%. All three bond funds outperformed their benchmarks in the quarter, with the ONE Global Fund outperforming by more than 3%, due primarily to its currency hedges that offset the effect of a stronger Canadian dollar.

Overall bond yields were relatively unchanged in the Eurozone as the pace of rate hikes by the European Central Bank slowed, but in North America, bond prices fell on the back of further central bank rate hikes. In the UK, Bond yields moved notably higher, with the 10-year sovereign bond yield increasing by almost 0.9% in the quarter. Inflation remains stubbornly high in the UK, leading to larger rate hikes by the Bank of England during the quarter.

In Asia, the tone of the bond markets was different. While Japanese Bond prices tended to be relatively flat in the quarter, other parts of Asia-Pacific tended to have better performance, responding to interest rate cuts by the Bank of China. A slower than anticipated post-covid recovery in China has led to policy action to bolster economic growth that has had a positive impact on regional bonds.

Inflation remains a dominant theme as the market attempts to assess the trajectory of interest rates. Inflation rates have been declining steadily since the 2022 peaks in the US and Canada, which has given some hope that rate cuts may be on the horizon, but the most recent inflation figures remain above the 2% level that central banks typically target. Further evidence of inflation pressures will be required before central banks can consider cutting rates.

Innisfil Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of June 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	1,000,256.370	1.00	1,000,256.37	1.00	1,000,256.37	2.03%
CAN Equity Fund	5,980.491	1,121.77	6,708,794.74	1,304.43	7,801,180.32	15.82%
GLB Equity Fund	15,080.386	1,046.03	15,774,559.29	1,178.75	17,776,143.74	36.04%
Corp Bond Fund	3,689.009	931.26	3,435,435.58	896.79	3,308,285.57	6.71%
CAN Bond Fund	3,510.142	957.10	3,359,564.41	939.75	3,298,680.16	6.69%
GLB Bond Fund	18,587.968	930.35	17,293,424.87	868.02	16,134,845.09	32.72%
					49,319,391.25	100.00%

**Innisfil Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Innisfil - Contingency Outcome
Account Number: 570050070**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	1,030.70	990.43	1,020,849.86	896.79	924,333.99	5.2%	(4,385.25)	0.00
CAN Equity Fund	2,650.67	1,022.16	2,709,426.06	1,304.43	3,457,642.77	19.4%	119,602.22	0.00
CAN Bond Fund	1,007.91	983.76	991,554.66	939.75	947,196.02	5.3%	(7,477.72)	0.00
GLB Bond Fund	5,302.47	987.65	5,237,042.52	868.02	4,602,690.36	25.9%	(12,938.47)	0.00
GLB Equity Fund	6,647.04	1,009.56	6,710,634.07	1,178.75	7,835,259.55	44.1%	256,816.36	0.00
			<u>16,669,507.17</u>		<u>17,767,122.69</u>	100.0%	351,617.14	0.00

**Innisfil Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.0	7.4	12.7	1.6	-	-	-	5.7	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-9.1	12.7	-	-	-

**Innisfil Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

Account Name: Innisfil - Cash Outcome
Account Number: 9021979418

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	256.37	1.00	256.37	1.00	256.37	100.0%	0.00	3.19
			<u>256.37</u>		<u>256.37</u>	100.0%	0.00	3.19

**Innisfil Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.2	2.4	4.0	2.4	-	-	-	1.8	08/06/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	2.0	0.5	-	-	-

**Innisfil Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Innisfil - Target Date 5 to 10 Year Outcome
Account Number: 570050385**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	2,070.57	912.58	1,889,585.72	896.79	1,856,882.62	6.9%	(8,809.47)	0.00
CAN Equity Fund	3,212.34	1,198.30	3,849,368.68	1,304.43	4,190,299.99	15.7%	144,945.32	0.00
CAN Bond Fund	1,943.01	948.53	1,843,009.75	939.75	1,825,957.05	6.8%	(14,415.20)	0.00
GLB Bond Fund	10,467.66	917.71	9,606,382.35	868.02	9,086,207.65	34.2%	(28,066.27)	0.00
GLB Equity Fund	8,133.57	1,071.35	8,713,925.22	1,178.75	9,587,529.90	36.1%	319,923.14	0.00
			25,902,271.72		26,546,877.21	100.0%	413,577.52	0.00

**Innisfil Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.5	6.5	11.0	-	-	-	-	-0.2	08/04/2021

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-8.8	-	-	-	-

**Innisfil Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Innisfil - Target Date 3 to 5 Year Outcome
Account Number: 570050666**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	1,000,000.00	1.00	1,000,000.00	1.00	1,000,000.00	19.9%	0.00	0.00
Corp Bond Fund	587.72	893.27	525,000.00	896.79	527,068.96	10.5%	2,068.96	0.00
CAN Equity Fund	117.47	1,276.87	150,000.00	1,304.43	153,237.56	3.0%	3,237.56	0.00
CAN Bond Fund	559.21	938.81	525,000.00	939.75	525,527.09	10.5%	527.09	0.00
GLB Bond Fund	2,817.82	869.46	2,450,000.00	868.02	2,445,947.08	48.8%	(4,052.92)	0.00
GLB Equity Fund	299.76	1,167.56	350,000.00	1,178.75	353,354.29	7.0%	3,354.29	0.00
			<u>5,000,000.00</u>		<u>5,005,134.98</u>	<u>100.0%</u>	<u>5,134.98</u>	<u>0.00</u>

**Innisfil Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	0.0	06/20/2023

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

Innisfil Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Innisfil - Contingency Outcome
Account Number: 570050070

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	GLB Bond Fund	05/04/2023	05/04/2023	4.90	4,301.85

Innisfil Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Innisfil - Cash Outcome
Account Number: 9021979418

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	1.07	1.07
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	1.04	1.04
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	1.08	1.08

Innisfil Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Innisfil - Target Date 5 to 10 Year Outcome
Account Number: 570050385

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	GLB Bond Fund	05/04/2023	05/04/2023	399.11	350,000.00
Sell	GLB Equity Fund	05/04/2023	05/04/2023	302.00	350,000.00

Innisfil Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Innisfil - Target Date 3 to 5 Year Outcome

Account Number: 570050666

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	06/20/2023	06/20/2023	559.21	525,000.00
Buy	Corp Bond Fund	06/20/2023	06/20/2023	587.72	525,000.00
Buy	GLB Bond Fund	06/20/2023	06/20/2023	2,817.82	2,450,000.00
Buy	CAN Equity Fund	06/20/2023	06/20/2023	117.47	150,000.00
Buy	GLB Equity Fund	06/20/2023	06/20/2023	299.76	350,000.00
Transfer In	PI-HISA	06/22/2023	06/22/2023	1,000,000.00	1,000,000.00

**Innisfil Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
June 30, 2023**

In accordance with the terms of section 8.02 of the ONEJIB Agreement dated as of July 2, 2020 (the "ONE JIB Agreement") ONE Investment confirms as follows:

With respect to the quarter ended June 30, 2023 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

A handwritten signature in black ink that reads "Keith Taylor".

Keith Taylor, Chief Investment Officer, ONE Investment
On the behalf of the ONE Joint Investment Board

APPENDIX

ONE JIB - Outcome Framework - Target Allocations

Outcome							<u>Allocation</u>			
	HISA	Canadian Equity Fund	Global Equity Fund	Canadian Government Bond Fund	Canadian Corporate Bond Fund	Global Bond Fund	Equity	Fixed Income	Cash	Total
Cash	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%			100.0%	100%
Stable Return	10.0%	9.0%	21.0%	9.0%	9.0%	42.0%	30.0%	60.0%	10.0%	100%
Contingency	0.0%	18.0%	42.0%	6.0%	6.0%	28.0%	60.0%	40.0%		100%
Asset Management	0.0%	27.0%	63.0%	1.5%	1.5%	7.0%	90.0%	10.0%		100%
Target Date 3-5	20.0%	3.0%	7.0%	10.5%	10.5%	49.0%	10.0%	70.0%	20.0%	100%
Target Date 5-10	0.0%	15.0%	35.0%	7.5%	7.5%	35.0%	50.0%	50.0%		100%
Target Date 10+	0.0%	22.5%	52.5%	3.75%	3.75%	17.5%	75.0%	25.0%		100%

ONE JIB - Outcome Framework - Defined

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon	Allocation		
					Equity	Fixed Income	Cash
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years			100%
Stable Return	Stable Return	Income generation: To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)	30%	60%	10%
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk, emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)	60%	40%	
	Asset mgt reserves	Contributions to generate returns to fund asset management reserves	Higher risk, emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)	90%	10%	
Target Date	Target Date 3-5 yrs.	Preservation of capital	Low risk; high liquidity	3 - 5 years	10%	70%	20%
	Target Date 5-10 yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 - 10 years	50%	50%	
	Target Date 10+ yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long term inflation-adjusted growth	> 10 years	75%	25%	

Glossary and Definitions for Quarterly Reports

Account

ONE Investment clients have one or more custodial accounts. All Prudent Investor Funds will be administered with ONE Investment's custodian, CIBC Mellon. Unlike Legal List accounts, MNRI invested in the ONE Investment Prudent Investor Funds will be under the control of the ONE Joint Investment Board. In most cases, the Prudent Investor clients will have multiple accounts with the custodian, with the account structure based on the investment outcomes assigned to each client. This will allow reporting to the municipal client based on the investment outcome framework.

Annual and Annualized Returns: please see Returns below.

Asset Allocation

Asset allocation is the single biggest driver of fund returns and should be set taking into account municipal risk tolerance. Also known as asset mix, it is the combination of asset classes in a fund and is normally shown as the percentage weights in each. Example asset classes are money market, Canadian bonds, global bonds, Canadian stocks and global stocks. Each of the ONE JIB Outcomes has an associated asset allocation that is designed to be appropriate for the intended investment Outcome.

Asset Mix: See Asset allocation.

Benchmark

The Benchmark is the standard against which investors compare their portfolio returns to understand its performance. Benchmark can be set either at the asset class level or for the overall portfolio. At the asset class level, benchmarks are usually chosen to represent the entire market; active managers seek to outperform their benchmarks by at least the amount of fees they charge.

For example, a typical benchmark for Canadian stocks is the S&P/TSX Composite Index which is calculated by Standard and Poor's (S&P) and for Canadian money market, the typical benchmark is the FTSE 182-Day Treasury Bill Index from the Financial Times Stock Exchange Group (FTSE). For a portfolio that aims to have risk halfway between these two asset classes, the total portfolio benchmark might be 50% S&P/TSX Composite Index and 50% FTSE 182-Day Treasury Bill Index.

Benchmark returns are always time weighted. (See Returns below for more detail on time weighted returns)

Blended Benchmark

A blended benchmark is a benchmark that is constructed from two or more underlying benchmarks. The weights of each underlying benchmark used in a blended benchmark remain constant over time.

Canadian Corporate Bond Fund

The ONE Investment Canadian Corporate Bond Fund holds short and mid-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Fund is 4.5 to 7.51 years. MFS aims to outperform the benchmark, which is:

- 48% FTSE Canada Universe All Government Bond Index +
- 40% FTSE Canada Short-Term Corporate A Index +
- 10% FTSE Canada Universe Corporate AAA/AA Index +
- 2% FTSE Canada 91-Day Treasury Bill Index.

Canadian Equity Fund

The ONE Canadian Equity Fund holds Canadian stocks managed by Guardian Capital. Guardian aims for below-market risk, achieved with a ONE-imposed constraint on the weight of Material and Energy sectors because of the expected above-market volatility of these sectors.

Canadian Government Bond Fund

This ONE Government Canadian Bond Fund holds short-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Bond Fund is 1.73 to 3.73 years. MFS aims to outperform the benchmark, which is:

- 95% FTSE Canada Short-Term Government Bond Index +
- 5% FTSE Canada 91-Day Treasury Bill Index.

Book Value

Book value is the Unit Cost of each holding multiplied by the number of units. It represents the amount originally paid to invest in the holding and takes into account all contributions and withdrawals.

CAD

This is a short form for “Canadian dollars”. Although the outcomes have exposure to foreign securities, all returns in the report reflect Canadian dollar-based returns. Foreign holdings will be impacted by movements in foreign currencies which may impact investment returns. This impact can be reduced by currency hedging strategies. The global equity exposure does not hedge currency exposure, but the global bond exposure may use hedging. The degree to which global bond exposure is hedged back to the Canadian dollar may vary and will reflect the currency hedging strategy of the external manager.

Consolidated Holdings

Consolidated holdings are the aggregate value of all investments with ONE Investment. Consolidated holdings detailed in this report only reflect MNRI balances invested in ONE Investment’s Prudent Investor Funds and HISA balances under the control of the ONE JIB. In certain cases, clients may hold ONE Investment Legal List portfolios or HISA which will not be reflected in consolidated holdings in this report. Additionally, ‘in-kind’ securities pledged to the ONE JIB will not be reflected in this report.

Discounts

Certain fee discounts apply for investors in the ONE Investment Prudent Investor offering. These discounts include a 4bps discount that applies to AUM of Founding Members, and ‘tier discounts’ that apply for any investors with balances in excess of certain thresholds. These discounts would not apply to HISA balances but would apply to balances in Legal List portfolios (if applicable). Discounts will be rebated to the municipalities on a quarterly basis. These discounts are not taken into consideration in the performance details in this investment report.

Distribution: a cash payment of interest or dividends made by ONE Investment from a fund.

Duration

This statistic applies to bonds and is similar in concept to term to maturity. The difference is that duration also takes into account the size and timing of interest payments. A bond with higher coupon payments will have a shorter duration than one with the same term to maturity and lower coupon payments: the reason is that the higher-coupon bond receives more of its return earlier. The higher the duration of a bond, the higher its sensitivity to interest rate movements.

Fees

Fees include all expenses involved in managing the fund: external investment manager fees, custody costs, ONE Investment's costs and administrative costs.

Global Bond Fund

The ONE Global Bond Fund is an unconstrained global bond mandate managed by Manulife Asset Management. The unconstrained nature of the mandate means that the fund will contain a mix of global government, corporate and securitized debt, including emerging markets and high-yield securities. The mandate is not constrained by sector or currency. Manulife aims to outperform the benchmark, which is Bloomberg Barclays Multiverse Index Unhedged.

Global Equity Fund

The ONE Global Equity Fund holds Global stocks managed by Mawer Investment Management. Mawer aims to outperform the benchmark, which is MSCI All Country World Index (ACWI). This mandate invests in both emerging and developed markets. Manager will allocate capital to the best global opportunities, which may include both large and small capitalization companies. This mandate is intended to be a broadly diversified portfolio of wealth-creating companies bought at discounts to their intrinsic values that typically employ a long-term holding period.

High Interest Savings Account (HISA)

This bank account is provided by CIBC. Its very short-term nature precludes it from being considered an investment. Interest income from HISA will be reflected only in the executive summary page as will a list of HISA transitions. As the HISA product is a demand deposit, its value of his does not fluctuate daily. In this way it differs from the ONE Investment fund whose price change in response to changes in the value of underlying investments. Returns for individual accounts holding HISA will not be presented in the report beyond what is disclosed in the executive summary. HISA balances held in the Prudent Investor Offering reflect MNRI and will be under the control of the ONE JIB.

Holdings: the ONE Investment funds or HISA Balances held in client accounts.

Inception Date

The inception is the first date that an investment was made. For each account, this will be the first time funds were transferred in; for funds offered by ONE Investment, it is the date the funds started. For ONE JIB Founders, the Inception date is July 2, 2020.

Income

Income is a cash flow generated by an investment and normally includes interest on bonds and dividends on stocks. It is differentiated from capital gains, which also contribute to returns, but which are not considered income.

Investment Manager

Investment managers are external firms hired by ONE Investment to create funds to our specifications. These are MFS Investment Management Canada for Canadian fixed income, Manulife Asset Management for global fixed income, Guardian Capital Group Ltd for Canadian equity, and Mawer Investment Management Ltd for global equity.

Market Value

The value of an investment at current market prices, calculated by multiplying the Price (defined below) by the number of units held.

ONE Joint Investment Board (ONE JIB)

The joint board established by founding municipalities as a municipal services board under section 202 of the Act as required under Part II of the Regulation, and is the duly appointed Joint Investment Board for the municipality, as constituted from time to time and acting pursuant to the Terms of Reference set out in the ONE JIB Agreement.

Outcome

Outcome means, in the context of the Investment Plan, the same thing as ‘solution’. Investment Outcomes are a set of investment allocations with varying risk/return characteristics. The Outcomes assigned to each municipal investor are intended to reflect the needs and circumstances of the municipality. ONE JIB has five pre-defined basic outcomes:

Cash:

The Cash Outcome is designed for investments with a time horizon of less than 3 years. Preservation of capital and liquidity are the highest priorities. Investments allocated to this outcome are expected to be transferred back to the care and control of the municipal treasurer when the funds are reclassified as MRI.

Contingency:

The Contingency outcome is designed for investing contingency reserves. The funds in this outcome may be drawn upon to meet unexpected needs and infrequent events. The investment horizon for this outcome is typically greater than 5 years, with an emphasis placed on long-term growth and preservation of purchasing power is a key consideration.

Asset Management Reserves:

The Asset Management Reserve Outcome is specifically designed for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to help fund asset management objectives. The long-term nature of asset management reserves allows this Outcome to emphasize long-term growth.

Stable Return:

The Stable Return Outcome is designed to provide an annual income while preserving the value of the principal investment. The principal amount is often invested in perpetuity with no intent to withdraw for the foreseeable future. This outcome is frequently used by municipalities looking to replace the income stream of a utility that has been sold, with some or all proceeds of the sale acting as the principal.

Target Date:

The Target Date Outcomes are designed for contributions toward planned capital projects. There are three target date designs for different time horizons: 3 to 5 years; 5 to 10 years; and greater than 10 years. For capital projects in the 3-to-5-year range, preservation of capital is prioritized. For projects in the 5-to-10-year range, emphasis is placed on inflation mitigation and meeting target funding requirements. For projects in the greater-than-10-year range, emphasis is placed on longer-term inflation adjusted growth.

Price

The price of ONE funds is the unit price at a point in time, also known as the net asset value, which is calculated daily by CIBC Mellon. This price takes into account the last traded prices of all securities held by the manager, the bid/ask spread where no recent trade is available and a daily accrual for all fees including investment management and administration.

Prudent Investor Standard

The standard requiring ONE JIB, when investing money under section 418.1 of the Act, to exercise the care, skill, diligence and judgement that a prudent investor would exercise in making such an investment but does not restrict the securities in which a municipality can invest. The Prudent Investor standard applies to the entire portfolio of Long-Term Funds under control of ONE JIB rather than to individual securities.

Quality

This statistic refers to the creditworthiness of bonds based on ratings provided by bond rating agencies such as S&P, DBRS, Fitch and Moody's. The highest quality bonds are rated AAA and range down from there to AA, A and BBB, all of which are investment grade ratings. Ratings below BBB are considered high yield. The lower a credit rating, the higher a bond's yield to maturity and commensurate risk of default on interest payments or principal. The credit rating on an entire fund is calculated as a weighted average.

Realized and Unrealized Gains

Capital gains reflect the movement in the Price of investments as they rise over time relative to their average Unit Cost. Negative gains are losses, meaning that the Price of the units in the account is lower than the average Price paid for them (Unit Cost). Because gains / losses are calculated based on net asset values, they are diminished by the amount of fees. (Please see Fees, Price and Unit Cost.)

- **Unrealized gains** exist “on paper” until the investment is sold in return for cash, at which point they become realized.
- **Realized gains** are generated by withdrawals from accounts during the time period in question based on the unit Price compared to the Unit Cost.

Returns

Returns measure the percentage increment in value generated by investments over a period of time. Unless otherwise noted, time-weighted total returns are reported here, which include all forms of income and capital gains. There are different aspects to return calculations explained below.

- **Calendar Year Return:** reflects the total return generated by investments in the specified year any between January 1 to December 31.
- **Annualized Returns:** the total return generated by investments in each year for holding periods greater than one year. Annualized returns are the geometric average over a multi-year period, meaning they represent the compound return. For periods of one year or less, the actual return is shown without the effect of compounding.
- Returns in this report are calculated net of fees based on the Prices of the ONE Investment funds. These are calculated daily by CIBC Mellon and take into account all fees and costs associated with managing the fund.
- Return details in this report do not account for fee discounts that may apply for some Prudent Investor clients.
- **Time-weighted returns:** returns in this report are time-weighted in order for them to be compared to the benchmarks. Time-weighted returns are calculated in a way that excludes the effect of the timing of contributions and withdrawals (cash flows) from the fund. (To capture the effect of cash flows and measure their impact on returns, investors would instead need use dollar-weighted return calculations.)

Unit Cost

Unit Cost is the weighted average Price paid for all the Fund units held in the account and reflects the impact of units bought and sold over time.

Unrealized Gains: Please see Realized and Unrealized Gains

Value Added: The return generated by an investment manager above (or below, if negative) the benchmark.

Year to Date: The time period beginning January 1 and ending at the most recent quarter end.

QUARTERLY INVESTMENT REPORT

For The Period Ended June 30, 2023

Neebing Prudent Investor Portfolio

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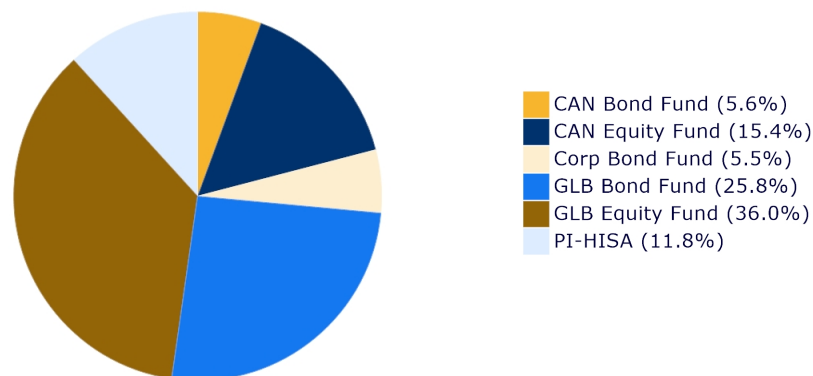
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Wardah Mir, Client Service Representative
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Needing Prudent Investor Portfolio
Executive Summary for the Quarter Ended June 30, 2023

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	1.7%	6.4%	11.0%	-	-	-	-0.1%	01/07/2022

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	140,978.62	-	-	(1,104.26)	-	139,874.36
CAN Equity Fund	370,327.26	-	-	13,268.85	-	383,596.11
Corp Bond Fund	138,221.93	-	-	(652.65)	-	137,569.28
GLB Bond Fund	646,110.48	-	-	(1,806.68)	-	644,303.80
GLB Equity Fund	869,846.58	-	-	29,477.14	-	899,323.72
PI-HISA	290,106.29	-	-	-	3,819.94	293,926.23
Total	2,455,591.16	0.00	0.00	39,182.40	3,819.94	2,498,593.50

**Needing Prudent Investor Portfolio
Performance History At
June 30, 2023**

Performance by Fund

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	1.3	2.5	4.1	-	-	-	-	3.0	01/07/2022
ONE Canadian Equity Fund	3.5	9.6	17.0	-	-	-	-	0.8	01/07/2022
ONE Global Equity Fund	3.3	11.0	19.4	-	-	-	-	1.2	01/07/2022
ONE Canadian Corporate Bond Fund	-0.4	2.1	2.8	-	-	-	-	-3.5	01/07/2022
ONE Canadian Government Bond Fund	-0.7	0.9	1.2	-	-	-	-	-1.8	01/07/2022
ONE Global Bond Fund	-0.2	2.6	4.1	-	-	-	-	-3.6	01/07/2022

Performance by Outcome

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
JIBNEECASH	1.4	2.6	4.2	-	-	-	-	3.1	01/07/2022
JIB1NEECONT	1.9	7.2	12.3	-	-	-	-	-0.6	01/07/2022
JIB2NEETD35	0.3	3.1	5.0	-	-	-	-	-1.6	01/07/2022
JIB3NEETD510	1.5	6.4	10.8	-	-	-	-	-1.1	01/07/2022
JIB4NEETD10P	2.5	8.5	14.7	-	-	-	-	0.0	01/07/2022

QUARTERLY REVIEW

During the second quarter of 2023, the Canadian equity markets moved modestly higher as the economic backdrop remained supportive and investor sentiment remained strong. The ONE Canadian Equity Fund generated returns of 3.5% in the quarter, outperforming the broader Canadian equity markets. During the quarter, inflation pressures continued to ease amidst signs of continued strength in the Canadian economy. This is a positive outcome that has helped bolster equity market performance. While some remain concerned about the prospects of a potential economic recession on the horizon, economic indicators remain quite robust.

For the second quarter in a row, the Information Technology sector has been the best-performing sector in the Canadian equity market, with returns of almost 17% in the quarter. The performance of Shopify, a large-cap e-commerce company, accounted for much of the sector's strength, with returns in excess of 30% in the quarter. The Fund has no allocation to Shopify and did not benefit from the strength of this stock. The fund's holdings in the Industrial sector fared much better, as Finning International, a dealer of construction equipment, had returns of 21.8%. As Finning International is one of the fund's largest holdings, representing over 4% of the fund, its performance has made a large contribution to overall fund returns.

One area of notable weakness in the Canadian equity markets was the Materials sector, which had returns of negative 6.9% in the quarter due to weak metal prices. The prices of some industrial metals, such as zinc, nickel, and aluminium, were sharply lower, while precious metals like silver and gold experienced more modest declines. The manager positions the fund with a significant underweight exposure to this sector, which helps reduce the volatility of the fund. This positioning limits the effect of the weakness of this sector on fund performance in the quarter.

QUARTERLY REVIEW

Global equity markets performed well in the second quarter, with the ONE Global Equity Fund producing returns of 3.3% in the quarter, modestly underperforming its benchmark. US equity markets performed better than most other regions during the quarter, with a rally in US stocks concentrated in large-market-cap technology stocks like Apple, Microsoft, and Nvidia. These stocks benefited from frenzied interest in Artificial Intelligence (AI) due to their anticipated long-term growth prospects. Fund performance did not fully participate in the strength of the Technology sectors due to an underweight sector allocation and stock selection that did not emphasize the AI theme.

During the quarter, most countries and regions other than the USA had modest returns, but Japanese stocks had strong returns as signs of inflation were welcomed by investors after three decades of low inflation or deflation. While the Japanese equity market was up over 18% in local currency terms, sharp weakness in the Japanese Yen offset most of the gains. The fund has fairly light exposure to Japanese equities. In contrast, returns were weak in the Asian Pacific, excluding Japan, as Chinese economic growth disappointed. The Chinese and Hong Kong markets were particularly weak in the quarter. The fund has minimal exposure to stocks in this region.

The outlook for inflation and how it factors into the interest rate policy of central banks remains the key consideration for the market outlook. The current term structure of interest rates indicates a high probability of recession on the horizon, and there remains considerable uncertainty about the path of future inflation and interest rates, suggesting notable risks for the market outlook. The manager's emphasis on bottom-up security analysis to guide security selection seeks to invest in firms that have good long-term prospects. This means that the fund tends to focus on long-term returns from holdings rather than taking a view on current market themes and the near-term outlook.

QUARTERLY REVIEW

Global bond markets had mixed performance during the quarter as central banks continued to raise their short-term policy interest rates across western economies. During the quarter, all three ONE Investment bond funds had modestly negative performance in response to rising North American interest rates. The ONE Canadian Bond Fund and ONE Canadian Corporate Bond Fund had returns of -0.7% and -0.4%, respectively, in the quarter, while the ONE Global Bond Fund had returns of -0.2%. All three bond funds outperformed their benchmarks in the quarter, with the ONE Global Fund outperforming by more than 3%, due primarily to its currency hedges that offset the effect of a stronger Canadian dollar.

Overall bond yields were relatively unchanged in the Eurozone as the pace of rate hikes by the European Central Bank slowed, but in North America, bond prices fell on the back of further central bank rate hikes. In the UK, Bond yields moved notably higher, with the 10-year sovereign bond yield increasing by almost 0.9% in the quarter. Inflation remains stubbornly high in the UK, leading to larger rate hikes by the Bank of England during the quarter.

In Asia, the tone of the bond markets was different. While Japanese Bond prices tended to be relatively flat in the quarter, other parts of Asia-Pacific tended to have better performance, responding to interest rate cuts by the Bank of China. A slower than anticipated post-covid recovery in China has led to policy action to bolster economic growth that has had a positive impact on regional bonds.

Inflation remains a dominant theme as the market attempts to assess the trajectory of interest rates. Inflation rates have been declining steadily since the 2022 peaks in the US and Canada, which has given some hope that rate cuts may be on the horizon, but the most recent inflation figures remain above the 2% level that central banks typically target. Further evidence of inflation pressures will be required before central banks can consider cutting rates.

Needing Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of June 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	293,926.230	1.00	293,926.23	1.00	293,926.23	11.76%
CAN Equity Fund	294.070	1,293.32	380,329.21	1,304.43	383,596.11	15.35%
GLB Equity Fund	762.941	1,169.46	892,230.63	1,178.75	899,323.72	35.99%
Corp Bond Fund	153.401	938.73	144,002.65	896.79	137,569.28	5.51%
CAN Bond Fund	148.841	962.10	143,200.00	939.75	139,874.36	5.60%
GLB Bond Fund	742.263	935.00	694,017.05	868.02	644,303.80	25.79%
					2,498,593.50	100.00%



**Neebing Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

Account Name: Neebing - Cash Outcome
Account Number: 9028194211

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	205,269.98	1.00	205,269.98	1.00	205,269.98	100.0%	0.00	2,851.90
			<u>205,269.98</u>		<u>205,269.98</u>	100.0%	0.00	2,851.90

**Neebing Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.4	2.6	4.2	-	-	-	-	3.1	01/07/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

**Neebing Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Neebing - Contingency Outcome
Account Number: 570050443**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	22.84	947.04	21,637.22	896.79	20,489.08	5.7%	(97.20)	0.00
CAN Equity Fund	50.32	1,294.72	65,154.62	1,304.43	65,643.24	18.4%	2,270.65	0.00
CAN Bond Fund	22.37	965.27	21,600.00	939.75	21,028.94	5.9%	(166.02)	0.00
GLB Bond Fund	109.86	952.63	104,660.26	868.02	95,364.84	26.7%	(267.41)	0.00
GLB Equity Fund	130.56	1,170.77	152,865.55	1,178.75	153,908.23	43.1%	5,044.65	0.00
			<u>365,917.65</u>		<u>356,434.33</u>	100.0%	6,784.67	0.00

**Neebing Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.9	7.2	12.3	-	-	-	-	-0.6	01/07/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

**Neebing Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Neebing - Target Date 3 to 5 Year Outcome
Account Number: 570050450**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	88,656.25	1.00	88,656.25	1.00	88,656.25	19.9%	0.00	968.04
Corp Bond Fund	51.22	922.18	47,236.19	896.79	45,935.64	10.3%	(217.93)	0.00
CAN Equity Fund	10.77	1,256.41	13,532.84	1,304.43	14,050.10	3.1%	486.00	0.00
CAN Bond Fund	48.76	955.58	46,600.00	939.75	45,828.18	10.2%	(361.80)	0.00
GLB Bond Fund	250.92	900.47	225,953.03	868.02	217,811.24	48.9%	(610.75)	0.00
GLB Equity Fund	27.89	1,134.88	31,654.21	1,178.75	32,877.95	7.3%	1,077.64	0.00
			<u>453,632.52</u>		<u>445,159.36</u>	100.0%	373.16	968.04

**Neebing Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	0.3	3.1	5.0	-	-	-	-	-1.6	01/07/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

**Neebing Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Neebing - Target Date 5 to 10 Year Outcome
Account Number: 570050468**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	39.66	947.02	37,564.62	896.79	35,572.28	7.2%	(168.76)	0.00
CAN Equity Fund	58.24	1,294.73	75,410.44	1,304.43	75,975.69	15.4%	2,628.05	0.00
CAN Bond Fund	38.84	965.27	37,500.00	939.75	36,508.62	7.4%	(288.22)	0.00
GLB Bond Fund	190.73	952.63	181,701.88	868.02	165,563.86	33.6%	(464.26)	0.00
GLB Equity Fund	151.12	1,170.76	176,927.72	1,178.75	178,135.27	36.2%	5,838.74	0.00
			<u>509,104.66</u>		<u>491,755.72</u>	100.0%	7,545.55	0.00

**Neebing Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.5	6.4	10.8	-	-	-	-	-1.1	01/07/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

**Neebing Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Neebing - Target Date 10 Year Plus Outcome
Account Number: 570050476**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	39.66	947.02	37,564.62	896.79	35,572.28	3.5%	(168.76)	0.00
CAN Equity Fund	174.73	1,294.73	226,231.31	1,304.43	227,927.08	22.7%	7,884.15	0.00
CAN Bond Fund	38.84	965.27	37,500.00	939.75	36,508.62	3.6%	(288.22)	0.00
GLB Bond Fund	190.73	952.63	181,701.88	868.02	165,563.86	16.5%	(464.26)	0.00
GLB Equity Fund	453.36	1,170.77	530,783.15	1,178.75	534,402.27	53.4%	17,516.11	0.00
			<u>1,013,780.96</u>		<u>999,974.11</u>	100.0%	<u>24,479.02</u>	<u>0.00</u>

**Neebing Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.5	8.5	14.7	-	-	-	-	0.0	01/07/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

Neebing Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Neebing - Cash Outcome
Account Number: 9028194211

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	1,160.04	1,160.04
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	830.13	830.13
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	861.73	861.73

Neebing Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Neebing - Target Date 3 to 5 Year Outcome
Account Number: 570050450

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	237.18	237.18
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	358.68	358.68
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	372.18	372.18

**Needing Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
June 30, 2023**

In accordance with the terms of section 8.02 of the ONEJIB Agreement dated as of July 2, 2020 (the "ONE JIB Agreement") ONE Investment confirms as follows:

With respect to the quarter ended June 30, 2023 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

A handwritten signature in black ink that reads "Keith Taylor".

Keith Taylor, Chief Investment Officer, ONE Investment
On the behalf of the ONE Joint Investment Board

APPENDIX

ONE JIB - Outcome Framework - Target Allocations

Outcome							<u>Allocation</u>			
	HISA	Canadian Equity Fund	Global Equity Fund	Canadian Government Bond Fund	Canadian Corporate Bond Fund	Global Bond Fund	Equity	Fixed Income	Cash	Total
Cash	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%			100.0%	100%
Stable Return	10.0%	9.0%	21.0%	9.0%	9.0%	42.0%	30.0%	60.0%	10.0%	100%
Contingency	0.0%	18.0%	42.0%	6.0%	6.0%	28.0%	60.0%	40.0%		100%
Asset Management	0.0%	27.0%	63.0%	1.5%	1.5%	7.0%	90.0%	10.0%		100%
Target Date 3-5	20.0%	3.0%	7.0%	10.5%	10.5%	49.0%	10.0%	70.0%	20.0%	100%
Target Date 5-10	0.0%	15.0%	35.0%	7.5%	7.5%	35.0%	50.0%	50.0%		100%
Target Date 10+	0.0%	22.5%	52.5%	3.75%	3.75%	17.5%	75.0%	25.0%		100%

ONE JIB - Outcome Framework - Defined

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon	Allocation		
					Equity	Fixed Income	Cash
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years			100%
Stable Return	Stable Return	Income generation: To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)	30%	60%	10%
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk, emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)	60%	40%	
	Asset mgt reserves	Contributions to generate returns to fund asset management reserves	Higher risk, emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)	90%	10%	
Target Date	Target Date 3-5 yrs.	Preservation of capital	Low risk; high liquidity	3 - 5 years	10%	70%	20%
	Target Date 5-10 yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 - 10 years	50%	50%	
	Target Date 10+ yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long term inflation-adjusted growth	> 10 years	75%	25%	

Glossary and Definitions for Quarterly Reports

Account

ONE Investment clients have one or more custodial accounts. All Prudent Investor Funds will be administered with ONE Investment's custodian, CIBC Mellon. Unlike Legal List accounts, MNRI invested in the ONE Investment Prudent Investor Funds will be under the control of the ONE Joint Investment Board. In most cases, the Prudent Investor clients will have multiple accounts with the custodian, with the account structure based on the investment outcomes assigned to each client. This will allow reporting to the municipal client based on the investment outcome framework.

Annual and Annualized Returns: please see Returns below.

Asset Allocation

Asset allocation is the single biggest driver of fund returns and should be set taking into account municipal risk tolerance. Also known as asset mix, it is the combination of asset classes in a fund and is normally shown as the percentage weights in each. Example asset classes are money market, Canadian bonds, global bonds, Canadian stocks and global stocks. Each of the ONE JIB Outcomes has an associated asset allocation that is designed to be appropriate for the intended investment Outcome.

Asset Mix: See Asset allocation.

Benchmark

The Benchmark is the standard against which investors compare their portfolio returns to understand its performance. Benchmark can be set either at the asset class level or for the overall portfolio. At the asset class level, benchmarks are usually chosen to represent the entire market; active managers seek to outperform their benchmarks by at least the amount of fees they charge.

For example, a typical benchmark for Canadian stocks is the S&P/TSX Composite Index which is calculated by Standard and Poor's (S&P) and for Canadian money market, the typical benchmark is the FTSE 182-Day Treasury Bill Index from the Financial Times Stock Exchange Group (FTSE). For a portfolio that aims to have risk halfway between these two asset classes, the total portfolio benchmark might be 50% S&P/TSX Composite Index and 50% FTSE 182-Day Treasury Bill Index.

Benchmark returns are always time weighted. (See Returns below for more detail on time weighted returns)

Blended Benchmark

A blended benchmark is a benchmark that is constructed from two or more underlying benchmarks. The weights of each underlying benchmark used in a blended benchmark remain constant over time.

Canadian Corporate Bond Fund

The ONE Investment Canadian Corporate Bond Fund holds short and mid-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Fund is 4.5 to 7.51 years. MFS aims to outperform the benchmark, which is:

- 48% FTSE Canada Universe All Government Bond Index +
- 40% FTSE Canada Short-Term Corporate A Index +
- 10% FTSE Canada Universe Corporate AAA/AA Index +
- 2% FTSE Canada 91-Day Treasury Bill Index.

Canadian Equity Fund

The ONE Canadian Equity Fund holds Canadian stocks managed by Guardian Capital. Guardian aims for below-market risk, achieved with a ONE-imposed constraint on the weight of Material and Energy sectors because of the expected above-market volatility of these sectors.

Canadian Government Bond Fund

This ONE Government Canadian Bond Fund holds short-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Bond Fund is 1.73 to 3.73 years. MFS aims to outperform the benchmark, which is:

- 95% FTSE Canada Short-Term Government Bond Index +
- 5% FTSE Canada 91-Day Treasury Bill Index.

Book Value

Book value is the Unit Cost of each holding multiplied by the number of units. It represents the amount originally paid to invest in the holding and takes into account all contributions and withdrawals.

CAD

This is a short form for “Canadian dollars”. Although the outcomes have exposure to foreign securities, all returns in the report reflect Canadian dollar-based returns. Foreign holdings will be impacted by movements in foreign currencies which may impact investment returns. This impact can be reduced by currency hedging strategies. The global equity exposure does not hedge currency exposure, but the global bond exposure may use hedging. The degree to which global bond exposure is hedged back to the Canadian dollar may vary and will reflect the currency hedging strategy of the external manager.

Consolidated Holdings

Consolidated holdings are the aggregate value of all investments with ONE Investment. Consolidated holdings detailed in this report only reflect MNRI balances invested in ONE Investment’s Prudent Investor Funds and HISA balances under the control of the ONE JIB. In certain cases, clients may hold ONE Investment Legal List portfolios or HISA which will not be reflected in consolidated holdings in this report. Additionally, ‘in-kind’ securities pledged to the ONE JIB will not be reflected in this report.

Discounts

Certain fee discounts apply for investors in the ONE Investment Prudent Investor offering. These discounts include a 4bps discount that applies to AUM of Founding Members, and ‘tier discounts’ that apply for any investors with balances in excess of certain thresholds. These discounts would not apply to HISA balances but would apply to balances in Legal List portfolios (if applicable). Discounts will be rebated to the municipalities on a quarterly basis. These discounts are not taken into consideration in the performance details in this investment report.

Distribution: a cash payment of interest or dividends made by ONE Investment from a fund.

Duration

This statistic applies to bonds and is similar in concept to term to maturity. The difference is that duration also takes into account the size and timing of interest payments. A bond with higher coupon payments will have a shorter duration than one with the same term to maturity and lower coupon payments: the reason is that the higher-coupon bond receives more of its return earlier. The higher the duration of a bond, the higher its sensitivity to interest rate movements.

Fees

Fees include all expenses involved in managing the fund: external investment manager fees, custody costs, ONE Investment's costs and administrative costs.

Global Bond Fund

The ONE Global Bond Fund is an unconstrained global bond mandate managed by Manulife Asset Management. The unconstrained nature of the mandate means that the fund will contain a mix of global government, corporate and securitized debt, including emerging markets and high-yield securities. The mandate is not constrained by sector or currency. Manulife aims to outperform the benchmark, which is Bloomberg Barclays Multiverse Index Unhedged.

Global Equity Fund

The ONE Global Equity Fund holds Global stocks managed by Mawer Investment Management. Mawer aims to outperform the benchmark, which is MSCI All Country World Index (ACWI). This mandate invests in both emerging and developed markets. Manager will allocate capital to the best global opportunities, which may include both large and small capitalization companies. This mandate is intended to be a broadly diversified portfolio of wealth-creating companies bought at discounts to their intrinsic values that typically employ a long-term holding period.

High Interest Savings Account (HISA)

This bank account is provided by CIBC. Its very short-term nature precludes it from being considered an investment. Interest income from HISA will be reflected only in the executive summary page as will a list of HISA transitions. As the HISA product is a demand deposit, its value of his does not fluctuate daily. In this way it differs from the ONE Investment fund whose price change in response to changes in the value of underlying investments. Returns for individual accounts holding HISA will not be presented in the report beyond what is disclosed in the executive summary. HISA balances held in the Prudent Investor Offering reflect MNRI and will be under the control of the ONE JIB.

Holdings: the ONE Investment funds or HISA Balances held in client accounts.

Inception Date

The inception is the first date that an investment was made. For each account, this will be the first time funds were transferred in; for funds offered by ONE Investment, it is the date the funds started. For ONE JIB Founders, the Inception date is July 2, 2020.

Income

Income is a cash flow generated by an investment and normally includes interest on bonds and dividends on stocks. It is differentiated from capital gains, which also contribute to returns, but which are not considered income.

Investment Manager

Investment managers are external firms hired by ONE Investment to create funds to our specifications. These are MFS Investment Management Canada for Canadian fixed income, Manulife Asset Management for global fixed income, Guardian Capital Group Ltd for Canadian equity, and Mawer Investment Management Ltd for global equity.

Market Value

The value of an investment at current market prices, calculated by multiplying the Price (defined below) by the number of units held.

ONE Joint Investment Board (ONE JIB)

The joint board established by founding municipalities as a municipal services board under section 202 of the Act as required under Part II of the Regulation, and is the duly appointed Joint Investment Board for the municipality, as constituted from time to time and acting pursuant to the Terms of Reference set out in the ONE JIB Agreement.

Outcome

Outcome means, in the context of the Investment Plan, the same thing as ‘solution’. Investment Outcomes are a set of investment allocations with varying risk/return characteristics. The Outcomes assigned to each municipal investor are intended to reflect the needs and circumstances of the municipality. ONE JIB has five pre-defined basic outcomes:

Cash:

The Cash Outcome is designed for investments with a time horizon of less than 3 years. Preservation of capital and liquidity are the highest priorities. Investments allocated to this outcome are expected to be transferred back to the care and control of the municipal treasurer when the funds are reclassified as MRI.

Contingency:

The Contingency outcome is designed for investing contingency reserves. The funds in this outcome may be drawn upon to meet unexpected needs and infrequent events. The investment horizon for this outcome is typically greater than 5 years, with an emphasis placed on long-term growth and preservation of purchasing power is a key consideration.

Asset Management Reserves:

The Asset Management Reserve Outcome is specifically designed for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to help fund asset management objectives. The long-term nature of asset management reserves allows this Outcome to emphasize long-term growth.

Stable Return:

The Stable Return Outcome is designed to provide an annual income while preserving the value of the principal investment. The principal amount is often invested in perpetuity with no intent to withdraw for the foreseeable future. This outcome is frequently used by municipalities looking to replace the income stream of a utility that has been sold, with some or all proceeds of the sale acting as the principal.

Target Date:

The Target Date Outcomes are designed for contributions toward planned capital projects. There are three target date designs for different time horizons: 3 to 5 years; 5 to 10 years; and greater than 10 years. For capital projects in the 3-to-5-year range, preservation of capital is prioritized. For projects in the 5-to-10-year range, emphasis is placed on inflation mitigation and meeting target funding requirements. For projects in the greater-than-10-year range, emphasis is placed on longer-term inflation adjusted growth.

Price

The price of ONE funds is the unit price at a point in time, also known as the net asset value, which is calculated daily by CIBC Mellon. This price takes into account the last traded prices of all securities held by the manager, the bid/ask spread where no recent trade is available and a daily accrual for all fees including investment management and administration.

Prudent Investor Standard

The standard requiring ONE JIB, when investing money under section 418.1 of the Act, to exercise the care, skill, diligence and judgement that a prudent investor would exercise in making such an investment but does not restrict the securities in which a municipality can invest. The Prudent Investor standard applies to the entire portfolio of Long-Term Funds under control of ONE JIB rather than to individual securities.

Quality

This statistic refers to the creditworthiness of bonds based on ratings provided by bond rating agencies such as S&P, DBRS, Fitch and Moody's. The highest quality bonds are rated AAA and range down from there to AA, A and BBB, all of which are investment grade ratings. Ratings below BBB are considered high yield. The lower a credit rating, the higher a bond's yield to maturity and commensurate risk of default on interest payments or principal. The credit rating on an entire fund is calculated as a weighted average.

Realized and Unrealized Gains

Capital gains reflect the movement in the Price of investments as they rise over time relative to their average Unit Cost. Negative gains are losses, meaning that the Price of the units in the account is lower than the average Price paid for them (Unit Cost). Because gains / losses are calculated based on net asset values, they are diminished by the amount of fees. (Please see Fees, Price and Unit Cost.)

- **Unrealized gains** exist “on paper” until the investment is sold in return for cash, at which point they become realized.
- **Realized gains** are generated by withdrawals from accounts during the time period in question based on the unit Price compared to the Unit Cost.

Returns

Returns measure the percentage increment in value generated by investments over a period of time. Unless otherwise noted, time-weighted total returns are reported here, which include all forms of income and capital gains. There are different aspects to return calculations explained below.

- **Calendar Year Return:** reflects the total return generated by investments in the specified year any between January 1 to December 31.
- **Annualized Returns:** the total return generated by investments in each year for holding periods greater than one year. Annualized returns are the geometric average over a multi-year period, meaning they represent the compound return. For periods of one year or less, the actual return is shown without the effect of compounding.
- Returns in this report are calculated net of fees based on the Prices of the ONE Investment funds. These are calculated daily by CIBC Mellon and take into account all fees and costs associated with managing the fund.
- Return details in this report do not account for fee discounts that may apply for some Prudent Investor clients.
- **Time-weighted returns:** returns in this report are time-weighted in order for them to be compared to the benchmarks. Time-weighted returns are calculated in a way that excludes the effect of the timing of contributions and withdrawals (cash flows) from the fund. (To capture the effect of cash flows and measure their impact on returns, investors would instead need use dollar-weighted return calculations.)

Unit Cost

Unit Cost is the weighted average Price paid for all the Fund units held in the account and reflects the impact of units bought and sold over time.

Unrealized Gains: Please see Realized and Unrealized Gains

Value Added: The return generated by an investment manager above (or below, if negative) the benchmark.

Year to Date: The time period beginning January 1 and ending at the most recent quarter end.

QUARTERLY INVESTMENT REPORT

For The Period Ended June 30, 2023

Kenora General Account - Prudent Investor Portfolio

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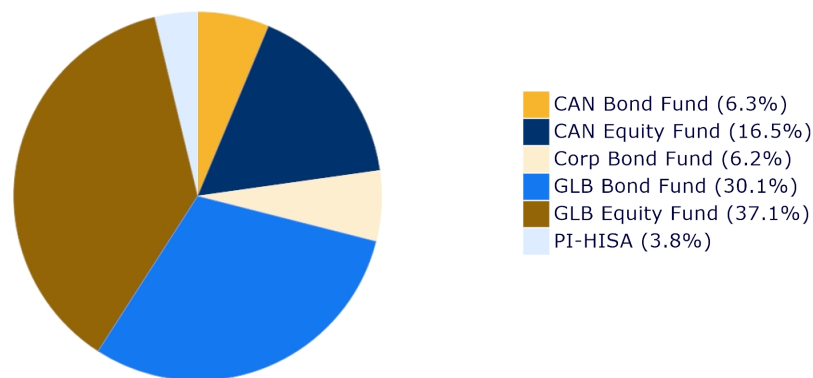
Relationship Manager

Wardah Mir, Client Service Representative
416-971-9856
one@oneinvestment.ca

Kenora General Account - Prudent Investor Portfolio
Executive Summary for the Quarter Ended June 30, 2023

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	1.7%	6.6%	11.2%	1.1%	-	-	4.8%	07/02/2020

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	1,241,982.50	1,831.55	-	(9,754.42)	-	1,234,059.63
CAN Equity Fund	3,116,869.28	-	-	111,677.63	-	3,228,546.91
Corp Bond Fund	1,215,633.32	-	-	(5,740.01)	-	1,209,893.31
GLB Bond Fund	5,923,771.34	-	-	(16,564.19)	-	5,907,207.15
GLB Equity Fund	7,037,056.92	-	-	238,470.00	-	7,275,526.92
PI-HISA	730,600.65	-	-	-	9,178.05	739,778.70
Total	19,265,914.01	1,831.55	0.00	318,089.01	9,178.05	19,595,012.62

Kenora General Account - Prudent Investor Portfolio
Performance History At
June 30, 2023

Performance by Fund

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	1.2	2.4	4.0	2.4	-	-	-	1.8	07/02/2020
ONE Canadian Equity Fund	3.5	9.6	17.0	2.6	-	-	-	12.6	07/02/2020
ONE Global Equity Fund	3.3	11.0	19.4	5.1	-	-	-	8.7	07/02/2020
ONE Canadian Corporate Bond Fund	-0.4	2.1	2.8	-3.1	-	-	-	-2.5	07/02/2020
ONE Canadian Government Bond Fund	-0.7	0.9	1.2	-1.7	-	-	-	-1.1	07/02/2020
ONE Global Bond Fund	-0.2	2.6	4.1	-2.9	-	-	-	-0.5	07/02/2020

Performance by Outcome

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
JIB1KENCONT	2.0	7.4	12.7	1.6	-	-	-	5.7	07/02/2020
JIB3KENTD35	0.3	3.1	5.0	-0.9	-	-	-	0.8	07/02/2020

QUARTERLY REVIEW

During the second quarter of 2023, the Canadian equity markets moved modestly higher as the economic backdrop remained supportive and investor sentiment remained strong. The ONE Canadian Equity Fund generated returns of 3.5% in the quarter, outperforming the broader Canadian equity markets. During the quarter, inflation pressures continued to ease amidst signs of continued strength in the Canadian economy. This is a positive outcome that has helped bolster equity market performance. While some remain concerned about the prospects of a potential economic recession on the horizon, economic indicators remain quite robust.

For the second quarter in a row, the Information Technology sector has been the best-performing sector in the Canadian equity market, with returns of almost 17% in the quarter. The performance of Shopify, a large-cap e-commerce company, accounted for much of the sector's strength, with returns in excess of 30% in the quarter. The Fund has no allocation to Shopify and did not benefit from the strength of this stock. The fund's holdings in the Industrial sector fared much better, as Finning International, a dealer of construction equipment, had returns of 21.8%. As Finning International is one of the fund's largest holdings, representing over 4% of the fund, its performance has made a large contribution to overall fund returns.

One area of notable weakness in the Canadian equity markets was the Materials sector, which had returns of negative 6.9% in the quarter due to weak metal prices. The prices of some industrial metals, such as zinc, nickel, and aluminium, were sharply lower, while precious metals like silver and gold experienced more modest declines. The manager positions the fund with a significant underweight exposure to this sector, which helps reduce the volatility of the fund. This positioning limits the effect of the weakness of this sector on fund performance in the quarter.

QUARTERLY REVIEW

Global equity markets performed well in the second quarter, with the ONE Global Equity Fund producing returns of 3.3% in the quarter, modestly underperforming its benchmark. US equity markets performed better than most other regions during the quarter, with a rally in US stocks concentrated in large-market-cap technology stocks like Apple, Microsoft, and Nvidia. These stocks benefited from frenzied interest in Artificial Intelligence (AI) due to their anticipated long-term growth prospects. Fund performance did not fully participate in the strength of the Technology sectors due to an underweight sector allocation and stock selection that did not emphasize the AI theme.

During the quarter, most countries and regions other than the USA had modest returns, but Japanese stocks had strong returns as signs of inflation were welcomed by investors after three decades of low inflation or deflation. While the Japanese equity market was up over 18% in local currency terms, sharp weakness in the Japanese Yen offset most of the gains. The fund has fairly light exposure to Japanese equities. In contrast, returns were weak in the Asian Pacific, excluding Japan, as Chinese economic growth disappointed. The Chinese and Hong Kong markets were particularly weak in the quarter. The fund has minimal exposure to stocks in this region.

The outlook for inflation and how it factors into the interest rate policy of central banks remains the key consideration for the market outlook. The current term structure of interest rates indicates a high probability of recession on the horizon, and there remains considerable uncertainty about the path of future inflation and interest rates, suggesting notable risks for the market outlook. The manager's emphasis on bottom-up security analysis to guide security selection seeks to invest in firms that have good long-term prospects. This means that the fund tends to focus on long-term returns from holdings rather than taking a view on current market themes and the near-term outlook.

QUARTERLY REVIEW

Global bond markets had mixed performance during the quarter as central banks continued to raise their short-term policy interest rates across western economies. During the quarter, all three ONE Investment bond funds had modestly negative performance in response to rising North American interest rates. The ONE Canadian Bond Fund and ONE Canadian Corporate Bond Fund had returns of -0.7% and -0.4%, respectively, in the quarter, while the ONE Global Bond Fund had returns of -0.2%. All three bond funds outperformed their benchmarks in the quarter, with the ONE Global Fund outperforming by more than 3%, due primarily to its currency hedges that offset the effect of a stronger Canadian dollar.

Overall bond yields were relatively unchanged in the Eurozone as the pace of rate hikes by the European Central Bank slowed, but in North America, bond prices fell on the back of further central bank rate hikes. In the UK, Bond yields moved notably higher, with the 10-year sovereign bond yield increasing by almost 0.9% in the quarter. Inflation remains stubbornly high in the UK, leading to larger rate hikes by the Bank of England during the quarter.

In Asia, the tone of the bond markets was different. While Japanese Bond prices tended to be relatively flat in the quarter, other parts of Asia-Pacific tended to have better performance, responding to interest rate cuts by the Bank of China. A slower than anticipated post-covid recovery in China has led to policy action to bolster economic growth that has had a positive impact on regional bonds.

Inflation remains a dominant theme as the market attempts to assess the trajectory of interest rates. Inflation rates have been declining steadily since the 2022 peaks in the US and Canada, which has given some hope that rate cuts may be on the horizon, but the most recent inflation figures remain above the 2% level that central banks typically target. Further evidence of inflation pressures will be required before central banks can consider cutting rates.

Kenora General Account - Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of June 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	739,778.700	1.00	739,778.70	1.00	739,778.70	3.78%
CAN Equity Fund	2,475.048	1,022.91	2,531,769.50	1,304.43	3,228,546.91	16.48%
GLB Equity Fund	6,172.191	1,010.04	6,234,169.18	1,178.75	7,275,526.92	37.13%
Corp Bond Fund	1,349.130	986.17	1,330,482.04	896.79	1,209,893.31	6.17%
CAN Bond Fund	1,313.169	981.83	1,289,317.46	939.75	1,234,059.63	6.30%
GLB Bond Fund	6,805.332	984.10	6,697,145.90	868.02	5,907,207.15	30.15%
					19,595,012.62	100.00%

Kenora General Account - Prudent Investor Portfolio
Holdings by Account
At June 30, 2023

Account Name: Kenora - Contingency Outcome
Account Number: 570050161

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	923.70	990.66	915,079.44	896.79	828,375.11	5.2%	(3,930.00)	0.00
CAN Equity Fund	2,388.58	1,022.16	2,441,527.17	1,304.43	3,115,762.58	19.5%	107,776.34	0.00
CAN Bond Fund	907.75	983.74	892,992.07	939.75	853,064.33	5.3%	(6,734.59)	0.00
GLB Bond Fund	4,740.27	987.57	4,681,394.56	868.02	4,114,681.63	25.8%	(11,537.83)	0.00
GLB Equity Fund	5,941.14	1,009.56	5,997,987.58	1,178.75	7,003,181.68	44.0%	229,543.34	0.00
			<u>14,928,980.82</u>		<u>15,915,065.33</u>	100.0%	315,117.26	0.00

Kenora General Account - Prudent Investor Portfolio
Performance History
At June 30, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.0	7.4	12.7	1.6	-	-	-	5.7	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-9.1	12.7	-	-	-

Kenora General Account - Prudent Investor Portfolio
Holdings by Account
At June 30, 2023

Account Name: Kenora - Target Date 3 to 5 Year Outcome
Account Number: 570050187

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	739,778.70	1.00	739,778.70	1.00	739,778.70	20.1%	0.00	9,178.05
Corp Bond Fund	425.42	976.44	415,402.60	896.79	381,518.20	10.3%	(1,810.01)	0.00
CAN Equity Fund	86.46	1,043.72	90,242.33	1,304.43	112,784.33	3.0%	3,901.29	0.00
CAN Bond Fund	405.41	977.56	396,325.39	939.75	380,995.30	10.3%	(3,019.83)	0.00
GLB Bond Fund	2,065.05	976.12	2,015,751.34	868.02	1,792,525.52	48.7%	(5,026.36)	0.00
GLB Equity Fund	231.04	1,022.23	236,181.60	1,178.75	272,345.24	7.4%	8,926.66	0.00
			<u>3,893,681.96</u>		<u>3,679,947.29</u>	100.0%	2,971.75	9,178.05

Kenora General Account - Prudent Investor Portfolio
Performance History
At June 30, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	0.3	3.1	5.0	-0.9	-	-	-	0.8	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-6.1	1.9	-	-	-

**Kenora General Account - Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023**

TRANSACTION SUMMARY

**Account Name: Kenora - Target Date 3 to 5 Year Outcome
Account Number: 570050187**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	05/04/2023	05/04/2023	1.92	1,831.55
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	3,080.08	3,080.08
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	2,992.34	2,992.34
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	3,105.63	3,105.63

Kenora General Account - Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
June 30, 2023

In accordance with the terms of section 8.02 of the ONEJIB Agreement dated as of July 2, 2020 (the "ONE JIB Agreement") ONE Investment confirms as follows:

With respect to the quarter ended June 30, 2023 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

A handwritten signature in black ink that reads "Keith Taylor".

Keith Taylor, Chief Investment Officer, ONE Investment
On the behalf of the ONE Joint Investment Board

APPENDIX

ONE JIB - Outcome Framework - Target Allocations

Outcome							<u>Allocation</u>			
	HISA	Canadian Equity Fund	Global Equity Fund	Canadian Government Bond Fund	Canadian Corporate Bond Fund	Global Bond Fund	Equity	Fixed Income	Cash	Total
Cash	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%			100.0%	100%
Stable Return	10.0%	9.0%	21.0%	9.0%	9.0%	42.0%	30.0%	60.0%	10.0%	100%
Contingency	0.0%	18.0%	42.0%	6.0%	6.0%	28.0%	60.0%	40.0%		100%
Asset Management	0.0%	27.0%	63.0%	1.5%	1.5%	7.0%	90.0%	10.0%		100%
Target Date 3-5	20.0%	3.0%	7.0%	10.5%	10.5%	49.0%	10.0%	70.0%	20.0%	100%
Target Date 5-10	0.0%	15.0%	35.0%	7.5%	7.5%	35.0%	50.0%	50.0%		100%
Target Date 10+	0.0%	22.5%	52.5%	3.75%	3.75%	17.5%	75.0%	25.0%		100%

ONE JIB - Outcome Framework - Defined

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon	Allocation		
					Equity	Fixed Income	Cash
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years			100%
Stable Return	Stable Return	Income generation: To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)	30%	60%	10%
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk, emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)	60%	40%	
	Asset mgt reserves	Contributions to generate returns to fund asset management reserves	Higher risk, emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)	90%	10%	
Target Date	Target Date 3-5 yrs.	Preservation of capital	Low risk; high liquidity	3 - 5 years	10%	70%	20%
	Target Date 5-10 yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 - 10 years	50%	50%	
	Target Date 10+ yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long term inflation-adjusted growth	> 10 years	75%	25%	

Glossary and Definitions for Quarterly Reports

Account

ONE Investment clients have one or more custodial accounts. All Prudent Investor Funds will be administered with ONE Investment's custodian, CIBC Mellon. Unlike Legal List accounts, MNRI invested in the ONE Investment Prudent Investor Funds will be under the control of the ONE Joint Investment Board. In most cases, the Prudent Investor clients will have multiple accounts with the custodian, with the account structure based on the investment outcomes assigned to each client. This will allow reporting to the municipal client based on the investment outcome framework.

Annual and Annualized Returns: please see Returns below.

Asset Allocation

Asset allocation is the single biggest driver of fund returns and should be set taking into account municipal risk tolerance. Also known as asset mix, it is the combination of asset classes in a fund and is normally shown as the percentage weights in each. Example asset classes are money market, Canadian bonds, global bonds, Canadian stocks and global stocks. Each of the ONE JIB Outcomes has an associated asset allocation that is designed to be appropriate for the intended investment Outcome.

Asset Mix: See Asset allocation.

Benchmark

The Benchmark is the standard against which investors compare their portfolio returns to understand its performance. Benchmark can be set either at the asset class level or for the overall portfolio. At the asset class level, benchmarks are usually chosen to represent the entire market; active managers seek to outperform their benchmarks by at least the amount of fees they charge.

For example, a typical benchmark for Canadian stocks is the S&P/TSX Composite Index which is calculated by Standard and Poor's (S&P) and for Canadian money market, the typical benchmark is the FTSE 182-Day Treasury Bill Index from the Financial Times Stock Exchange Group (FTSE). For a portfolio that aims to have risk halfway between these two asset classes, the total portfolio benchmark might be 50% S&P/TSX Composite Index and 50% FTSE 182-Day Treasury Bill Index.

Benchmark returns are always time weighted. (See Returns below for more detail on time weighted returns)

Blended Benchmark

A blended benchmark is a benchmark that is constructed from two or more underlying benchmarks. The weights of each underlying benchmark used in a blended benchmark remain constant over time.

Canadian Corporate Bond Fund

The ONE Investment Canadian Corporate Bond Fund holds short and mid-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Fund is 4.5 to 7.51 years. MFS aims to outperform the benchmark, which is:

- 48% FTSE Canada Universe All Government Bond Index +
- 40% FTSE Canada Short-Term Corporate A Index +
- 10% FTSE Canada Universe Corporate AAA/AA Index +
- 2% FTSE Canada 91-Day Treasury Bill Index.

Canadian Equity Fund

The ONE Canadian Equity Fund holds Canadian stocks managed by Guardian Capital. Guardian aims for below-market risk, achieved with a ONE-imposed constraint on the weight of Material and Energy sectors because of the expected above-market volatility of these sectors.

Canadian Government Bond Fund

This ONE Government Canadian Bond Fund holds short-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Bond Fund is 1.73 to 3.73 years. MFS aims to outperform the benchmark, which is:

- 95% FTSE Canada Short-Term Government Bond Index +
- 5% FTSE Canada 91-Day Treasury Bill Index.

Book Value

Book value is the Unit Cost of each holding multiplied by the number of units. It represents the amount originally paid to invest in the holding and takes into account all contributions and withdrawals.

CAD

This is a short form for “Canadian dollars”. Although the outcomes have exposure to foreign securities, all returns in the report reflect Canadian dollar-based returns. Foreign holdings will be impacted by movements in foreign currencies which may impact investment returns. This impact can be reduced by currency hedging strategies. The global equity exposure does not hedge currency exposure, but the global bond exposure may use hedging. The degree to which global bond exposure is hedged back to the Canadian dollar may vary and will reflect the currency hedging strategy of the external manager.

Consolidated Holdings

Consolidated holdings are the aggregate value of all investments with ONE Investment. Consolidated holdings detailed in this report only reflect MNRI balances invested in ONE Investment’s Prudent Investor Funds and HISA balances under the control of the ONE JIB. In certain cases, clients may hold ONE Investment Legal List portfolios or HISA which will not be reflected in consolidated holdings in this report. Additionally, ‘in-kind’ securities pledged to the ONE JIB will not be reflected in this report.

Discounts

Certain fee discounts apply for investors in the ONE Investment Prudent Investor offering. These discounts include a 4bps discount that applies to AUM of Founding Members, and ‘tier discounts’ that apply for any investors with balances in excess of certain thresholds. These discounts would not apply to HISA balances but would apply to balances in Legal List portfolios (if applicable). Discounts will be rebated to the municipalities on a quarterly basis. These discounts are not taken into consideration in the performance details in this investment report.

Distribution: a cash payment of interest or dividends made by ONE Investment from a fund.

Duration

This statistic applies to bonds and is similar in concept to term to maturity. The difference is that duration also takes into account the size and timing of interest payments. A bond with higher coupon payments will have a shorter duration than one with the same term to maturity and lower coupon payments: the reason is that the higher-coupon bond receives more of its return earlier. The higher the duration of a bond, the higher its sensitivity to interest rate movements.

Fees

Fees include all expenses involved in managing the fund: external investment manager fees, custody costs, ONE Investment's costs and administrative costs.

Global Bond Fund

The ONE Global Bond Fund is an unconstrained global bond mandate managed by Manulife Asset Management. The unconstrained nature of the mandate means that the fund will contain a mix of global government, corporate and securitized debt, including emerging markets and high-yield securities. The mandate is not constrained by sector or currency. Manulife aims to outperform the benchmark, which is Bloomberg Barclays Multiverse Index Unhedged.

Global Equity Fund

The ONE Global Equity Fund holds Global stocks managed by Mawer Investment Management. Mawer aims to outperform the benchmark, which is MSCI All Country World Index (ACWI). This mandate invests in both emerging and developed markets. Manager will allocate capital to the best global opportunities, which may include both large and small capitalization companies. This mandate is intended to be a broadly diversified portfolio of wealth-creating companies bought at discounts to their intrinsic values that typically employ a long-term holding period.

High Interest Savings Account (HISA)

This bank account is provided by CIBC. Its very short-term nature precludes it from being considered an investment. Interest income from HISA will be reflected only in the executive summary page as will a list of HISA transitions. As the HISA product is a demand deposit, its value of his does not fluctuate daily. In this way it differs from the ONE Investment fund whose price change in response to changes in the value of underlying investments. Returns for individual accounts holding HISA will not be presented in the report beyond what is disclosed in the executive summary. HISA balances held in the Prudent Investor Offering reflect MNRI and will be under the control of the ONE JIB.

Holdings: the ONE Investment funds or HISA Balances held in client accounts.

Inception Date

The inception is the first date that an investment was made. For each account, this will be the first time funds were transferred in; for funds offered by ONE Investment, it is the date the funds started. For ONE JIB Founders, the Inception date is July 2, 2020.

Income

Income is a cash flow generated by an investment and normally includes interest on bonds and dividends on stocks. It is differentiated from capital gains, which also contribute to returns, but which are not considered income.

Investment Manager

Investment managers are external firms hired by ONE Investment to create funds to our specifications. These are MFS Investment Management Canada for Canadian fixed income, Manulife Asset Management for global fixed income, Guardian Capital Group Ltd for Canadian equity, and Mawer Investment Management Ltd for global equity.

Market Value

The value of an investment at current market prices, calculated by multiplying the Price (defined below) by the number of units held.

ONE Joint Investment Board (ONE JIB)

The joint board established by founding municipalities as a municipal services board under section 202 of the Act as required under Part II of the Regulation, and is the duly appointed Joint Investment Board for the municipality, as constituted from time to time and acting pursuant to the Terms of Reference set out in the ONE JIB Agreement.

Outcome

Outcome means, in the context of the Investment Plan, the same thing as ‘solution’. Investment Outcomes are a set of investment allocations with varying risk/return characteristics. The Outcomes assigned to each municipal investor are intended to reflect the needs and circumstances of the municipality. ONE JIB has five pre-defined basic outcomes:

Cash:

The Cash Outcome is designed for investments with a time horizon of less than 3 years. Preservation of capital and liquidity are the highest priorities. Investments allocated to this outcome are expected to be transferred back to the care and control of the municipal treasurer when the funds are reclassified as MRI.

Contingency:

The Contingency outcome is designed for investing contingency reserves. The funds in this outcome may be drawn upon to meet unexpected needs and infrequent events. The investment horizon for this outcome is typically greater than 5 years, with an emphasis placed on long-term growth and preservation of purchasing power is a key consideration.

Asset Management Reserves:

The Asset Management Reserve Outcome is specifically designed for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to help fund asset management objectives. The long-term nature of asset management reserves allows this Outcome to emphasize long-term growth.

Stable Return:

The Stable Return Outcome is designed to provide an annual income while preserving the value of the principal investment. The principal amount is often invested in perpetuity with no intent to withdraw for the foreseeable future. This outcome is frequently used by municipalities looking to replace the income stream of a utility that has been sold, with some or all proceeds of the sale acting as the principal.

Target Date:

The Target Date Outcomes are designed for contributions toward planned capital projects. There are three target date designs for different time horizons: 3 to 5 years; 5 to 10 years; and greater than 10 years. For capital projects in the 3-to-5-year range, preservation of capital is prioritized. For projects in the 5-to-10-year range, emphasis is placed on inflation mitigation and meeting target funding requirements. For projects in the greater-than-10-year range, emphasis is placed on longer-term inflation adjusted growth.

Price

The price of ONE funds is the unit price at a point in time, also known as the net asset value, which is calculated daily by CIBC Mellon. This price takes into account the last traded prices of all securities held by the manager, the bid/ask spread where no recent trade is available and a daily accrual for all fees including investment management and administration.

Prudent Investor Standard

The standard requiring ONE JIB, when investing money under section 418.1 of the Act, to exercise the care, skill, diligence and judgement that a prudent investor would exercise in making such an investment but does not restrict the securities in which a municipality can invest. The Prudent Investor standard applies to the entire portfolio of Long-Term Funds under control of ONE JIB rather than to individual securities.

Quality

This statistic refers to the creditworthiness of bonds based on ratings provided by bond rating agencies such as S&P, DBRS, Fitch and Moody's. The highest quality bonds are rated AAA and range down from there to AA, A and BBB, all of which are investment grade ratings. Ratings below BBB are considered high yield. The lower a credit rating, the higher a bond's yield to maturity and commensurate risk of default on interest payments or principal. The credit rating on an entire fund is calculated as a weighted average.

Realized and Unrealized Gains

Capital gains reflect the movement in the Price of investments as they rise over time relative to their average Unit Cost. Negative gains are losses, meaning that the Price of the units in the account is lower than the average Price paid for them (Unit Cost). Because gains / losses are calculated based on net asset values, they are diminished by the amount of fees. (Please see Fees, Price and Unit Cost.)

- **Unrealized gains** exist “on paper” until the investment is sold in return for cash, at which point they become realized.
- **Realized gains** are generated by withdrawals from accounts during the time period in question based on the unit Price compared to the Unit Cost.

Returns

Returns measure the percentage increment in value generated by investments over a period of time. Unless otherwise noted, time-weighted total returns are reported here, which include all forms of income and capital gains. There are different aspects to return calculations explained below.

- **Calendar Year Return:** reflects the total return generated by investments in the specified year any between January 1 to December 31.
- **Annualized Returns:** the total return generated by investments in each year for holding periods greater than one year. Annualized returns are the geometric average over a multi-year period, meaning they represent the compound return. For periods of one year or less, the actual return is shown without the effect of compounding.
- Returns in this report are calculated net of fees based on the Prices of the ONE Investment funds. These are calculated daily by CIBC Mellon and take into account all fees and costs associated with managing the fund.
- Return details in this report do not account for fee discounts that may apply for some Prudent Investor clients.
- **Time-weighted returns:** returns in this report are time-weighted in order for them to be compared to the benchmarks. Time-weighted returns are calculated in a way that excludes the effect of the timing of contributions and withdrawals (cash flows) from the fund. (To capture the effect of cash flows and measure their impact on returns, investors would instead need use dollar-weighted return calculations.)

Unit Cost

Unit Cost is the weighted average Price paid for all the Fund units held in the account and reflects the impact of units bought and sold over time.

Unrealized Gains: Please see Realized and Unrealized Gains

Value Added: The return generated by an investment manager above (or below, if negative) the benchmark.

Year to Date: The time period beginning January 1 and ending at the most recent quarter end.

QUARTERLY INVESTMENT REPORT

For The Period Ended June 30, 2023

Quinte West Prudent Investor Portfolio

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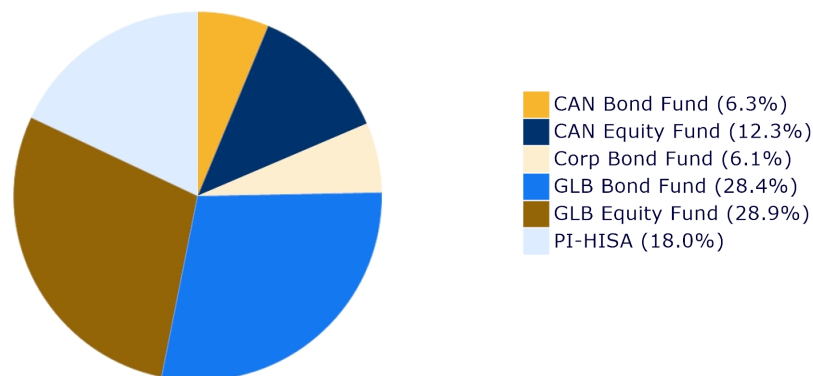
Relationship Manager

Wardah Mir, Client Service Representative
416-971-9856
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Quinte West Prudent Investor Portfolio
Executive Summary for the Quarter Ended June 30, 2023

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	1.4%	5.6%	9.4%	-	-	-	-0.4%	01/07/2022

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	2,103,150.10	-	-	(16,473.46)	-	2,086,676.64
CAN Equity Fund	3,954,027.77	-	-	141,673.06	-	4,095,700.83
Corp Bond Fund	2,042,774.51	-	-	(9,645.63)	-	2,033,128.88
GLB Bond Fund	9,489,506.62	-	-	(26,534.77)	-	9,462,971.85
GLB Equity Fund	9,288,102.09	-	-	314,752.86	-	9,602,854.95
PI-HISA	5,915,639.77	-	-	-	74,314.24	5,989,954.01
Total	32,793,200.86	0.00	0.00	403,772.06	74,314.24	33,271,287.16

**Quinte West Prudent Investor Portfolio
Performance History At
June 30, 2023**

Performance by Fund

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	1.2	2.4	4.0	-	-	-	-	3.0	01/07/2022
ONE Canadian Equity Fund	3.5	9.6	17.0	-	-	-	-	0.8	01/07/2022
ONE Global Equity Fund	3.3	11.0	19.4	-	-	-	-	1.2	01/07/2022
ONE Canadian Corporate Bond Fund	-0.4	2.1	2.8	-	-	-	-	-3.5	01/07/2022
ONE Canadian Government Bond Fund	-0.7	0.9	1.2	-	-	-	-	-1.8	01/07/2022
ONE Global Bond Fund	-0.2	2.6	4.1	-	-	-	-	-3.6	01/07/2022

Performance by Outcome

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
JIBQUICASH	1.2	2.4	4.0	-	-	-	-	3.0	01/07/2022
JIB1QUICONT	1.9	7.2	12.3	-	-	-	-	-0.6	01/07/2022
JIB2QUITD35	0.3	3.1	5.0	-	-	-	-	-1.6	01/07/2022
JIB3QUITD510	1.5	6.4	10.8	-	-	-	-	-1.1	01/07/2022
JIB4QUITD10P	2.5	8.5	14.7	-	-	-	-	0.0	01/07/2022

QUARTERLY REVIEW

During the second quarter of 2023, the Canadian equity markets moved modestly higher as the economic backdrop remained supportive and investor sentiment remained strong. The ONE Canadian Equity Fund generated returns of 3.5% in the quarter, outperforming the broader Canadian equity markets. During the quarter, inflation pressures continued to ease amidst signs of continued strength in the Canadian economy. This is a positive outcome that has helped bolster equity market performance. While some remain concerned about the prospects of a potential economic recession on the horizon, economic indicators remain quite robust.

For the second quarter in a row, the Information Technology sector has been the best-performing sector in the Canadian equity market, with returns of almost 17% in the quarter. The performance of Shopify, a large-cap e-commerce company, accounted for much of the sector's strength, with returns in excess of 30% in the quarter. The Fund has no allocation to Shopify and did not benefit from the strength of this stock. The fund's holdings in the Industrial sector fared much better, as Finning International, a dealer of construction equipment, had returns of 21.8%. As Finning International is one of the fund's largest holdings, representing over 4% of the fund, its performance has made a large contribution to overall fund returns.

One area of notable weakness in the Canadian equity markets was the Materials sector, which had returns of negative 6.9% in the quarter due to weak metal prices. The prices of some industrial metals, such as zinc, nickel, and aluminium, were sharply lower, while precious metals like silver and gold experienced more modest declines. The manager positions the fund with a significant underweight exposure to this sector, which helps reduce the volatility of the fund. This positioning limits the effect of the weakness of this sector on fund performance in the quarter.

QUARTERLY REVIEW

Global equity markets performed well in the second quarter, with the ONE Global Equity Fund producing returns of 3.3% in the quarter, modestly underperforming its benchmark. US equity markets performed better than most other regions during the quarter, with a rally in US stocks concentrated in large-market-cap technology stocks like Apple, Microsoft, and Nvidia. These stocks benefited from frenzied interest in Artificial Intelligence (AI) due to their anticipated long-term growth prospects. Fund performance did not fully participate in the strength of the Technology sectors due to an underweight sector allocation and stock selection that did not emphasize the AI theme.

During the quarter, most countries and regions other than the USA had modest returns, but Japanese stocks had strong returns as signs of inflation were welcomed by investors after three decades of low inflation or deflation. While the Japanese equity market was up over 18% in local currency terms, sharp weakness in the Japanese Yen offset most of the gains. The fund has fairly light exposure to Japanese equities. In contrast, returns were weak in the Asian Pacific, excluding Japan, as Chinese economic growth disappointed. The Chinese and Hong Kong markets were particularly weak in the quarter. The fund has minimal exposure to stocks in this region.

The outlook for inflation and how it factors into the interest rate policy of central banks remains the key consideration for the market outlook. The current term structure of interest rates indicates a high probability of recession on the horizon, and there remains considerable uncertainty about the path of future inflation and interest rates, suggesting notable risks for the market outlook. The manager's emphasis on bottom-up security analysis to guide security selection seeks to invest in firms that have good long-term prospects. This means that the fund tends to focus on long-term returns from holdings rather than taking a view on current market themes and the near-term outlook.

QUARTERLY REVIEW

Global bond markets had mixed performance during the quarter as central banks continued to raise their short-term policy interest rates across western economies. During the quarter, all three ONE Investment bond funds had modestly negative performance in response to rising North American interest rates. The ONE Canadian Bond Fund and ONE Canadian Corporate Bond Fund had returns of -0.7% and -0.4%, respectively, in the quarter, while the ONE Global Bond Fund had returns of -0.2%. All three bond funds outperformed their benchmarks in the quarter, with the ONE Global Fund outperforming by more than 3%, due primarily to its currency hedges that offset the effect of a stronger Canadian dollar.

Overall bond yields were relatively unchanged in the Eurozone as the pace of rate hikes by the European Central Bank slowed, but in North America, bond prices fell on the back of further central bank rate hikes. In the UK, Bond yields moved notably higher, with the 10-year sovereign bond yield increasing by almost 0.9% in the quarter. Inflation remains stubbornly high in the UK, leading to larger rate hikes by the Bank of England during the quarter.

In Asia, the tone of the bond markets was different. While Japanese Bond prices tended to be relatively flat in the quarter, other parts of Asia-Pacific tended to have better performance, responding to interest rate cuts by the Bank of China. A slower than anticipated post-covid recovery in China has led to policy action to bolster economic growth that has had a positive impact on regional bonds.

Inflation remains a dominant theme as the market attempts to assess the trajectory of interest rates. Inflation rates have been declining steadily since the 2022 peaks in the US and Canada, which has given some hope that rate cuts may be on the horizon, but the most recent inflation figures remain above the 2% level that central banks typically target. Further evidence of inflation pressures will be required before central banks can consider cutting rates.

Quinte West Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of June 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	5,989,954.010	1.00	5,989,954.01	1.00	5,989,954.01	18.00%
CAN Equity Fund	3,139.820	1,294.73	4,065,225.69	1,304.43	4,095,700.83	12.31%
GLB Equity Fund	8,146.579	1,170.77	9,537,819.42	1,178.75	9,602,854.95	28.86%
Corp Bond Fund	2,267.105	947.04	2,147,043.35	896.79	2,033,128.88	6.11%
CAN Bond Fund	2,220.443	965.28	2,143,350.00	939.75	2,086,676.64	6.27%
GLB Bond Fund	10,901.711	952.63	10,385,352.38	868.02	9,462,971.85	28.44%
					33,271,287.16	100.00%

**Quinte West Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

Account Name: Quinte West - Cash Outcome
Account Number: 9028194017

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	For the Quarter Ending June 30, 2023	
							Market Value Gain (Loss)	Income Received
PI-HISA	4,627,049.30	1.00	4,627,049.30	1.00	4,627,049.30	100.0%	0.00	57,405.39
			<u>4,627,049.30</u>		<u>4,627,049.30</u>	100.0%	0.00	57,405.39

**Quinte West Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.2	2.4	4.0	-	-	-	-	3.0	01/07/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

**Quinte West Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Quinte West - Contingency Outcome
Account Number: 570050484**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	253.85	947.04	240,413.56	896.79	227,657.74	5.7%	(1,080.06)	0.00
CAN Equity Fund	559.14	1,294.73	723,940.17	1,304.43	729,367.43	18.4%	25,229.31	0.00
CAN Bond Fund	248.63	965.28	240,000.00	939.75	233,653.64	5.9%	(1,844.60)	0.00
GLB Bond Fund	1,220.71	952.63	1,162,891.99	868.02	1,059,608.38	26.7%	(2,971.21)	0.00
GLB Equity Fund	1,450.75	1,170.77	1,698,506.09	1,178.75	1,710,087.27	43.1%	56,051.55	0.00
			<u>4,065,751.81</u>		<u>3,960,374.46</u>	100.0%	75,384.99	0.00

**Quinte West Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.9	7.2	12.3	-	-	-	-	-0.6	01/07/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

**Quinte West Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Quinte West - Target Date 3 to 5 Year Outcome
Account Number: 570050492**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	1,362,904.71	1.00	1,362,904.71	1.00	1,362,904.71	21.4%	0.00	16,908.85
Corp Bond Fund	724.12	947.04	685,779.68	896.79	649,394.51	10.2%	(3,080.88)	0.00
CAN Equity Fund	151.90	1,294.73	196,670.41	1,304.43	198,144.15	3.1%	6,853.94	0.00
CAN Bond Fund	709.22	965.28	684,600.00	939.75	666,498.15	10.4%	(5,261.73)	0.00
GLB Bond Fund	3,482.07	952.63	3,317,149.44	868.02	3,022,535.28	47.4%	(8,475.38)	0.00
GLB Equity Fund	394.12	1,170.77	461,427.49	1,178.75	464,573.75	7.3%	15,227.33	0.00
			<u>6,708,531.73</u>		<u>6,364,050.55</u>	100.0%	5,263.28	16,908.85

**Quinte West Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	0.3	3.1	5.0	-	-	-	-	-1.6	01/07/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

**Quinte West Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Quinte West - Target Date 5 to 10 Year Outcome
Account Number: 570050500**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	1,106.66	947.04	1,048,052.86	896.79	992,447.38	7.2%	(4,708.39)	0.00
CAN Equity Fund	1,625.00	1,294.73	2,103,951.12	1,304.43	2,119,723.65	15.4%	73,322.68	0.00
CAN Bond Fund	1,083.88	965.28	1,046,250.00	939.75	1,018,585.59	7.4%	(8,041.32)	0.00
GLB Bond Fund	5,321.53	952.63	5,069,482.32	868.02	4,619,234.07	33.6%	(12,952.62)	0.00
GLB Equity Fund	4,216.25	1,170.77	4,936,283.34	1,178.75	4,969,943.48	36.2%	162,899.88	0.00
			<u>14,204,019.64</u>		<u>13,719,934.17</u>	100.0%	210,520.23	0.00

**Quinte West Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.5	6.4	10.8	-	-	-	-	-1.1	01/07/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

Quinte West Prudent Investor Portfolio
Holdings by Account
At June 30, 2023

Account Name: Quinte West - Target Date 10 Year Plus Outcome
Account Number: 570050518

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	182.46	947.04	172,797.25	896.79	163,629.25	3.5%	(776.30)	0.00
CAN Equity Fund	803.76	1,294.73	1,040,663.99	1,304.43	1,048,465.60	22.7%	36,267.13	0.00
CAN Bond Fund	178.70	965.27	172,500.00	939.75	167,939.26	3.6%	(1,325.81)	0.00
GLB Bond Fund	877.38	952.63	835,828.63	868.02	761,594.12	16.5%	(2,135.56)	0.00
GLB Equity Fund	2,085.45	1,170.77	2,441,602.50	1,178.75	2,458,250.45	53.4%	80,574.10	0.00
			<u>4,663,392.37</u>		<u>4,599,878.68</u>	100.0%	112,603.56	0.00

Quinte West Prudent Investor Portfolio
Performance History
At June 30, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.5	8.5	14.7	-	-	-	-	0.0	01/07/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

Quinte West Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Quinte West - Cash Outcome
Account Number: 9028194017

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	19,264.78	19,264.78
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	18,716.04	18,716.04
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	19,424.57	19,424.57

Quinte West Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Quinte West - Target Date 3 to 5 Year Outcome
Account Number: 570050492

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	5,674.47	5,674.47
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	5,512.84	5,512.84
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	5,721.54	5,721.54

**Quinte West Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
June 30, 2023**

In accordance with the terms of section 8.02 of the ONEJIB Agreement dated as of July 2, 2020 (the "ONE JIB Agreement") ONE Investment confirms as follows:

With respect to the quarter ended June 30, 2023 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

A handwritten signature in black ink that reads "Keith Taylor".

Keith Taylor, Chief Investment Officer, ONE Investment
On the behalf of the ONE Joint Investment Board

APPENDIX

ONE JIB - Outcome Framework - Target Allocations

Outcome							<u>Allocation</u>			
	HISA	Canadian Equity Fund	Global Equity Fund	Canadian Government Bond Fund	Canadian Corporate Bond Fund	Global Bond Fund	Equity	Fixed Income	Cash	Total
Cash	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%			100.0%	100%
Stable Return	10.0%	9.0%	21.0%	9.0%	9.0%	42.0%	30.0%	60.0%	10.0%	100%
Contingency	0.0%	18.0%	42.0%	6.0%	6.0%	28.0%	60.0%	40.0%		100%
Asset Management	0.0%	27.0%	63.0%	1.5%	1.5%	7.0%	90.0%	10.0%		100%
Target Date 3-5	20.0%	3.0%	7.0%	10.5%	10.5%	49.0%	10.0%	70.0%	20.0%	100%
Target Date 5-10	0.0%	15.0%	35.0%	7.5%	7.5%	35.0%	50.0%	50.0%		100%
Target Date 10+	0.0%	22.5%	52.5%	3.75%	3.75%	17.5%	75.0%	25.0%		100%

ONE JIB - Outcome Framework - Defined

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon	Allocation		
					Equity	Fixed Income	Cash
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years			100%
Stable Return	Stable Return	Income generation: To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)	30%	60%	10%
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk, emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)	60%	40%	
	Asset mgt reserves	Contributions to generate returns to fund asset management reserves	Higher risk, emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)	90%	10%	
Target Date	Target Date 3-5 yrs.	Preservation of capital	Low risk; high liquidity	3 - 5 years	10%	70%	20%
	Target Date 5-10 yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 - 10 years	50%	50%	
	Target Date 10+ yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long term inflation-adjusted growth	> 10 years	75%	25%	

Glossary and Definitions for Quarterly Reports

Account

ONE Investment clients have one or more custodial accounts. All Prudent Investor Funds will be administered with ONE Investment's custodian, CIBC Mellon. Unlike Legal List accounts, MNRI invested in the ONE Investment Prudent Investor Funds will be under the control of the ONE Joint Investment Board. In most cases, the Prudent Investor clients will have multiple accounts with the custodian, with the account structure based on the investment outcomes assigned to each client. This will allow reporting to the municipal client based on the investment outcome framework.

Annual and Annualized Returns: please see Returns below.

Asset Allocation

Asset allocation is the single biggest driver of fund returns and should be set taking into account municipal risk tolerance. Also known as asset mix, it is the combination of asset classes in a fund and is normally shown as the percentage weights in each. Example asset classes are money market, Canadian bonds, global bonds, Canadian stocks and global stocks. Each of the ONE JIB Outcomes has an associated asset allocation that is designed to be appropriate for the intended investment Outcome.

Asset Mix: See Asset allocation.

Benchmark

The Benchmark is the standard against which investors compare their portfolio returns to understand its performance. Benchmark can be set either at the asset class level or for the overall portfolio. At the asset class level, benchmarks are usually chosen to represent the entire market; active managers seek to outperform their benchmarks by at least the amount of fees they charge.

For example, a typical benchmark for Canadian stocks is the S&P/TSX Composite Index which is calculated by Standard and Poor's (S&P) and for Canadian money market, the typical benchmark is the FTSE 182-Day Treasury Bill Index from the Financial Times Stock Exchange Group (FTSE). For a portfolio that aims to have risk halfway between these two asset classes, the total portfolio benchmark might be 50% S&P/TSX Composite Index and 50% FTSE 182-Day Treasury Bill Index.

Benchmark returns are always time weighted. (See Returns below for more detail on time weighted returns)

Blended Benchmark

A blended benchmark is a benchmark that is constructed from two or more underlying benchmarks. The weights of each underlying benchmark used in a blended benchmark remain constant over time.

Canadian Corporate Bond Fund

The ONE Investment Canadian Corporate Bond Fund holds short and mid-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Fund is 4.5 to 7.51 years. MFS aims to outperform the benchmark, which is:

- 48% FTSE Canada Universe All Government Bond Index +
- 40% FTSE Canada Short-Term Corporate A Index +
- 10% FTSE Canada Universe Corporate AAA/AA Index +
- 2% FTSE Canada 91-Day Treasury Bill Index.

Canadian Equity Fund

The ONE Canadian Equity Fund holds Canadian stocks managed by Guardian Capital. Guardian aims for below-market risk, achieved with a ONE-imposed constraint on the weight of Material and Energy sectors because of the expected above-market volatility of these sectors.

Canadian Government Bond Fund

This ONE Government Canadian Bond Fund holds short-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Bond Fund is 1.73 to 3.73 years. MFS aims to outperform the benchmark, which is:

- 95% FTSE Canada Short-Term Government Bond Index +
- 5% FTSE Canada 91-Day Treasury Bill Index.

Book Value

Book value is the Unit Cost of each holding multiplied by the number of units. It represents the amount originally paid to invest in the holding and takes into account all contributions and withdrawals.

CAD

This is a short form for “Canadian dollars”. Although the outcomes have exposure to foreign securities, all returns in the report reflect Canadian dollar-based returns. Foreign holdings will be impacted by movements in foreign currencies which may impact investment returns. This impact can be reduced by currency hedging strategies. The global equity exposure does not hedge currency exposure, but the global bond exposure may use hedging. The degree to which global bond exposure is hedged back to the Canadian dollar may vary and will reflect the currency hedging strategy of the external manager.

Consolidated Holdings

Consolidated holdings are the aggregate value of all investments with ONE Investment. Consolidated holdings detailed in this report only reflect MNRI balances invested in ONE Investment’s Prudent Investor Funds and HISA balances under the control of the ONE JIB. In certain cases, clients may hold ONE Investment Legal List portfolios or HISA which will not be reflected in consolidated holdings in this report. Additionally, ‘in-kind’ securities pledged to the ONE JIB will not be reflected in this report.

Discounts

Certain fee discounts apply for investors in the ONE Investment Prudent Investor offering. These discounts include a 4bps discount that applies to AUM of Founding Members, and ‘tier discounts’ that apply for any investors with balances in excess of certain thresholds. These discounts would not apply to HISA balances but would apply to balances in Legal List portfolios (if applicable). Discounts will be rebated to the municipalities on a quarterly basis. These discounts are not taken into consideration in the performance details in this investment report.

Distribution: a cash payment of interest or dividends made by ONE Investment from a fund.

Duration

This statistic applies to bonds and is similar in concept to term to maturity. The difference is that duration also takes into account the size and timing of interest payments. A bond with higher coupon payments will have a shorter duration than one with the same term to maturity and lower coupon payments: the reason is that the higher-coupon bond receives more of its return earlier. The higher the duration of a bond, the higher its sensitivity to interest rate movements.

Fees

Fees include all expenses involved in managing the fund: external investment manager fees, custody costs, ONE Investment's costs and administrative costs.

Global Bond Fund

The ONE Global Bond Fund is an unconstrained global bond mandate managed by Manulife Asset Management. The unconstrained nature of the mandate means that the fund will contain a mix of global government, corporate and securitized debt, including emerging markets and high-yield securities. The mandate is not constrained by sector or currency. Manulife aims to outperform the benchmark, which is Bloomberg Barclays Multiverse Index Unhedged.

Global Equity Fund

The ONE Global Equity Fund holds Global stocks managed by Mawer Investment Management. Mawer aims to outperform the benchmark, which is MSCI All Country World Index (ACWI). This mandate invests in both emerging and developed markets. Manager will allocate capital to the best global opportunities, which may include both large and small capitalization companies. This mandate is intended to be a broadly diversified portfolio of wealth-creating companies bought at discounts to their intrinsic values that typically employ a long-term holding period.

High Interest Savings Account (HISA)

This bank account is provided by CIBC. Its very short-term nature precludes it from being considered an investment. Interest income from HISA will be reflected only in the executive summary page as will a list of HISA transitions. As the HISA product is a demand deposit, its value of his does not fluctuate daily. In this way it differs from the ONE Investment fund whose price change in response to changes in the value of underlying investments. Returns for individual accounts holding HISA will not be presented in the report beyond what is disclosed in the executive summary. HISA balances held in the Prudent Investor Offering reflect MNRI and will be under the control of the ONE JIB.

Holdings: the ONE Investment funds or HISA Balances held in client accounts.

Inception Date

The inception is the first date that an investment was made. For each account, this will be the first time funds were transferred in; for funds offered by ONE Investment, it is the date the funds started. For ONE JIB Founders, the Inception date is July 2, 2020.

Income

Income is a cash flow generated by an investment and normally includes interest on bonds and dividends on stocks. It is differentiated from capital gains, which also contribute to returns, but which are not considered income.

Investment Manager

Investment managers are external firms hired by ONE Investment to create funds to our specifications. These are MFS Investment Management Canada for Canadian fixed income, Manulife Asset Management for global fixed income, Guardian Capital Group Ltd for Canadian equity, and Mawer Investment Management Ltd for global equity.

Market Value

The value of an investment at current market prices, calculated by multiplying the Price (defined below) by the number of units held.

ONE Joint Investment Board (ONE JIB)

The joint board established by founding municipalities as a municipal services board under section 202 of the Act as required under Part II of the Regulation, and is the duly appointed Joint Investment Board for the municipality, as constituted from time to time and acting pursuant to the Terms of Reference set out in the ONE JIB Agreement.

Outcome

Outcome means, in the context of the Investment Plan, the same thing as ‘solution’. Investment Outcomes are a set of investment allocations with varying risk/return characteristics. The Outcomes assigned to each municipal investor are intended to reflect the needs and circumstances of the municipality. ONE JIB has five pre-defined basic outcomes:

Cash:

The Cash Outcome is designed for investments with a time horizon of less than 3 years. Preservation of capital and liquidity are the highest priorities. Investments allocated to this outcome are expected to be transferred back to the care and control of the municipal treasurer when the funds are reclassified as MRI.

Contingency:

The Contingency outcome is designed for investing contingency reserves. The funds in this outcome may be drawn upon to meet unexpected needs and infrequent events. The investment horizon for this outcome is typically greater than 5 years, with an emphasis placed on long-term growth and preservation of purchasing power is a key consideration.

Asset Management Reserves:

The Asset Management Reserve Outcome is specifically designed for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to help fund asset management objectives. The long-term nature of asset management reserves allows this Outcome to emphasize long-term growth.

Stable Return:

The Stable Return Outcome is designed to provide an annual income while preserving the value of the principal investment. The principal amount is often invested in perpetuity with no intent to withdraw for the foreseeable future. This outcome is frequently used by municipalities looking to replace the income stream of a utility that has been sold, with some or all proceeds of the sale acting as the principal.

Target Date:

The Target Date Outcomes are designed for contributions toward planned capital projects. There are three target date designs for different time horizons: 3 to 5 years; 5 to 10 years; and greater than 10 years. For capital projects in the 3-to-5-year range, preservation of capital is prioritized. For projects in the 5-to-10-year range, emphasis is placed on inflation mitigation and meeting target funding requirements. For projects in the greater-than-10-year range, emphasis is placed on longer-term inflation adjusted growth.

Price

The price of ONE funds is the unit price at a point in time, also known as the net asset value, which is calculated daily by CIBC Mellon. This price takes into account the last traded prices of all securities held by the manager, the bid/ask spread where no recent trade is available and a daily accrual for all fees including investment management and administration.

Prudent Investor Standard

The standard requiring ONE JIB, when investing money under section 418.1 of the Act, to exercise the care, skill, diligence and judgement that a prudent investor would exercise in making such an investment but does not restrict the securities in which a municipality can invest. The Prudent Investor standard applies to the entire portfolio of Long-Term Funds under control of ONE JIB rather than to individual securities.

Quality

This statistic refers to the creditworthiness of bonds based on ratings provided by bond rating agencies such as S&P, DBRS, Fitch and Moody's. The highest quality bonds are rated AAA and range down from there to AA, A and BBB, all of which are investment grade ratings. Ratings below BBB are considered high yield. The lower a credit rating, the higher a bond's yield to maturity and commensurate risk of default on interest payments or principal. The credit rating on an entire fund is calculated as a weighted average.

Realized and Unrealized Gains

Capital gains reflect the movement in the Price of investments as they rise over time relative to their average Unit Cost. Negative gains are losses, meaning that the Price of the units in the account is lower than the average Price paid for them (Unit Cost). Because gains / losses are calculated based on net asset values, they are diminished by the amount of fees. (Please see Fees, Price and Unit Cost.)

- **Unrealized gains** exist “on paper” until the investment is sold in return for cash, at which point they become realized.
- **Realized gains** are generated by withdrawals from accounts during the time period in question based on the unit Price compared to the Unit Cost.

Returns

Returns measure the percentage increment in value generated by investments over a period of time. Unless otherwise noted, time-weighted total returns are reported here, which include all forms of income and capital gains. There are different aspects to return calculations explained below.

- **Calendar Year Return:** reflects the total return generated by investments in the specified year any between January 1 to December 31.
- **Annualized Returns:** the total return generated by investments in each year for holding periods greater than one year. Annualized returns are the geometric average over a multi-year period, meaning they represent the compound return. For periods of one year or less, the actual return is shown without the effect of compounding.
- Returns in this report are calculated net of fees based on the Prices of the ONE Investment funds. These are calculated daily by CIBC Mellon and take into account all fees and costs associated with managing the fund.
- Return details in this report do not account for fee discounts that may apply for some Prudent Investor clients.
- **Time-weighted returns:** returns in this report are time-weighted in order for them to be compared to the benchmarks. Time-weighted returns are calculated in a way that excludes the effect of the timing of contributions and withdrawals (cash flows) from the fund. (To capture the effect of cash flows and measure their impact on returns, investors would instead need use dollar-weighted return calculations.)

Unit Cost

Unit Cost is the weighted average Price paid for all the Fund units held in the account and reflects the impact of units bought and sold over time.

Unrealized Gains: Please see Realized and Unrealized Gains

Value Added: The return generated by an investment manager above (or below, if negative) the benchmark.

Year to Date: The time period beginning January 1 and ending at the most recent quarter end.

QUARTERLY INVESTMENT REPORT

For The Period Ended June 30, 2023

Thunder Bay Prudent Investor Portfolio

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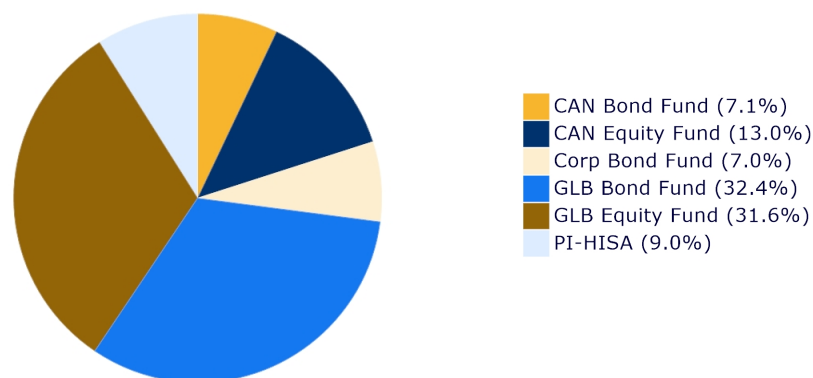
Wardah Mir, Client Service Representative
416-971-9856
one@oneinvestment.ca

Thunder Bay Prudent Investor Portfolio

Executive Summary for the Quarter Ended June 30, 2023

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	1.4%	5.8%	9.8%	-	-	-	1.7%	04/01/2022

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	8,131,847.98	-	-	(63,694.80)	-	8,068,153.18
CAN Equity Fund	14,327,698.18	-	-	513,362.38	-	14,841,060.56
Corp Bond Fund	8,035,739.62	-	-	(37,943.35)	-	7,997,796.27
GLB Bond Fund	37,083,620.41	7,800.56	-	(103,773.48)	-	36,987,647.49
GLB Equity Fund	34,933,507.81	-	-	1,183,817.89	-	36,117,325.70
PI-HISA	10,104,226.23	-	-	-	126,932.64	10,231,158.87
Total	112,616,640.23	7,800.56	0.00	1,491,768.64	126,932.64	114,243,142.07

Thunder Bay Prudent Investor Portfolio
Performance History At
June 30, 2023

Performance by Fund

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	1.2	2.4	4.0	-	-	-	-	3.4	04/01/2022
ONE Canadian Equity Fund	3.5	9.6	17.0	-	-	-	-	2.2	04/01/2022
ONE Global Equity Fund	3.3	11.0	19.4	-	-	-	-	5.6	04/01/2022
ONE Canadian Corporate Bond Fund	-0.4	2.1	2.8	-	-	-	-	-0.8	04/01/2022
ONE Canadian Government Bond Fund	-0.7	0.9	1.2	-	-	-	-	-0.1	04/01/2022
ONE Global Bond Fund	-0.2	2.6	4.1	-	-	-	-	-1.5	04/01/2022

Performance by Outcome

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
JIB1THUCONT	1.9	7.2	12.4	-	-	-	-	2.2	04/01/2022
JIB2THUTD35	0.3	3.1	5.0	-	-	-	-	0.3	04/01/2022
JIB3THUTD510	1.5	6.4	10.8	-	-	-	-	1.6	04/01/2022
JIB4THUTD10P	2.5	8.5	14.7	-	-	-	-	3.1	04/01/2022
JIBTHUCASH	1.2	2.4	4.0	-	-	-	-	3.4	04/04/2022

QUARTERLY REVIEW

During the second quarter of 2023, the Canadian equity markets moved modestly higher as the economic backdrop remained supportive and investor sentiment remained strong. The ONE Canadian Equity Fund generated returns of 3.5% in the quarter, outperforming the broader Canadian equity markets. During the quarter, inflation pressures continued to ease amidst signs of continued strength in the Canadian economy. This is a positive outcome that has helped bolster equity market performance. While some remain concerned about the prospects of a potential economic recession on the horizon, economic indicators remain quite robust.

For the second quarter in a row, the Information Technology sector has been the best-performing sector in the Canadian equity market, with returns of almost 17% in the quarter. The performance of Shopify, a large-cap e-commerce company, accounted for much of the sector's strength, with returns in excess of 30% in the quarter. The Fund has no allocation to Shopify and did not benefit from the strength of this stock. The fund's holdings in the Industrial sector fared much better, as Finning International, a dealer of construction equipment, had returns of 21.8%. As Finning International is one of the fund's largest holdings, representing over 4% of the fund, its performance has made a large contribution to overall fund returns.

One area of notable weakness in the Canadian equity markets was the Materials sector, which had returns of negative 6.9% in the quarter due to weak metal prices. The prices of some industrial metals, such as zinc, nickel, and aluminium, were sharply lower, while precious metals like silver and gold experienced more modest declines. The manager positions the fund with a significant underweight exposure to this sector, which helps reduce the volatility of the fund. This positioning limits the effect of the weakness of this sector on fund performance in the quarter.

QUARTERLY REVIEW

Global equity markets performed well in the second quarter, with the ONE Global Equity Fund producing returns of 3.3% in the quarter, modestly underperforming its benchmark. US equity markets performed better than most other regions during the quarter, with a rally in US stocks concentrated in large-market-cap technology stocks like Apple, Microsoft, and Nvidia. These stocks benefited from frenzied interest in Artificial Intelligence (AI) due to their anticipated long-term growth prospects. Fund performance did not fully participate in the strength of the Technology sectors due to an underweight sector allocation and stock selection that did not emphasize the AI theme.

During the quarter, most countries and regions other than the USA had modest returns, but Japanese stocks had strong returns as signs of inflation were welcomed by investors after three decades of low inflation or deflation. While the Japanese equity market was up over 18% in local currency terms, sharp weakness in the Japanese Yen offset most of the gains. The fund has fairly light exposure to Japanese equities. In contrast, returns were weak in the Asian Pacific, excluding Japan, as Chinese economic growth disappointed. The Chinese and Hong Kong markets were particularly weak in the quarter. The fund has minimal exposure to stocks in this region.

The outlook for inflation and how it factors into the interest rate policy of central banks remains the key consideration for the market outlook. The current term structure of interest rates indicates a high probability of recession on the horizon, and there remains considerable uncertainty about the path of future inflation and interest rates, suggesting notable risks for the market outlook. The manager's emphasis on bottom-up security analysis to guide security selection seeks to invest in firms that have good long-term prospects. This means that the fund tends to focus on long-term returns from holdings rather than taking a view on current market themes and the near-term outlook.

QUARTERLY REVIEW

Global bond markets had mixed performance during the quarter as central banks continued to raise their short-term policy interest rates across western economies. During the quarter, all three ONE Investment bond funds had modestly negative performance in response to rising North American interest rates. The ONE Canadian Bond Fund and ONE Canadian Corporate Bond Fund had returns of -0.7% and -0.4%, respectively, in the quarter, while the ONE Global Bond Fund had returns of -0.2%. All three bond funds outperformed their benchmarks in the quarter, with the ONE Global Fund outperforming by more than 3%, due primarily to its currency hedges that offset the effect of a stronger Canadian dollar.

Overall bond yields were relatively unchanged in the Eurozone as the pace of rate hikes by the European Central Bank slowed, but in North America, bond prices fell on the back of further central bank rate hikes. In the UK, Bond yields moved notably higher, with the 10-year sovereign bond yield increasing by almost 0.9% in the quarter. Inflation remains stubbornly high in the UK, leading to larger rate hikes by the Bank of England during the quarter.

In Asia, the tone of the bond markets was different. While Japanese Bond prices tended to be relatively flat in the quarter, other parts of Asia-Pacific tended to have better performance, responding to interest rate cuts by the Bank of China. A slower than anticipated post-covid recovery in China has led to policy action to bolster economic growth that has had a positive impact on regional bonds.

Inflation remains a dominant theme as the market attempts to assess the trajectory of interest rates. Inflation rates have been declining steadily since the 2022 peaks in the US and Canada, which has given some hope that rate cuts may be on the horizon, but the most recent inflation figures remain above the 2% level that central banks typically target. Further evidence of inflation pressures will be required before central banks can consider cutting rates.

Thunder Bay Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of June 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	10,231,158.870	1.00	10,231,158.87	1.00	10,231,158.87	8.96%
CAN Equity Fund	11,377.359	1,276.54	14,523,674.01	1,304.43	14,841,060.56	12.99%
GLB Equity Fund	30,640.122	1,113.61	34,121,208.05	1,178.75	36,117,325.70	31.61%
Corp Bond Fund	8,918.197	907.78	8,095,778.67	896.79	7,997,796.27	7.00%
CAN Bond Fund	8,585.362	941.28	8,081,250.00	939.75	8,068,153.18	7.06%
GLB Bond Fund	42,611.206	920.51	39,224,074.34	868.02	36,987,647.49	32.38%
					114,243,142.07	100.00%

**Thunder Bay Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Thunder Bay - Contingency Outcome
Account Number: 570050567**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	1,609.00	907.78	1,460,621.23	896.79	1,442,943.48	5.7%	(6,845.65)	0.00
CAN Equity Fund	3,445.46	1,276.54	4,398,279.51	1,304.43	4,494,395.82	17.9%	155,464.21	0.00
CAN Bond Fund	1,548.95	941.28	1,458,000.00	939.75	1,455,637.39	5.8%	(11,491.67)	0.00
GLB Bond Fund	7,701.86	920.42	7,088,968.22	868.02	6,685,422.25	26.7%	(18,804.15)	0.00
GLB Equity Fund	9,298.55	1,113.44	10,353,470.79	1,178.75	10,960,759.61	43.7%	359,260.91	0.00
			<u>24,759,339.75</u>		<u>25,039,158.55</u>	100.0%	477,583.65	0.00

**Thunder Bay Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.9	7.2	12.4	-	-	-	-	2.2	04/01/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

Thunder Bay Prudent Investor Portfolio
Holdings by Account
At June 30, 2023

Account Name: Thunder Bay - Target Date 3 to 5 Year Outcome
Account Number: 570050575

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	6,550,945.93	1.00	6,550,945.93	1.00	6,550,945.93	20.7%	0.00	81,274.16
Corp Bond Fund	3,638.45	907.78	3,302,927.43	896.79	3,262,952.57	10.3%	(15,480.18)	0.00
CAN Equity Fund	742.02	1,276.54	947,228.92	1,304.43	967,928.29	3.0%	33,481.30	0.00
CAN Bond Fund	3,502.66	941.28	3,297,000.00	939.75	3,291,656.42	10.4%	(25,986.30)	0.00
GLB Bond Fund	17,377.58	920.53	15,996,594.57	868.02	15,084,201.68	47.8%	(42,297.04)	0.00
GLB Equity Fund	1,996.50	1,113.68	2,223,467.74	1,178.75	2,353,392.74	7.4%	77,137.17	0.00
			32,318,164.59		31,511,077.63	100.0%	26,854.95	81,274.16

Thunder Bay Prudent Investor Portfolio
Performance History
At June 30, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	0.3	3.1	5.0	-	-	-	-	0.3	04/01/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

Thunder Bay Prudent Investor Portfolio
Holdings by Account
At June 30, 2023

Account Name: Thunder Bay - Target Date 5 to 10 Year Outcome
Account Number: 570050583

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	2,987.90	907.78	2,712,367.61	896.79	2,679,540.66	7.2%	(12,712.34)	0.00
CAN Equity Fund	4,265.47	1,276.54	5,445,057.97	1,304.43	5,564,049.41	15.0%	192,464.25	0.00
CAN Bond Fund	2,876.39	941.28	2,707,500.00	939.75	2,703,112.05	7.3%	(21,339.97)	0.00
GLB Bond Fund	14,270.49	920.53	13,136,420.91	868.02	12,387,162.37	33.6%	(34,734.38)	0.00
GLB Equity Fund	11,476.69	1,113.68	12,781,399.01	1,178.75	13,528,258.64	36.7%	443,415.85	0.00
			36,782,745.50		36,862,123.13	100.0%	567,093.41	0.00

Thunder Bay Prudent Investor Portfolio
Performance History
At June 30, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.5	6.4	10.8	-	-	-	-	1.6	04/01/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

**Thunder Bay Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Thunder Bay - Target Date 10 Year Plus Outcome
Account Number: 570050591**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	682.83	907.78	619,862.40	896.79	612,359.56	3.5%	(2,905.18)	0.00
CAN Equity Fund	2,924.39	1,276.54	3,733,107.61	1,304.43	3,814,687.04	22.2%	131,952.62	0.00
CAN Bond Fund	657.34	941.28	618,750.00	939.75	617,747.32	3.6%	(4,876.86)	0.00
GLB Bond Fund	3,261.26	920.53	3,002,090.64	868.02	2,830,861.19	16.5%	(7,937.91)	0.00
GLB Equity Fund	7,868.37	1,113.68	8,762,870.51	1,178.75	9,274,914.71	54.0%	304,003.96	0.00
			16,736,681.16		17,150,569.82	100.0%	420,236.63	0.00

**Thunder Bay Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.5	8.5	14.7	-	-	-	-	3.1	04/01/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

**Thunder Bay Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Thunder Bay - Cash Outcome
Account Number: 9027504012**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	3,680,212.94	1.00	3,680,212.94	1.00	3,680,212.94	100.0%	0.00	45,658.48
			3,680,212.94		3,680,212.94	100.0%	0.00	45,658.48

**Thunder Bay Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.2	2.4	4.0	-	-	-	-	3.4	04/04/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

Thunder Bay Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Thunder Bay - Contingency Outcome
Account Number: 570050567

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	GLB Bond Fund	05/04/2023	05/04/2023	8.89	7,800.56

Thunder Bay Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Thunder Bay - Target Date 3 to 5 Year Outcome
Account Number: 570050575

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	27,274.95	27,274.95
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	26,498.04	26,498.04
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	27,501.17	27,501.17

Thunder Bay Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Thunder Bay - Cash Outcome
Account Number: 9027504012

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	15,322.62	15,322.62
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	14,886.16	14,886.16
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	15,449.70	15,449.70

**Thunder Bay Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
June 30, 2023**

In accordance with the terms of section 8.02 of the ONEJIB Agreement dated as of July 2, 2020 (the "ONE JIB Agreement") ONE Investment confirms as follows:

With respect to the quarter ended June 30, 2023 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

A handwritten signature in black ink that reads "Keith Taylor".

Keith Taylor, Chief Investment Officer, ONE Investment
On the behalf of the ONE Joint Investment Board

APPENDIX

ONE JIB - Outcome Framework - Target Allocations

Outcome							<u>Allocation</u>			
	HISA	Canadian Equity Fund	Global Equity Fund	Canadian Government Bond Fund	Canadian Corporate Bond Fund	Global Bond Fund	Equity	Fixed Income	Cash	Total
Cash	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%			100.0%	100%
Stable Return	10.0%	9.0%	21.0%	9.0%	9.0%	42.0%	30.0%	60.0%	10.0%	100%
Contingency	0.0%	18.0%	42.0%	6.0%	6.0%	28.0%	60.0%	40.0%		100%
Asset Management	0.0%	27.0%	63.0%	1.5%	1.5%	7.0%	90.0%	10.0%		100%
Target Date 3-5	20.0%	3.0%	7.0%	10.5%	10.5%	49.0%	10.0%	70.0%	20.0%	100%
Target Date 5-10	0.0%	15.0%	35.0%	7.5%	7.5%	35.0%	50.0%	50.0%		100%
Target Date 10+	0.0%	22.5%	52.5%	3.75%	3.75%	17.5%	75.0%	25.0%		100%

ONE JIB - Outcome Framework - Defined

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon	Allocation		
					Equity	Fixed Income	Cash
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years			100%
Stable Return	Stable Return	Income generation: To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)	30%	60%	10%
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk, emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)	60%	40%	
	Asset mgt reserves	Contributions to generate returns to fund asset management reserves	Higher risk, emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)	90%	10%	
Target Date	Target Date 3-5 yrs.	Preservation of capital	Low risk; high liquidity	3 - 5 years	10%	70%	20%
	Target Date 5-10 yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 - 10 years	50%	50%	
	Target Date 10+ yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long term inflation-adjusted growth	> 10 years	75%	25%	

Glossary and Definitions for Quarterly Reports

Account

ONE Investment clients have one or more custodial accounts. All Prudent Investor Funds will be administered with ONE Investment's custodian, CIBC Mellon. Unlike Legal List accounts, MNRI invested in the ONE Investment Prudent Investor Funds will be under the control of the ONE Joint Investment Board. In most cases, the Prudent Investor clients will have multiple accounts with the custodian, with the account structure based on the investment outcomes assigned to each client. This will allow reporting to the municipal client based on the investment outcome framework.

Annual and Annualized Returns: please see Returns below.

Asset Allocation

Asset allocation is the single biggest driver of fund returns and should be set taking into account municipal risk tolerance. Also known as asset mix, it is the combination of asset classes in a fund and is normally shown as the percentage weights in each. Example asset classes are money market, Canadian bonds, global bonds, Canadian stocks and global stocks. Each of the ONE JIB Outcomes has an associated asset allocation that is designed to be appropriate for the intended investment Outcome.

Asset Mix: See Asset allocation.

Benchmark

The Benchmark is the standard against which investors compare their portfolio returns to understand its performance. Benchmark can be set either at the asset class level or for the overall portfolio. At the asset class level, benchmarks are usually chosen to represent the entire market; active managers seek to outperform their benchmarks by at least the amount of fees they charge.

For example, a typical benchmark for Canadian stocks is the S&P/TSX Composite Index which is calculated by Standard and Poor's (S&P) and for Canadian money market, the typical benchmark is the FTSE 182-Day Treasury Bill Index from the Financial Times Stock Exchange Group (FTSE). For a portfolio that aims to have risk halfway between these two asset classes, the total portfolio benchmark might be 50% S&P/TSX Composite Index and 50% FTSE 182-Day Treasury Bill Index.

Benchmark returns are always time weighted. (See Returns below for more detail on time weighted returns)

Blended Benchmark

A blended benchmark is a benchmark that is constructed from two or more underlying benchmarks. The weights of each underlying benchmark used in a blended benchmark remain constant over time.

Canadian Corporate Bond Fund

The ONE Investment Canadian Corporate Bond Fund holds short and mid-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Fund is 4.5 to 7.51 years. MFS aims to outperform the benchmark, which is:

- 48% FTSE Canada Universe All Government Bond Index +
- 40% FTSE Canada Short-Term Corporate A Index +
- 10% FTSE Canada Universe Corporate AAA/AA Index +
- 2% FTSE Canada 91-Day Treasury Bill Index.

Canadian Equity Fund

The ONE Canadian Equity Fund holds Canadian stocks managed by Guardian Capital. Guardian aims for below-market risk, achieved with a ONE-imposed constraint on the weight of Material and Energy sectors because of the expected above-market volatility of these sectors.

Canadian Government Bond Fund

This ONE Government Canadian Bond Fund holds short-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Bond Fund is 1.73 to 3.73 years. MFS aims to outperform the benchmark, which is:

- 95% FTSE Canada Short-Term Government Bond Index +
- 5% FTSE Canada 91-Day Treasury Bill Index.

Book Value

Book value is the Unit Cost of each holding multiplied by the number of units. It represents the amount originally paid to invest in the holding and takes into account all contributions and withdrawals.

CAD

This is a short form for “Canadian dollars”. Although the outcomes have exposure to foreign securities, all returns in the report reflect Canadian dollar-based returns. Foreign holdings will be impacted by movements in foreign currencies which may impact investment returns. This impact can be reduced by currency hedging strategies. The global equity exposure does not hedge currency exposure, but the global bond exposure may use hedging. The degree to which global bond exposure is hedged back to the Canadian dollar may vary and will reflect the currency hedging strategy of the external manager.

Consolidated Holdings

Consolidated holdings are the aggregate value of all investments with ONE Investment. Consolidated holdings detailed in this report only reflect MNRI balances invested in ONE Investment’s Prudent Investor Funds and HISA balances under the control of the ONE JIB. In certain cases, clients may hold ONE Investment Legal List portfolios or HISA which will not be reflected in consolidated holdings in this report. Additionally, ‘in-kind’ securities pledged to the ONE JIB will not be reflected in this report.

Discounts

Certain fee discounts apply for investors in the ONE Investment Prudent Investor offering. These discounts include a 4bps discount that applies to AUM of Founding Members, and ‘tier discounts’ that apply for any investors with balances in excess of certain thresholds. These discounts would not apply to HISA balances but would apply to balances in Legal List portfolios (if applicable). Discounts will be rebated to the municipalities on a quarterly basis. These discounts are not taken into consideration in the performance details in this investment report.

Distribution: a cash payment of interest or dividends made by ONE Investment from a fund.

Duration

This statistic applies to bonds and is similar in concept to term to maturity. The difference is that duration also takes into account the size and timing of interest payments. A bond with higher coupon payments will have a shorter duration than one with the same term to maturity and lower coupon payments: the reason is that the higher-coupon bond receives more of its return earlier. The higher the duration of a bond, the higher its sensitivity to interest rate movements.

Fees

Fees include all expenses involved in managing the fund: external investment manager fees, custody costs, ONE Investment's costs and administrative costs.

Global Bond Fund

The ONE Global Bond Fund is an unconstrained global bond mandate managed by Manulife Asset Management. The unconstrained nature of the mandate means that the fund will contain a mix of global government, corporate and securitized debt, including emerging markets and high-yield securities. The mandate is not constrained by sector or currency. Manulife aims to outperform the benchmark, which is Bloomberg Barclays Multiverse Index Unhedged.

Global Equity Fund

The ONE Global Equity Fund holds Global stocks managed by Mawer Investment Management. Mawer aims to outperform the benchmark, which is MSCI All Country World Index (ACWI). This mandate invests in both emerging and developed markets. Manager will allocate capital to the best global opportunities, which may include both large and small capitalization companies. This mandate is intended to be a broadly diversified portfolio of wealth-creating companies bought at discounts to their intrinsic values that typically employ a long-term holding period.

High Interest Savings Account (HISA)

This bank account is provided by CIBC. Its very short-term nature precludes it from being considered an investment. Interest income from HISA will be reflected only in the executive summary page as will a list of HISA transitions. As the HISA product is a demand deposit, its value of his does not fluctuate daily. In this way it differs from the ONE Investment fund whose price change in response to changes in the value of underlying investments. Returns for individual accounts holding HISA will not be presented in the report beyond what is disclosed in the executive summary. HISA balances held in the Prudent Investor Offering reflect MNRI and will be under the control of the ONE JIB.

Holdings: the ONE Investment funds or HISA Balances held in client accounts.

Inception Date

The inception is the first date that an investment was made. For each account, this will be the first time funds were transferred in; for funds offered by ONE Investment, it is the date the funds started. For ONE JIB Founders, the Inception date is July 2, 2020.

Income

Income is a cash flow generated by an investment and normally includes interest on bonds and dividends on stocks. It is differentiated from capital gains, which also contribute to returns, but which are not considered income.

Investment Manager

Investment managers are external firms hired by ONE Investment to create funds to our specifications. These are MFS Investment Management Canada for Canadian fixed income, Manulife Asset Management for global fixed income, Guardian Capital Group Ltd for Canadian equity, and Mawer Investment Management Ltd for global equity.

Market Value

The value of an investment at current market prices, calculated by multiplying the Price (defined below) by the number of units held.

ONE Joint Investment Board (ONE JIB)

The joint board established by founding municipalities as a municipal services board under section 202 of the Act as required under Part II of the Regulation, and is the duly appointed Joint Investment Board for the municipality, as constituted from time to time and acting pursuant to the Terms of Reference set out in the ONE JIB Agreement.

Outcome

Outcome means, in the context of the Investment Plan, the same thing as ‘solution’. Investment Outcomes are a set of investment allocations with varying risk/return characteristics. The Outcomes assigned to each municipal investor are intended to reflect the needs and circumstances of the municipality. ONE JIB has five pre-defined basic outcomes:

Cash:

The Cash Outcome is designed for investments with a time horizon of less than 3 years. Preservation of capital and liquidity are the highest priorities. Investments allocated to this outcome are expected to be transferred back to the care and control of the municipal treasurer when the funds are reclassified as MRI.

Contingency:

The Contingency outcome is designed for investing contingency reserves. The funds in this outcome may be drawn upon to meet unexpected needs and infrequent events. The investment horizon for this outcome is typically greater than 5 years, with an emphasis placed on long-term growth and preservation of purchasing power is a key consideration.

Asset Management Reserves:

The Asset Management Reserve Outcome is specifically designed for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to help fund asset management objectives. The long-term nature of asset management reserves allows this Outcome to emphasize long-term growth.

Stable Return:

The Stable Return Outcome is designed to provide an annual income while preserving the value of the principal investment. The principal amount is often invested in perpetuity with no intent to withdraw for the foreseeable future. This outcome is frequently used by municipalities looking to replace the income stream of a utility that has been sold, with some or all proceeds of the sale acting as the principal.

Target Date:

The Target Date Outcomes are designed for contributions toward planned capital projects. There are three target date designs for different time horizons: 3 to 5 years; 5 to 10 years; and greater than 10 years. For capital projects in the 3-to-5-year range, preservation of capital is prioritized. For projects in the 5-to-10-year range, emphasis is placed on inflation mitigation and meeting target funding requirements. For projects in the greater-than-10-year range, emphasis is placed on longer-term inflation adjusted growth.

Price

The price of ONE funds is the unit price at a point in time, also known as the net asset value, which is calculated daily by CIBC Mellon. This price takes into account the last traded prices of all securities held by the manager, the bid/ask spread where no recent trade is available and a daily accrual for all fees including investment management and administration.

Prudent Investor Standard

The standard requiring ONE JIB, when investing money under section 418.1 of the Act, to exercise the care, skill, diligence and judgement that a prudent investor would exercise in making such an investment but does not restrict the securities in which a municipality can invest. The Prudent Investor standard applies to the entire portfolio of Long-Term Funds under control of ONE JIB rather than to individual securities.

Quality

This statistic refers to the creditworthiness of bonds based on ratings provided by bond rating agencies such as S&P, DBRS, Fitch and Moody's. The highest quality bonds are rated AAA and range down from there to AA, A and BBB, all of which are investment grade ratings. Ratings below BBB are considered high yield. The lower a credit rating, the higher a bond's yield to maturity and commensurate risk of default on interest payments or principal. The credit rating on an entire fund is calculated as a weighted average.

Realized and Unrealized Gains

Capital gains reflect the movement in the Price of investments as they rise over time relative to their average Unit Cost. Negative gains are losses, meaning that the Price of the units in the account is lower than the average Price paid for them (Unit Cost). Because gains / losses are calculated based on net asset values, they are diminished by the amount of fees. (Please see Fees, Price and Unit Cost.)

- **Unrealized gains** exist “on paper” until the investment is sold in return for cash, at which point they become realized.
- **Realized gains** are generated by withdrawals from accounts during the time period in question based on the unit Price compared to the Unit Cost.

Returns

Returns measure the percentage increment in value generated by investments over a period of time. Unless otherwise noted, time-weighted total returns are reported here, which include all forms of income and capital gains. There are different aspects to return calculations explained below.

- **Calendar Year Return:** reflects the total return generated by investments in the specified year any between January 1 to December 31.
- **Annualized Returns:** the total return generated by investments in each year for holding periods greater than one year. Annualized returns are the geometric average over a multi-year period, meaning they represent the compound return. For periods of one year or less, the actual return is shown without the effect of compounding.
- Returns in this report are calculated net of fees based on the Prices of the ONE Investment funds. These are calculated daily by CIBC Mellon and take into account all fees and costs associated with managing the fund.
- Return details in this report do not account for fee discounts that may apply for some Prudent Investor clients.
- **Time-weighted returns:** returns in this report are time-weighted in order for them to be compared to the benchmarks. Time-weighted returns are calculated in a way that excludes the effect of the timing of contributions and withdrawals (cash flows) from the fund. (To capture the effect of cash flows and measure their impact on returns, investors would instead need use dollar-weighted return calculations.)

Unit Cost

Unit Cost is the weighted average Price paid for all the Fund units held in the account and reflects the impact of units bought and sold over time.

Unrealized Gains: Please see Realized and Unrealized Gains

Value Added: The return generated by an investment manager above (or below, if negative) the benchmark.

Year to Date: The time period beginning January 1 and ending at the most recent quarter end.

QUARTERLY INVESTMENT REPORT

For The Period Ended June 30, 2023

Muskoka Prudent Investor Portfolio

70 Pine St.
Bracebridge, ON
P1L 1N3

Bhatia, Vineet
Director, Tax Policy and Long Term Financial Planning
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ONE Investment

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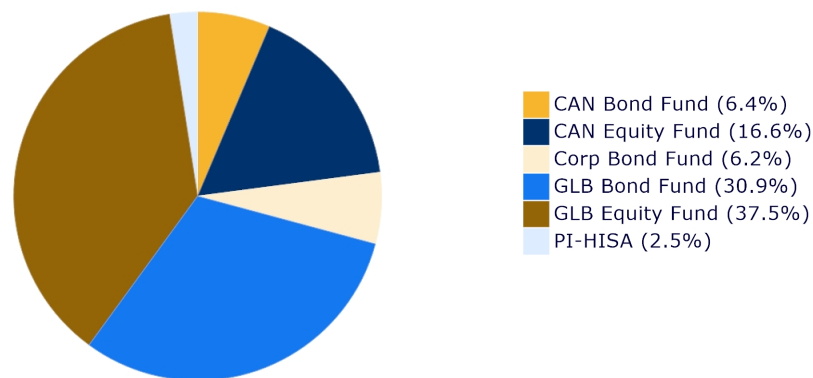
Relationship Manager

Wardah Mir, Client Service Representative
416-971-9856
one@oneinvestment.ca

Muskoka Prudent Investor Portfolio
Executive Summary for the Quarter Ended June 30, 2023

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	1.7%	6.6%	11.2%	1.8%	-	-	4.2%	07/02/2020

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	9,501,740.90	-	-	(74,424.84)	-	9,427,316.06
CAN Equity Fund	23,612,992.83	-	-	846,055.08	-	24,459,047.91
Corp Bond Fund	9,268,591.10	-	-	(43,764.67)	-	9,224,826.43
GLB Bond Fund	44,718,421.62	1,030,498.79	-	(135,522.84)	-	45,613,397.57
GLB Equity Fund	54,583,837.83	-	1,000,000.00	1,832,590.84	-	55,416,428.67
PI-HISA	3,594,461.17	-	-	-	45,154.82	3,639,615.99
Total	145,280,045.45	1,030,498.79	1,000,000.00	2,424,933.57	45,154.82	147,780,632.63

**Muskoka Prudent Investor Portfolio
Performance History At
June 30, 2023**

Performance by Fund

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	1.2	2.4	5.1	2.9	-	-	-	2.1	07/02/2020
ONE Canadian Equity Fund	3.5	9.6	17.0	2.6	-	-	-	12.6	07/02/2020
ONE Global Equity Fund	3.3	11.0	19.4	5.1	-	-	-	8.7	07/02/2020
ONE Canadian Corporate Bond Fund	-0.4	2.1	2.8	-3.1	-	-	-	-2.5	07/02/2020
ONE Canadian Government Bond Fund	-0.7	0.9	1.2	-1.7	-	-	-	-1.1	07/02/2020
ONE Global Bond Fund	-0.2	2.6	4.1	-2.9	-	-	-	-0.5	07/02/2020

Performance by Outcome

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
JIB1MUSCONT	1.9	7.3	12.5	1.5	-	-	-	5.6	07/02/2020
JIB2MUSTD35	0.3	3.1	5.1	-0.9	-	-	-	0.8	07/02/2020
JIB3MUSTD510	1.6	6.5	11.1	0.9	-	-	-	4.6	07/02/2020
JIBMUSCASH	1.2	2.4	17.4	8.8	-	-	-	6.0	07/02/2020
JIB4MUSTD10P	2.5	8.6	-	-	-	-	-	14.4	07/04/2022

QUARTERLY REVIEW

During the second quarter of 2023, the Canadian equity markets moved modestly higher as the economic backdrop remained supportive and investor sentiment remained strong. The ONE Canadian Equity Fund generated returns of 3.5% in the quarter, outperforming the broader Canadian equity markets. During the quarter, inflation pressures continued to ease amidst signs of continued strength in the Canadian economy. This is a positive outcome that has helped bolster equity market performance. While some remain concerned about the prospects of a potential economic recession on the horizon, economic indicators remain quite robust.

For the second quarter in a row, the Information Technology sector has been the best-performing sector in the Canadian equity market, with returns of almost 17% in the quarter. The performance of Shopify, a large-cap e-commerce company, accounted for much of the sector's strength, with returns in excess of 30% in the quarter. The Fund has no allocation to Shopify and did not benefit from the strength of this stock. The fund's holdings in the Industrial sector fared much better, as Finning International, a dealer of construction equipment, had returns of 21.8%. As Finning International is one of the fund's largest holdings, representing over 4% of the fund, its performance has made a large contribution to overall fund returns.

One area of notable weakness in the Canadian equity markets was the Materials sector, which had returns of negative 6.9% in the quarter due to weak metal prices. The prices of some industrial metals, such as zinc, nickel, and aluminium, were sharply lower, while precious metals like silver and gold experienced more modest declines. The manager positions the fund with a significant underweight exposure to this sector, which helps reduce the volatility of the fund. This positioning limits the effect of the weakness of this sector on fund performance in the quarter.

QUARTERLY REVIEW

Global equity markets performed well in the second quarter, with the ONE Global Equity Fund producing returns of 3.3% in the quarter, modestly underperforming its benchmark. US equity markets performed better than most other regions during the quarter, with a rally in US stocks concentrated in large-market-cap technology stocks like Apple, Microsoft, and Nvidia. These stocks benefited from frenzied interest in Artificial Intelligence (AI) due to their anticipated long-term growth prospects. Fund performance did not fully participate in the strength of the Technology sectors due to an underweight sector allocation and stock selection that did not emphasize the AI theme.

During the quarter, most countries and regions other than the USA had modest returns, but Japanese stocks had strong returns as signs of inflation were welcomed by investors after three decades of low inflation or deflation. While the Japanese equity market was up over 18% in local currency terms, sharp weakness in the Japanese Yen offset most of the gains. The fund has fairly light exposure to Japanese equities. In contrast, returns were weak in the Asian Pacific, excluding Japan, as Chinese economic growth disappointed. The Chinese and Hong Kong markets were particularly weak in the quarter. The fund has minimal exposure to stocks in this region.

The outlook for inflation and how it factors into the interest rate policy of central banks remains the key consideration for the market outlook. The current term structure of interest rates indicates a high probability of recession on the horizon, and there remains considerable uncertainty about the path of future inflation and interest rates, suggesting notable risks for the market outlook. The manager's emphasis on bottom-up security analysis to guide security selection seeks to invest in firms that have good long-term prospects. This means that the fund tends to focus on long-term returns from holdings rather than taking a view on current market themes and the near-term outlook.

QUARTERLY REVIEW

Global bond markets had mixed performance during the quarter as central banks continued to raise their short-term policy interest rates across western economies. During the quarter, all three ONE Investment bond funds had modestly negative performance in response to rising North American interest rates. The ONE Canadian Bond Fund and ONE Canadian Corporate Bond Fund had returns of -0.7% and -0.4%, respectively, in the quarter, while the ONE Global Bond Fund had returns of -0.2%. All three bond funds outperformed their benchmarks in the quarter, with the ONE Global Fund outperforming by more than 3%, due primarily to its currency hedges that offset the effect of a stronger Canadian dollar.

Overall bond yields were relatively unchanged in the Eurozone as the pace of rate hikes by the European Central Bank slowed, but in North America, bond prices fell on the back of further central bank rate hikes. In the UK, Bond yields moved notably higher, with the 10-year sovereign bond yield increasing by almost 0.9% in the quarter. Inflation remains stubbornly high in the UK, leading to larger rate hikes by the Bank of England during the quarter.

In Asia, the tone of the bond markets was different. While Japanese Bond prices tended to be relatively flat in the quarter, other parts of Asia-Pacific tended to have better performance, responding to interest rate cuts by the Bank of China. A slower than anticipated post-covid recovery in China has led to policy action to bolster economic growth that has had a positive impact on regional bonds.

Inflation remains a dominant theme as the market attempts to assess the trajectory of interest rates. Inflation rates have been declining steadily since the 2022 peaks in the US and Canada, which has given some hope that rate cuts may be on the horizon, but the most recent inflation figures remain above the 2% level that central banks typically target. Further evidence of inflation pressures will be required before central banks can consider cutting rates.

Muskoka Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of June 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	3,639,615.990	1.00	3,639,615.99	1.00	3,639,615.99	2.46%
CAN Equity Fund	18,750.639	1,080.60	20,262,073.31	1,304.43	24,459,047.91	16.55%
GLB Equity Fund	47,012.510	1,026.53	48,260,014.53	1,178.75	55,416,428.67	37.50%
Corp Bond Fund	10,286.436	977.94	10,059,548.35	896.79	9,224,826.43	6.24%
CAN Bond Fund	10,031.654	977.94	9,810,375.41	939.75	9,427,316.06	6.38%
GLB Bond Fund	52,548.405	978.71	51,429,664.87	868.02	45,613,397.57	30.87%
					147,780,632.63	100.00%

**Muskoka Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Muskoka - Contingency Outcome
Account Number: 570050088**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	1,223.18	978.14	1,196,449.89	896.79	1,096,946.44	5.5%	(5,204.16)	0.00
CAN Equity Fund	2,880.39	1,219.87	3,513,724.28	1,304.43	3,757,294.37	19.0%	129,967.36	0.00
CAN Bond Fund	1,207.79	979.18	1,182,653.80	939.75	1,135,035.56	5.7%	(8,960.65)	0.00
GLB Bond Fund	5,933.43	998.16	5,922,537.87	868.02	5,150,376.76	26.0%	(14,441.98)	0.00
GLB Equity Fund	7,326.91	1,129.60	8,276,536.17	1,178.75	8,636,670.82	43.6%	283,084.23	0.00
			<u>20,091,902.01</u>		<u>19,776,323.95</u>	100.0%	<u>384,444.80</u>	<u>0.00</u>

**Muskoka Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.9	7.3	12.5	1.5	-	-	-	5.6	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-9.1	12.6	-	-	-

Muskoka Prudent Investor Portfolio
Holdings by Account
At June 30, 2023

Account Name: Muskoka - Target Date 3 to 5 Year Outcome
Account Number: 570050096

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	3,602,076.88	1.00	3,602,076.88	1.00	3,602,076.88	21.4%	0.00	44,689.10
Corp Bond Fund	1,883.25	993.39	1,870,809.60	896.79	1,688,896.73	10.0%	(8,012.51)	0.00
CAN Equity Fund	419.83	1,022.16	429,134.99	1,304.43	547,642.25	3.2%	18,943.32	0.00
CAN Bond Fund	1,846.34	984.33	1,817,423.81	939.75	1,735,115.45	10.3%	(13,698.04)	0.00
GLB Bond Fund	9,112.16	992.24	9,041,517.23	868.02	7,909,599.74	47.1%	(22,404.93)	0.00
GLB Equity Fund	1,096.91	1,009.56	1,107,407.59	1,178.75	1,292,996.29	7.7%	42,380.55	0.00
			<u>17,868,370.10</u>		<u>16,776,327.34</u>	100.0%	17,208.39	44,689.10

Muskoka Prudent Investor Portfolio
Performance History
At June 30, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	0.3	3.1	5.1	-0.9	-	-	-	0.8	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-6.1	2.0	-	-	-

Muskoka Prudent Investor Portfolio
Holdings by Account
At June 30, 2023

Account Name: Muskoka - Target Date 5 to 10 Year Outcome
Account Number: 570050104

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	6,108.74	990.96	6,053,543.69	896.79	5,478,294.09	6.6%	(25,990.27)	0.00
CAN Equity Fund	10,428.68	1,022.16	10,659,826.88	1,304.43	13,603,572.74	16.4%	470,556.82	0.00
CAN Bond Fund	5,969.68	983.85	5,873,297.80	939.75	5,610,048.91	6.7%	(44,289.06)	0.00
GLB Bond Fund	32,267.83	988.82	31,907,351.65	868.02	28,009,332.03	33.9%	(85,934.02)	0.00
GLB Equity Fund	25,342.64	1,009.56	25,585,101.65	1,178.75	29,872,871.23	36.1%	995,349.45	0.00
			80,079,121.67		82,574,119.00	100.0%	1,309,692.92	0.00

Muskoka Prudent Investor Portfolio
Performance History
At June 30, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.6	6.5	11.1	0.9	-	-	-	4.6	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-8.9	10.5	-	-	-

**Muskoka Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Muskoka - Cash Outcome
Account Number: 9021979213**

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	37,539.11	1.00	37,539.11	1.00	37,539.11	100.0%	0.00	465.72
			<u>37,539.11</u>		<u>37,539.11</u>	100.0%	0.00	465.72

**Muskoka Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.2	2.4	17.4	8.8	-	-	-	6.0	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	15.2	0.5	-	-	-

Muskoka Prudent Investor Portfolio
Holdings by Account
At June 30, 2023

Account Name: Muskoka - Target Date 10 Year Plus Outcome
Account Number: 570050625

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	1,071.24	876.31	938,745.17	896.79	960,689.17	3.3%	(4,557.73)	0.00
CAN Equity Fund	5,021.73	1,126.97	5,659,387.16	1,304.43	6,550,538.55	22.8%	226,587.58	0.00
CAN Bond Fund	1,007.83	929.71	937,000.00	939.75	947,116.14	3.3%	(7,477.09)	0.00
GLB Bond Fund	5,234.96	870.73	4,558,258.12	868.02	4,544,089.04	15.8%	(12,741.91)	0.00
GLB Equity Fund	13,246.03	1,003.39	13,290,969.12	1,178.75	15,613,890.33	54.5%	511,776.61	0.00
			<u>25,384,359.57</u>		<u>28,616,323.23</u>	100.0%	713,587.46	0.00

Muskoka Prudent Investor Portfolio
Performance History
At June 30, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.5	8.6	-	-	-	-	-	14.4	07/04/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

Muskoka Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Muskoka - Target Date 3 to 5 Year Outcome

Account Number: 570050096

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	GLB Bond Fund	05/04/2023	05/04/2023	34.77	30,498.79
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	14,997.30	14,997.30
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	14,570.11	14,570.11
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	15,121.69	15,121.69

Muskoka Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Muskoka - Target Date 5 to 10 Year Outcome

Account Number: 570050104

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	GLB Bond Fund	05/04/2023	05/04/2023	1,140.32	1,000,000.00
Sell	GLB Equity Fund	05/04/2023	05/04/2023	862.88	1,000,000.00

Muskoka Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Muskoka - Cash Outcome
Account Number: 9021979213

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	156.29	156.29
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	151.84	151.84
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	157.59	157.59

**Muskoka Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
June 30, 2023**

In accordance with the terms of section 8.02 of the ONEJIB Agreement dated as of July 2, 2020 (the "ONE JIB Agreement") ONE Investment confirms as follows:

With respect to the quarter ended June 30, 2023 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

A handwritten signature in black ink that reads "Keith Taylor".

Keith Taylor, Chief Investment Officer, ONE Investment
On the behalf of the ONE Joint Investment Board

APPENDIX

**The District of Muskoka
Securities Pledged to ONE JIB**

As at June 30, 2023

Symbol	Status	Quantity	Average Unit Cost (\$)	Book Cost (\$)	Market Price (\$)	Market Value (\$)	% of Portfolio
Cash and Equivalents							
DISTRICT MUN OF MUSKOKA BEO 4.9% 5MAY24	SEG	46,000	111.430	51,257.80	99.538	46,133.30 ⁽⁴⁾	2.5
Total Cash and Equivalents				51,257.80		46,133.30	2.5
Fixed Income Securities and Fixed Income Funds							
DISTRICT MUN OF MUSKOKA BEO 4.95% 5MAY25	SEG	211,000	112.650	237,691.50	99.677	211,920.91 ⁽⁴⁾	11.3
DISTRICT MUN OF MUSKOKA BEO 5% 5MAY26	SEG	105,000	112.991	118,641.00	101.273	107,142.13 ⁽⁴⁾	5.7
DISTRICT MUN OF MUSKOKA BEO 5.05% 5MAY27	SEG	295,000	112.065	330,590.50	101.755	302,462.89 ⁽⁴⁾	16.1
DISTRICT MUN OF MUSKOKA BEO 5.05% 5MAY28	SEG	360,000	109.856	395,482.00	103.437	375,162.46 ⁽⁴⁾	19.9
DISTRICT MUN OF MUSKOKA BEO 5.1% 5MAY29	SEG	400,000	104.270	417,080.00	104.442	420,897.86 ⁽⁴⁾	22.4
DISTRICT MUN OF MUSKOKA BEO 5.1% 5MAY30	SEG	137,000	116.369	159,425.00	105.107	145,068.57 ⁽⁴⁾	7.7
DISTRICT MUN OF MUSKOKA ONT 2.95% 27NOV30	SEG	100,000	98.240	98,240.00	90.958	91,232.79 ⁽⁴⁾	4.8
DISTRICT MUN OF MUSKOKA ONT 3% 27NOV31	SEG	100,000	98.120	98,120.00	91.114	91,393.45 ⁽⁴⁾	4.8
DISTRICT MUN OF MUSKOKA ONT 3.05% 27NOV32	SEG	100,000	98.010	98,010.00	90.737	91,021.11 ⁽⁴⁾	4.8
Total Fixed Income Securities and Fixed Income Funds				1,953,280.00		1,836,302.17	97.5
Total Account Value - CAD Cash				2,004,537.80		1,882,435.47	100.0

ONE JIB - Outcome Framework - Target Allocations

Outcome							<u>Allocation</u>			
	HISA	Canadian Equity Fund	Global Equity Fund	Canadian Government Bond Fund	Canadian Corporate Bond Fund	Global Bond Fund	Equity	Fixed Income	Cash	Total
Cash	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%			100.0%	100%
Stable Return	10.0%	9.0%	21.0%	9.0%	9.0%	42.0%	30.0%	60.0%	10.0%	100%
Contingency	0.0%	18.0%	42.0%	6.0%	6.0%	28.0%	60.0%	40.0%		100%
Asset Management	0.0%	27.0%	63.0%	1.5%	1.5%	7.0%	90.0%	10.0%		100%
Target Date 3-5	20.0%	3.0%	7.0%	10.5%	10.5%	49.0%	10.0%	70.0%	20.0%	100%
Target Date 5-10	0.0%	15.0%	35.0%	7.5%	7.5%	35.0%	50.0%	50.0%		100%
Target Date 10+	0.0%	22.5%	52.5%	3.75%	3.75%	17.5%	75.0%	25.0%		100%

ONE JIB - Outcome Framework - Defined

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon	Allocation		
					Equity	Fixed Income	Cash
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years			100%
Stable Return	Stable Return	Income generation: To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)	30%	60%	10%
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk, emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)	60%	40%	
	Asset mgt reserves	Contributions to generate returns to fund asset management reserves	Higher risk, emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)	90%	10%	
Target Date	Target Date 3-5 yrs.	Preservation of capital	Low risk; high liquidity	3 - 5 years	10%	70%	20%
	Target Date 5-10 yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 - 10 years	50%	50%	
	Target Date 10+ yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long term inflation-adjusted growth	> 10 years	75%	25%	

Glossary and Definitions for Quarterly Reports

Account

ONE Investment clients have one or more custodial accounts. All Prudent Investor Funds will be administered with ONE Investment's custodian, CIBC Mellon. Unlike Legal List accounts, MNRI invested in the ONE Investment Prudent Investor Funds will be under the control of the ONE Joint Investment Board. In most cases, the Prudent Investor clients will have multiple accounts with the custodian, with the account structure based on the investment outcomes assigned to each client. This will allow reporting to the municipal client based on the investment outcome framework.

Annual and Annualized Returns: please see Returns below.

Asset Allocation

Asset allocation is the single biggest driver of fund returns and should be set taking into account municipal risk tolerance. Also known as asset mix, it is the combination of asset classes in a fund and is normally shown as the percentage weights in each. Example asset classes are money market, Canadian bonds, global bonds, Canadian stocks and global stocks. Each of the ONE JIB Outcomes has an associated asset allocation that is designed to be appropriate for the intended investment Outcome.

Asset Mix: See Asset allocation.

Benchmark

The Benchmark is the standard against which investors compare their portfolio returns to understand its performance. Benchmark can be set either at the asset class level or for the overall portfolio. At the asset class level, benchmarks are usually chosen to represent the entire market; active managers seek to outperform their benchmarks by at least the amount of fees they charge.

For example, a typical benchmark for Canadian stocks is the S&P/TSX Composite Index which is calculated by Standard and Poor's (S&P) and for Canadian money market, the typical benchmark is the FTSE 182-Day Treasury Bill Index from the Financial Times Stock Exchange Group (FTSE). For a portfolio that aims to have risk halfway between these two asset classes, the total portfolio benchmark might be 50% S&P/TSX Composite Index and 50% FTSE 182-Day Treasury Bill Index.

Benchmark returns are always time weighted. (See Returns below for more detail on time weighted returns)

Blended Benchmark

A blended benchmark is a benchmark that is constructed from two or more underlying benchmarks. The weights of each underlying benchmark used in a blended benchmark remain constant over time.

Canadian Corporate Bond Fund

The ONE Investment Canadian Corporate Bond Fund holds short and mid-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Fund is 4.5 to 7.51 years. MFS aims to outperform the benchmark, which is:

- 48% FTSE Canada Universe All Government Bond Index +
- 40% FTSE Canada Short-Term Corporate A Index +
- 10% FTSE Canada Universe Corporate AAA/AA Index +
- 2% FTSE Canada 91-Day Treasury Bill Index.

Canadian Equity Fund

The ONE Canadian Equity Fund holds Canadian stocks managed by Guardian Capital. Guardian aims for below-market risk, achieved with a ONE-imposed constraint on the weight of Material and Energy sectors because of the expected above-market volatility of these sectors.

Canadian Government Bond Fund

This ONE Government Canadian Bond Fund holds short-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Bond Fund is 1.73 to 3.73 years. MFS aims to outperform the benchmark, which is:

- 95% FTSE Canada Short-Term Government Bond Index +
- 5% FTSE Canada 91-Day Treasury Bill Index.

Book Value

Book value is the Unit Cost of each holding multiplied by the number of units. It represents the amount originally paid to invest in the holding and takes into account all contributions and withdrawals.

CAD

This is a short form for “Canadian dollars”. Although the outcomes have exposure to foreign securities, all returns in the report reflect Canadian dollar-based returns. Foreign holdings will be impacted by movements in foreign currencies which may impact investment returns. This impact can be reduced by currency hedging strategies. The global equity exposure does not hedge currency exposure, but the global bond exposure may use hedging. The degree to which global bond exposure is hedged back to the Canadian dollar may vary and will reflect the currency hedging strategy of the external manager.

Consolidated Holdings

Consolidated holdings are the aggregate value of all investments with ONE Investment. Consolidated holdings detailed in this report only reflect MNRI balances invested in ONE Investment’s Prudent Investor Funds and HISA balances under the control of the ONE JIB. In certain cases, clients may hold ONE Investment Legal List portfolios or HISA which will not be reflected in consolidated holdings in this report. Additionally, ‘in-kind’ securities pledged to the ONE JIB will not be reflected in this report.

Discounts

Certain fee discounts apply for investors in the ONE Investment Prudent Investor offering. These discounts include a 4bps discount that applies to AUM of Founding Members, and ‘tier discounts’ that apply for any investors with balances in excess of certain thresholds. These discounts would not apply to HISA balances but would apply to balances in Legal List portfolios (if applicable). Discounts will be rebated to the municipalities on a quarterly basis. These discounts are not taken into consideration in the performance details in this investment report.

Distribution: a cash payment of interest or dividends made by ONE Investment from a fund.

Duration

This statistic applies to bonds and is similar in concept to term to maturity. The difference is that duration also takes into account the size and timing of interest payments. A bond with higher coupon payments will have a shorter duration than one with the same term to maturity and lower coupon payments: the reason is that the higher-coupon bond receives more of its return earlier. The higher the duration of a bond, the higher its sensitivity to interest rate movements.

Fees

Fees include all expenses involved in managing the fund: external investment manager fees, custody costs, ONE Investment's costs and administrative costs.

Global Bond Fund

The ONE Global Bond Fund is an unconstrained global bond mandate managed by Manulife Asset Management. The unconstrained nature of the mandate means that the fund will contain a mix of global government, corporate and securitized debt, including emerging markets and high-yield securities. The mandate is not constrained by sector or currency. Manulife aims to outperform the benchmark, which is Bloomberg Barclays Multiverse Index Unhedged.

Global Equity Fund

The ONE Global Equity Fund holds Global stocks managed by Mawer Investment Management. Mawer aims to outperform the benchmark, which is MSCI All Country World Index (ACWI). This mandate invests in both emerging and developed markets. Manager will allocate capital to the best global opportunities, which may include both large and small capitalization companies. This mandate is intended to be a broadly diversified portfolio of wealth-creating companies bought at discounts to their intrinsic values that typically employ a long-term holding period.

High Interest Savings Account (HISA)

This bank account is provided by CIBC. Its very short-term nature precludes it from being considered an investment. Interest income from HISA will be reflected only in the executive summary page as will a list of HISA transitions. As the HISA product is a demand deposit, its value of his does not fluctuate daily. In this way it differs from the ONE Investment fund whose price change in response to changes in the value of underlying investments. Returns for individual accounts holding HISA will not be presented in the report beyond what is disclosed in the executive summary. HISA balances held in the Prudent Investor Offering reflect MNRI and will be under the control of the ONE JIB.

Holdings: the ONE Investment funds or HISA Balances held in client accounts.

Inception Date

The inception is the first date that an investment was made. For each account, this will be the first time funds were transferred in; for funds offered by ONE Investment, it is the date the funds started. For ONE JIB Founders, the Inception date is July 2, 2020.

Income

Income is a cash flow generated by an investment and normally includes interest on bonds and dividends on stocks. It is differentiated from capital gains, which also contribute to returns, but which are not considered income.

Investment Manager

Investment managers are external firms hired by ONE Investment to create funds to our specifications. These are MFS Investment Management Canada for Canadian fixed income, Manulife Asset Management for global fixed income, Guardian Capital Group Ltd for Canadian equity, and Mawer Investment Management Ltd for global equity.

Market Value

The value of an investment at current market prices, calculated by multiplying the Price (defined below) by the number of units held.

ONE Joint Investment Board (ONE JIB)

The joint board established by founding municipalities as a municipal services board under section 202 of the Act as required under Part II of the Regulation, and is the duly appointed Joint Investment Board for the municipality, as constituted from time to time and acting pursuant to the Terms of Reference set out in the ONE JIB Agreement.

Outcome

Outcome means, in the context of the Investment Plan, the same thing as ‘solution’. Investment Outcomes are a set of investment allocations with varying risk/return characteristics. The Outcomes assigned to each municipal investor are intended to reflect the needs and circumstances of the municipality. ONE JIB has five pre-defined basic outcomes:

Cash:

The Cash Outcome is designed for investments with a time horizon of less than 3 years. Preservation of capital and liquidity are the highest priorities. Investments allocated to this outcome are expected to be transferred back to the care and control of the municipal treasurer when the funds are reclassified as MRI.

Contingency:

The Contingency outcome is designed for investing contingency reserves. The funds in this outcome may be drawn upon to meet unexpected needs and infrequent events. The investment horizon for this outcome is typically greater than 5 years, with an emphasis placed on long-term growth and preservation of purchasing power is a key consideration.

Asset Management Reserves:

The Asset Management Reserve Outcome is specifically designed for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to help fund asset management objectives. The long-term nature of asset management reserves allows this Outcome to emphasize long-term growth.

Stable Return:

The Stable Return Outcome is designed to provide an annual income while preserving the value of the principal investment. The principal amount is often invested in perpetuity with no intent to withdraw for the foreseeable future. This outcome is frequently used by municipalities looking to replace the income stream of a utility that has been sold, with some or all proceeds of the sale acting as the principal.

Target Date:

The Target Date Outcomes are designed for contributions toward planned capital projects. There are three target date designs for different time horizons: 3 to 5 years; 5 to 10 years; and greater than 10 years. For capital projects in the 3-to-5-year range, preservation of capital is prioritized. For projects in the 5-to-10-year range, emphasis is placed on inflation mitigation and meeting target funding requirements. For projects in the greater-than-10-year range, emphasis is placed on longer-term inflation adjusted growth.

Price

The price of ONE funds is the unit price at a point in time, also known as the net asset value, which is calculated daily by CIBC Mellon. This price takes into account the last traded prices of all securities held by the manager, the bid/ask spread where no recent trade is available and a daily accrual for all fees including investment management and administration.

Prudent Investor Standard

The standard requiring ONE JIB, when investing money under section 418.1 of the Act, to exercise the care, skill, diligence and judgement that a prudent investor would exercise in making such an investment but does not restrict the securities in which a municipality can invest. The Prudent Investor standard applies to the entire portfolio of Long-Term Funds under control of ONE JIB rather than to individual securities.

Quality

This statistic refers to the creditworthiness of bonds based on ratings provided by bond rating agencies such as S&P, DBRS, Fitch and Moody's. The highest quality bonds are rated AAA and range down from there to AA, A and BBB, all of which are investment grade ratings. Ratings below BBB are considered high yield. The lower a credit rating, the higher a bond's yield to maturity and commensurate risk of default on interest payments or principal. The credit rating on an entire fund is calculated as a weighted average.

Realized and Unrealized Gains

Capital gains reflect the movement in the Price of investments as they rise over time relative to their average Unit Cost. Negative gains are losses, meaning that the Price of the units in the account is lower than the average Price paid for them (Unit Cost). Because gains / losses are calculated based on net asset values, they are diminished by the amount of fees. (Please see Fees, Price and Unit Cost.)

- **Unrealized gains** exist “on paper” until the investment is sold in return for cash, at which point they become realized.
- **Realized gains** are generated by withdrawals from accounts during the time period in question based on the unit Price compared to the Unit Cost.

Returns

Returns measure the percentage increment in value generated by investments over a period of time. Unless otherwise noted, time-weighted total returns are reported here, which include all forms of income and capital gains. There are different aspects to return calculations explained below.

- **Calendar Year Return:** reflects the total return generated by investments in the specified year any between January 1 to December 31.
- **Annualized Returns:** the total return generated by investments in each year for holding periods greater than one year. Annualized returns are the geometric average over a multi-year period, meaning they represent the compound return. For periods of one year or less, the actual return is shown without the effect of compounding.
- Returns in this report are calculated net of fees based on the Prices of the ONE Investment funds. These are calculated daily by CIBC Mellon and take into account all fees and costs associated with managing the fund.
- Return details in this report do not account for fee discounts that may apply for some Prudent Investor clients.
- **Time-weighted returns:** returns in this report are time-weighted in order for them to be compared to the benchmarks. Time-weighted returns are calculated in a way that excludes the effect of the timing of contributions and withdrawals (cash flows) from the fund. (To capture the effect of cash flows and measure their impact on returns, investors would instead need use dollar-weighted return calculations.)

Unit Cost

Unit Cost is the weighted average Price paid for all the Fund units held in the account and reflects the impact of units bought and sold over time.

Unrealized Gains: Please see Realized and Unrealized Gains

Value Added: The return generated by an investment manager above (or below, if negative) the benchmark.

Year to Date: The time period beginning January 1 and ending at the most recent quarter end.

QUARTERLY INVESTMENT REPORT

For The Period Ended June 30, 2023

Whitby Prudent Investor Portfolio

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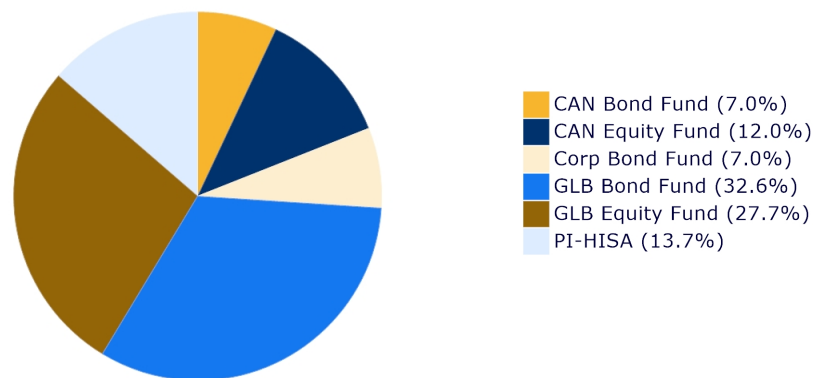
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Whitby Prudent Investor Portfolio
Executive Summary for the Quarter Ended June 30, 2023

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	1.5%	6.0%	10.2%	0.7%	-	-	3.5%	07/02/2020

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	10,599,639.01	2,010,000.00	371,000.00	(81,379.90)	-	12,157,259.11
CAN Equity Fund	24,383,755.10	388,000.00	4,709,000.00	780,395.62	-	20,843,150.72
Corp Bond Fund	10,280,439.38	2,200,000.00	228,000.00	(40,770.18)	-	12,211,669.20
GLB Bond Fund	48,933,765.76	10,023,443.81	2,157,000.00	(150,126.70)	-	56,650,082.87
GLB Equity Fund	56,652,597.85	902,000.00	11,285,000.00	1,820,320.21	-	48,089,918.06
PI-HISA	20,212,144.55	3,260,000.00	-	-	253,911.69	23,726,056.24
Total	171,062,341.65	18,783,443.81	18,750,000.00	2,328,439.05	253,911.69	173,678,136.20

**Whitby Prudent Investor Portfolio
Performance History At
June 30, 2023**

Performance by Fund

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	1.2	2.4	3.9	2.4	-	-	-	1.7	07/02/2020
ONE Canadian Equity Fund	3.5	9.6	17.0	2.6	-	-	-	12.6	07/02/2020
ONE Global Equity Fund	3.3	11.0	19.4	5.1	-	-	-	8.7	07/02/2020
ONE Canadian Corporate Bond Fund	-0.4	2.1	2.8	-3.1	-	-	-	-2.5	07/02/2020
ONE Canadian Government Bond Fund	-0.7	0.9	1.2	-1.7	-	-	-	-1.1	07/02/2020
ONE Global Bond Fund	-0.2	2.6	4.1	-2.9	-	-	-	-0.5	07/02/2020

Performance by Outcome

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
JIB1WHICONT	1.9	7.3	12.5	1.5	-	-	-	5.7	07/02/2020
JIB2WHITD35	0.3	3.1	5.1	-0.9	-	-	-	0.7	07/02/2020
JIB3WHITD510	1.6	6.5	11.1	0.9	-	-	-	4.6	07/02/2020
JIB4WHIAMR	3.0	9.8	17.2	3.7	-	-	-	8.9	07/02/2020
JIB5WHITD10P	2.5	8.5	14.8	2.5	-	-	-	7.2	07/02/2020
JIBWHICASH	1.2	2.4	3.9	-	-	-	-	3.7	06/13/2022

QUARTERLY REVIEW

During the second quarter of 2023, the Canadian equity markets moved modestly higher as the economic backdrop remained supportive and investor sentiment remained strong. The ONE Canadian Equity Fund generated returns of 3.5% in the quarter, outperforming the broader Canadian equity markets. During the quarter, inflation pressures continued to ease amidst signs of continued strength in the Canadian economy. This is a positive outcome that has helped bolster equity market performance. While some remain concerned about the prospects of a potential economic recession on the horizon, economic indicators remain quite robust.

For the second quarter in a row, the Information Technology sector has been the best-performing sector in the Canadian equity market, with returns of almost 17% in the quarter. The performance of Shopify, a large-cap e-commerce company, accounted for much of the sector's strength, with returns in excess of 30% in the quarter. The Fund has no allocation to Shopify and did not benefit from the strength of this stock. The fund's holdings in the Industrial sector fared much better, as Finning International, a dealer of construction equipment, had returns of 21.8%. As Finning International is one of the fund's largest holdings, representing over 4% of the fund, its performance has made a large contribution to overall fund returns.

One area of notable weakness in the Canadian equity markets was the Materials sector, which had returns of negative 6.9% in the quarter due to weak metal prices. The prices of some industrial metals, such as zinc, nickel, and aluminium, were sharply lower, while precious metals like silver and gold experienced more modest declines. The manager positions the fund with a significant underweight exposure to this sector, which helps reduce the volatility of the fund. This positioning limits the effect of the weakness of this sector on fund performance in the quarter.

QUARTERLY REVIEW

Global equity markets performed well in the second quarter, with the ONE Global Equity Fund producing returns of 3.3% in the quarter, modestly underperforming its benchmark. US equity markets performed better than most other regions during the quarter, with a rally in US stocks concentrated in large-market-cap technology stocks like Apple, Microsoft, and Nvidia. These stocks benefited from frenzied interest in Artificial Intelligence (AI) due to their anticipated long-term growth prospects. Fund performance did not fully participate in the strength of the Technology sectors due to an underweight sector allocation and stock selection that did not emphasize the AI theme.

During the quarter, most countries and regions other than the USA had modest returns, but Japanese stocks had strong returns as signs of inflation were welcomed by investors after three decades of low inflation or deflation. While the Japanese equity market was up over 18% in local currency terms, sharp weakness in the Japanese Yen offset most of the gains. The fund has fairly light exposure to Japanese equities. In contrast, returns were weak in the Asian Pacific, excluding Japan, as Chinese economic growth disappointed. The Chinese and Hong Kong markets were particularly weak in the quarter. The fund has minimal exposure to stocks in this region.

The outlook for inflation and how it factors into the interest rate policy of central banks remains the key consideration for the market outlook. The current term structure of interest rates indicates a high probability of recession on the horizon, and there remains considerable uncertainty about the path of future inflation and interest rates, suggesting notable risks for the market outlook. The manager's emphasis on bottom-up security analysis to guide security selection seeks to invest in firms that have good long-term prospects. This means that the fund tends to focus on long-term returns from holdings rather than taking a view on current market themes and the near-term outlook.

QUARTERLY REVIEW

Global bond markets had mixed performance during the quarter as central banks continued to raise their short-term policy interest rates across western economies. During the quarter, all three ONE Investment bond funds had modestly negative performance in response to rising North American interest rates. The ONE Canadian Bond Fund and ONE Canadian Corporate Bond Fund had returns of -0.7% and -0.4%, respectively, in the quarter, while the ONE Global Bond Fund had returns of -0.2%. All three bond funds outperformed their benchmarks in the quarter, with the ONE Global Fund outperforming by more than 3%, due primarily to its currency hedges that offset the effect of a stronger Canadian dollar.

Overall bond yields were relatively unchanged in the Eurozone as the pace of rate hikes by the European Central Bank slowed, but in North America, bond prices fell on the back of further central bank rate hikes. In the UK, Bond yields moved notably higher, with the 10-year sovereign bond yield increasing by almost 0.9% in the quarter. Inflation remains stubbornly high in the UK, leading to larger rate hikes by the Bank of England during the quarter.

In Asia, the tone of the bond markets was different. While Japanese Bond prices tended to be relatively flat in the quarter, other parts of Asia-Pacific tended to have better performance, responding to interest rate cuts by the Bank of China. A slower than anticipated post-covid recovery in China has led to policy action to bolster economic growth that has had a positive impact on regional bonds.

Inflation remains a dominant theme as the market attempts to assess the trajectory of interest rates. Inflation rates have been declining steadily since the 2022 peaks in the US and Canada, which has given some hope that rate cuts may be on the horizon, but the most recent inflation figures remain above the 2% level that central banks typically target. Further evidence of inflation pressures will be required before central banks can consider cutting rates.

Whitby Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of June 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	23,726,056.240	1.00	23,726,056.24	1.00	23,726,056.24	13.66%
CAN Equity Fund	15,978.643	1,115.25	17,820,191.43	1,304.43	20,843,150.72	12.00%
GLB Equity Fund	40,797.067	1,055.35	43,055,533.51	1,178.75	48,089,918.06	27.69%
Corp Bond Fund	13,617.010	968.48	13,187,813.80	896.79	12,211,669.20	7.03%
CAN Bond Fund	12,936.600	974.15	12,602,263.37	939.75	12,157,259.11	7.00%
GLB Bond Fund	65,263.095	966.87	63,101,057.77	868.02	56,650,082.87	32.62%
					173,678,136.20	100.00%

**Whitby Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Whitby - Contingency Outcome
Account Number: 570050112**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	776.02	923.12	716,360.68	896.79	695,931.01	5.9%	(2,430.93)	0.00
CAN Equity Fund	1,618.89	1,084.36	1,755,464.24	1,304.43	2,111,741.80	18.1%	71,699.14	0.00
CAN Bond Fund	739.84	952.66	704,827.96	939.75	695,278.20	5.9%	(4,509.29)	0.00
GLB Bond Fund	3,731.76	918.72	3,428,447.65	868.02	3,239,266.69	27.9%	(8,578.84)	0.00
GLB Equity Fund	4,131.53	1,009.73	4,171,771.51	1,178.75	4,870,082.53	41.9%	157,229.02	0.00
			<u>10,776,872.04</u>		<u>11,612,300.23</u>	100.0%	213,409.10	0.00

**Whitby Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.9	7.3	12.5	1.5	-	-	-	5.7	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-9.2	12.7	-	-	-

Whitby Prudent Investor Portfolio
Holdings by Account
At June 30, 2023

Account Name: Whitby - Target Date 3 to 5 Year Outcome
Account Number: 570050120

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	13,335,936.72	1.00	13,335,936.72	1.00	13,335,936.72	19.9%	0.00	125,006.89
Corp Bond Fund	7,860.80	962.49	7,565,950.99	896.79	7,049,528.60	10.5%	(15,165.69)	0.00
CAN Equity Fund	1,556.52	1,059.32	1,648,871.54	1,304.43	2,030,389.21	3.0%	66,244.77	0.00
CAN Bond Fund	7,465.25	971.71	7,254,090.45	939.75	7,015,525.84	10.5%	(38,463.62)	0.00
GLB Bond Fund	37,645.48	956.76	36,017,925.33	868.02	32,677,272.79	48.9%	(80,692.52)	0.00
GLB Equity Fund	3,977.72	1,036.78	4,124,044.88	1,178.75	4,688,783.48	7.0%	134,878.34	0.00
			<u>69,946,819.91</u>		<u>66,797,436.64</u>	100.0%	66,801.28	125,006.89

Whitby Prudent Investor Portfolio
Performance History
At June 30, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	0.3	3.1	5.1	-0.9	-	-	-	0.7	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-6.2	2.0	-	-	-

**Whitby Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Whitby - Target Date 5 to 10 Year Outcome
Account Number: 570050138**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	3,583.58	990.96	3,551,216.23	896.79	3,213,739.14	7.5%	(15,942.92)	0.00
CAN Equity Fund	4,956.77	1,022.16	5,066,639.64	1,304.43	6,465,808.77	15.1%	246,345.01	0.00
CAN Bond Fund	3,402.86	983.83	3,347,860.69	939.75	3,197,863.04	7.4%	(26,893.48)	0.00
GLB Bond Fund	17,181.28	992.91	17,059,619.28	868.02	14,913,809.85	34.9%	(43,262.47)	0.00
GLB Equity Fund	12,660.00	1,009.56	12,781,122.78	1,178.75	14,923,091.47	34.9%	576,699.55	0.00
			<u>41,806,458.62</u>		<u>42,714,312.27</u>	100.0%	<u>736,945.69</u>	<u>0.00</u>

**Whitby Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.6	6.5	11.1	0.9	-	-	-	4.6	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-8.9	10.5	-	-	-

**Whitby Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Whitby - Asset Management Reserve Outcome
Account Number: 570050146**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	245.39	919.79	225,711.03	896.79	220,068.16	1.5%	(1,566.67)	0.00
CAN Equity Fund	3,058.75	1,207.96	3,694,868.99	1,304.43	3,989,956.56	27.2%	160,827.94	0.00
CAN Bond Fund	233.55	952.25	222,400.30	939.75	219,482.10	1.5%	(2,231.77)	0.00
GLB Bond Fund	1,178.96	928.74	1,094,956.19	868.02	1,023,374.36	6.9%	(3,207.21)	0.00
GLB Equity Fund	7,811.01	1,082.20	8,453,157.57	1,178.75	9,207,308.15	62.8%	401,223.86	0.00
			<u>13,691,094.08</u>		<u>14,660,189.33</u>	100.0%	555,046.15	0.00

**Whitby Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	3.0	9.8	17.2	3.7	-	-	-	8.9	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-9.7	19.2	-	-	-

**Whitby Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

**Account Name: Whitby - Target Date 10 Year Plus Outcome
Account Number: 570050153**

**For the Quarter Ending
June 30, 2023**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	1,151.21	980.33	1,128,574.87	896.79	1,032,402.29	3.7%	(5,663.97)	0.00
CAN Equity Fund	4,787.69	1,181.01	5,654,347.02	1,304.43	6,245,254.38	22.7%	235,278.76	0.00
CAN Bond Fund	1,095.08	979.91	1,073,083.97	939.75	1,029,109.93	3.7%	(9,281.74)	0.00
GLB Bond Fund	5,525.59	995.38	5,500,109.32	868.02	4,796,359.18	17.4%	(14,385.66)	0.00
GLB Equity Fund	12,216.78	1,107.11	13,525,436.77	1,178.75	14,400,652.43	52.3%	550,289.44	0.00
			<u>26,881,551.95</u>		<u>27,503,778.21</u>	100.0%	756,236.83	0.00

**Whitby Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.5	8.5	14.8	2.5	-	-	-	7.2	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-9.4	15.8	-	-	-

**Whitby Prudent Investor Portfolio
Holdings by Account
At June 30, 2023**

Account Name: Whitby - Cash Outcome
Account Number: 9021944312

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	10,390,119.52	1.00	10,390,119.52	1.00	10,390,119.52	100.0%	0.00	128,904.80
			<u>10,390,119.52</u>		<u>10,390,119.52</u>	<u>100.0%</u>	<u>0.00</u>	<u>128,904.80</u>

**Whitby Prudent Investor Portfolio
Performance History
At June 30, 2023**

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	1.2	2.4	3.9	-	-	-	-	3.7	06/13/2022

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-	-	-	-	-

Whitby Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Whitby - Contingency Outcome
Account Number: 570050112

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	06/20/2023	06/20/2023	117.16	110,000.00
Buy	Corp Bond Fund	06/20/2023	06/20/2023	111.94	100,000.00
Buy	GLB Bond Fund	06/20/2023	06/20/2023	506.05	440,000.00
Buy	CAN Equity Fund	06/20/2023	06/20/2023	76.75	98,000.00
Buy	GLB Equity Fund	06/20/2023	06/20/2023	87.36	102,000.00

Whitby Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Whitby - Target Date 3 to 5 Year Outcome

Account Number: 570050120

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	06/20/2023	06/20/2023	2,023.82	1,900,000.00
Buy	Corp Bond Fund	06/20/2023	06/20/2023	2,350.90	2,100,000.00
Buy	GLB Bond Fund	06/20/2023	06/20/2023	10,983.77	9,550,000.00
Buy	CAN Equity Fund	06/20/2023	06/20/2023	227.11	290,000.00
Buy	GLB Equity Fund	06/20/2023	06/20/2023	685.18	800,000.00
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	41,951.30	41,951.30
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	40,756.34	40,756.34
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	42,299.25	42,299.25
Transfer In	PI-HISA	06/22/2023	06/22/2023	3,260,000.00	3,260,000.00

Whitby Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Whitby - Target Date 5 to 10 Year Outcome
Account Number: 570050138

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Sell	CAN Bond Fund	06/20/2023	06/20/2023	197.05	185,000.00
Sell	Corp Bond Fund	06/20/2023	06/20/2023	89.55	80,000.00
Sell	GLB Bond Fund	06/20/2023	06/20/2023	1,449.16	1,260,000.00
Sell	CAN Equity Fund	06/20/2023	06/20/2023	1,292.21	1,650,000.00
Sell	GLB Equity Fund	06/20/2023	06/20/2023	3,190.38	3,725,000.00

Whitby Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Whitby - Asset Management Reserve Outcome

Account Number: 570050146

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Sell	CAN Bond Fund	06/20/2023	06/20/2023	59.65	56,000.00
Sell	Corp Bond Fund	06/20/2023	06/20/2023	67.16	60,000.00
Sell	GLB Bond Fund	06/20/2023	06/20/2023	339.28	295,000.00
Sell	CAN Equity Fund	06/20/2023	06/20/2023	1,299.26	1,659,000.00
Sell	GLB Equity Fund	06/20/2023	06/20/2023	3,622.91	4,230,000.00

Whitby Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Whitby - Target Date 10 Year Plus Outcome
Account Number: 570050153

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	GLB Bond Fund	05/04/2023	05/04/2023	38.13	33,443.81
Sell	CAN Bond Fund	06/20/2023	06/20/2023	138.47	130,000.00
Sell	Corp Bond Fund	06/20/2023	06/20/2023	98.51	88,000.00
Sell	GLB Bond Fund	06/20/2023	06/20/2023	692.38	602,000.00
Sell	CAN Equity Fund	06/20/2023	06/20/2023	1,096.42	1,400,000.00
Sell	GLB Equity Fund	06/20/2023	06/20/2023	2,852.07	3,330,000.00

Whitby Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Whitby - Cash Outcome

Account Number: 9021944312

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	43,259.41	43,259.41
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	42,027.19	42,027.19
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	43,618.20	43,618.20

**Whitby Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
June 30, 2023**

In accordance with the terms of section 8.02 of the ONEJIB Agreement dated as of July 2, 2020 (the "ONE JIB Agreement") ONE Investment confirms as follows:

With respect to the quarter ended June 30, 2023 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

A handwritten signature in black ink that reads "Keith Taylor".

Keith Taylor, Chief Investment Officer, ONE Investment
On the behalf of the ONE Joint Investment Board

APPENDIX

**The Town of Whitby
Pledged to ONE JIB
As at June 30 2023**

• **Fixed Income**

Fixed Income

BNS TSX LOW VLTY INDX DEP NTS S32 PP DSC (341) MAT DT: 01/03/2024 - SSP341 Deferred Sales Charge	10,000.00	100.000	1,000,000.00	123.410	1,234,100.00
<hr style="border-top: 1px dashed black;"/>					
Fixed Income Subtotal			1,000,000.00		1,234,100.00
<hr style="border-top: 1px dashed black;"/>					
Subtotal			1,000,000.00		1,234,100.00

ONE JIB - Outcome Framework - Target Allocations

Outcome							<u>Allocation</u>			
	HISA	Canadian Equity Fund	Global Equity Fund	Canadian Government Bond Fund	Canadian Corporate Bond Fund	Global Bond Fund	Equity	Fixed Income	Cash	Total
Cash	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%			100.0%	100%
Stable Return	10.0%	9.0%	21.0%	9.0%	9.0%	42.0%	30.0%	60.0%	10.0%	100%
Contingency	0.0%	18.0%	42.0%	6.0%	6.0%	28.0%	60.0%	40.0%		100%
Asset Management	0.0%	27.0%	63.0%	1.5%	1.5%	7.0%	90.0%	10.0%		100%
Target Date 3-5	20.0%	3.0%	7.0%	10.5%	10.5%	49.0%	10.0%	70.0%	20.0%	100%
Target Date 5-10	0.0%	15.0%	35.0%	7.5%	7.5%	35.0%	50.0%	50.0%		100%
Target Date 10+	0.0%	22.5%	52.5%	3.75%	3.75%	17.5%	75.0%	25.0%		100%

ONE JIB - Outcome Framework - Defined

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon	Allocation		
					Equity	Fixed Income	Cash
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years			100%
Stable Return	Stable Return	Income generation: To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)	30%	60%	10%
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk, emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)	60%	40%	
	Asset mgt reserves	Contributions to generate returns to fund asset management reserves	Higher risk, emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)	90%	10%	
Target Date	Target Date 3-5 yrs.	Preservation of capital	Low risk; high liquidity	3 - 5 years	10%	70%	20%
	Target Date 5-10 yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 - 10 years	50%	50%	
	Target Date 10+ yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long term inflation-adjusted growth	> 10 years	75%	25%	

Glossary and Definitions for Quarterly Reports

Account

ONE Investment clients have one or more custodial accounts. All Prudent Investor Funds will be administered with ONE Investment's custodian, CIBC Mellon. Unlike Legal List accounts, MNRI invested in the ONE Investment Prudent Investor Funds will be under the control of the ONE Joint Investment Board. In most cases, the Prudent Investor clients will have multiple accounts with the custodian, with the account structure based on the investment outcomes assigned to each client. This will allow reporting to the municipal client based on the investment outcome framework.

Annual and Annualized Returns: please see Returns below.

Asset Allocation

Asset allocation is the single biggest driver of fund returns and should be set taking into account municipal risk tolerance. Also known as asset mix, it is the combination of asset classes in a fund and is normally shown as the percentage weights in each. Example asset classes are money market, Canadian bonds, global bonds, Canadian stocks and global stocks. Each of the ONE JIB Outcomes has an associated asset allocation that is designed to be appropriate for the intended investment Outcome.

Asset Mix: See Asset allocation.

Benchmark

The Benchmark is the standard against which investors compare their portfolio returns to understand its performance. Benchmark can be set either at the asset class level or for the overall portfolio. At the asset class level, benchmarks are usually chosen to represent the entire market; active managers seek to outperform their benchmarks by at least the amount of fees they charge.

For example, a typical benchmark for Canadian stocks is the S&P/TSX Composite Index which is calculated by Standard and Poor's (S&P) and for Canadian money market, the typical benchmark is the FTSE 182-Day Treasury Bill Index from the Financial Times Stock Exchange Group (FTSE). For a portfolio that aims to have risk halfway between these two asset classes, the total portfolio benchmark might be 50% S&P/TSX Composite Index and 50% FTSE 182-Day Treasury Bill Index.

Benchmark returns are always time weighted. (See Returns below for more detail on time weighted returns)

Blended Benchmark

A blended benchmark is a benchmark that is constructed from two or more underlying benchmarks. The weights of each underlying benchmark used in a blended benchmark remain constant over time.

Canadian Corporate Bond Fund

The ONE Investment Canadian Corporate Bond Fund holds short and mid-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Fund is 4.5 to 7.51 years. MFS aims to outperform the benchmark, which is:

- 48% FTSE Canada Universe All Government Bond Index +
- 40% FTSE Canada Short-Term Corporate A Index +
- 10% FTSE Canada Universe Corporate AAA/AA Index +
- 2% FTSE Canada 91-Day Treasury Bill Index.

Canadian Equity Fund

The ONE Canadian Equity Fund holds Canadian stocks managed by Guardian Capital. Guardian aims for below-market risk, achieved with a ONE-imposed constraint on the weight of Material and Energy sectors because of the expected above-market volatility of these sectors.

Canadian Government Bond Fund

This ONE Government Canadian Bond Fund holds short-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Bond Fund is 1.73 to 3.73 years. MFS aims to outperform the benchmark, which is:

- 95% FTSE Canada Short-Term Government Bond Index +
- 5% FTSE Canada 91-Day Treasury Bill Index.

Book Value

Book value is the Unit Cost of each holding multiplied by the number of units. It represents the amount originally paid to invest in the holding and takes into account all contributions and withdrawals.

CAD

This is a short form for “Canadian dollars”. Although the outcomes have exposure to foreign securities, all returns in the report reflect Canadian dollar-based returns. Foreign holdings will be impacted by movements in foreign currencies which may impact investment returns. This impact can be reduced by currency hedging strategies. The global equity exposure does not hedge currency exposure, but the global bond exposure may use hedging. The degree to which global bond exposure is hedged back to the Canadian dollar may vary and will reflect the currency hedging strategy of the external manager.

Consolidated Holdings

Consolidated holdings are the aggregate value of all investments with ONE Investment. Consolidated holdings detailed in this report only reflect MNRI balances invested in ONE Investment’s Prudent Investor Funds and HISA balances under the control of the ONE JIB. In certain cases, clients may hold ONE Investment Legal List portfolios or HISA which will not be reflected in consolidated holdings in this report. Additionally, ‘in-kind’ securities pledged to the ONE JIB will not be reflected in this report.

Discounts

Certain fee discounts apply for investors in the ONE Investment Prudent Investor offering. These discounts include a 4bps discount that applies to AUM of Founding Members, and ‘tier discounts’ that apply for any investors with balances in excess of certain thresholds. These discounts would not apply to HISA balances but would apply to balances in Legal List portfolios (if applicable). Discounts will be rebated to the municipalities on a quarterly basis. These discounts are not taken into consideration in the performance details in this investment report.

Distribution: a cash payment of interest or dividends made by ONE Investment from a fund.

Duration

This statistic applies to bonds and is similar in concept to term to maturity. The difference is that duration also takes into account the size and timing of interest payments. A bond with higher coupon payments will have a shorter duration than one with the same term to maturity and lower coupon payments: the reason is that the higher-coupon bond receives more of its return earlier. The higher the duration of a bond, the higher its sensitivity to interest rate movements.

Fees

Fees include all expenses involved in managing the fund: external investment manager fees, custody costs, ONE Investment's costs and administrative costs.

Global Bond Fund

The ONE Global Bond Fund is an unconstrained global bond mandate managed by Manulife Asset Management. The unconstrained nature of the mandate means that the fund will contain a mix of global government, corporate and securitized debt, including emerging markets and high-yield securities. The mandate is not constrained by sector or currency. Manulife aims to outperform the benchmark, which is Bloomberg Barclays Multiverse Index Unhedged.

Global Equity Fund

The ONE Global Equity Fund holds Global stocks managed by Mawer Investment Management. Mawer aims to outperform the benchmark, which is MSCI All Country World Index (ACWI). This mandate invests in both emerging and developed markets. Manager will allocate capital to the best global opportunities, which may include both large and small capitalization companies. This mandate is intended to be a broadly diversified portfolio of wealth-creating companies bought at discounts to their intrinsic values that typically employ a long-term holding period.

High Interest Savings Account (HISA)

This bank account is provided by CIBC. Its very short-term nature precludes it from being considered an investment. Interest income from HISA will be reflected only in the executive summary page as will a list of HISA transitions. As the HISA product is a demand deposit, its value of his does not fluctuate daily. In this way it differs from the ONE Investment fund whose price change in response to changes in the value of underlying investments. Returns for individual accounts holding HISA will not be presented in the report beyond what is disclosed in the executive summary. HISA balances held in the Prudent Investor Offering reflect MNRI and will be under the control of the ONE JIB.

Holdings: the ONE Investment funds or HISA Balances held in client accounts.

Inception Date

The inception is the first date that an investment was made. For each account, this will be the first time funds were transferred in; for funds offered by ONE Investment, it is the date the funds started. For ONE JIB Founders, the Inception date is July 2, 2020.

Income

Income is a cash flow generated by an investment and normally includes interest on bonds and dividends on stocks. It is differentiated from capital gains, which also contribute to returns, but which are not considered income.

Investment Manager

Investment managers are external firms hired by ONE Investment to create funds to our specifications. These are MFS Investment Management Canada for Canadian fixed income, Manulife Asset Management for global fixed income, Guardian Capital Group Ltd for Canadian equity, and Mawer Investment Management Ltd for global equity.

Market Value

The value of an investment at current market prices, calculated by multiplying the Price (defined below) by the number of units held.

ONE Joint Investment Board (ONE JIB)

The joint board established by founding municipalities as a municipal services board under section 202 of the Act as required under Part II of the Regulation, and is the duly appointed Joint Investment Board for the municipality, as constituted from time to time and acting pursuant to the Terms of Reference set out in the ONE JIB Agreement.

Outcome

Outcome means, in the context of the Investment Plan, the same thing as ‘solution’. Investment Outcomes are a set of investment allocations with varying risk/return characteristics. The Outcomes assigned to each municipal investor are intended to reflect the needs and circumstances of the municipality. ONE JIB has five pre-defined basic outcomes:

Cash:

The Cash Outcome is designed for investments with a time horizon of less than 3 years. Preservation of capital and liquidity are the highest priorities. Investments allocated to this outcome are expected to be transferred back to the care and control of the municipal treasurer when the funds are reclassified as MRI.

Contingency:

The Contingency outcome is designed for investing contingency reserves. The funds in this outcome may be drawn upon to meet unexpected needs and infrequent events. The investment horizon for this outcome is typically greater than 5 years, with an emphasis placed on long-term growth and preservation of purchasing power is a key consideration.

Asset Management Reserves:

The Asset Management Reserve Outcome is specifically designed for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to help fund asset management objectives. The long-term nature of asset management reserves allows this Outcome to emphasize long-term growth.

Stable Return:

The Stable Return Outcome is designed to provide an annual income while preserving the value of the principal investment. The principal amount is often invested in perpetuity with no intent to withdraw for the foreseeable future. This outcome is frequently used by municipalities looking to replace the income stream of a utility that has been sold, with some or all proceeds of the sale acting as the principal.

Target Date:

The Target Date Outcomes are designed for contributions toward planned capital projects. There are three target date designs for different time horizons: 3 to 5 years; 5 to 10 years; and greater than 10 years. For capital projects in the 3-to-5-year range, preservation of capital is prioritized. For projects in the 5-to-10-year range, emphasis is placed on inflation mitigation and meeting target funding requirements. For projects in the greater-than-10-year range, emphasis is placed on longer-term inflation adjusted growth.

Price

The price of ONE funds is the unit price at a point in time, also known as the net asset value, which is calculated daily by CIBC Mellon. This price takes into account the last traded prices of all securities held by the manager, the bid/ask spread where no recent trade is available and a daily accrual for all fees including investment management and administration.

Prudent Investor Standard

The standard requiring ONE JIB, when investing money under section 418.1 of the Act, to exercise the care, skill, diligence and judgement that a prudent investor would exercise in making such an investment but does not restrict the securities in which a municipality can invest. The Prudent Investor standard applies to the entire portfolio of Long-Term Funds under control of ONE JIB rather than to individual securities.

Quality

This statistic refers to the creditworthiness of bonds based on ratings provided by bond rating agencies such as S&P, DBRS, Fitch and Moody's. The highest quality bonds are rated AAA and range down from there to AA, A and BBB, all of which are investment grade ratings. Ratings below BBB are considered high yield. The lower a credit rating, the higher a bond's yield to maturity and commensurate risk of default on interest payments or principal. The credit rating on an entire fund is calculated as a weighted average.

Realized and Unrealized Gains

Capital gains reflect the movement in the Price of investments as they rise over time relative to their average Unit Cost. Negative gains are losses, meaning that the Price of the units in the account is lower than the average Price paid for them (Unit Cost). Because gains / losses are calculated based on net asset values, they are diminished by the amount of fees. (Please see Fees, Price and Unit Cost.)

- **Unrealized gains** exist “on paper” until the investment is sold in return for cash, at which point they become realized.
- **Realized gains** are generated by withdrawals from accounts during the time period in question based on the unit Price compared to the Unit Cost.

Returns

Returns measure the percentage increment in value generated by investments over a period of time. Unless otherwise noted, time-weighted total returns are reported here, which include all forms of income and capital gains. There are different aspects to return calculations explained below.

- **Calendar Year Return:** reflects the total return generated by investments in the specified year any between January 1 to December 31.
- **Annualized Returns:** the total return generated by investments in each year for holding periods greater than one year. Annualized returns are the geometric average over a multi-year period, meaning they represent the compound return. For periods of one year or less, the actual return is shown without the effect of compounding.
- Returns in this report are calculated net of fees based on the Prices of the ONE Investment funds. These are calculated daily by CIBC Mellon and take into account all fees and costs associated with managing the fund.
- Return details in this report do not account for fee discounts that may apply for some Prudent Investor clients.
- **Time-weighted returns:** returns in this report are time-weighted in order for them to be compared to the benchmarks. Time-weighted returns are calculated in a way that excludes the effect of the timing of contributions and withdrawals (cash flows) from the fund. (To capture the effect of cash flows and measure their impact on returns, investors would instead need use dollar-weighted return calculations.)

Unit Cost

Unit Cost is the weighted average Price paid for all the Fund units held in the account and reflects the impact of units bought and sold over time.

Unrealized Gains: Please see Realized and Unrealized Gains

Value Added: The return generated by an investment manager above (or below, if negative) the benchmark.

Year to Date: The time period beginning January 1 and ending at the most recent quarter end.

QUARTERLY INVESTMENT REPORT

For The Period Ended June 30, 2023

Kenora CPTF - Prudent Investor Portfolio

1 Main Street South
Kenora, ON
P9N 3X2

Marsh, Ryan
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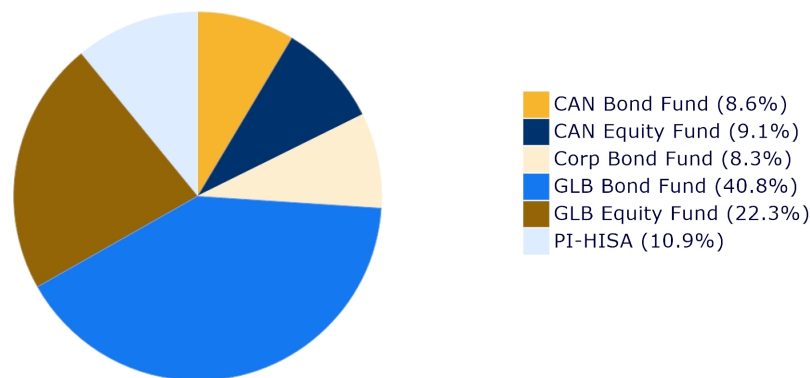
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Kenora CPTF - Prudent Investor Portfolio
Executive Summary for the Quarter Ended June 30, 2023

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	0.9%	4.8%	7.9%	-0.0%	-	-	2.7%	07/02/2020

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	3,217,064.00	-	-	(25,198.48)	-	3,191,865.52
CAN Equity Fund	3,285,692.02	-	-	117,726.56	-	3,403,418.58
Corp Bond Fund	3,122,971.93	-	-	(14,746.13)	-	3,108,225.80
GLB Bond Fund	15,003,408.67	241,924.53	-	(43,055.64)	-	15,202,277.56
GLB Equity Fund	8,034,787.68	-	-	272,280.85	-	8,307,068.53
PI-HISA	4,015,734.07	-	-	-	50,446.99	4,066,181.06
Total	36,679,658.37	241,924.53	0.00	307,007.16	50,446.99	37,279,037.05

Kenora CPTF - Prudent Investor Portfolio
Performance History At
June 30, 2023

Performance by Fund

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	1.2	2.4	4.0	2.4	-	-	-	1.8	07/02/2020
ONE Canadian Equity Fund	3.5	9.6	17.0	2.6	-	-	-	12.6	07/02/2020
ONE Global Equity Fund	3.3	11.0	19.4	5.1	-	-	-	8.7	07/02/2020
ONE Canadian Corporate Bond Fund	-0.4	2.1	2.8	-3.1	-	-	-	-2.5	07/02/2020
ONE Canadian Government Bond Fund	-0.7	0.9	1.2	-1.7	-	-	-	-1.1	07/02/2020
ONE Global Bond Fund	-0.2	2.6	4.1	-2.9	-	-	-	-0.5	07/02/2020

Performance by Outcome

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
JIB2KENCSTAB	0.9	4.8	7.9	-0.0	-	-	-	2.7	07/02/2020

QUARTERLY REVIEW

During the second quarter of 2023, the Canadian equity markets moved modestly higher as the economic backdrop remained supportive and investor sentiment remained strong. The ONE Canadian Equity Fund generated returns of 3.5% in the quarter, outperforming the broader Canadian equity markets. During the quarter, inflation pressures continued to ease amidst signs of continued strength in the Canadian economy. This is a positive outcome that has helped bolster equity market performance. While some remain concerned about the prospects of a potential economic recession on the horizon, economic indicators remain quite robust.

For the second quarter in a row, the Information Technology sector has been the best-performing sector in the Canadian equity market, with returns of almost 17% in the quarter. The performance of Shopify, a large-cap e-commerce company, accounted for much of the sector's strength, with returns in excess of 30% in the quarter. The Fund has no allocation to Shopify and did not benefit from the strength of this stock. The fund's holdings in the Industrial sector fared much better, as Finning International, a dealer of construction equipment, had returns of 21.8%. As Finning International is one of the fund's largest holdings, representing over 4% of the fund, its performance has made a large contribution to overall fund returns.

One area of notable weakness in the Canadian equity markets was the Materials sector, which had returns of negative 6.9% in the quarter due to weak metal prices. The prices of some industrial metals, such as zinc, nickel, and aluminium, were sharply lower, while precious metals like silver and gold experienced more modest declines. The manager positions the fund with a significant underweight exposure to this sector, which helps reduce the volatility of the fund. This positioning limits the effect of the weakness of this sector on fund performance in the quarter.

QUARTERLY REVIEW

Global equity markets performed well in the second quarter, with the ONE Global Equity Fund producing returns of 3.3% in the quarter, modestly underperforming its benchmark. US equity markets performed better than most other regions during the quarter, with a rally in US stocks concentrated in large-market-cap technology stocks like Apple, Microsoft, and Nvidia. These stocks benefited from frenzied interest in Artificial Intelligence (AI) due to their anticipated long-term growth prospects. Fund performance did not fully participate in the strength of the Technology sectors due to an underweight sector allocation and stock selection that did not emphasize the AI theme.

During the quarter, most countries and regions other than the USA had modest returns, but Japanese stocks had strong returns as signs of inflation were welcomed by investors after three decades of low inflation or deflation. While the Japanese equity market was up over 18% in local currency terms, sharp weakness in the Japanese Yen offset most of the gains. The fund has fairly light exposure to Japanese equities. In contrast, returns were weak in the Asian Pacific, excluding Japan, as Chinese economic growth disappointed. The Chinese and Hong Kong markets were particularly weak in the quarter. The fund has minimal exposure to stocks in this region.

The outlook for inflation and how it factors into the interest rate policy of central banks remains the key consideration for the market outlook. The current term structure of interest rates indicates a high probability of recession on the horizon, and there remains considerable uncertainty about the path of future inflation and interest rates, suggesting notable risks for the market outlook. The manager's emphasis on bottom-up security analysis to guide security selection seeks to invest in firms that have good long-term prospects. This means that the fund tends to focus on long-term returns from holdings rather than taking a view on current market themes and the near-term outlook.

QUARTERLY REVIEW

Global bond markets had mixed performance during the quarter as central banks continued to raise their short-term policy interest rates across western economies. During the quarter, all three ONE Investment bond funds had modestly negative performance in response to rising North American interest rates. The ONE Canadian Bond Fund and ONE Canadian Corporate Bond Fund had returns of -0.7% and -0.4%, respectively, in the quarter, while the ONE Global Bond Fund had returns of -0.2%. All three bond funds outperformed their benchmarks in the quarter, with the ONE Global Fund outperforming by more than 3%, due primarily to its currency hedges that offset the effect of a stronger Canadian dollar.

Overall bond yields were relatively unchanged in the Eurozone as the pace of rate hikes by the European Central Bank slowed, but in North America, bond prices fell on the back of further central bank rate hikes. In the UK, Bond yields moved notably higher, with the 10-year sovereign bond yield increasing by almost 0.9% in the quarter. Inflation remains stubbornly high in the UK, leading to larger rate hikes by the Bank of England during the quarter.

In Asia, the tone of the bond markets was different. While Japanese Bond prices tended to be relatively flat in the quarter, other parts of Asia-Pacific tended to have better performance, responding to interest rate cuts by the Bank of China. A slower than anticipated post-covid recovery in China has led to policy action to bolster economic growth that has had a positive impact on regional bonds.

Inflation remains a dominant theme as the market attempts to assess the trajectory of interest rates. Inflation rates have been declining steadily since the 2022 peaks in the US and Canada, which has given some hope that rate cuts may be on the horizon, but the most recent inflation figures remain above the 2% level that central banks typically target. Further evidence of inflation pressures will be required before central banks can consider cutting rates.

Kenora CPTF - Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of June 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	4,066,181.060	1.00	4,066,181.06	1.00	4,066,181.06	10.91%
CAN Equity Fund	2,609.107	1,075.57	2,806,299.94	1,304.43	3,403,418.58	9.13%
GLB Equity Fund	7,047.299	1,060.57	7,474,192.33	1,178.75	8,307,068.53	22.28%
Corp Bond Fund	3,465.926	983.60	3,409,115.04	896.79	3,108,225.80	8.34%
CAN Bond Fund	3,396.480	981.27	3,332,877.96	939.75	3,191,865.52	8.56%
GLB Bond Fund	17,513.614	991.67	17,367,847.06	868.02	15,202,277.56	40.78%
					37,279,037.05	100.00%

Kenora CPTF - Prudent Investor Portfolio
Holdings by Account
At June 30, 2023

Account Name: Kenora - Stable Return Outcome
Account Number: 570050179

For the Quarter Ending
June 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	4,066,181.06	1.00	4,066,181.06	1.00	4,066,181.06	10.9%	0.00	50,446.99
Corp Bond Fund	3,465.92	983.60	3,409,115.04	896.79	3,108,225.80	8.3%	(14,746.13)	0.00
CAN Equity Fund	2,609.10	1,075.57	2,806,299.94	1,304.43	3,403,418.58	9.1%	117,726.56	0.00
CAN Bond Fund	3,396.48	981.27	3,332,877.96	939.75	3,191,865.52	8.5%	(25,198.48)	0.00
GLB Bond Fund	17,513.61	991.67	17,367,847.06	868.02	15,202,277.56	40.7%	(43,055.64)	0.00
GLB Equity Fund	7,047.29	1,060.57	7,474,192.33	1,178.75	8,307,068.53	22.2%	272,280.85	0.00
			<u>38,456,513.39</u>		<u>37,279,037.05</u>	100.0%	307,007.16	50,446.99

Kenora CPTF - Prudent Investor Portfolio
Performance History
At June 30, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	0.9	4.8	7.9	-0.0	-	-	-	2.7	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-7.5	6.2	-	-	-

Kenora CPTF - Prudent Investor Portfolio
Transaction Summary for the Quarter Ended June 30, 2023

TRANSACTION SUMMARY

Account Name: Kenora - Stable Return Outcome

Account Number: 570050179

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	GLB Bond Fund	05/04/2023	05/04/2023	3.67	3,224.53
Buy	GLB Bond Fund	05/08/2023	05/08/2023	273.75	238,700.00
Reinvested Interest Income	PI-HISA	04/05/2023	04/05/2023	16,929.60	16,929.60
Reinvested Interest Income	PI-HISA	05/03/2023	05/03/2023	16,447.37	16,447.37
Reinvested Interest Income	PI-HISA	06/05/2023	06/05/2023	17,070.02	17,070.02

**Kenora CPTF - Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
June 30, 2023**

In accordance with the terms of section 8.02 of the ONEJIB Agreement dated as of July 2, 2020 (the "ONE JIB Agreement") ONE Investment confirms as follows:

With respect to the quarter ended June 30, 2023 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

A handwritten signature in black ink that reads "Keith Taylor".

Keith Taylor, Chief Investment Officer, ONE Investment
On the behalf of the ONE Joint Investment Board

APPENDIX

City Of Kenora - CPTF Securities

Pledged to ONE JIB

As At June 30, 2023

Identifier	Description	Maturity	Price	Quantity	Market Value
CA064151WY58	BANK N S HALIFAX 2.29 28JUN24	2024-06-28	97.071	387,000.00	375,664.77
CA13509PHJ53	CANADA HSG TR NO 1 1.8 15DEC24 144A	2024-12-15	95.643	80,000.00	76,514.40
CA13509PHN65	CANADA HSG TR NO 0.95 15JUN25 144A	2025-06-15	93.051	89,000.00	82,815.39
CA13596Z4B88	C I B C CDS- 2.97 11JUL23	2023-07-11	99.967	295,000.00	294,902.65
CA614852NP21	MONTREAL QUE 3.5 01SEP24	2024-09-01	98.199	66,000.00	64,811.34
CA626209JP62	MUNICIPAL FIN AUTH BRI 2.95 14OCT24	2024-10-14	97.421	93,000.00	90,601.53
CA62620DAJ06	MUNICIPAL FIN AUTH BRI 2.15 03JUN24	2024-06-03	97.379	110,000.00	107,116.90
CA62957ZGE93	NHA MTG-BACKED 97514581 1.9 01JUL24	2024-07-01	97.099	48,000.00	26,964.41
CA68333ZAB37	ONTARIO PROV MED TERM P 2.6 08SEP23	2023-09-08	99.592	276,000.00	274,873.92
CA68333ZAF41	ONTARIO PROV MED TERM P 2.3 08SEP24	2024-09-08	96.904	106,000.00	102,718.24
CA68333ZAK36	ONTARIO PROV MED TERM 1.75 08SEP25	2025-09-08	93.982	140,000.00	131,574.80
CA69363TAH55	PSP CAP INC 3.29 04APR24	2024-04-04	98.686	529,000.00	522,048.94
CA748148RY18	QUEBEC PROV CDA 2.25 22FEB24	2024-02-22	98.321	212,000.00	208,440.52
CA803854JW90	SASKATCHEWAN PROV CDA 3.2 03JUN24	2024-06-03	98.333	82,000.00	80,633.06
CA891145T792	TORONTO DOMINION BK O 3.226 24JUL24	2024-07-24	97.788	88,000.00	86,053.44
CA891288DJ86	TORONTO ONT CDA 3.4 21MAY24	2024-05-21	98.541	52,000.00	51,241.32
Total Bonds=					2,576,975.63
Cash =					161,825.25

ONE JIB - Outcome Framework - Target Allocations

Outcome							<u>Allocation</u>			
	HISA	Canadian Equity Fund	Global Equity Fund	Canadian Government Bond Fund	Canadian Corporate Bond Fund	Global Bond Fund	Equity	Fixed Income	Cash	Total
Cash	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%			100.0%	100%
Stable Return	10.0%	9.0%	21.0%	9.0%	9.0%	42.0%	30.0%	60.0%	10.0%	100%
Contingency	0.0%	18.0%	42.0%	6.0%	6.0%	28.0%	60.0%	40.0%		100%
Asset Management	0.0%	27.0%	63.0%	1.5%	1.5%	7.0%	90.0%	10.0%		100%
Target Date 3-5	20.0%	3.0%	7.0%	10.5%	10.5%	49.0%	10.0%	70.0%	20.0%	100%
Target Date 5-10	0.0%	15.0%	35.0%	7.5%	7.5%	35.0%	50.0%	50.0%		100%
Target Date 10+	0.0%	22.5%	52.5%	3.75%	3.75%	17.5%	75.0%	25.0%		100%

ONE JIB - Outcome Framework - Defined

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon	Allocation		
					Equity	Fixed Income	Cash
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years			100%
Stable Return	Stable Return	Income generation: To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)	30%	60%	10%
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk, emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)	60%	40%	
	Asset mgt reserves	Contributions to generate returns to fund asset management reserves	Higher risk, emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)	90%	10%	
Target Date	Target Date 3-5 yrs.	Preservation of capital	Low risk; high liquidity	3 - 5 years	10%	70%	20%
	Target Date 5-10 yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 - 10 years	50%	50%	
	Target Date 10+ yrs.	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long term inflation-adjusted growth	> 10 years	75%	25%	

Glossary and Definitions for Quarterly Reports

Account

ONE Investment clients have one or more custodial accounts. All Prudent Investor Funds will be administered with ONE Investment's custodian, CIBC Mellon. Unlike Legal List accounts, MNRI invested in the ONE Investment Prudent Investor Funds will be under the control of the ONE Joint Investment Board. In most cases, the Prudent Investor clients will have multiple accounts with the custodian, with the account structure based on the investment outcomes assigned to each client. This will allow reporting to the municipal client based on the investment outcome framework.

Annual and Annualized Returns: please see Returns below.

Asset Allocation

Asset allocation is the single biggest driver of fund returns and should be set taking into account municipal risk tolerance. Also known as asset mix, it is the combination of asset classes in a fund and is normally shown as the percentage weights in each. Example asset classes are money market, Canadian bonds, global bonds, Canadian stocks and global stocks. Each of the ONE JIB Outcomes has an associated asset allocation that is designed to be appropriate for the intended investment Outcome.

Asset Mix: See Asset allocation.

Benchmark

The Benchmark is the standard against which investors compare their portfolio returns to understand its performance. Benchmark can be set either at the asset class level or for the overall portfolio. At the asset class level, benchmarks are usually chosen to represent the entire market; active managers seek to outperform their benchmarks by at least the amount of fees they charge.

For example, a typical benchmark for Canadian stocks is the S&P/TSX Composite Index which is calculated by Standard and Poor's (S&P) and for Canadian money market, the typical benchmark is the FTSE 182-Day Treasury Bill Index from the Financial Times Stock Exchange Group (FTSE). For a portfolio that aims to have risk halfway between these two asset classes, the total portfolio benchmark might be 50% S&P/TSX Composite Index and 50% FTSE 182-Day Treasury Bill Index.

Benchmark returns are always time weighted. (See Returns below for more detail on time weighted returns)

Blended Benchmark

A blended benchmark is a benchmark that is constructed from two or more underlying benchmarks. The weights of each underlying benchmark used in a blended benchmark remain constant over time.

Canadian Corporate Bond Fund

The ONE Investment Canadian Corporate Bond Fund holds short and mid-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Fund is 4.5 to 7.51 years. MFS aims to outperform the benchmark, which is:

- 48% FTSE Canada Universe All Government Bond Index +
- 40% FTSE Canada Short-Term Corporate A Index +
- 10% FTSE Canada Universe Corporate AAA/AA Index +
- 2% FTSE Canada 91-Day Treasury Bill Index.

Canadian Equity Fund

The ONE Canadian Equity Fund holds Canadian stocks managed by Guardian Capital. Guardian aims for below-market risk, achieved with a ONE-imposed constraint on the weight of Material and Energy sectors because of the expected above-market volatility of these sectors.

Canadian Government Bond Fund

This ONE Government Canadian Bond Fund holds short-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Bond Fund is 1.73 to 3.73 years. MFS aims to outperform the benchmark, which is:

- 95% FTSE Canada Short-Term Government Bond Index +
- 5% FTSE Canada 91-Day Treasury Bill Index.

Book Value

Book value is the Unit Cost of each holding multiplied by the number of units. It represents the amount originally paid to invest in the holding and takes into account all contributions and withdrawals.

CAD

This is a short form for “Canadian dollars”. Although the outcomes have exposure to foreign securities, all returns in the report reflect Canadian dollar-based returns. Foreign holdings will be impacted by movements in foreign currencies which may impact investment returns. This impact can be reduced by currency hedging strategies. The global equity exposure does not hedge currency exposure, but the global bond exposure may use hedging. The degree to which global bond exposure is hedged back to the Canadian dollar may vary and will reflect the currency hedging strategy of the external manager.

Consolidated Holdings

Consolidated holdings are the aggregate value of all investments with ONE Investment. Consolidated holdings detailed in this report only reflect MNRI balances invested in ONE Investment’s Prudent Investor Funds and HISA balances under the control of the ONE JIB. In certain cases, clients may hold ONE Investment Legal List portfolios or HISA which will not be reflected in consolidated holdings in this report. Additionally, ‘in-kind’ securities pledged to the ONE JIB will not be reflected in this report.

Discounts

Certain fee discounts apply for investors in the ONE Investment Prudent Investor offering. These discounts include a 4bps discount that applies to AUM of Founding Members, and ‘tier discounts’ that apply for any investors with balances in excess of certain thresholds. These discounts would not apply to HISA balances but would apply to balances in Legal List portfolios (if applicable). Discounts will be rebated to the municipalities on a quarterly basis. These discounts are not taken into consideration in the performance details in this investment report.

Distribution: a cash payment of interest or dividends made by ONE Investment from a fund.

Duration

This statistic applies to bonds and is similar in concept to term to maturity. The difference is that duration also takes into account the size and timing of interest payments. A bond with higher coupon payments will have a shorter duration than one with the same term to maturity and lower coupon payments: the reason is that the higher-coupon bond receives more of its return earlier. The higher the duration of a bond, the higher its sensitivity to interest rate movements.

Fees

Fees include all expenses involved in managing the fund: external investment manager fees, custody costs, ONE Investment's costs and administrative costs.

Global Bond Fund

The ONE Global Bond Fund is an unconstrained global bond mandate managed by Manulife Asset Management. The unconstrained nature of the mandate means that the fund will contain a mix of global government, corporate and securitized debt, including emerging markets and high-yield securities. The mandate is not constrained by sector or currency. Manulife aims to outperform the benchmark, which is Bloomberg Barclays Multiverse Index Unhedged.

Global Equity Fund

The ONE Global Equity Fund holds Global stocks managed by Mawer Investment Management. Mawer aims to outperform the benchmark, which is MSCI All Country World Index (ACWI). This mandate invests in both emerging and developed markets. Manager will allocate capital to the best global opportunities, which may include both large and small capitalization companies. This mandate is intended to be a broadly diversified portfolio of wealth-creating companies bought at discounts to their intrinsic values that typically employ a long-term holding period.

High Interest Savings Account (HISA)

This bank account is provided by CIBC. Its very short-term nature precludes it from being considered an investment. Interest income from HISA will be reflected only in the executive summary page as will a list of HISA transitions. As the HISA product is a demand deposit, its value of his does not fluctuate daily. In this way it differs from the ONE Investment fund whose price change in response to changes in the value of underlying investments. Returns for individual accounts holding HISA will not be presented in the report beyond what is disclosed in the executive summary. HISA balances held in the Prudent Investor Offering reflect MNRI and will be under the control of the ONE JIB.

Holdings: the ONE Investment funds or HISA Balances held in client accounts.

Inception Date

The inception is the first date that an investment was made. For each account, this will be the first time funds were transferred in; for funds offered by ONE Investment, it is the date the funds started. For ONE JIB Founders, the Inception date is July 2, 2020.

Income

Income is a cash flow generated by an investment and normally includes interest on bonds and dividends on stocks. It is differentiated from capital gains, which also contribute to returns, but which are not considered income.

Investment Manager

Investment managers are external firms hired by ONE Investment to create funds to our specifications. These are MFS Investment Management Canada for Canadian fixed income, Manulife Asset Management for global fixed income, Guardian Capital Group Ltd for Canadian equity, and Mawer Investment Management Ltd for global equity.

Market Value

The value of an investment at current market prices, calculated by multiplying the Price (defined below) by the number of units held.

ONE Joint Investment Board (ONE JIB)

The joint board established by founding municipalities as a municipal services board under section 202 of the Act as required under Part II of the Regulation, and is the duly appointed Joint Investment Board for the municipality, as constituted from time to time and acting pursuant to the Terms of Reference set out in the ONE JIB Agreement.

Outcome

Outcome means, in the context of the Investment Plan, the same thing as ‘solution’. Investment Outcomes are a set of investment allocations with varying risk/return characteristics. The Outcomes assigned to each municipal investor are intended to reflect the needs and circumstances of the municipality. ONE JIB has five pre-defined basic outcomes:

Cash:

The Cash Outcome is designed for investments with a time horizon of less than 3 years. Preservation of capital and liquidity are the highest priorities. Investments allocated to this outcome are expected to be transferred back to the care and control of the municipal treasurer when the funds are reclassified as MRI.

Contingency:

The Contingency outcome is designed for investing contingency reserves. The funds in this outcome may be drawn upon to meet unexpected needs and infrequent events. The investment horizon for this outcome is typically greater than 5 years, with an emphasis placed on long-term growth and preservation of purchasing power is a key consideration.

Asset Management Reserves:

The Asset Management Reserve Outcome is specifically designed for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to help fund asset management objectives. The long-term nature of asset management reserves allows this Outcome to emphasize long-term growth.

Stable Return:

The Stable Return Outcome is designed to provide an annual income while preserving the value of the principal investment. The principal amount is often invested in perpetuity with no intent to withdraw for the foreseeable future. This outcome is frequently used by municipalities looking to replace the income stream of a utility that has been sold, with some or all proceeds of the sale acting as the principal.

Target Date:

The Target Date Outcomes are designed for contributions toward planned capital projects. There are three target date designs for different time horizons: 3 to 5 years; 5 to 10 years; and greater than 10 years. For capital projects in the 3-to-5-year range, preservation of capital is prioritized. For projects in the 5-to-10-year range, emphasis is placed on inflation mitigation and meeting target funding requirements. For projects in the greater-than-10-year range, emphasis is placed on longer-term inflation adjusted growth.

Price

The price of ONE funds is the unit price at a point in time, also known as the net asset value, which is calculated daily by CIBC Mellon. This price takes into account the last traded prices of all securities held by the manager, the bid/ask spread where no recent trade is available and a daily accrual for all fees including investment management and administration.

Prudent Investor Standard

The standard requiring ONE JIB, when investing money under section 418.1 of the Act, to exercise the care, skill, diligence and judgement that a prudent investor would exercise in making such an investment but does not restrict the securities in which a municipality can invest. The Prudent Investor standard applies to the entire portfolio of Long-Term Funds under control of ONE JIB rather than to individual securities.

Quality

This statistic refers to the creditworthiness of bonds based on ratings provided by bond rating agencies such as S&P, DBRS, Fitch and Moody's. The highest quality bonds are rated AAA and range down from there to AA, A and BBB, all of which are investment grade ratings. Ratings below BBB are considered high yield. The lower a credit rating, the higher a bond's yield to maturity and commensurate risk of default on interest payments or principal. The credit rating on an entire fund is calculated as a weighted average.

Realized and Unrealized Gains

Capital gains reflect the movement in the Price of investments as they rise over time relative to their average Unit Cost. Negative gains are losses, meaning that the Price of the units in the account is lower than the average Price paid for them (Unit Cost). Because gains / losses are calculated based on net asset values, they are diminished by the amount of fees. (Please see Fees, Price and Unit Cost.)

- **Unrealized gains** exist “on paper” until the investment is sold in return for cash, at which point they become realized.
- **Realized gains** are generated by withdrawals from accounts during the time period in question based on the unit Price compared to the Unit Cost.

Returns

Returns measure the percentage increment in value generated by investments over a period of time. Unless otherwise noted, time-weighted total returns are reported here, which include all forms of income and capital gains. There are different aspects to return calculations explained below.

- **Calendar Year Return:** reflects the total return generated by investments in the specified year any between January 1 to December 31.
- **Annualized Returns:** the total return generated by investments in each year for holding periods greater than one year. Annualized returns are the geometric average over a multi-year period, meaning they represent the compound return. For periods of one year or less, the actual return is shown without the effect of compounding.
- Returns in this report are calculated net of fees based on the Prices of the ONE Investment funds. These are calculated daily by CIBC Mellon and take into account all fees and costs associated with managing the fund.
- Return details in this report do not account for fee discounts that may apply for some Prudent Investor clients.
- **Time-weighted returns:** returns in this report are time-weighted in order for them to be compared to the benchmarks. Time-weighted returns are calculated in a way that excludes the effect of the timing of contributions and withdrawals (cash flows) from the fund. (To capture the effect of cash flows and measure their impact on returns, investors would instead need use dollar-weighted return calculations.)

Unit Cost

Unit Cost is the weighted average Price paid for all the Fund units held in the account and reflects the impact of units bought and sold over time.

Unrealized Gains: Please see Realized and Unrealized Gains

Value Added: The return generated by an investment manager above (or below, if negative) the benchmark.

Year to Date: The time period beginning January 1 and ending at the most recent quarter end.



REPORT

To: ONE Joint Investment Board
From: Evelyn Foo, Chief Compliance Officer, ONE Investment
Date: September 6, 2023
Re: Compliance Reports Asset Class and Target Weight Allocations Q2 2023
Report: ONE JIB 2023-050

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

ONE Investment is providing two internal compliance reports to assist ONE JIB in monitoring the weights of investment holdings and asset classes relative to their targets for each Participating Municipality.

3. BACKGROUND

The portfolio management system generates reports to monitor allocation weights

The compliance reports generated by ONE Investment's portfolio management system show the positioning of all investment Outcome accounts of Participating Municipalities relative to their Target Weights as of June 30, 2023. These two compliance reports can be found in Attachments 1 and 2 of this report.

Two compliance reports are provided to ONE JIB on a quarterly basis

Two reports—the portfolio asset mix report and the allocation drift monitoring report—are provided to ONE JIB on a quarterly basis to allow it to monitor the allocations and understand the positioning of the Outcome accounts relative to the target asset class and fund weights for each Participating Municipality. These reports also allow ONE JIB members to understand the quarter end positioning of the Outcome accounts and provide a basis for discussion with the Chief Investment Officer and Chief Compliance Officer on the positioning of the Outcome accounts.

The Portfolio Asset Mix and Allocation Drift Monitoring Reports highlight deviations from high-level asset class (Equity Funds, Fixed Income Funds, Cash & Equivalents) target weights and Fund by Outcome.

Portfolio Asset Mix Report

The two columns on the far right of the Portfolio Asset Mix report (Attachment 1) show the target and actual allocation weights for equity and fixed income asset classes.

Allocation Drift Monitoring Report

The Allocation Drift Monitoring report (Attachment 2) shows the degree to which the weights of individual holdings (Funds or HISA allocation) differ from the target weights for each fund and outcome assigned in the Investment Plan. The Chief Investment Officer and Chief Compliance Officer monitor this report on a regular basis as part of their portfolio oversight responsibilities.

The two columns on the far right of the Allocation Drift Monitoring Report highlight when allocation weights have moved notably away from target weights. The “2% Drift from target” column shows values when the absolute weight of a holding is above or below target by two percentage points. The “10% above Target” shows values when the weight of a holding as a proportion of the target weight is 10% above or below the target weight.

4. ANALYSIS

Allocation weights for all Outcomes are within the expected tolerance bands

All allocation weights for each Participating Municipality remain close to their intended target weights and are within the expected tolerance bands. As a result, no rebalancing is required as of the date of this report.

5. CONCLUSION

ONE Investment uses its portfolio management system to monitor municipal account allocations in relation to ONE JIB's Outcomes. The attached reports provide ONE JIB with the tools to monitor the positioning of asset classes and individual holdings within the Outcomes relative to their intended targets.

ATTACHMENT

Attachment 1: Portfolio Asset Mix

Attachment 2: Drift Allocation Monitoring Report

Drafted by: Evelyn Foo, Chief Compliance Officer

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



Attachment I
 ONE Investment
Portfolio Asset Mix
 As of June 30/2023

Account	Asset Class	Asset Mix Limits			Portfolio
		Min	Max	Target	
570050021	Bracebridge - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	63.37
	Fixed Income Funds	35.00	45.00	40.00	36.63
570050039	Bracebridge - Target Date 10 Year Plus				
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	76.76
	Fixed Income Funds	21.00	29.00	25.00	23.24
570050047	Huntsville - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	62.57
	Fixed Income Funds	35.00	45.00	40.00	37.43
570050054	Huntsville - Target Date 3 to 5 Year Out				
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	21.66
	Equity Funds	8.00	12.00	10.00	10.74
	Fixed Income Funds	66.00	74.00	70.00	67.61
570050062	Huntsville - Target Date 10 Year Plus O				
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	77.96
	Fixed Income Funds	21.00	29.00	25.00	22.04
570050070	Innisfil - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	63.38
	Fixed Income Funds	35.00	45.00	40.00	36.61
570050088	Muskoka - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	62.49
	Fixed Income Funds	35.00	45.00	40.00	37.51
570050096	Muskoka - Target Date 3 to 5 Year Outc				
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	21.54
	Equity Funds	8.00	12.00	10.00	10.89
	Fixed Income Funds	66.00	74.00	70.00	67.57
570050104	Muskoka - Target Date 5 to 10 Year Out				
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	52.46
	Fixed Income Funds	45.00	55.00	50.00	47.53
570050112	Whitby - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	59.94



ONE Investment
Portfolio Asset Mix
 As of June 30/2023

Account	Asset Class	Asset Mix Limits			Portfolio
		Min	Max	Target	
	Fixed Income Funds	35.00	45.00	40.00	40.06
<hr/>					
570050120	Whitby - Target Date 3 to 5 Year Outco				
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	20.03
	Equity Funds	8.00	12.00	10.00	9.98
	Fixed Income Funds	66.00	74.00	70.00	70.00
<hr/>					
570050138	Whitby - Target Date 5 to 10 Year Outc				
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	49.88
	Fixed Income Funds	45.00	55.00	50.00	50.12
<hr/>					
570050146	Whitby - Asset Management Reserve O				
	Asset Management Reserves				
	Equity Funds	88.00	92.00	90.00	89.95
	Fixed Income Funds	8.00	12.00	10.00	10.05
<hr/>					
570050153	Whitby - Target Date 10 Year Plus Outc				
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	74.93
	Fixed Income Funds	21.00	29.00	25.00	25.08
<hr/>					
570050161	Kenora - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	63.40
	Fixed Income Funds	35.00	45.00	40.00	36.60
<hr/>					
570050179	Kenora - Stable Return Outcome				
	Stable Return Outcome				
	Cash & Equivalents	8.00	12.00	10.00	10.96
	Equity Funds	26.00	34.00	30.00	31.24
	Fixed Income Funds	55.00	65.00	60.00	57.80
<hr/>					
570050187	Kenora - Target Date 3 to 5 Year Outco				
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	20.16
	Equity Funds	8.00	12.00	10.00	10.39
	Fixed Income Funds	66.00	74.00	70.00	69.45
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570050377	Huntsville - Target Date 5 to 10 Year O				
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	52.57
	Fixed Income Funds	45.00	55.00	50.00	47.43
<hr/>					
570050385	Innisfil - Target Date 5 to 10 Year Outc				
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	51.71
	Fixed Income Funds	45.00	55.00	50.00	48.29



ONE Investment
Portfolio Asset Mix
 As of June 30/2023

Account	Asset Class	Asset Mix Limits			Portfolio
		Min	Max	Target	
570050443	Needing - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	61.42
	Fixed Income Funds	35.00	45.00	40.00	38.58
570050450	Needing - Target Date 3 to 5 Year Outc				
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	19.98
	Equity Funds	8.00	12.00	10.00	10.47
	Fixed Income Funds	66.00	74.00	70.00	69.56
570050468	Needing - Target Date 5 to 10 Year Out				
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	51.48
	Fixed Income Funds	45.00	55.00	50.00	48.51
570050476	Needing - Target Date 10 Year Plus Out				
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	76.09
	Fixed Income Funds	21.00	29.00	25.00	23.90
570050484	Quinte West - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	61.42
	Fixed Income Funds	35.00	45.00	40.00	38.58
570050492	Quinte West - Target Date 3 to 5 Year O				
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	21.48
	Equity Funds	8.00	12.00	10.00	10.34
	Fixed Income Funds	66.00	74.00	70.00	68.19
570050500	Quinte West - Target Date 5 to 10 Year				
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	51.48
	Fixed Income Funds	45.00	55.00	50.00	48.51
570050518	Quinte West - Target Date 10 Year Plus				
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	76.09
	Fixed Income Funds	21.00	29.00	25.00	23.90
570050567	Thunder Bay - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	61.54
	Fixed Income Funds	35.00	45.00	40.00	38.45
570050575	Thunder Bay - Target Date 3 to 5 Year				
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	20.85

ONE Investment
Portfolio Asset Mix
 As of June 30/2023

Account	Asset Class	Asset Mix Limits			Portfolio
		Min	Max	Target	
	Equity Funds	8.00	12.00	10.00	10.47
	Fixed Income Funds	66.00	74.00	70.00	68.68
<hr/>					
570050583	Thunder Bay - Target Date 5 to 10 Year				
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	51.60
	Fixed Income Funds	45.00	55.00	50.00	48.39
<hr/>					
570050591	Thunder Bay - Target Date 10 Year Plus				
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	76.18
	Fixed Income Funds	21.00	29.00	25.00	23.81
<hr/>					
570050625	Muskoka - Target Date 10 Year Plus Ou				
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	77.32
	Fixed Income Funds	21.00	29.00	25.00	22.68
<hr/>					
570050666	Innisfil - Target Date 3 to 5 Year Outco				
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	20.04
	Equity Funds	8.00	12.00	10.00	10.05
	Fixed Income Funds	66.00	74.00	70.00	69.91
<hr/>					
9021944312	Whitby - Cash Outcome				
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00
<hr/>					
9021979213	Muskoka - Cash Outcome				
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00
<hr/>					
9021979418	Innisfil - Cash Outcome				
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00
<hr/>					
9021979515	Huntsville - Cash Outcome				
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00
<hr/>					
9021979612	Bracebridge - Cash Outcome				
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00
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9027504012	Thunder Bay - Cash Outcome				
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00
<hr/>					
9028194017	Quinte West - Cash Outcome				
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00



ONE Investment
Portfolio Asset Mix
As of June 30/2023

Account	Asset Class	Asset Mix Limits			Portfolio
		Min	Max	Target	
9028194211	Neebing - Cash Outcome				
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00

Attachment 2

account	as_of	security	Current Weight	Target Weight	10% from Target	2% drift from target
Bracebridge - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	19.42073	18	na	na
Bracebridge - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	43.94851	42	na	na
Bracebridge - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	5.23358	6	0.77	na
Bracebridge - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Governme	5.37647	6	0.62	na
Bracebridge - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	26.02072	28	na	na
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	23.72994	22.5	na	na
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	53.02774	52.5	na	na
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	3.19183	3.75	0.56	na
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	3.2731	3.75	0.48	na
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	16.7774	17.5	na	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	18.86518	18	na	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	43.70368	42	na	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	5.54186	6	na	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Governme	5.74632	6	na	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	26.14296	28	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	One High Interest Saving	21.65576	20	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	3.22532	3	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	7.50828	7	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	10.03297	10.5	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	10.39249	10.5	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	47.18518	49	na	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	23.74133	22.5	na	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	54.2167	52.5	na	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	3.14462	3.75	0.61	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	3.20721	3.75	0.54	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	15.69015	17.5	1.81	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	15.94736	15	na	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	36.61927	35	na	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	7.02447	7.5	na	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	7.29572	7.5	na	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	33.11318	35	na	na
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	19.38286	18	na	na
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	44.00011	42	na	(2.00)
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	5.2141	6	0.79	na
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Governme	5.35812	6	0.64	na
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	26.04482	28	na	na
Innisfil - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	One High Interest Saving	20.03994	20	na	na
Innisfil - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	3.03523	3	na	na
Innisfil - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	7.01133	7	na	na
Innisfil - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	10.50526	10.5	na	na
Innisfil - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	10.50406	10.5	na	na
Innisfil - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	48.90418	49	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	15.7072	15	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	36.00171	35	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	7.00407	7.5	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	6.90684	7.5	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	34.38018	35	na	na
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	19.499	18	na	na
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	43.9042	42	na	na
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	5.2166	6	0.78	na
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Governme	5.38722	6	0.61	na
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	25.99298	28	na	2.01
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	6/30/2023	One High Interest Saving	10.96078	10	na	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	9.06778	9	na	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	22.17155	21	na	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	8.33317	9	na	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	6/30/2023	ONE Canadian Governme	8.58153	9	na	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	40.88519	42	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	One High Interest Saving	20.16416	20	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	3.03849	3	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	7.35007	7	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	10.34276	10.5	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	10.3577	10.5	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	48.74681	49	na	na

account	as_of	security	Current Weight	Target Weight	10% from Target	2% drift from target
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	18.92155	18	na	na
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	43.5703	42	na	na
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	5.55878	6	na	na
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Governme	5.76801	6	na	na
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	26.18137	28	na	na
Muskoka - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	One High Interest Saving	21.53657	20	na	na
Muskoka - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	3.23632	3	na	na
Muskoka - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	7.65445	7	na	na
Muskoka - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	10.04314	10.5	na	na
Muskoka - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	10.34707	10.5	na	na
Muskoka - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	47.18245	49	na	na
Muskoka - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	16.39461	15	na	na
Muskoka - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	36.06517	35	na	na
Muskoka - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	6.64364	7.5	0.86	na
Muskoka - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	6.82226	7.5	na	na
Muskoka - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	34.07398	35	na	na
Muskoka - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	22.82321	22.5	na	na
Muskoka - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	54.49713	52.5	na	na
Muskoka - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	3.36818	3.75	0.38	na
Muskoka - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	3.32995	3.75	na	na
Muskoka - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	15.98153	17.5	na	na
Neebing - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	18.34004	18	na	na
Neebing - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	43.07597	42	na	na
Neebing - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	5.7603	6	na	na
Neebing - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Governme	5.92874	6	na	na
Neebing - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	26.89494	28	na	na
Neebing - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	One High Interest Saving	19.97644	20	na	na
Neebing - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	3.1291	3	na	na
Neebing - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	7.33511	7	na	na
Neebing - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	10.29441	10.5	na	na
Neebing - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	10.29928	10.5	na	na
Neebing - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	48.96565	49	na	na
Neebing - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	15.37398	15	na	na
Neebing - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	36.10974	35	na	na
Neebing - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	7.24329	7.5	na	na
Neebing - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	7.4549	7.5	na	na
Neebing - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	33.81809	35	na	na
Neebing - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	22.72389	22.5	na	na
Neebing - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	53.37254	52.5	na	na
Neebing - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	3.56871	3.75	na	na
Neebing - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	3.67297	3.75	na	na
Neebing - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	16.66189	17.5	na	na
Quinte West - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	18.34003	18	na	na
Quinte West - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	43.07594	42	na	na
Quinte West - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	5.76035	6	na	na
Quinte West - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Governme	5.92872	6	na	na
Quinte West - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	26.89496	28	na	na
Quinte West - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	One High Interest Saving	21.48005	20	na	na
Quinte West - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	3.08661	3	na	na
Quinte West - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	7.24966	7	na	na
Quinte West - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	10.17938	10.5	na	na
Quinte West - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	10.47694	10.5	na	na
Quinte West - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	47.52736	49	na	na
Quinte West - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	15.37405	15	na	na
Quinte West - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	36.10965	35	na	na
Quinte West - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	7.24317	7.5	na	na
Quinte West - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	7.45489	7.5	na	na
Quinte West - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	33.81823	35	na	na
Quinte West - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	22.72393	22.5	na	na
Quinte West - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	53.37257	52.5	na	na
Quinte West - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	3.56864	3.75	na	na
Quinte West - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	3.67296	3.75	na	na
Quinte West - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	16.66191	17.5	na	na

account	as_of	security	Current Weight	Target Weight	10% from Target	2% drift from target
Thunder Bay - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	17.87484	18	na	na
Thunder Bay - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	43.66911	42	na	na
Thunder Bay - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	5.77474	6	na	na
Thunder Bay - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Governme	5.84197	6	na	na
Thunder Bay - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	26.83933	28	na	na
Thunder Bay - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	One High Interest Saving	20.85241	20	na	na
Thunder Bay - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	3.04527	3	na	na
Thunder Bay - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	7.4172	7	na	na
Thunder Bay - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	10.33014	10.5	na	na
Thunder Bay - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	10.45039	10.5	na	na
Thunder Bay - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	47.90459	49	na	na
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	15.02012	15	na	na
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	36.58365	35	na	na
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	7.27872	7.5	na	na
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	7.36345	7.5	na	na
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	33.75406	35	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	22.17455	22.5	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	54.0093	52.5	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	3.58191	3.75	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	3.62361	3.75	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	16.61064	17.5	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	18.11	18	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	41.83	42	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	6.00	6	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Canadian Governme	6.02	6	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	28.04	28	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	One High Interest Saving	20.03	20	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	3.01	3	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	6.97	7	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	10.53	10.5	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	10.51	10.5	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	48.96	49	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	15.06	15	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	34.82	35	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	7.53	7.5	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	7.52	7.5	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	35.07	35	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	6/30/2023	ONE Canadian Equity Fur	27.16	27	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	6/30/2023	ONE Global Equity Fund	62.79	63	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	6/30/2023	ONE Canadian Corporate	1.51	1.5	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	6/30/2023	ONE Canadian Governme	1.51	1.5	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	6/30/2023	ONE Global Bond Fund	7.03	7	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Equity Fur	22.64	22.5	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Global Equity Fund	52.29	52.5	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Corporate	3.77	3.75	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Canadian Governme	3.76	3.75	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	6/30/2023	ONE Global Bond Fund	17.55	17.5	na	na
Muskoka - Cash Outcome vs. Cash Outcome Asset Mix	6/30/2023	One High Interest Saving	100.00	100	na	na
Innisfil - Cash Outcome vs. Cash Outcome Asset Mix	6/30/2023	One High Interest Saving	100.00	100	na	na
Huntsville - Cash Outcome vs. Cash Outcome Asset Mix	6/30/2023	One High Interest Saving	100.00	100	na	na
Bracebridge - Cash Outcome vs. Cash Outcome Asset Mix	6/30/2023	One High Interest Saving	100.00	100	na	na
Neebing - Cash Outcome vs. Cash Outcome Asset Mix	6/30/2023	One High Interest Saving	100.00	100	na	na
Quinte West - Cash Outcome vs. Cash Outcome Asset Mix	6/30/2023	One High Interest Saving	100.00	100	na	na
Thunder Bay - Cash Outcome vs. Cash Outcome Asset Mix	6/30/2023	One High Interest Saving	100.00	100	na	na
Whitby - Cash Outcome vs. Cash Outcome Asset Mix	6/30/2023	One High Interest Saving	100.00	100	na	na



To: ONE Joint Investment Board
 From: Keith Taylor, Chief Investment Officer, ONE Investment
 Date: September 6, 2023
 Re: Whitby and Innisfil - Investment Plan Implementation Update
 Report: ONE JIB 2023-037

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

Investment Plans for four municipalities were approved by the ONE JIB on June 1, 2023. These were for the Town of Huntsville, the Town of Innisfil, the City of Thunder Bay, and The Town of Whitby. Due to only minor changes in the investment allocations in the Investment Plans, no trading was required to implement changes for Thunder Bay or Huntsville’s Investment Plans, but trades were initiated to reflect changes in Whitby and Innisfil’s Investment Plans.

3. BACKGROUND

Innisfil’s Investment Plan update included a \$5 million MNRI contribution that was allocated to the Target Date 3 to 5 Year Outcome

Innisfil contributed \$5 million of additional MNRI. The Town anticipates that this amount may need to be drawn down within five years. This contribution was allocated to the Target Date 3-5 Year Outcome to match the investment horizon of the MNRI contribution. As Innisfil previously did not have an allocation in this outcome, the arriving MNRI was invested in line with the target weights of the Outcome. No other trading was required to implement Innisfil’s Investment Plan. The changes are outlined in Table 1 below:

Table 1- Changes in Innisfil’s Investment Plan

Outcome	Allocation (March 31, 2023) (\$)	Plan Changes	Allocation After Contribution (\$)
Contingency	\$ 17,411,204	-	\$ 17,411,204
Target Date 3-5 Years		\$ 5,000,000	5,000,000
Target Date 5-10 Years	26,133,300	-	26,133,300
Total	\$ 43,544,503	\$ 5,000,000	\$ 48,544,503

Whitby's Investment Plan update did not involve contributions or withdrawals of MNRI, but the changes in the investment horizon of municipal reserves required a redistribution of MNRI between Outcomes.

The annual review of municipal reserves and anticipated cashflows resulted in changes in the allocations of MNRI across the Outcomes. Collectively, these changes led to a \$17.9 million increase in the Target Date 3-5 Year Outcome and a reduction of allocations to outcomes with longer investment horizons. These shifts are aligned with the Town's current capital forecasts. The changes are shown in Table 2 below.

Table 2 - Changes in Whitby's Investment Plan

Outcome	Allocation (March 31, 2023) (\$)	Plan Changes (rounded)
Cash	\$ 10,262,342	-
Contingency	11,400,000	+ \$ 850,000
Asset Mgmt Reserves	14,100,000	- 6,300,000
Target Date 3-5 Years	66,600,000	+ 17,900,000
Target Date 5-10 Years	42,000,000	- 6,900,000
Target Date 10+ Years	26,700,000	- 5,550,000
Total	\$ 171,062,342	-

4. ANALYSIS

All transactions to implement the trades were completed seamlessly and restored allocation weight back to target weights

The trades to implement the changes to the Investment Plans were completed on June 20, 2023, and included a total of 32 transactions in ONE Investment funds and ONE HISA. The trades for Whitby were designed to help rebalance the Outcomes back towards the target weight for each Outcome. Some of the Outcomes had reached rebalancing thresholds during the April 15th semi-annual rebalancing review, but rebalancing was deferred so it could be done concurrently with these trades. As Innisfil previously had no holdings in the Target Date 3-5 Year Outcome, these initial trades for the Outcome were allocated at the target weights.

5. CONCLUSION

No trading was required for Thunder Bay or Huntsville's Investment Plan, but trades were required for Whitby and Innisfil. The trading for these two municipalities was completed on June 20, 2023. The trading was completed successfully and restored allocation weights to target weights for the relevant outcomes for Whitby and Innisfil.

Drafted by: Keith Taylor, Chief Investment Officer, ONE Investment

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



REPORT

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: September 6, 2023
Re: Investment Manager Presentation – Mawer’s Global Equity Strategy
Report: ONE JIB 2023-042

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

Mawer Investment Management Ltd. (Mawer or Manager) is the external investment manager of the ONE Global Equity Fund. The Manager will provide a presentation to ONE JIB giving an overview of its strategy, process, and philosophy and provide an update on recent activity in the fund.

3. BACKGROUND

Mawer has been managing the Global Equity Fund since the Prudent Investment Program’s inception on July 2, 2020

The ONE Global Equity Fund holds units of the Mawer Global Equity Fund Series “O”. The Mawer fund invests in both emerging and developed market equities and in both large and small capitalization companies. The Mawer fund uses the MSCI ACWI index as its performance benchmark, which is an unhedged index that shows net Canadian dollar returns. The fund has been a holding in client allocations since the program’s inception and has produced strong investment returns of approximately 8.7% annualized from inception (02/07/2020) through June 30, 2023.

4. ANALYSIS

Mawer uses a ‘bottom-up’ investment approach that focuses on quality companies with strong prospects that trade at a discount to intrinsic value

The Mawer uses a research-driven, fundamentals-based security selection process to identify

holdings for the fund. This approach emphasizes security selection. It seeks to invest in wealth-creating companies with a sustainable competitive advantage that can be purchased below their intrinsic value. The Manager will elaborate on its process and approach in the presentation.

The manager has a long-term investment approach

The manager's investment style is very conservative, and it tends to have low portfolio turnover and long holding periods. The manager's approach ignores investment fads and instead focuses on taking a long-term view of investing. This means fund performance reflects the manager's conviction, which may not always follow the pattern of returns of the benchmark over shorter periods of time.

5. CONCLUSION

The manager will provide a presentation to ONE JIB to describe the fund's strategy, its process philosophy and approach, and summarize recent activity in the fund. Mawer's staff will be available to address questions during and after their presentation.

Drafted by: Keith Taylor, Chief Investment Officer

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

The image shows the word "MAWER" in large, dark, three-dimensional block letters mounted on a light-colored, horizontally-ribbed building facade. The letters are slightly shadowed, giving them a sense of depth. The background is a blurred, blue-tinted view of the building's exterior.

MAWER

ONE Investment

Rob Campbell, CFA, Institutional Portfolio Manager
Kevin Minas, CFA, Institutional Portfolio Manager

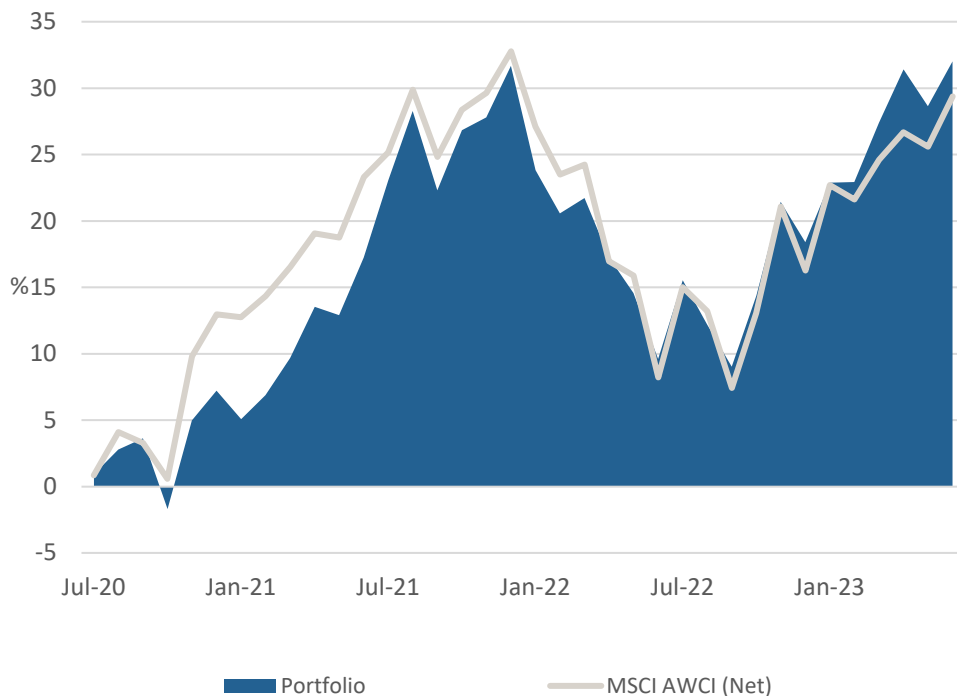
September 6, 2023

MAWER
Be Boring. Make Money.™

Our partnership

As of June 30, 2023

Cumulative gross performance since inception



Asset summary

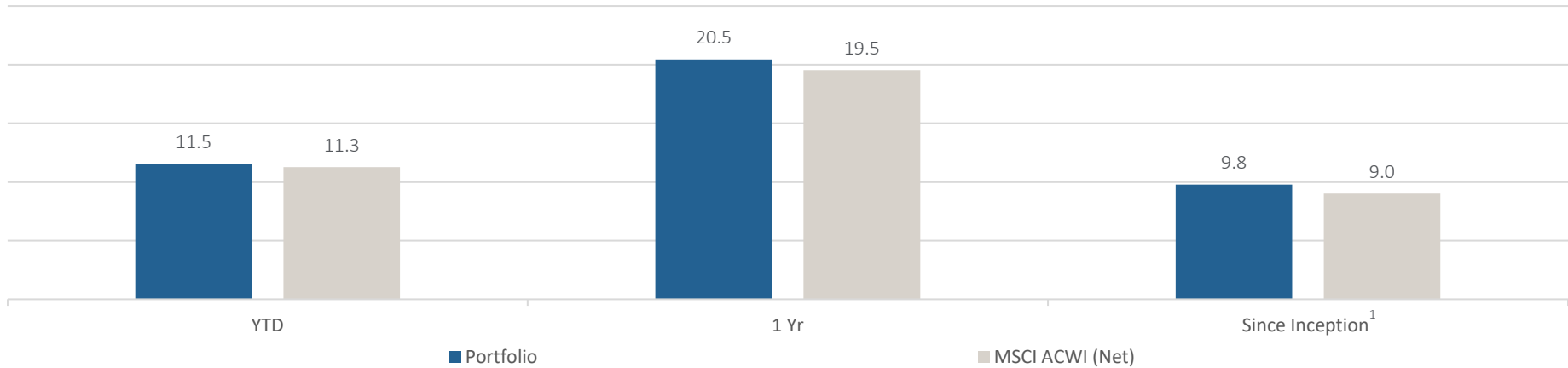
Initial funding on July 6, 2020	\$78,701,878
Net contributions ¹	\$76,956,735
Market value change	\$34,277,536
Portfolio value on June 30, 2023	\$189,936,149
Annualized effective fee	0.53%

Thank you for your partnership; it is a privilege to work with you

¹Net Contributions for a given period of time is the sum of all client cash contributions and withdrawals, plus the market value of any securities delivered in or out of the account, less any management fees or custodial fees, during the period. Performance is in Canadian dollars and displays gross-of-fee returns. See supporting information for full disclaimers.

Performance (%)

As of June 30, 2023



For the period June 30, 2022 to June 30, 2023

Top contributors

BMW (+75.0%)

Alimentation Couche-Tard (+35.9%)

Wolters Kluwer (+36.1%)

Marsh & McLennan (+25.5%)

Aon Plc (+32.1%)

Bottom detractors

Organon (-34.7%)

Dun & Bradstreet (-20.1%)

Eurofins Scientific (-18.7%)

TSMC (-15.2%)

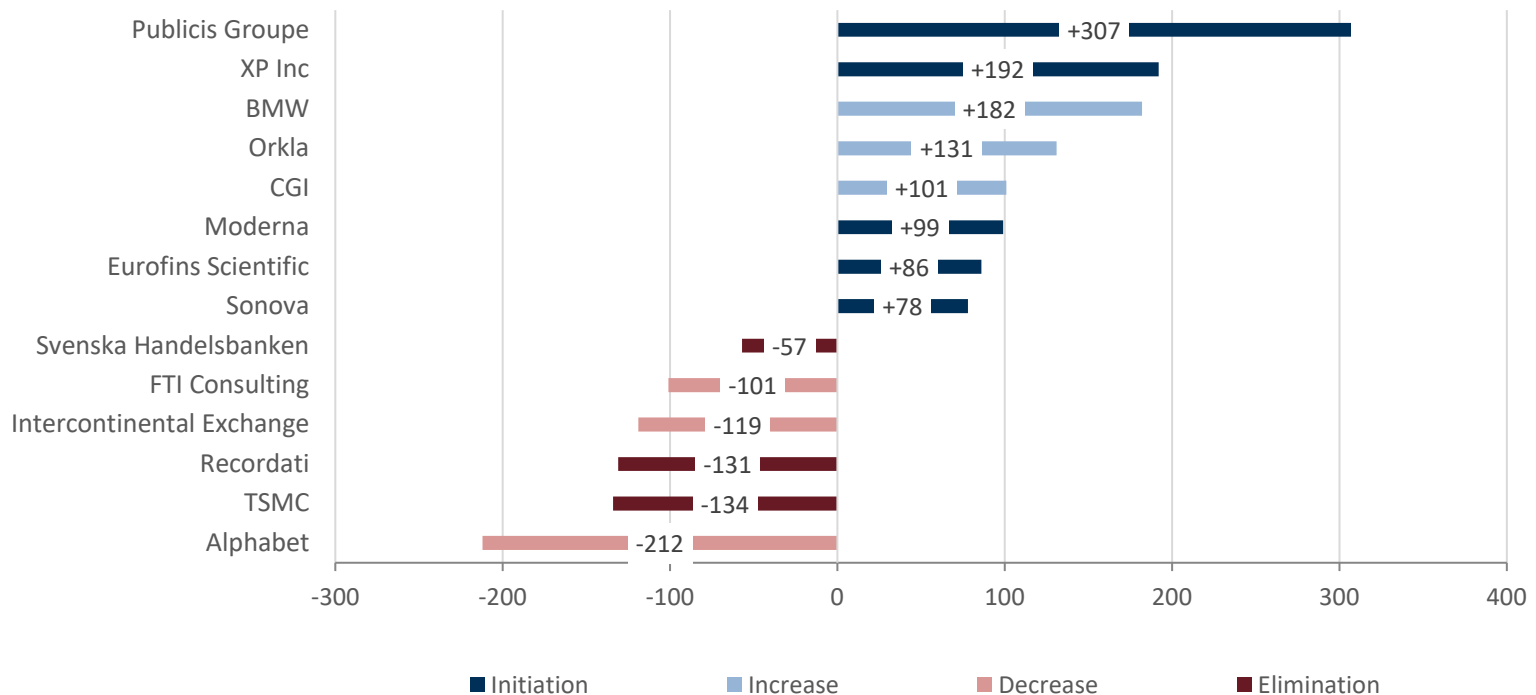
Roche (-2.3%)

¹First account activity occurred on July 6, 2020. Performance is in Canadian dollars and displays gross-of-fee returns. See supporting information for full disclaimers.

Notable portfolio changes

Mawer Global Equity Fund

Change in weight for the 12-month period ending June 30, 2023 (bps)



Changes in portfolio positioning driven by our investment criteria:

Wealth-creating businesses, run by excellent management teams, priced at a discount to their intrinsic value

Portfolio characteristics

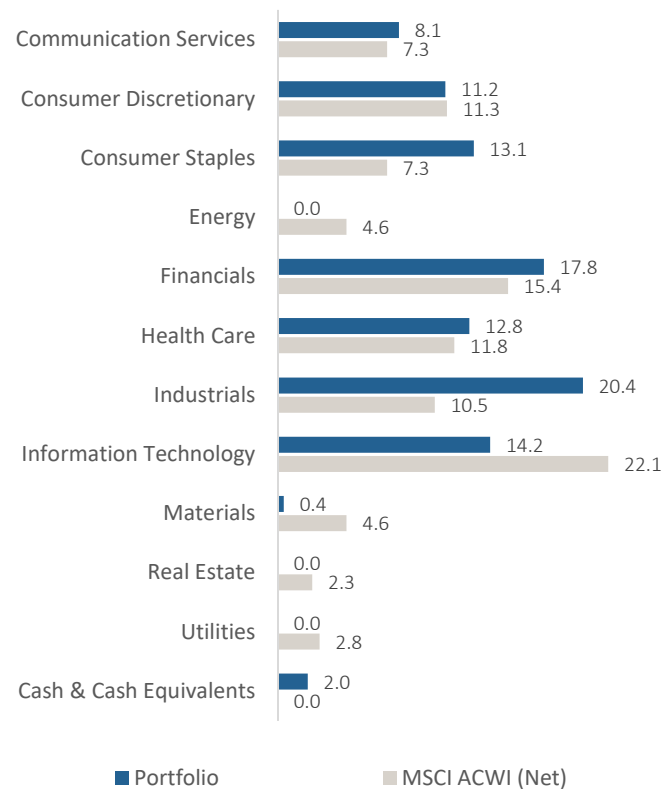
As at June 30, 2023

Mawer Global Equity Fund

Top 10 companies (%)

Marsh & McLennan	4.9
BMW	4.8
Alimentation Couche-Tard	4.0
Microsoft	3.9
Wolters Kluwer	3.8
Aon Plc	3.8
CGI	3.7
Publicis Groupe	3.1
KDDI	3.0
FTI Consulting	2.9
Total	38.1

Sector weights (%)



Source: FactSet. See supporting information for full disclaimers.

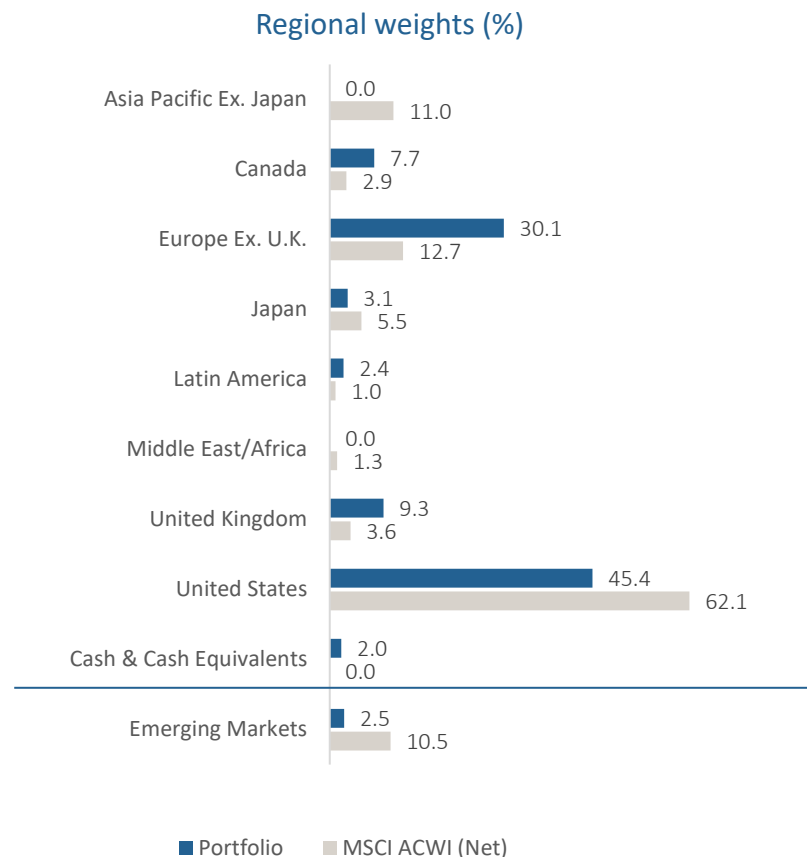
Portfolio characteristics

As at June 30, 2023

Mawer Global Equity Fund

Characteristics	Portfolio	MSCI ACWI (Net)
ROIC (%)	16.5	15.6
Forward P/E	17.5	17.3
Dividend yield (%)	1.9	2.1
Active share (%)	87.3	
Annual turnover (%)	14.0	

Market cap	#	Weight (%)
Less than \$10 billion	16	15.1
\$10 - \$50 billion	15	28.0
\$50 - \$200 billion	13	31.8
\$200 billion and over	12	23.1
Cash & Cash Equivalents		2.0
Total	56	100.0
Median:	\$33.0 billion	



Current themes

- The renewed fight against inflation after a previous pause by the Bank of Canada points to a potential prolonged period of higher interest rates ahead, an outcome that is also likely in Europe and the United States.
- The yield curves in many major economies remain inverted, likely signaling we are heading towards a recession, the severity and timing of which is still highly uncertain.
- With the market remaining hopeful for a soft landing, any perceived deviation from this path could result in volatility for equities.



Be Boring. Make Money.

Art of Boring selections

[Rising Debt and its Potential Consequences: Canada's New Normal?](#)

We need to understand where we are in the debt super cycle to inform our investment decision making.

[The Epistemology of Investing: A Near Insurmountable Challenge | EP133](#)

Why genuine knowledge building and the ability to learn effectively in investing is difficult, and how we try to work around those challenges.

[The Case for Non-Predictive Decision Making](#)

In our view, market participants systematically underestimate the importance of vulnerabilities while correspondingly overestimating the importance of triggers. Why?

[Global Equities: Scuttlebutt, Reverse Roadshows, and Bathroom Lists | EP139](#)

How we approach finding new ideas in the widest investment universe.



A hand in a dark suit sleeve is holding a small white sticky note against a wall. The wall is covered with many other sticky notes of various shapes and sizes, some with handwritten financial data like "MxM 65%", "Ask = 15%", "9% + CAD", "2.0%", and "6%". The entire image has a blue tint.

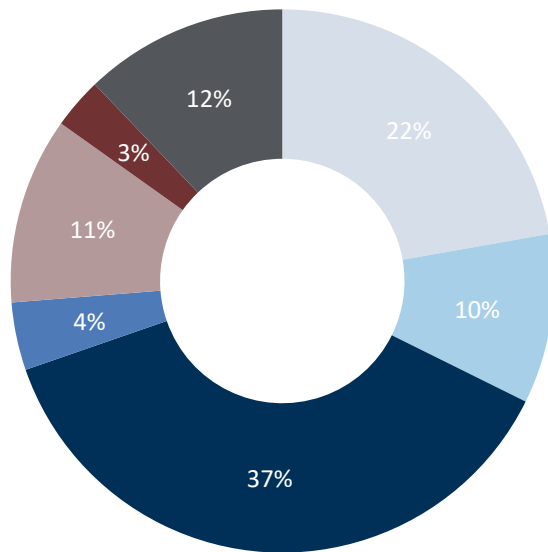
Supporting information

MAWER
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Mawer at a glance

<p>1974</p> <p>Founded in Calgary</p>	<p>\$86B</p> <p>Assets under management</p>	<p>100%</p> <p>Independently owned by 72 owners</p>	<p>1</p> <p>Investment philosophy</p>	<p>99%</p> <p>Client retention†</p>
---------------------------------------	---	---	---------------------------------------	-------------------------------------

Firm AUM by strategy (millions)



International Equity*	\$19,112
U.S. Equity	\$9,014
U.S. Mid Cap Equity	\$154
Global Equity	\$31,475
Global Small Cap Equity*	\$3,465
Emerging Markets Equity	\$320
EAFE Large Cap Equity	\$73
Canadian Mid-Large Cap Equity*	\$9,264
Canadian Small Cap Equity*	\$2,903
Fixed Income	\$10,372

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Firm update

Organization

- Established a Diversity, Equity, and Inclusion Policy
- CFA Institute Diversity, Equity, and Inclusion Code Signatory

Management

- Our President and Board chair exchanged roles. Craig Senyk is now Chair of the Board and Jim Hall is President of the Firm.
- Simplified our senior management structure to a single Executive team.
- Effective January 2024, Colin Zvaniga, COO, will be leaving the firm.
- Implemented SimCorp Dimension (SCD), an integrated order management, portfolio accounting, and compliance platform.

Global research

Asset class changes

- Effective January 2024, John Wilson will become lead manager of Mawer's Global Small Cap strategy. Christian Deckart and Karan Phadke will remain as co-managers.

Team updates

- Alexander Romanowich joined the firm as an Equity Analyst
- Rita Tien joined the firm as an Equity Trader
- CIO Paul Moroz assumed the oversight of investment risk management from Jim Hall

Research team

Global Equity

Paul Moroz, CIO, PM*

Christian Deckart, Deputy CIO, PM*

Manar Hassan-Agha, Equity Analyst

International Equity

Peter Lampert, PM*

David Ragan, PM*

Jorg Hampel, Equity Analyst

Siying Li, Equity Analyst

Wen Quan Cheong, Equity Analyst*

Josh Samuel, Equity Analyst*

Emerging Markets

Peter Lampert, PM*

Wen Quan Cheong, PM*

Josh Samuel, Equity Analyst*

EAFE Large Cap

Jim Hall, President, PM

David Ragan, PM*

Stanislav Lopata, Equity Analyst

Ian Turnbull, Equity Analyst

Global Small Cap

Christian Deckart, Deputy CIO, PM*

John Wilson, PM

Karan Phadke, PM

Ben Heck, Equity Analyst

U.S. Equity

Grayson Witcher, PM

Colin Wong, PM

Chris Silvestre, Equity Analyst

Sophie Wang, Equity Analyst

U.S. Mid Cap

Jeff Mo, PM*

Samir Taghiyev, Equity Analyst*

Alex Romaines, Equity Analyst

Balanced

Greg Peterson, PM

Steven Visscher, PM

Canadian Equity

Vijay Viswanathan, Director of Research, PM

Mark Rutherford, PM

Canadian Small Cap

Jeff Mo, PM*

Samir Taghiyev, PM*

Dominic Drzazga, Equity Analyst

Private Equity

Paul Moroz, CIO, PM*

Peter Lieu, PM

Fixed Income

Crista Caughlin, PM

Curtis Elkington, Credit Analyst

Stefanie Wei, Fixed Income Analyst

Max Moore, Fixed Income Analyst

Other/Rotation

Justin Anderson, Equity Analyst

Alexander Romanowich, Equity Analyst

Michael Vogel, Equity Analyst

Asim Hussain, Equity Analyst

Lab analysts

Alex Lam

Darren Tan

Equity traders

Jeff Wilson

Merv Mendes

Peter Dmytruk

Daniel Lee

Rita Tien

Risk Management

Paul Moroz, CIO, PM*

Department Manager

Nikki Barczewska

*Assigned to multiple asset classes.
As of June 30, 2023

We are long-term business owners

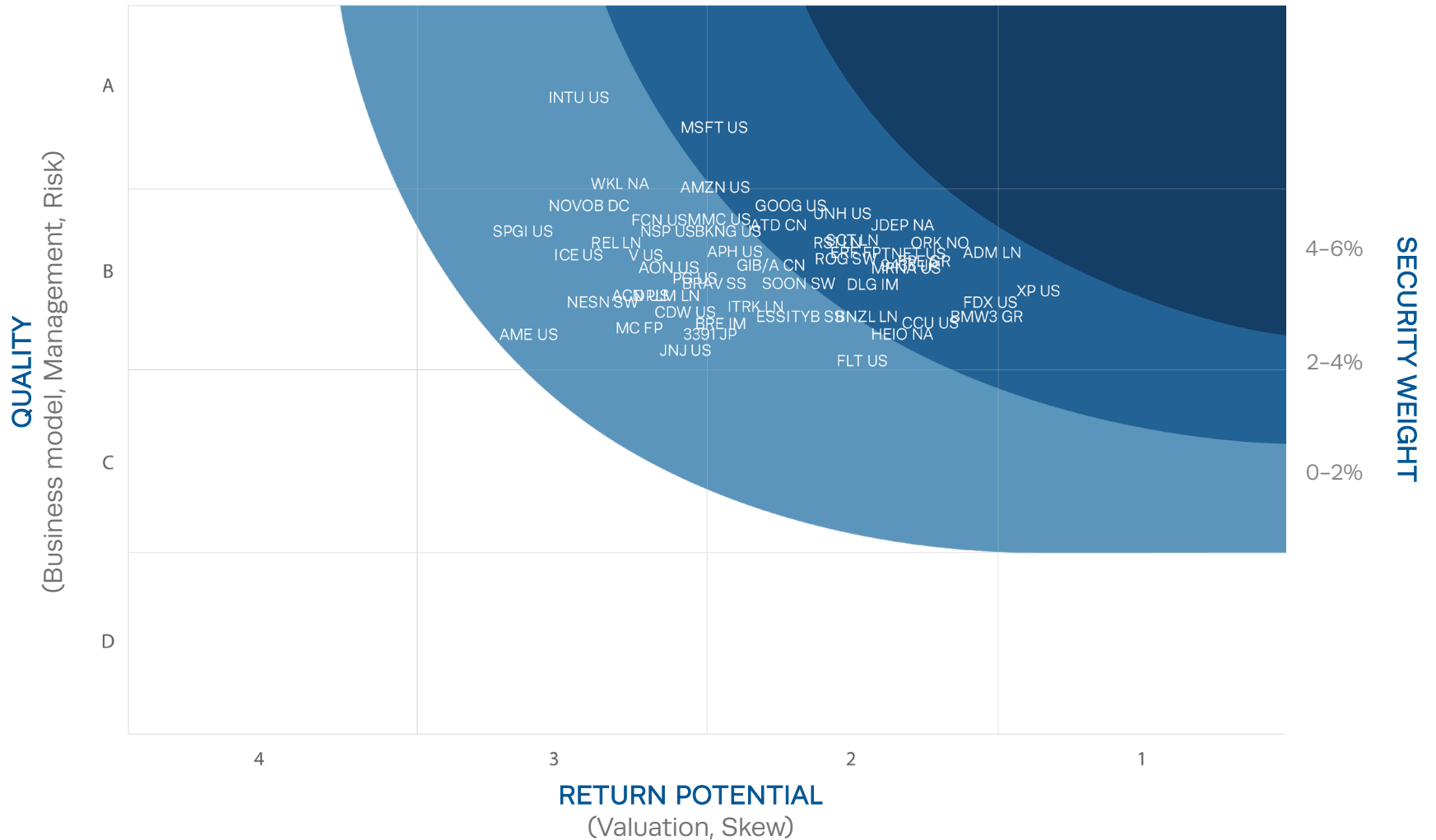
- Wealth-creating companies
- Excellent management teams
- Discount to intrinsic value



A common-sense investment philosophy

We weight stocks on merit

Global Equity matrix*



*For illustrative purposes, data is historical (Q4 2022)

Responsible investing in practice: Global Equity

Integration

- ESG considerations: a formal part of our “bathroom list”
- E.g.: Aon/Marsh & McLennan, BMW, Bunzl, JDE Peet’s, Novo Nordisk, RS Group, Moderna

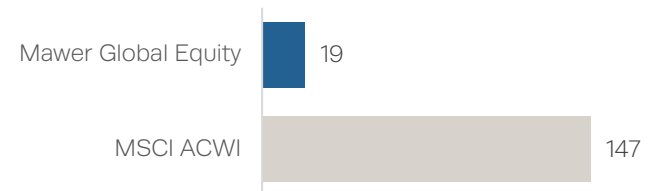
Proxy voting

- All proxy voting decisions are made in-house
- Over the last year 4.8% (44 votes) of our proxy voting was against management’s recommendations

Engagement

- Engaged ownership is an important responsibility we fulfil on behalf of our clients
- E.g.: Bravida, Softcat, Wolters Kluwer

Carbon intensity¹



¹Source: Sustainalytics. Figures expressed in tonnes of CO2 equivalent per million USD of total revenue. Data as of June 30, 2023. Please see Disclaimers at the end of this presentation.

Performance attribution (%)

Mawer Global Equity Fund

	Portfolio		Benchmark		Attribution analysis		
	Average weight	Total return	Average weight	Total return	Allocation	Selection	Total
Communication Services	6.7	4.4	7.3	13.6	-0.1	-0.7	-0.8
Consumer Discretionary	9.9	57.5	10.8	23.1	0.0	2.8	2.9
Consumer Staples	13.8	17.9	7.8	9.8	-0.6	1.2	0.7
Energy	0.0	0.0	5.2	16.1	0.2	0.0	0.2
Financials	17.3	24.5	16.3	14.6	0.1	1.6	1.7
Health Care	13.5	-0.8	12.6	8.4	-0.1	-1.4	-1.5
Industrials	20.2	19.4	10.2	27.7	0.8	-1.6	-0.8
Information Technology	14.0	29.9	19.4	40.1	-1.3	-1.2	-2.5
Materials	0.5	39.3	4.8	15.0	0.2	0.1	0.3
Real Estate	0.0	0.0	2.6	-3.6	0.7	0.0	0.7
Utilities	0.0	0.0	3.0	3.2	0.5	0.0	0.5
Cash & Cash Equivalents	4.1	3.8	0.0	0.0	-0.6	0.0	-0.6
Total	100.0	20.3	100.0	19.5	-0.2	0.9	0.7

For the 12-month period ending June 30, 2023.

430

Source: FactSet. Benchmark: MSCI ACWI Index. See supporting information for full disclaimers.

Performance attribution (%)

Mawer Global Equity Fund

	Portfolio		Benchmark		Attribution analysis		
	Average weight	Total return	Average weight	Total return	Allocation	Selection	Total
Asia Pacific ex. Japan	0.3	-46.0	11.7	3.4	2.0	-0.1	1.9
Canada	7.2	36.7	3.1	9.7	-0.4	1.8	1.4
Europe ex. U.K.	26.1	27.7	12.5	28.0	0.9	-0.1	0.8
Japan	4.1	6.4	5.5	21.2	0.0	-0.6	-0.6
Latin America	1.3	18.0	1.0	33.2	-0.1	0.3	0.2
Middle East/Africa	0.0	0.0	1.4	-1.4	0.3	0.0	0.3
United Kingdom	9.1	16.8	3.8	16.1	-0.2	0.1	-0.1
United States	47.8	17.5	61.1	22.1	-0.4	-2.2	-2.6
Cash & Cash Equivalents	4.1	3.8	0.0	0.0	-0.6	0.0	-0.6
Total	100.0	20.3	100.0	19.5	1.5	-0.8	0.7
Emerging Markets	1.6	15.3	10.9	4.6	1.5	0.4	1.9

For the 12-month period ending June 30, 2023.

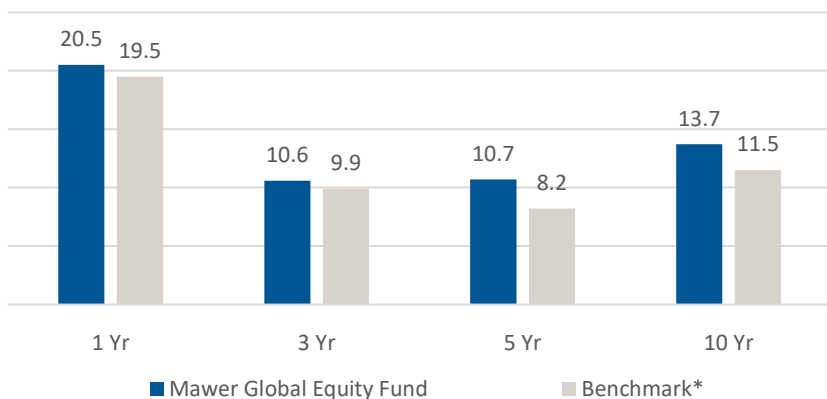
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Source: FactSet. Benchmark: MSCI ACWI Index. See supporting information for full disclaimers.

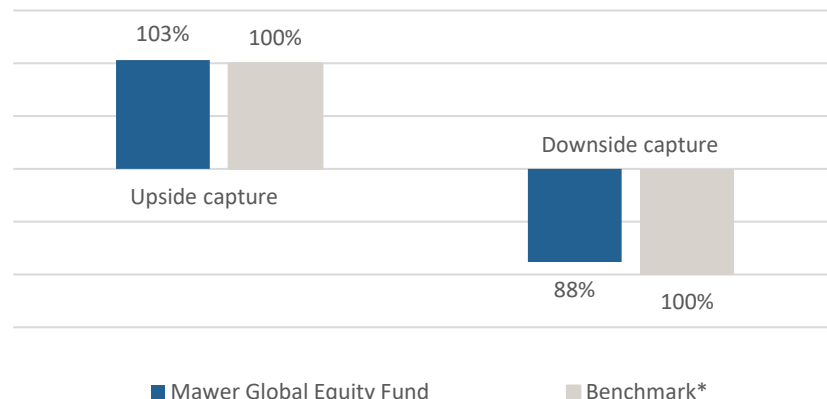
Performance (%)

As at June 30, 2023

Gross performance



Upside/Downside capture (10 Yr)



Calendar year returns	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Mawer Global Equity Fund	-10.1	22.9	11.2	22.3	5.7	19.1	0.9	23.1	15.9	36.0
Benchmark*	-12.4	17.5	14.2	20.2	-1.3	15.8	3.1	18.9	14.4	35.2
Difference	+2.4	+5.3	-3.0	+2.1	+6.9	+3.2	-2.2	+4.2	+1.5	+0.8

*MSCI ACWI (Net); prior to October 2016, MSCI World (Net). Fund performance based on Mawer Global Equity Fund, Series O. **Past performance does not guarantee or indicate future results.** Performance is in Canadian dollars and displays gross-of-fee returns. See supporting information for full disclaimers.

Disclaimer

All information is in Canadian dollars unless otherwise stated. The fund performance presented is gross of management fees and net of operating expenses; rates of return for greater than one year have been annualized. The index is unmanaged and does not incur fees or expenses. It is not possible to directly invest in an index.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund facts and the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Mawer Mutual Funds are managed by Mawer Investment Management Ltd.

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REPORT

To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investment Services, MFOA
Date: September 6, 2023
Re: Town of Aurora - Investment Policy Statement
Report: ONE JIB 2023-048

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

The Town of Aurora adopted an Investment Policy Statement (**Attachment 1**) for the purpose of entering the prudent investor regime on March 7, 2023. The policy is compliant with municipal legislation. The objectives, risk tolerances and investment horizons in the Investment Policy Statement are aligned with the ONE JIB framework. The Town has also completed the Municipal Client Questionnaire (MCQ), which provides further detail on its return expectations and risk tolerances. The information provided in the Investment Policy Statement and the MCQ were considered when developing the proposed Investment Plan (see report 2023-047).

3. BACKGROUND

Municipal legislation requires that municipalities investing in the prudent investor regime develop an Investment Policy Statement

Municipalities are required under paragraph 18 of Part II of O Reg. 438/97 (the Regulation) to adopt and maintain an investment policy statement to participate in the prudent investor regime. This policy must include the municipality's:

1. objectives for return and risk tolerance
2. need for liquidity, particularly for planned projects and unanticipated contingencies.

The Investment Policy Statement may also include other requirements or matters that council considers in the municipality's best interest. The Investment Policy Statement must be reviewed at least annually.

ONE Investment and ONE JIB have an Investment Policy Statement template

ONE Investment and ONE JIB have developed a recommended Investment Policy Statement template for municipalities. It is designed to meet municipal legislative requirements. The

template contains suggestions for appropriate objectives, risk tolerances, and time horizons for different types of municipal reserves. ONE JIB uses an outcome-based approach to translate municipal reserves into investment allocations. Table 1 below shows details of the ONE JIB approved Outcomes Framework, which classifies investments into four Outcome categories: Cash, Stable Return, Contingency and Target Date outcomes.

Table 1: ONE JIB Outcomes Framework

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years
Stable Return	Stable Return	Income Generation; To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk; emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)
	Asset Mgt Reserves	Contributions to generate returns to fund asset management reserves	Higher risk; emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)
Target Date	Target Date 3-5 yrs	Preservation of capital	Low risk; high liquidity	3 – 5 years
	Target Date 5-10 yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 – 10 years
	Target Date 10+ yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long-term inflation-adjusted growth	> 10 years

ONE JIB uses a Municipal Client Questionnaire (MCQ) to further understand the information provided in the Investment Policy Statement

The ONE JIB has approved a MCQ that is designed to probe municipalities on their return expectations, risk tolerance, and investment experience. As the ONE JIB Framework is designed to connect municipal reserves with appropriate investment strategies, the MCQ also poses questions with respect to municipal cashflows and capital planning to ensure that the funds are being invested in a manner that is consistent with the unique circumstances of the municipality.

4. ANALYSIS

The Town of Aurora’s Council has adopted an Investment Policy Statement with objectives, risk tolerances and investment horizons that are aligned with the ONE JIB Outcomes Framework

On March 7, 2023, the Town of Aurora’s Council adopted an Investment Policy Statement that is

based on the recommended IPS template. Municipal staff have customized the Investment Policy Statement to reflect the municipality's circumstances, including removing sections that do not apply. The Investment Policy Statement, combined with the completed MCQ, reflect Aurora's investment needs, objectives, risk tolerances and constraints.

The Town of Aurora's Investment Policy Statement demonstrates that it has considered all matters required by legislation in setting its investment objectives

The subsection 418.1(10) of the *Municipal Act* requires municipalities to consider the following matters under the prudent investor regime:

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

Aurora's Investment Policy Statement verifies that the Town has taken these considerations into account in setting its investment objectives.

The Town of Aurora uses a 24-month time frame to define MNRI

Under the *Municipal Act*, municipalities can only invest MNRI in the Legal List or under the Prudent Investor Standard. For the Prudent Investor Standard, it is necessary to define MNRI in the Investment Policy Statement before control of MNRI is delegated to an investment board. ONE Investment provided guidance on best practices in determining the definition of MNRI, and Aurora determined that money not needed within 24 months was appropriate.

The Town of Aurora's overall investment objective is moderate growth at moderate levels of risk, resulting in above-inflation returns

In its MCQ (reference report ONE JIB 2023-O47), Aurora defined its risk / return objectives as follows (questions 3.1, and 3.2 in the MCQ):

- Objective is to: "Achieve moderate growth without excessive risk to capital"
- Able to accept: "Moderate chance of loss of capital over a 5-year period"
- A tolerance for short-term (3 year) losses is: "5-15% decline"

These responses provide guidance on how ONE JIB should be investing Aurora's MNRI.

5. CONCLUSION

Aurora's Investment Policy Statement is based on the ONE JIB Investment Policy Statement template and is therefore aligned with the ONE JIB Framework with respect to investment

objectives, risk tolerances, and investment horizons. The Investment Policy Statement demonstrates that the Town has considered all the elements required in the Regulation.

ATTACHMENT

Attachment 1: Town of Aurora Investment Policy Statement

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

Attachment 1

INVESTMENT POLICY STATEMENT

FOR

THE CORPORATION OF THE TOWN OF AURORA (the “Municipality”)

MARCH 7, 2023

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Town of Aurora

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” (MNRI) 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 MNRI 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 MNRI 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 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, and
- (iii) This Investment Policy Statement (IPS) is intended to respond to the foregoing requirements.

Town of Aurora staff and Council understand that the funds being invested belong to the residents of Aurora. This investment and procedures documentation will ensure that all

funds are invested with care, diligence and judgement of a prudent investor with a primary objective of principal preservation while maximizing returns.

1. GLOSSARY AND DEFINITIONS

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

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

Agent: means any administrator, Custodian, payment servicer, portfolio manager, 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.

Asset Class: An asset class is 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. Asset classes include bank deposits, money market securities, bonds and equities, among other things.

Authorizing By-law: means a by-law of a Participating Municipality which authorizes: (i) the approval of the Client Questionnaire and the adoption of the IPS; and (ii) the entering into of the ONE JIB Agreement.

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.

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

Credit Risk: means the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations. That is, the risk that a lender may not receive the owed principal and interest.

Custodian: means a specialized financial institution that is responsible for safeguarding a municipality's investments and is not engaged in "traditional" commercial or consumer/retail banking. Global custodians hold investments for their clients in multiple jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

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

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

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

Interest Rate Risk: refers to the possibility that the value of a bond or other fixed-income investment will suffer as the result of a change in interest rates. Interest rate risk can be managed to help improve investment outcomes.

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 Long-Term Money investments 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 Long-Term Money under the Regulation, and for Short-Term Money, 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 instrument strategy of 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.

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

Long-Term Money: means the money that the municipality has defined as long-term and characterized as money that is not required immediately by the Municipality as described in section 5.2. Monies that are Long Term Money will be invested in accordance with the Prudent Investor Standard.

MNRI: means money that is not required immediately

Modern Portfolio Theory: means a theory of portfolio management that looks towards the portfolio as a whole, rather than towards the prudence of each investment in the portfolio. This is found in the CFA Institute Standards of Practice Handbook.

MRI: means money required immediately.

Municipality: means The Corporation of the Town of Aurora.

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 DATE TBD, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Municipality's Long-Term Money.

Outcome: in the context of the municipality's IPS the word 'outcome' is used interchangeably with 'solutions'. Investment outcomes are a set of investment allocations with varying risk/return characteristics. The outcomes assigned to each investor are intended to reflect the needs and circumstances of the municipality. MNRI may be invested into several outcomes based on the characteristics of the municipality's accounts/reserves and its saving and spending needs.

ONE JIB's Outcome Framework: a set of Investment Outcomes designed by the ONE JIB to categorize the potential goals of investing MNRI. Each Outcome has a unique Asset Allocation with risk/return characteristics that are aligned with the intended use of the money assigned to the outcome.

Operational: means the funds required to meet annual operating and capital plan needs.

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 required for specific purposes.

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 DATE TBD, the date on which the prudent investor regime applies 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 makes use of Modern Portfolio Theory and applies the standard of prudence to the entire portfolio in respect of the Municipality's Long-Term Money 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.

Regulation: means Ontario Regulation 438/97.

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.

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

Short-Term Money: means money that is required immediately by the Municipality as described in section 5.1 and which remains under the control and management of the Municipality. The money can be invested in appropriate Legal List Securities.

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

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

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

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

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 6502-23 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 ("third party trust funds").

There are also source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Such source(s) of money, referred to in this IPS as "designated funds", are listed in Schedule A attached hereto. The designated funds are identified in this IPS for the sole purpose of enabling the Municipality to better see, on an aggregated basis, the various financial assets in which the Municipality has an interest. The Municipality is not responsible for the investment activities or performance of designated funds.

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 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 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, in accordance with this IPS, only be made in Legal List Securities.

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.

Money and investments that the Municipality holds as third-party trust funds or has an interest in as designated funds will be subject to applicable legislation and any related agreements or instruments.

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.

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
- any combination of the foregoing

The Municipality's MNRI will be comprised of money that is to be used to meet financial obligations that become due more than 24 months from the date of receipt of such money by the Municipality.

For certainty, all money and investments of the Municipality that have not been identified as MNRI (other than 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 required for specific purposes. A high level description of each of these portfolios and their objectives is provided in Section 5 below. This IPS applies to the following money of the 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 I).

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 External Portfolio Managers, Custodians, administrators and other investment professionals (Agents);
- Allocating the money and investments under its control and management among External Portfolio Managers and their funds in compliance with this IPS;
- Monitoring the performance of the 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, and any third-party trust funds 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 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 Deputy Treasurers and Financial Management Advisors.

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 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 Short-Term 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 Municipal Act, 2001 (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: Short-Term Money

The Municipality's MRI is described in this IPS as Short-Term Money. Short-Term Money consist of money that is needed to meet the short-term financial obligations of the Municipality coming due within 24 months from the date of receipt of such money and are controlled and managed by the Treasurer.

5.1.1 Short-Term Money: Investment Objectives

The investment objectives, in the order of priority, for the Municipality for Short-Term Money are:

- **Compliance with Portfolio Restrictions:** The legal authority to invest funds comes from the Act. All investments acquired shall be in conformity with portfolio restrictions and permissions set out in O. Reg. 438/97 – Eligible Investments and Related Financial Agreements, as amended from time to time. The Municipality shall not invest in a security that is expressed or payable in any currency other than Canadian dollars.

- **Preservation of Principal:** Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. Investments shall be made with judgement and care, not for speculation, but for investment, considering the probable safety of the principal invested as well as the probable income derived. Staff shall also endeavor to mitigate credit and interest rate risk by: pre-qualifying the financial institutions, brokers/dealers and advisors with which the Municipality does business; diversifying the investment portfolio; structuring the investment portfolio so that maturing securities meet ongoing cash flow requirements; and investing operating funds primarily in shorter-term securities or approved liquid investment pools.
- **Maintenance of Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. All non-equity investments shall be interest bearing in nature and equity exposure will be limited to investments in the ONE Investment Program equity funds. The Municipality's portfolio should be well staggered, using a ladder approach which allows investments to mature at various times and provides the Municipality the opportunity to build up the portfolio based on market conditions/opportunities. A portion of the portfolio may be placed in the ONE Investment Program, which offers compliance and liquidity.
- **Maximization of the Rate of Return:** The Investment Portfolio shall be designed with the goal of maximizing the rate of return through budgetary and economic cycles, considering the investment risk constraints and liquidity needs. Staff will explore and utilize any eligible investment vehicles in building the Municipality's investment portfolio. The investment portfolio will be managed with prudent investor principles, to maximize returns within established risk parameters. To take advantage of short-term fluctuations in interest rates, securities may be sold prior to maturity. Investments shall be purchased once multiple bids are received and analysed. The highest yielding bid, which meets the Municipality's cash flow requirements, will be accepted. If the highest yielding bid is not selected, an explanation describing the rationale shall be provided. Staff involved will retain written records of each transaction, including the name of the financial institutions, rates quoted, description of the security, investment selected, and any special considerations that had an impact on the decision. With the goal of maximizing the rate of return on its investments, staff may utilize eligible investment vehicles for which there is a sole available supplier, such as the ONE Investment Program products. In instances such as this, multiple bids will not be solicited.

5.1.2 Short-Term Money: Eligible Investments

Short Term Money may be invested in high quality, short-term 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 Policy, as deemed eligible by Ontario Regulation 438/97 or as authorized by subsequent provincial regulations.

5.2 MNRI: Long-Term Money

The Municipality’s MNRI is described in Section 3.2 as Long-Term Money. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the Long-Term Money 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 Long-Term Money: 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.

The municipality’s investment objectives for its Long-Term Money (MNRI) can be achieved via allocations to the Outcomes defined within the ONE JIB’s Outcome Framework. The table below provides a summary of this framework.

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years
Stable Return	Stable Return	Income Generation; To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk; emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)
	Asset Mgt Reserves	Contributions to generate returns to fund asset management	Higher risk; emphasis on longer-term capital	> 10 years (Perpetual)

		reserves	growth low liquidity	
Target Date	Target Date 3-5 yrs	Preservation of capital	Low risk; high liquidity	3 – 5 years
	Target Date 5-10 yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 – 10 years
	Target Date 10+ yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long-term inflation-adjusted growth	> 10 years

Investment of long-term money 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 returns. Returns have an impact on revenues, as well as a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. To the extent possible, the Long-Term Money's investment horizons are aligned with the 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 **Long-Term Money: Eligible Investments**

Eligible investments for Long-Term Money include any Pooled Fund or other collective investment vehicle or institutional investment management product sponsored or managed by ONE Investment for the Prudent Investment Program (Prudent Investment 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 Long-Term Money from being held in cash, short term money market instruments, or overnight deposits.

5.2.3 **Long-Term Money: Sinking Funds**

Not applicable.

5.2.4 **Long-Term Money: Local Distribution Corporation (LDC) Securities**

Not applicable.

5.2.5 **Long-Term Funds: Other**

Not applicable.

5.3 Third Party Trust Funds and Designated Funds

Not applicable.

5.4 Investment Management

5.4.1 Investment Management of Short-Term Money

The investment of Short-Term Funds shall be controlled and managed by the Treasurer and his/her designate as documented in By-law #6219-19, Schedule "C".

5.4.2 Investment Management of Long-Term Money

The investment of Long-Term Money shall be controlled and managed by ONE JIB in accordance with this IPS.

Competent External Portfolio Managers shall be appointed by ONE JIB and they shall enter into an agreement with ONE Investment that complies with this IPS and Part II of the Regulation and provide compliance and performance reports. In accordance with the applicable regulatory requirements, ONE JIB shall make any External Portfolio Manager changes deemed in the best interest of the Municipality. For each External Portfolio Manager, ONE Investment shall agree on a set of operational guidelines including constraints, discretion limits, diversification and quality standards, and performance expectations, which are documented in each External Portfolio Manager's guidelines.

5.5 Transition to Prudent Investor Regime

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.

Upon and after the Prudent Effective Date, the control and management of money and investments that are determined to be not required immediately shall be given to ONE JIB. Nothing in this IPS requires that such investments need be liquidated or disposed of. It is not contrary to this IPS for investments that the Municipality does not require immediately to be held, and to continue to be held by ONE JIB, in instruments such as term deposits, guaranteed investment certificates or principal protected notes issued by a financial institution. They can be held to maturity and invested upon receipt of cash proceeds.

Management of third-party trust funds and any designated funds is not directly affected by the Prudent Effective Date.

5.6 Investment Constraints

5.6.1 Environmental, Social and Governance (ESG) Investing

The Municipality supports ESG investing for Short-Term and Long-Term Money. The Town believes that well-managed companies are those that demonstrate high ethical and environmental standards and respect for their employees, human rights, and the

communities in which they do business, and that these actions contribute to long term financial performance.

For the investment of short-term funds will be done in compliance with the investment objectives identified in section 5.1.1. Accommodating specific ESG considerations may not be possible due to conflicts with the investment objectives. The Town has chosen to monitor the developments of ESG factors and will reconsider its approach to ESG investing for the Short-Term Portfolio as and when appropriate to do so.

For the investment of Long-Term Money, ONE JIB is required to explore how External Portfolio Managers are 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 Short-Term Money securities lending is permitted through ONE Investment Program investments only.

For the investment of Long-Term Funds, the Municipality may invest in pooled funds, and other investment funds that are managed by an External Portfolio Manager who may engage in Securities Lending if the policies of the External Portfolio Manager permit such an action.

5.6.3 *Derivatives*

Derivatives may not be used for speculative purposes. They may be used for the investment of Long-Term Money where they are fully covered by a backing asset, e.g., as for currency or other hedging, to change portfolio duration or in covered call strategies.

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. Leverage is not a strategy currently employed by ONE JIB but may be considered at a later date.

5.6.5 *Pooled Funds*

All investment strategies may be pursued directly through holdings of corporate and government issuers and indirectly via pooled funds and investment funds or any combination thereof. The investment strategies may also include allocations to cash or short-term investment vehicles.

5.6.6 *Currency Hedging*

The Short-Term Portfolio will not utilize currency hedging.

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

5.7 Performance Monitoring, Rebalancing and Management

5.7.1 Short-Term Money

For the investment of Short-Term Money, Municipality staff will monitor the cash flow needs of the Municipality on a periodic basis. Should the needs on the Municipality no longer be met by the asset mix, staff will make changes, at the discretion of the Treasurer, taking into consideration the Short-Term Investment objectives.

5.7.2 Long-Term Money

For the investment of Long-Term Money, 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 6.6 that shows the Municipality's holdings, declares compliance with this IPS and shows External Portfolio Manager 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 Long-Term Money that it holds. Any Long-Term Money 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 the 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 Long-Term Money then under the control and management of ONE JIB for the Municipality's operational purposes. Such amount shall be deemed to be Short-Term Money 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 Short-Term Funds capture 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 Long-Term Money. 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 Long-Term Money under the control and management of ONE JIB as at the date that the Municipality approved its budget for the year (the Budgeted Long-Term Money). In determining the Budgeted Long-Term Money for purposes of calculating the 25% limit, any Long-Term Money to be transferred to the control and management of ONE JIB in accordance with that year's Annual Review pursuant to Section 6.1.1 shall be included and any amount to be returned by ONE JIB to the Municipality pursuant to Section 6.1.2 shall be excluded.

6.3 Valuation of Investments

Investments shall be valued according to the values provided by the Custodian(s). For the investment of Long-Term Money, 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 External Portfolio Manager to the Custodian no less frequently than quarterly.

6.4 Voting Rights

Where External Portfolio Managers have been appointed, such External Portfolio Managers shall assume the responsibility of exercising voting rights and will report their 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 investments and assets of the investment portfolios shall be held by a Custodian and any of the Custodian's sub-custodians or nominees. For Long-Term Money, the Custodian shall be acceptable to ONE Investment.

For Short-Term Funds the following is a list of financial institutions authorized to provide investment services to the Municipality. This list will be maintained and updated as the business environment changes:

- TD Canada Trust
- CIBC Wood Gundy
- BMO Nesbitt Burns Inc.
- RBC Dominion Securities Inc.
- Raymond James Ltd.
- Canaccord Genuity
- ONE Investment

6.7 Reporting

6.7.1 Short-Term Money

For the investment of Short-Term Funds, the Treasurer shall provide an annual investment report to Council. The Investment report shall contain:

- A statement about the performance of the investments during the period covered by the report;
- A statement by the Treasurer as to whether or not, in their opinion, all investments are consistent with the investments policies and goals of the Municipality;
- Listing of all investments by maturity date;
- Percentage of total portfolio that each type of investment represents; and
- Such other information that Council may request, or that the Treasurer may consider pertinent.

6.7.2 Long-Term Money

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of Long-Term Money 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 securities 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 policy replaces any existing investment policy of the Municipality, in its entirety, and all previous investment policies are revoked and repealed.

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 Short-Term Money and from ONE JIB with respect to the investment of Long-Term Money.

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 review will consider:

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

7.3 Effective Date

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

Signed by:

Treasurer

Date

Appendix I: ONE JIB Agreement

Appendix II: ONE External Portfolio Manager Mandates

Schedule A

Third Party Trust Funds and Designated Funds

Third Party Trust Funds

1. None

Designated Funds

2. None

To: ONE Joint Investment Board
 From: Keith Taylor, Chief Investment Officer, ONE Investment
 Date: September 6, 2023
 Re: Town of Aurora's Investment Plan 2023
 Report: ONE JIB 2023-047

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the Town of Aurora's Municipal Client Questionnaire (Attachment 1).
2. Approve the Town of Aurora's proposed Investment Plan (Attachment 2).

2. SUMMARY

The Town of Aurora ("Town" of "Aurora") has decided to join the ONE JIB as a Participating Municipality. As part of the process under the applicable provincial regulation, the ONE JIB must develop and approve an Investment Plan for Aurora.

Aurora will allocate \$42.8 million in MNRI to be invested under the care and control of ONE JIB. All long-term investments held by the Town will be liquidated prior to the Town joining the ONE JIB. Its contribution will be deployed into the investment Outcomes by September 30, 2023.

Investment allocations have been determined by reviewing expected cashflows affecting municipal reserve balances to produce a portfolio with an investment horizon appropriate for Aurora's circumstances based on the ONE JIB's Outcomes Framework. The proposed investment allocations, which reflect consolidated holdings across ONE Investment Outcomes, are presented below:

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	-	-
ONE Canadian Equity Fund	5.8	13.5
ONE Global Equity Fund	13.5	31.4
ONE Canadian Government Bond Fund	5.4	12.6
ONE Canadian Corporate Bond Fund	3.2	7.5
ONE Global Bond Fund	15.0	35.0
Total \$	\$ 42.8	100.0

3. BACKGROUND

Aurora will be contributing MNRI of \$42.8 to ONE JIB that will be invested based on details in its MCQ and guidance from the Treasurer

Aurora is contributing \$42.8 million of MNRI that will be invested in the ONE JIB Outcomes. This MNRI amount is informed by analysis of expected cashflows affecting MNRI over the next 10 years. It is a conservative estimate due to a degree of uncertainty in the cashflow estimates. Table 1 below provides a summary of the reserve categories and the associated investment horizon of these reserves as disclosed in Aurora’s MCQ. As shown below, the bulk of MNRI has an investment horizon of 5 to 10 years.

Table 1: MNRI by reserve and time horizon forecast, adapted from table 4.1 of MCQ (in thousands of \$)

Reserve Type	Comments	MNRI Amount	Investment Horizon of MNRI			
			Less than 3 years	3-5 years	5-10 years	10+ years
Program Reserves and Reserve Funds	Roads & Related, Fleet, Facilities, Parks & Rec, Growth & New Capital, Gas Tax, Parks CIL, etc.	\$21,600		\$8,000	\$11,000	\$2,600
Development Charges	DC Roads, DC Parks & Rec, DC Water etc.	\$8,000		\$3,000	\$4,000	\$1,000
Contingency Reserves and Reserve Funds	Tax Rate Stabilization, WISB, Winter Control, Building etc.	\$13,200			\$13,200	
MNRI Total		\$42,800		\$11,000	\$28,200	\$3,600

4. ANALYSIS

Aurora may be able to increase its contributions in future years

The Town of Aurora anticipates that continuing population growth will result in incremental development charge revenue in future years. This may lead to increasing MNRI balances in the future. Setting aside reserves for other very long-term capital projects may also result in additional contributions to MNRI in the future. The Town currently has ample liquidity within MRI but wishes to gain more confidence in its cashflow forecasts before making additional contributions to the ONE JIB.

Aurora is liquidating existing long-term investments prior to joining ONE JIB

Aurora has sold holdings in the ONE Equity portfolio and is in the process of liquidating long-term bonds held at brokers. The Town anticipates that \$9.8 million in principal protected notes and nonredeemable guaranteed investment certificates may remain after this liquidation, which will be considered in-kind contributions of MNRI under the control and management of the ONE JIB. As long-term securities are being liquidated through the end of September 2023, the ultimate size of these in-kind contributions will be reported to ONE JIB at its next meeting. It is possible that the size of the in-kind contribution may be materially larger than the current \$9.8

million estimate.

Aurora has elected to continue to retain holdings in the ONE Canadian Government Bond Portfolio as a portfolio holding that reflects MRI balances. Proceeds from liquidated long-term securities will provide liquidity for the cash contribution of \$42.8 million in MNRI to ONE JIB.

The proposed mapping to Outcomes and resulting asset allocations are consistent with the time horizon of Aurora’s cashflow forecasts

Aurora’s reserves have a relatively long investment horizon, with over \$31 million having an investment horizon of 5 years or more. Aurora continues to experience population growth and may start building reserves for additional long-term capital projects that are not yet reflected in its cashflow projections. The MNRI estimate and associated investment horizon provided by the Town is therefore conservative. The allocation of investments within the ONE JIB Investment Outcomes reflects Aurora’s circumstances, consistent with the Town’s MCQ.

Mapping the MNRI to Outcomes relied on the MCQ and discussions with the Treasurer to ensure a common understanding of the uses and purpose of the MNRI. Asset allocations (Table 3 below) and fund allocations (Tables 4 and 5) were determined using the ONE JIB Outcomes Framework.

Table 3: Proposed Outcome Mapping and Asset Allocation

Outcome	Total Invested (\$ millions)	Portfolio Weight (%)	HISA (%)	Fixed Income (%)	Equities (%)	Total (%)
Contingency	\$ 13.2	30.8	-	40	60	100
Target Date 3-5 Years	11.0	25.7	-	90	10	100
Target Date 5-10 Years	15.0	35.0	-	50	50	100
Target Date 10+ Years	3.6	8.4	-	25	75	100
Total	\$ 42.8	100.0				

Table 4: Proposed Pooled Fund-Level Allocation

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	n/a	n/a
ONE Canadian Equity Fund	5.8	13.5
ONE Global Equity Fund	13.5	31.4
ONE Canadian Government Bond Fund	5.4	12.6
ONE Canadian Corporate Bond Fund	3.2	7.5
ONE Global Bond Fund	15.0	35.0

Total \$	\$ 42.8	100.0
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Table 1: Proposed Pooled Fund Allocations by Outcome (values in \$ millions)

Outcome	ONE HISA	ONE Canadian Equity Fund	ONE Global Equity Fund	ONE Canadian Govt Bond Fund	ONE Canadian Corporate Bond Fund	ONE Global Bond Fund	Total
Contingency	-	\$ 2.4	\$ 5.5	\$ 0.8	\$ 0.8	\$ 3.7	\$ 13.2
Target Date 3-5 Years	-	0.3	0.8	3.4	1.2	5.4	11.0
Target Date 5-10 Years	-	2.3	5.3	1.1	1.1	5.3	15.0
Target Date 10+ Years	-	0.8	1.9	0.1	0.1	0.6	3.6
Total \$	-	\$ 5.8	\$ 13.5	\$ 5.4	\$ 3.2	\$ 15.0	\$ 42.8

5. CONCLUSION

The proposed Investment Plan is consistent with Aurora's IPS. The proposed asset mix and fund allocations reflect the investment objectives and risk preferences expressed in its IPS and MCQ. As a result, the Investment Plan is appropriate for Aurora's time horizons and available MNRI.

ATTACHMENT

Attachment 1: Town of Aurora's Municipal Client Questionnaire

Attachment 2: Town of Aurora's proposed Investment Plan

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



Attachment 1

Municipal Client Questionnaire (MCQ)

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

Additionally, update the MCQ within 90 days if:

- a. There is a significant change in the municipality’s financial circumstances, or
- b. There is a significant change in the municipality’s “money not required immediately”

For changes between annual reviews, provide written notice of changes by using the mid-year MCQ update form on the last page of this document.

1. CLIENT INFORMATION

1.1 NAME OF MUNICIPALITY: TOWN OF AURORA

1.2 ADDRESS: 100 JOHN WEST WAY

1.3 TREASURER INFORMATION

i. Name: Rachel Wainwright-van Kessel

ii. Phone Number: 905-727-3123 iii. Email: rvankessel@aurora.ca

1.4 PRIMARY DAY-TO-DAY CONTACT INFORMATION*

i. Name: Laura Sheardown

ii. Title: Financial Management Advisor

iii. Phone Number: 365-500-3080 iv. Email: Lsheardown@aurora.ca

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



Municipal Client Questionnaire (MCQ)

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?

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

2.2 Does Municipal staff (the person most responsible for managing investments) have prior investment industry education/designations/experience? Please describe:

No

2.3 Check the following list of investment vehicles with which your municipality has used within the past five years. [*Check all that apply*]

- Canadian money market securities (e.g., Cash, bank accounts, HISA etc.)
- Locked-in Investments (e.g., GICs, PPNs etc.)
- Local Distribution Corporation 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



Municipal Client Questionnaire (MCQ)

3. INVESTMENT OBJECTIVES AND RISK TOLERANCE

This section of the Questionnaire asks about the Municipality's Money Not Required Immediately (MNRI). In general, investors can expect a higher annualized rate of return if the investor is also willing to accept volatility or fluctuation in the market value of their investments. For example, investors can expect that the average annual rate of return for a five-year period will be higher where the portfolio's returns are varied when measured on a year-by-year basis, with some years having negative returns. A portfolio which has a steady return year over year, with little possibility of negative returns in any year, will most likely have a lower annualized return when measured on a rolling five-year average.

3.1 In relation to MNRI, which of the following best reflects the Municipality's longer-term investment objectives (return), risk tolerance (volatility of returns) and shorter-term tolerance for losses (actual or unrealized)?

	Description	Investment Objective	Risk Tolerance	Tolerance for short-term (3 year) losses*
<input type="checkbox"/>	Lower risk/return	Capital preservation is the main objective. Willingness to accept lower returns to reduce the likelihood of losses	Conservative Approach: A small chance of loss of capital over a 5-year period	Less than 5% decline
<input checked="" type="checkbox"/>	Moderate risk/return	Achieve moderate growth without excessive risk to capital	Moderate chance of loss of capital over a 5-year period	5-15% decline
<input type="checkbox"/>	Higher risk/return	Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns	Greater uncertainty of outcomes with potential of higher returns over a 5-year period	More than 15% decline

* these percentages are for illustrative purposes only, to determine sensitivity to potential capital loss, and do not represent a guarantee by ONE JIB or ONE Investment.

3.2 Other information: Is there any other information about the Municipality's investment objectives and risk tolerance for its MNRI that is relevant to the IPS or Investment Plan?

N/A



Municipal Client Questionnaire (MCQ)

Sections 4 and 5 of this Questionnaire asks about the Municipality's assets, liabilities and cash flow and is not limited to MNRI. It is intended to assist ONE Investment in obtaining an understanding of the Municipality's financial circumstances, including its cash flow needs.

4. **FINANCIAL INFORMATION**

4.1 Please provide a table (next page or attached) showing "Money Not Required Immediately" divided into reserves and reserve funds with expected investment time horizons. A template is provided on the following page as a guide.

Note: MNRI can be determined by time, source of funds, purpose of funds, or such other means as the Municipality may decide is appropriate. For example, the 'less than 3 years' column of MNRI in the template might not be applicable for all municipalities.

Summary of Municipal Accounts for Investment Planning Purposes

Reserve Type	Brief Description	MNRI Amount	Investment Horizon of MNRI			
			Less than 3 years	3 to 5 years	5 to 10 years	10+ years
SAMPLE – Roads	Ongoing Maintenance	\$8,000,000	\$1,500,000	\$1,500,000	\$3,500,000	\$3,500,000
SAMPLE – Infrastructure	Road Lane Widening	\$5,000,000		\$1,000,000	\$4,000,000	
Program Reserves and Reserve Funds	Roads & Related, Fleet, Facilities, Parks & Rec, Growth & New Capital, Gas Tax, Parks CIL, etc.	\$21,600,000		\$8,000,000	\$11,000,000	\$2,600,000
Development Charges	DC Roads, DC Parks & Rec, DC Water etc.	\$8,000,000		\$3,000,000	\$4,000,000	\$1,000,000
Contingency Reserves and Reserve Funds	Tax Rate Stabilization, WISB, Winter Control, Building etc.	\$13,200,000			\$13,200,000	
Total		\$42,800,000	\$0	\$11,000,000	\$28,200,000	\$3,600,000



Municipal Client Questionnaire (MCQ)

4.2 Cash Flow Projections affecting MNRI by year (please provide details that may help inform the ONE JIB about potential drawdowns/additions to MNRI that you anticipate in coming years. Supporting documentation may be provided as needed.

Type	Next year	2 years	3 to 5 years	5 to 10 years	Greater than 10 years
Anticipated MNRI Drawdowns	\$0	\$0	(\$11,000,000)	(\$28,200,000)	(\$3,600,000)
Anticipated MNRI Contributions	\$7,750,000	\$7,750,000	\$15,500,000	\$31,000,000	\$7,750,000 per year
Net change in MNRI	\$7,750,000	\$7,750,000	\$4,500,000	\$2,800,000	\$4,150,000

4.3 Do the MNRI drawdown forecasts in 4.2 reflect:

- Drawdowns of current reserve balances
 Drawdowns of current reserve balances inclusive of projected future budgetary contributions

4.4 If the Municipality has completed a capital budget and asset management plan, how many years does this forecast extend?

- Less than 3 years 3-5 Years 5-10 Years 10 years or more

Funding/Expenditure Analysis

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

The Municipality will manage unforeseen requests for funding through short-term reserves. The probability that the Town will need to draw down MNRI to fund unexpected budget shortfalls is low.



Municipal Client Questionnaire (MCQ)

4.6 Is there a particular year when the Municipality had unusual, large expected capital expenditure(s)?

Yes No

4.7 If so, please explain the timing and nature of the expenditure(s)

4.8 Is there any near-term (within the next 24 months) decisions or uncertainties that could have a material impact on your MNRI forecasts? (e.g., projects contingent on unsecured grants, potential significant changes to debt financing strategy, significant acquisition or disposal/divestment).
Provide details here:

No



Municipal Client Questionnaire (MCQ)

5. PORTFOLIO INFORMATION

5.1 MNRI Details

Description	As of Date (DD/MM/YY)	Value
Invested in ONE JIB Outcomes as of <i>Date</i> (A)		
Pledged (in kind) Securities (Bonds, GICs, PPNs etc.) as of <i>Date</i> (B)	Estimated	\$9,883,951
Expected Contributions (withdrawals) of MNRI and <i>Date</i> fund to be remitted / paid (C)		\$42,800,000
Locked in portion (LDC shares or notes as of <i>Date</i> (D)		
Total MNRI (A to D)		\$52,683,951

5.2 The Municipality may pledge less liquid securities to ONE JIB as part of MNRI. Please identify below the details of pledged securities that the municipality may have.

- The Municipality does not have locked in investments that represent a portion of MNRI
- The Municipality has the following investments as pledged securities that represent a portion of MNRI (see section 6)



Municipal Client Questionnaire (MCQ)

6. EXISTING INVESTMENTS

6.1. Please provide a table showing your current investments deemed MNRI and their characteristics, or attach a copy of a statement (if applicable).

<i>Security/Investment</i>	<i>Type</i>	<i>Manager/Institution</i>	<i>Book Value</i>	<i>Market Value</i>	<i>Maturity Date (If applicable)</i>
<i>SAMPLE CIBC Global Blue Chip Growth Deposit Notes, Series 12</i>	<i>PPN</i>	<i>CIBC</i>	<i>\$5,000,000</i>	<i>N/A</i>	<i>February 2030</i>
<i>SAMPLE London 3.2% May 9, 2026</i>	<i>Bond</i>	<i>N/A</i>	<i>\$1,000,000</i>	<i>\$1,098,000</i>	<i>May 9, 2026</i>
<i>SAMPLE Canada 2 ⁷/₈ July 2, 2028</i>	<i>Bond</i>	<i>N/A</i>	<i>\$2,000,000</i>	<i>\$1,945,000</i>	<i>July 2, 2028</i>
<i>Various</i>	<i>PPN</i>	<i>Held at BMO</i>	<i>\$4,250,000</i>	<i>\$4,402,098</i>	<i>May 25 and Sept 29</i>
<i>Various</i>	<i>PPN</i>	<i>Held at CIBC</i>	<i>\$1,797,737</i>	<i>\$1,994,470</i>	<i>July 29 and May 31</i>
<i>Various</i>	<i>GIC</i>	<i>Held at CIBC & BMO</i>	<i>\$3,487,383</i>	<i>\$4,387,383</i>	<i>Mar 26 to Aug 27</i>
<i>(Long term securities still being liquidated)</i>	<i>being</i>	<i>liquidated)</i>			
<i>(finalized details to be confirmed)</i>	<i>confirmed)</i>				

6.2. Describe your overall investment strategy or investment objectives.

Investment Strategy and objectives are identified in the Town of Aurora's Investment Policy as approved by Council.



Municipal Client Questionnaire (MCQ)

7. OTHER INFORMATION

7.1 Please provide any additional information or context on the information provided that you consider relevant to ONE JIB's understanding of your municipality's MNRI.

Not applicable.

8. INVESTMENT RESTRICTIONS

8.1 Are the Municipality's investments subject to any prohibited investment or other similar restrictions that are not fully disclosed in the Municipal IPS?

Yes No

If Yes, please specify.



Municipal Client Questionnaire (MCQ)

9. 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 21 day of August, 2023

Rachel Wainwright-van Kessel
Director of Finance

A handwritten signature in blue ink, appearing to read "Rachel Wainwright-van Kessel", written over a horizontal line.

Name and Signature of Treasurer

Second Signature (if Required)



Municipal Client Questionnaire (MCQ)

Appendix 1 – Midyear MCQ Updates Form

Please provide details that explain the nature of the 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 the ONE JIB to understand how this update changes the cashflow characteristics or investment horizons of MNRI relative to the most recent update to the MCQ.

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 2
The Town of Aurora
Investment Plan

Date: September 6, 2023

200 University Ave., Suite 801
Toronto Ontario M5H 3C6 Canada



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1. Definitions

- Act** Act means the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended from time to time.
- Agent** Agent means any administrator, Custodian, payment servicer, External Portfolio Manager, 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, in the manner and to the extent provided in the Regulation, pursuant to a written agreement with ONE Investment and, without limiting the generality of the foregoing, Agent includes ONE Investment.
- Asset Allocation** Asset Allocation means the proportions of each Asset Allocation (or Asset Class) in an investment portfolio. The primary Asset Allocations (or Asset Classes) are cash and cash-equivalent instruments, fixed income, equities and equity-equivalent securities. These primary Asset Allocations (or Asset Classes) can be further subdivided into government and corporate bonds, large and smaller cap equities and other widely recognized asset categories. ONE Investment generally uses the term “Asset Allocation” to refer to the percentage, at the applicable time, of an investment portfolio comprised of cash, fixed income and equities.
- Asset Class** Asset Class means the type of asset category in an investment portfolio. The primary Asset Classes (or Asset Allocations) are cash, cash-equivalent instruments, fixed income equities and equity-equivalent securities. These primary Asset Classes (or Asset Allocations) can be further subdivided into government and corporate bonds, large and small cap equities and other widely recognized asset categories. This term can be used interchangeably with Asset Allocation (defined above).
- Asset Weight** Asset Weight means the actual percentage of HISA and/or of a particular Fund in comparison to the entire amount invested in a particular Outcome and also means the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in a particular Outcome. This term also includes the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in the investment portfolio.
- Authorizing By-law** Authorizing By-law means, with respect to a Participating Municipality, the by-law under which it (i) adopts and undertakes to maintain its IPS, (ii) authorizes the entering into of the ONE JIB Agreement with ONE JIB and the other Participating Municipalities, (iii) approves its completed MCQ, (iv) authorizes the establishment of a Code of Conduct for ONE JIB, and (v) delegates to ONE JIB the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

Note: an Authorizing By-law of a Participating Municipality can, at the option of council, also be constituted as the Prudent Investor Enabling By-law by

specifying a specific future date, agreed to by ONE JIB, as the date on which the PI Standard will apply to the Participating Municipality under Section 418.1 of the Act.

Benchmark	Benchmark means an independently verifiable index that is representative of a specific securities market. For the most part the Benchmark is a relevant market index e.g., the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc. against which investment performance can be compared. ONE Investment generally selects recognized and widely used performance benchmarks which measure total returns expressed in Canadian dollars. ONE Investment may use a single index or a blended index made up of one or more indices.
CFA Institute	CFA Institute means the 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.
Chief Compliance Officer (CCO)	Chief Compliance Officer means a duly qualified individual who is the most senior officer responsible for the design and implementation of the compliance program for ONE Investment and for the ONE Prudent Investment Program.
Chief Investment Officer (CIO)	Chief Investment Officer means a duly qualified individual who is the most senior person responsible to oversee investments and who advises ONE JIB as to the recommended Outcomes for Participating Municipalities to comply with their IPSs.
Credit Risk	Credit Risk means the possibility that a borrower will not repay a loan or meet other contractual obligations in full on time. One example of credit risk is the risk that a lender may not receive the borrowed principal and interest when due. Another example of credit risk, sometimes referred to as counterparty credit risk, is the risk that a party to a derivatives contract will default and fail to fulfill its obligations.
Custodian	Custodian means a specialized financial institution appointed to have custody and safekeeping of financial assets. Global Custodians may hold assets for their clients in jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").
Derivative	A derivative means a contract between two or more parties the value of which 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.

Drift	Drift means the deviation from Target Weight. Drift is cause for concern or a trigger for Rebalancing when it reaches or exceeds a certain magnitude for a specified period of time.
ESG (Environmental, Social and Governance Factors)	ESG factors mean “indicators used to analyse a (investee) company’s prospects” which are based on measures of its performance on environmental, social, and corporate governance criteria. According to the United Nations Principles of Responsible Investment, environmental issues relate to “the quality and functioning of the natural environment and natural systems”, social issues relate to “the rights, well-being and interest of people and communities”, and governance issues relate to “the governance of companies and other investee entities.”
External Portfolio Managers	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 ONE Investment Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.
Funds	Funds mean the pooled investment Funds offered as part of the ONE Prudent Investment Program and includes the ONE Canadian Equity Fund, the ONE Global Equity Fund, the ONE Canadian Bond Fund, the ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund, each of which is a Fund. Each Fund constitutes an Investment Fund and a Pooled Fund (defined below).
In-Kind	In-Kind means assets/securities instead of cash. In certain cases Participating Municipalities may transfer securities to ONE JIB as part of their MNRI instead of remitting only cash to ONE JIB. As these securities mature ONE JIB would invest the proceeds into the Outcomes specified in the relevant Investment Plan.
Internal Controls	Internal Controls mean 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 Fund	Investment Fund means a pool of money belonging to many investors that is used to collectively purchase stocks, bonds or other securities. This term includes a Fund (defined above) and a Pooled Fund (defined below).
Investment Plan	Investment Plan means the investment plan for a Participating Municipality applicable to its Long-Term Funds and investments that the Participating Municipality does not require immediately, as adopted and maintained by ONE JIB under the Regulation, as the Investment Plan may be amended from time to time.

Investment Policy Statement (IPS)	Investment Policy Statement means the investment policy applicable to a Participating Municipality’s investments adopted and maintained by the council of the Participating Municipality for Long-Term Funds under the Regulation, and for Short-Term Funds, as the IPS may be amended from time to time. The IPS may also apply to the money and investments held by the Participating Municipality for the benefit of persons other than the Participating Municipality itself and may make reference to any source of money in which the Participating Municipality may have an indirect interest but which the Participating Municipality has no authority to invest.
Legal List Securities	Legal List Securities mean the securities that are prescribed from time to time in Part I of the Regulation.
Leverage	Leverage means using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage tends to increase investment risks.
Local Distribution Corporation	Local Distribution Corporation or LDC means a corporation incorporated under section 142 of the Ontario <i>Electricity Act, 1998</i> , as amended from time to time.
Long-Term Funds	Long-Term Funds mean money that the Participating Municipality has defined as long-term and characterized as money that is not required immediately.
Money Not Required Immediately (MNRI)	Money Not Required Immediately means money that is not required immediately by a Participating Municipality, the control and management of which has been given to ONE JIB. There is no universal definition of MNRI and it is at the discretion of each Participating Municipality to determine its MNRI in a way that is appropriate for its circumstances.
Municipal Client Questionnaire (MCQ)	Municipal Client Questionnaire means a document which is completed by the Treasurer of each Participating Municipality, and which includes information on municipal investments and risk preferences that must be reviewed annually.
Municipality	Municipality means the Town of Aurora.
ONE High Interest Savings Account (HISA)	ONE High Interest Savings Account means an account created by ONE Investment, into which money may be deposited, that offers competitive interest rates on daily balances. It functions in a similar way as a bank account in that it pays interest and money can be withdrawn on demand without triggering investment gains or losses.
ONE Investment	ONE Investment means the not-for-profit organization founded by CHUMS Financing Corporation and Local Authority Services that serves as an agent of ONE JIB to supply management, administrative and other services required by ONE JIB in the discharge of ONE JIB’s duties and responsibilities.

ONE JIB	ONE JIB means ONE Joint Investment Board, established by certain Participating Municipalities (sometimes referred to as the Founding Municipalities) under section 202 of the Act as a Joint Investment Board for purposes of Part II of the Regulation. ONE JIB, as constituted from time to time, is the duly appointed Joint Investment Board for a Participating Municipality and acts in accordance with the Act, the Regulation, the ONE JIB Agreement, including the Terms of Reference, and each Participating Municipality's IPS and Investment Plan.
ONE JIB Agreement	ONE JIB Agreement means the agreement effective as of July 2, 2020, entered into between ONE JIB, the six original Participating Municipalities (sometimes referred to as the Founding Municipalities) and One Investment in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Participating Municipality's money and investments that are not required immediately under Section 418.1 of the Act and in accordance with the Regulation.
ONE Prudent Investment Program	ONE Prudent Investment Program means the program for municipal investment in respect of which a Participating Municipality has appointed ONE JIB as its Joint Investment Board and has entered into the ONE JIB Agreement. The ONE Prudent Investment Program includes the Prudent Investment Offering (defined below).
Outcome	Outcome means the categories and strategies in accordance with which a Participating Municipality's MNRI may be invested. "Outcome" is used interchangeably with "solution". There are four different Outcome categories. They include the "cash", "stable return", "contingency" and "target date" categories. Each Outcome category shares certain objectives or goals for the MNRI invested in accordance with that Outcome category. The Outcome categories are used by ONE JIB to determine the appropriate Outcome strategies for each Participating Municipality. An Outcome category may have one or more Outcome strategies associated with it. Each Outcome strategy formulated by ONE JIB includes objectives, risk tolerance, liquidity needs, time horizons and Asset Allocations. The Outcome strategies are designed to enable ONE JIB to respond to a Participating Municipality's specific needs and circumstances. A Participating Municipality's Outcomes portfolio consists of its Outcome categories and strategies and the associated investments in the Funds associated with each Outcome strategy. A Participating Municipality's Outcomes portfolio considers a Participating Municipality's MNRI in its entirety and is determined individually by ONE JIB to meet the investment objectives for each Participating Municipality. A Participating Municipality's MNRI may be invested in accordance with several different Outcome categories and strategies.
Outcome Framework	Outcome Framework means the entire set of Outcome categories and strategies authorized by ONE JIB.

Participating Municipality	Participating Municipality means from time to time each of the municipalities for whom ONE JIB acts as the Joint Investment Board under the terms of the ONE JIB Agreement and includes the Participating Municipalities that established ONE JIB (sometimes referred to as the Founding Municipalities).
Pooled Fund	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 money that is invested and managed by an External Portfolio Manager. Money belonging to various investors is pooled and used collectively to purchase stocks, bonds and other securities. This term includes a Fund (defined above).
Portfolio	Portfolio means any collection of Funds that are grouped together and required for specific purposes.
Proxy Voting	Proxy Voting means the exercise of voting rights attached to the securities under the control and management of ONE JIB under the ONE Prudent Investment Program. ONE JIB may direct the voting of proxies in accordance with ONE JIB's proxy voting policies. In the normal course, ONE JIB and ONE Investment delegate voting of proxies to the applicable External Portfolio Manager pursuant to the investment management agreement with such External Portfolio Manager.
Prudent Effective Date	Prudent Effective Date means the effective date set out in a Prudent Investor Enabling By-law as the date on which the Prudent Investor Standard applies to the Participating Municipality.
Prudent Investment Offering	Prudent Investment Offering refers to the suite of investment products and services used to invest MNRI of the Participating Municipalities. It is inclusive of the Pooled Funds that have been formed for this purpose, HISA accounts associated with ONE JIB activities, and the Outcomes of ONE JIB. The Prudent Investment Offering is included in the ONE Prudent Investment Program (defined above).
Prudent Investor (PI)	Prudent Investor means an investor who makes an investment using the care, skill, diligence and judgment that an investor acting in accordance with section 418.1 of the Act would exercise in making the investment.
Prudent Investor Enabling By-law	Prudent Investor Enabling By-law means, with respect to a Participating Municipality, the by-law under which it makes the Prudent Investor Standard apply to it as at the specific date set out in such by-law under Section 418.1 of the Act.
Prudent Investor Standard	The "Prudent Investor Standard" means the standard of care which requires ONE JIB, when investing money under section 418.1 of the Act, to exercise the care, skill, diligence and judgement that a prudent investor would exercise in making such an investment. The Prudent Investor Standard applies to the Participating Municipalities' Long-Term Funds under the control and management of ONE JIB.

Rebalancing	Rebalancing means changing the percentage weight of HISA or of one or more Funds in an Outcome to align each such percentage weight to its Target Weight.
Regulation	Regulation means Ontario Regulation 438/97, as amended from time to time.
Risk	Risk means the uncertainty of future investment returns or potential for capital loss.
Risk Tolerance	Risk Tolerance means the financial ability and willingness to absorb a loss in return for greater potential for gains.
Securities Lending	Securities Lending means the practice of lending securities to another market participant for a fee. Generally, 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. A Securities Lending program is managed by a Custodian on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional marginal returns on the total portfolio.
Short-Term Money	Short-Term Money means money that is required immediately by the Participating Municipality as described in its IPS and which remains under the control and management of the Participating Municipality. The money can be invested in securities that are prescribed in Part I of the Regulation.
Sinking Fund	Sinking Fund means a fund established in respect of sinking fund debentures into which annual contributions must be made in an amount sufficient, with interest compounded annually, to pay the principal of the particular Sinking Fund debentures at maturity.
Sinking Fund Excess Earnings	Sinking Fund Excess Earnings mean the investment earnings of the Sinking Fund in excess of the earnings required to pay the principal of the particular Sinking Fund debentures at maturity.
Sinking Fund Required Contributions (Annual Sinking Fund Requirement)	Sinking Fund Required Contributions (Annual Sinking Fund Requirement) mean the amount of money to be set aside each year for deposit into a Sinking Fund for each Sinking Fund debenture issue in accordance with the Participating Municipality's debenture by-laws.
Sinking Fund Required Earnings	Sinking Fund Required Earnings mean the investment earnings of the Sinking Fund 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.
Target Weight	Target Weight means the original percentage weight of HISA and/or of one or more Funds for a particular Outcome as set out in the Investment Plan for a Participating Municipality. This term can also mean the original percentage weight of one or more Asset Allocations for a particular Outcome.

2. Purpose of Investment Plan

As required under the Act's prudent investor regime, this Investment Plan (Plan) establishes how ONE JIB will invest Aurora's money that it does not require immediately (Long-Term Funds or MNRI).

This Plan applies to all investments that are controlled and managed by ONE JIB on behalf of Aurora.

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 Aurora's IPS.

4. Investment Context

4.1 Investment Goals and Objectives

Returns on investments have an impact on Aurora's revenues, and therefore a longer-term impact on future years' budgets, and are intended to keep pace with inflation over the long term.

Investments may consist of liquid and non-liquid assets, depending on future obligations. Expected investment risks and returns are balanced to create allocations that provide a high probability that Aurora's investment objectives can be achieved.

MNRI will be invested to generate any or all of the following Outcomes:

- a. Funding contingencies, where returns are reinvested with a view to growing principal over the long-term for large withdrawals in unpredictable situations;
- b. Creating stable returns, where principal is maintained and a reliable stream of returns may be available to spend as/if needed; and,
- c. Funding target date projects, where Aurora has an obligation for a specific project at a specific time.

Aurora has identified the goals and objectives for their MNRI according to the Outcome Framework used by ONE JIB. Table 1 details the investment objectives for its MNRI according to the classification scheme.

Table 1 - Objectives* Disclosed in Aurora's IPS

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years
Stable Return	Stable Return	Income Generation; To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk; emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)
	Asset Mgt Reserves	Contributions to generate returns to fund asset management reserves	Higher risk; emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)
Target Date	Target Date 3-5 yrs	Preservation of capital	Low risk; high liquidity	3 – 5 years
	Target Date 5-10 yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 – 10 years
	Target Date 10+ yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long-term inflation-adjusted growth	> 10 years

* The objectives disclosed by Aurora are aligned with the Outcome Frameworks adopted by ONE JIB.

Aurora's investment needs described in its IPS provide Council's guidance to ONE JIB in determining investment allocations. Additional context from the MCQ and dialogue with the Treasurer were used to interpret the details in Table 1. This informs ONE JIB about Aurora's current goals, objectives, circumstances and risk tolerance, and helps direct how investment allocations will be determined. The allocation of Aurora's MNRI in this Plan is consistent with the details as disclosed in Aurora's IPS and MCQ.

While individually Aurora's reserve and reserve funds require liquidity, collectively they provide Aurora with considerable flexibility that should allow some exposure to less liquid investments as/if needed. This is more relevant for reserve and reserve funds with longer investment horizons. However, at present all ONE Investment funds are designed to be highly liquid. Less liquid investments may become available through ONE Investment at a later date.

ONE JIB uses an Outcome Framework that helps to translate the objectives as disclosed by the Participating Municipalities into investment allocations. The Outcome categories used by ONE JIB are aligned with the "Outcome Strategies" identified by Aurora in Table 1 above. The MNRI of Aurora will be assigned to associated Outcomes in the ONE JIB's Outcome Framework in this Investment Plan.

From time to time ONE JIB may review the Outcome Framework and associated investment allocations. This may result in changes to the investment allocations assigned to Aurora in this Investment Plan.

4.2 Comments by Chief Investment Officer

The investment allocations in this Investment Plan take into consideration Aurora's reserve balances and internal forecasts. The Town continues to improve asset management planning and cashflow forecasts and has good visibility on near-term funding needs, but the level of precision for spending needs over longer horizons is more limited. The Town has ample short-term liquidity to address immediate funding needs out of MRI, and as they improve cashflow forecasting, they may be able to justify incremental MNRI contributions in future years. At this point, they will be contributing \$42.8 million to MNRI.

As part of the transition to the Prudent Investor regime, Aurora will review and liquidate existing holdings of long-term securities. These securities will be sold by the Treasurer in September 2023. Any unsold long-term securities held by the Town at the end of September will be deemed "in-kind" contributions under the control and management of ONE JIB. The initial estimate is that Aurora's "in-kind" MNRI contribution would be about \$9.8 million. The final details will be reported to ONE JIB at a later date.

Aurora continues to experience population growth, and future growth will likely lead to more multi-story projects. Nearer-term capital projects noted by the Treasurer include finishing a Town Square project costing about \$50 million, building a gym complex that may cost about \$14 million, and Aurora may need to start building reserves for other long term capital projects not yet included in the Town current forecasts. Considering their circumstances, needs, and financial resources, the Town can assume a moderate risk profile with their MNRI. Aurora's Investment Plan offers flexibility to invest monies for the long-term, but as all investments are fully liquid, access to the funds will be retained for any unforeseen circumstances. At the time of writing, the recommended overall exposure to equity within the Investment Plan was about 45%.

5. Investment Portfolio

5.1 Asset Allocations

Asset allocations for each Outcome 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 Appendix A.

The goals, objectives, constraints and circumstances of Aurora are taken into consideration when assigning asset allocations for Aurora using ONE Investment's Outcome-based approach. These decisions are informed by the requirement to comply with the Prudent Investor Standard as defined in the Act. The Prudent Investor Standard identifies several key considerations that need to be incorporated in the decision-making process, including:

- General economic conditions;
- The possible effect of inflation or deflation;

- The role that each investment or course of action plays within Aurora’s portfolio of investments;
- The expected total return on investment and the appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital.

In drafting this Plan, these current economic conditions and the possible effect on inflation/deflation have been considered as follows:

- On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) pandemic that led to significant disruptions in economic activity over the last few years. As the effects of the pandemic continue to fade, economic activity has continued to normalize.
- Loose monetary policy in the wake of the pandemic led to inflationary pressures globally. In Canada, inflation peaked at 8.1% in 2022 and since trended lower to 2.8% in June 2023, and remains above the Bank of Canada’s 2% target.
- The invasion of Ukraine by Russia in February 2022 introduced additional disruptions and uncertainty in the financial markets, which have contributed to elevated inflation levels.
- Efforts by the Bank of Canada and other central banks to reduce inflationary pressures led to sharply higher interest rates in 2022. The Bank of Canada increased its overnight lending rate by 4.0% last year, in one of the sharpest movements in interest rates in modern history.
- There is some risk that aggressive rate hikes could lead to an economic recession.
- Diversified investment allocations, such as those used in the Outcome Framework, may help to dampen the volatility of returns and mitigate the risks associated with macroeconomic or geopolitical events. A diversified approach should help to reduce volatility while still offering the potential for investment returns to outpace inflation.
- The portions of MNRI that will be needed in the shorter term will be invested in investment strategies with very low risk and high liquidity (such as cash and short-term fixed income) given the economic uncertainty in the near-term.
- The portions of MNRI that are not expected to be needed over the short-term will be invested to take advantage of a longer-term investment horizon and achieve higher returns by investing in equities and bonds.

5.2 Account Structure

The amounts of MNRI, as disclosed in Aurora’s MCQ dated August 21, 2023, have been allocated into investment Outcome categories as shown in Table 2 below.

*Table 2 – Investment Allocations based on MCQ updated on 21 August 2023**

Outcome	Allocation (\$)	Allocation Weight (%)
Contingency	\$ 13,200,000	30.8
Target Date 3-5 Years	11,000,000	25.7
Target Date 5-10 Years	15,000,000	35.0
Target Date 10+ Years	3,600,000	8.4
Overall	\$ 42,800,000	100.0

* The amounts in this table are representative of the information contained in the MCQ. The values are based on the market value of MNRI on June 30, 2023. The Investment Plan will be implemented based on the allocation weights in Table 2.

Mixes of ONE Prudent Investment Program funds and products appropriate for Aurora’s circumstances will be used for each Outcome. Descriptions of these Outcomes, ONE Prudent Investment Program funds and the asset allocations for each Outcome are shown in Appendix B.

5.3 Contingency Outcome

The allocation to the Contingency Outcome will be approximately \$ 13.2 million.

Contingency monies may be drawn upon to meet unexpected needs and infrequent events. Emphasis on the preservation of purchasing power is a key consideration, and therefore growth in the value of investments is emphasized. Details of the allocation of the Contingency Outcome are shown in Table 3. These monies will be invested according to the asset mix set out in Table 3 and will be rebalanced to ensure a consistent risk profile – rebalancing is explained in more detail in section 6.4. Further detail about the Contingency Outcome can also be found in Appendix B. All income will be reinvested to facilitate continued long-term growth in the assets until they are needed.

Table 3 - Contingency Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	55	60	65	
ONE Canadian Equity Fund		18		S&P/TSX Composite Index
ONE Global Equity Fund		42		MSCI ACWI (All Country World Index)
Fixed Income	35	40	45	
ONE Canadian Government Bond Fund		6		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		6		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		28		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C.

5.4 Target Date Outcomes

Aurora identified reserves that would be appropriate for Target Date Outcomes. Most of Aurora’s MNRI will be allocated to Target Date Outcomes, which will be allocated in a way that reflects the expected time horizon of balances and reserves. The monies invested in Target Date Outcomes will be split into separate Target Date allocations that collectively reflect the need for liquidity and growth and the time horizon in which the funds will be required. The allocation to the Target Date Outcomes will be approximately \$29.6 million, and divided among the various target date outcomes accordingly:

- Target Date 3-5 Year – \$11.0 million
- Target Date 5-10 Year – \$15.0 million
- Target Date 10+ Years – \$ 3.6 million

Target Date Outcomes will be managed with the objective of providing for the return of principal, income and capital gains at a target date in the future. All income will be reinvested.

About 26% of total MNRI or \$11.0 million will be allocated into the Target Date 3-5 Year Outcome, which is intended to provide some liquidity for projects within the next five years. Due to the relatively short-term time horizon, the monies invested in this Target Date Outcome will attempt to

mitigate the potential for capital loss by investing primarily in fixed income and cash-like investments. This Outcome has a small allocation to equity investments to enhance the growth potential. It is anticipated the entire balance will be drawn down in the coming years to pay for planned expenditures. More detail on the allocations for the Target Date 3-5 Year Outcome is shown in Table 4 below.

Table 4 - Target Date 3-5 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	8	10	12	
ONE Canadian Equity Fund		3		S&P/TSX Composite Index
ONE Global Equity Fund		7		MSCI ACWI (All Country World Index)
Fixed Income	88	90	92	
ONE Canadian Government Bond Fund		30.5		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		10.5		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		49		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

The Town has a larger allocation of reserves that have a longer time horizon, of which \$15 million or 35% of MNRI will be invested in the Target Date 5–10 Year Outcome. Details of the allocation for this Outcome are in Table 5 below. Further detail about the Target Date 5-10 Year Outcome allocations can also be found in Appendix B.

Amounts will be allocated to the Target Date 5–10 Year Outcomes to reflect the intended time horizon and risk profile for reserve accounts where near term liquidity is less relevant. The Target Date 5–10 Year Outcome has a 50% allocation to equities, which should help monies invested in this outcome to achieve growth. As monies invested in this Outcome typically reflect reserves for future capital projects, growth is the value of investments is important to help offset the impact of inflation and pre-construction changes on project costs.

Table 5 - Target Date 5-10 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	45	50	55	
ONE Canadian Equity Fund		15		S&P/TSX Composite Index
ONE Global Equity Fund		35		MSCI ACWI (All Country World Index)
Fixed Income	45	50	55	
ONE Canadian Government Bond Fund		7.5		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		7.5		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		35		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

Approximately 8%, or \$3.6 million of MNRI will be invested in the Target Date 10+ Year Outcome, which is intended to fund longer-term capital projects. This Target Date Outcome has an overall allocation to equity of about 75%, which should provide an opportunity for the monies invested to grow in value. More detail on the allocations for the Target Date 10+ Year Outcome are shown in Table 6.

As these monies may be used for construction/development projects in the future, growth is highly relevant as it will help preserve the purchasing power for monies invested. The need for investment returns to at least match inflation is a key consideration for monies allocated to this longer dated target date outcome.

Table 6 - Target Date 10+ Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	71	75	59	
ONE Canadian Equity Fund		22.5		S&P/TSX Composite Index
ONE Global Equity Fund		52.5		MSCI ACWI (All Country World Index)
Fixed Income	21	25	29	
ONE Canadian Government Bond Fund		3.75		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		3.75		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		17.5		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

5.5 Projected Investment Returns

This section has not been updated.

5.6 Non-Liquid Assets

a. Legacy Investments / Strategic Investments

This section does not apply.

b. Transitional Investments

The Treasurer will be liquidating holdings of long-term securities through September 31, 2023. It is estimated that about \$9.8 million in PPNs and non-redeemable GICs cannot be liquidated and remain as “in-kind” MNRI contributions of securities under the control and management of ONE JIB. Depending on the progress of the liquidation, the actual size of the “in-kind” contribution of securities to ONE JIB may differ from the estimated \$9.8 million. Actual details of the “in-kind” contribution will be reported to the ONE JIB after the liquidation has been completed.

5.7 Other Accounts

Aurora has no other accounts ONE JIB must consider.

6. Applicable ONE JIB Policies

Besides those listed below, there may also be constraints specific to each externally managed portfolio that govern how they are invested by the external investment manager.

6.1 Environmental, Social and Governance (ESG) Investing

ONE JIB supports ESG investing and incorporates those principles into its investment decision-making through its due diligence processes when choosing and evaluating External Portfolio Managers. External Portfolio Managers are assessed for their ESG policies. ONE JIB recognizes the practical difficulties of negative screening, whereby securities are excluded based on the nature of their business. ONE JIB's preference is to integrate social responsibility into the investment process with the intent of influencing companies to change their behaviour where appropriate. ONE JIB's approach will necessarily vary by External Portfolio Manager based on a number of factors, including the degree of control exercised by ONE JIB, contractual restrictions and the nature of the investment. Accommodating all requests for specific ESG considerations may not be possible due to availability, costs or other factors.

6.2 Securities Lending

Investment Funds that are controlled by an External Portfolio Manager may engage in securities lending if their policies permit such an action.

6.3 Derivatives

ONE JIB does not intend that derivatives be used in the investment of Long-Term Funds for speculative purposes or to apply leverage to the portfolios for non-hedging purposes. In certain cases, Long-Term Money is invested in underlying funds where the External Portfolio Manager is authorized under the constituting documents of such underlying funds to use derivatives. In such cases, the External Portfolio Manager shall provide written notice of its intended use of derivatives and the contents of such notice shall be satisfactory to ONE JIB. Generally, use of derivatives will be permitted where for so long as the derivative instrument or agreement is outstanding, the investment portfolio has a long position or other offsetting position in the underlying asset. For example, derivative instruments may be used for currency hedging, to change portfolio duration or in covered call strategies.

6.4 Rebalancing

Each investment Outcome will have target weights assigned for each asset class and investment holding, which collectively represent the intended asset allocation for the Outcome. Minimum and maximum weights will also be assigned for asset class allocations, and these weights will guide the rebalancing process. Each account's asset allocation will be monitored and rebalanced by ONE Investment in accordance with ONE JIB's Rebalancing Policy and this Investment Plan.

7. Implementation

7.1 Custodian

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

7.2 Transition Plan (including transitional investments)

The Town has an exiting portfolio of long-term securities that include ONE Investment portfolios, Principal Protected Notes (PPNs), Guaranteed Investment Certificates (GICs), and various long-term bonds. The Treasurer will work closely with its external financial counterparties to review and liquidate these securities, which may continue through September 31, 2023. Any long-term securities not liquidated by the end of September will be deemed to be “in-kind” contributions of securities under the control and management of ONE JIB. It is initially estimated that “in-kind” securities of about \$9.8 million will be contributed to ONE JIB, which include PPNs and nonredeemable GICs. The final size and details of “in-kind” securities contributed to ONE JIB will be detailed in an investment implementation report, which will be presented at the next ONE JIB meeting.

7.3 Accommodating Cashflow Needs

a. Investment Income and Rebates

Income from investments will be automatically reinvested and cashflow needs of Aurora are expected to be financed with the sale of units of the investment pools. Any fee discounts that apply to Aurora are intended to be reinvested into the Contingency Outcome or as otherwise directed by the Treasurer.

a. Anticipated mid-year cashflow requests

Aurora has not disclosed any known mid-year cashflow needs that would result in withdrawals.

b. Unanticipated mid-year cashflow requests

Upon receipt of an updated MCQ from Aurora that involves a withdrawal of MNRI, the Chief Investment Officer will process the request in accordance with ONE JIB’s Withdrawals of Money Not Required Immediately (MNRI) Policy.



Appendix A: Process for Communicating Changes in Investment Needs

For effective investment management it is imperative that material changes in Aurora's investment needs be communicated to ONE JIB on a timely basis. These include changes in:

- Risk tolerance;
- The IPS;
- Timeframes and/or estimated amounts for financial obligations, including sooner-than-expected amounts and longer timeframes;
- Revisions in MNRI;
- Desired end use of money, especially if that is likely to affect the investment approach; and
- Changes in authorized personnel responsible for investments

These changes must be communicated in writing using the MCQ on the ONE Investment website. Section 5.01 (c) of the ONE JIB Agreement requires that Participating Municipalities provide written notice to the Board Secretary of ONE JIB of any amendment or modification to its IPS. Written communication should be directed to the attention of the Chief Investment Officer at ONE@oneinvestment.ca and the ONE JIB Secretary at dkelly@oneinvestment.ca. They are considered received when ONE Investment provides a formal return email acknowledgement.

Appendix B: Investment Outcomes

The asset allocations for ONE Investment's Outcomes are detailed in the tables below. Rebalancing will be managed for these asset allocations as explained in this Plan. As asset mixes drift away from their intended target and converge on either the minimum or maximum ranges noted below, ONE Investment will rebalance the holdings to restore allocations to the intended asset mix. The Outcomes will also be rebalanced twice annually, as required, to ensure the allocations do not drift materially away from the intended targets. ONE JIB may review and amend the investment allocations for the ONE Investment's Outcomes from time to time. Any changes subsequently implemented by ONE JIB that revise allocation weights assigned or holdings included in these Outcomes may supersede the details in the tables below. The allocations below reflect changes to the ONE HISA and ONE Canadian Government Bond Fund that will be implemented effective October 1st, 2023.

Cash Outcome

Asset Class	% Weight		
	Min	Target	Max
Fixed Income	100	100	100
ONE Canadian Government Bond Fund		100	
Total		100	

Stable Return Outcome

Asset Class	% Weight		
	Min	Target	Max
Equity	26	30	34
ONE Canadian Equity Fund		9	
ONE Global Equity Fund		21	
Fixed Income	66	70	74
ONE Canadian Government Bond Fund		19	
ONE Canadian Corporate Bond Fund		9	
ONE Global Bond Fund		42	
Total		100	

Contingency Outcome

Asset Class	% Weight		
	Min	Target	Max
Equity	55	60	65
ONE Canadian Equity Fund		18	
ONE Global Equity Fund		42	
Fixed Income	35	40	45
ONE Canadian Government Bond Fund		6	
ONE Canadian Corporate Bond Fund		6	
ONE Global Bond Fund		28	
Total		100	

Asset Management Reserves Outcome

Asset Class	% Weight		
	Min	Target	Max
Equity	88	90	92
ONE Canadian Equity Fund		27	
ONE Global Equity Fund		63	
Fixed Income	8	10	12
ONE Canadian Government Bond Fund		1.5	
ONE Canadian Corporate Bond Fund		1.5	
ONE Global Bond Fund		7	
Total		100	

Target Date Outcomes:

Investments with target dates will be managed to reduce risk as the target date approaches. As time passes and the spending needs get closer, it is appropriate to reduce the amount of risk so that there is greater certainty that the money will be available as needed. This means that reserves, reserve accounts and other balances that are assigned to target date allocation will be reassigned to a nearer dated Target Date Outcome as time passes. In this way, as the spending needs grows nearer, the investments will be migrated to a lower risk target date Outcome.

Asset Class	Target Date 3-5 Years			Target Date 5-10 Years			Target Date 10+ Years		
	% Weight			% Weight			% Weight		
	Min	Target	Max	Min	Target	Max	Min	Target	Max
Equity	8	10	12	45	50	55	71	75	79
ONE Canadian Equity Fund		3			15			22.5	
ONE Global Equity Fund		7			35			52.5	
Fixed Income	88	90	92	45	50	55	21	25	29
ONE Canadian Government Bond Fund		30.5			7.5			3.75	
ONE Canadian Corporate Bond Fund		10.5			7.5			3.75	
ONE Global Bond Fund		49			35			17.5	
Total		100			100			100	

Appendix C: Performance Benchmarks for ONE Investment Funds

- The table below details the benchmarks to be used for the performance evaluation of the ONE Investment Pools.
- Blended benchmarks for the prudent investor Outcomes will be used in proportion to their target asset allocation weights.

ONE HISA*	Bank of Canada 1 Year GIC Rate
ONE Canadian Equity Fund	S&P/TSX Composite Total Return Index
ONE Global Equity Fund	MSCI ACWI (net)
ONE Canadian Government Bond Fund*	60% the DEX All Government Short Bond Index and 40% the DEX 91 Day T-Bill Index Prior to October 1, 2023, benchmark was 95% the DEX All Government Short Bond Index and 5% the DEX 91 Day T-Bill Index
ONE Canadian Corporate Bond Fund	48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index
ONE Global Bond Fund	Bloomberg Barclays Multiverse Index

* Benchmark for the ONE Canadian Government Bond Fund to change on October 1st, 2023 to reflect a reorientation of the investment guidelines for the fund. HISA allocations in the investment outcomes will be reallocated into ONE Canadian Government Bond Fund concurrently with these changes.



REPORT

To: ONE Joint Investment Board
 From: Keith Taylor, Chief Investment Officer, ONE Investment
 Date: September 6, 2023
 Re: Town of Bracebridge's Investment Plan 2023
 Report: ONE JIB 2023-044

1. RECOMMENDATIONS

It is recommended that the Board:

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

2. SUMMARY

The Town of Bracebridge has updated its Municipal Client Questionnaire (MCQ) to provide information on its MNRI and the investment horizons associated with its reserve balances. As part of its annual review process, Town staff identified that the overall investment horizon associated with MNRI has remained largely unchanged, and the Town will not be making cash contributions or drawdowns of MNRI as part of the annual update to the Investment Plan. The Town continues to have a very long investment horizon.

The proposed investment allocations, which reflect consolidated holdings across ONE Investment Outcomes, are presented below:

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	-	-
ONE Canadian Equity Fund	1.4	20.3
ONE Global Equity Fund	3.2	47.5
ONE Canadian Government Bond Fund	0.3	4.8
ONE Canadian Corporate Bond Fund	0.3	4.8
ONE Global Bond Fund	1.5	22.5
Total	\$ 6.8	100.0

3. BACKGROUND

The Town’s Annual Investment Policy Statement review (IPS) resulted in only minor changes that have no material impact on the Investment Plan.

The Town completed its annual IPS review on October 12, 2022, with council approving minor housekeeping modifications to the IPS that were consistent with revisions in the ONE JIB IPS template. These modifications clarify language and give ONE JIB more flexibility to modify the product offerings used in the Prudent Investment Program.

The revision of the Town’s IPS occurred within one year of the approval of the previous year’s IPS, which is currently out of sync with the annual review of the Investment Plan. It is expected that Bracebridge’s next investment Plan update will occur in November 2024, allowing the timing of the Investment Plan and IPS update to be better aligned.

Bracebridge will not be making contributions or withdrawals of MNRI this year

Bracebridge has approximately \$6.8 million of MNRI invested in the ONE JIB Outcomes and will not be making contributions or withdrawals as part of this Investment Plan update. Table 1 below provides a summary of the reserve categories and the associated investment horizon of these reserves as disclosed in Bracebridge’s MCQ. Stabilization reserves and contingency reserves, which reflect reserves that typically are allocated into the ONE JIB’s Contingency Outcome, represent about half of Bracebridge’s MNRI, with the remaining MNRI having an investment horizon in excess of 10 years.

Table 1: MNRI by reserve and time horizon forecast, adapted from table 4.1 of MCQ (in thousands of \$).

Reserve Type	Brief Description	MNRI Amount	Less than 3 Years	3 to 5 Years	5 to 10 Years	10+ Years
Obligatory Reserve Funds	Gas Tax, Parkland Cash-in-Lieu, Development Charges etc.	\$1,100.9				\$1,100.9
Capital Project Reserves	Fire, Streetlighting, Library, Parks & Trails, Recreation, Gen Gov’t, Tax Rate Stabilization	2,147.3				2,147.3
Contingency Reserves	Emergency Planning, PW Environmental/Operating	2,893.8				2,893.8
Stabilization Reserves	Election, Economic Development, General Government, Building Fees, Local Hospital etc.	650.5				650.5
Total		\$6,792.5				\$6,792.5

4. ANALYSIS

The Town does not anticipate any withdrawals in its cashflow forecasts but suggests that contributions may occur over the next 10 years

Based on current Town planning, Bracebridge does not expect to draw down MNRI in the foreseeable future. While contributions to MNRI are expected in the coming years, the Treasurer

does not currently have sufficient visibility to quantify these contributions. For this reason, potential contributions have not been reflected in the MCO provided by the municipality.

The Treasurer noted that Bracebridge will need to set aside funding for the Town’s share of a hospital in future years, which may lead to incremental contributions to MNRI. In addition, MRI set aside for the construction of its multi-use community centre could exceed construction costs. The residual might be contributed to MNRI in future years. These two items have not been considered in the drafting of this Investment Plan. Clarity on these two items may be available for next year’s Investment Plan review.

The proposed mapping of MNRI into investment outcomes and resulting asset allocation remain substantially unchanged in this Investment Plan update

Bracebridge’s investment horizon, risk tolerances, and investment objectives are largely unchanged from last year’s Investment Plan. The mapping of reserves is also largely unchanged. As a result, there will be no notable change in Bracebridge’s investment allocations at this time.

The Town’s investments are divided almost equally between the Contingency and Target Date 10+ Years Outcomes, at 48% and 52%, respectively. Mapping the MNRI to Outcomes relied on the MCO and discussions with the Treasurer to ensure a common understanding of the uses and purpose of the MNRI. Asset allocations (Table 3 below) and fund allocations (Tables 4 and 5) were determined using the ONE JIB Outcome Framework.

Table 3: Proposed Outcome Mapping and Asset Allocation

Outcome	Total Invested (\$ millions)	Portfolio Weight (%)	HISA (%)	Fixed Income (%)	Equities (%)	Total (%)
Contingency	\$ 3.3	48.0	-	40	60	100
Target Date 10+ Years	3.5	52.0	-	25	75	100
Total	\$ 6.8	100.0				

Table 4: Proposed Pooled Fund-Level Allocation

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	-	-
ONE Canadian Equity Fund	1.4	20.3
ONE Global Equity Fund	3.2	47.5
ONE Canadian Government Bond Fund	0.3	4.8
ONE Canadian Corporate Bond Fund	0.3	4.8
ONE Global Bond Fund	1.5	22.5
Total	\$ 6.8	100.0

Table 1: Proposed Pooled Fund Allocations by Outcome (values in \$ millions)

Outcome	ONE HISA	ONE Canadian Equity Fund	ONE Global Equity Fund	ONE Canadian Govt Bond Fund	ONE Canadian Corporate Bond Fund	ONE Global Bond Fund	Total
Contingency	-	\$ 0.6	\$ 1.4	\$ 0.2	\$ 0.2	\$ 0.9	\$ 3.3
Target Date 10+ Years	-	0.8	1.9	0.1	0.1	0.6	3.5
Total \$	-	\$ 1.4	\$ 3.2	\$ 0.3	\$ 0.3	\$ 1.5	\$ 6.8

5. CONCLUSION

The proposed Investment Plan is consistent with Bracebridge's IPS. The proposed asset mix and fund allocations reflect the investment objectives and risk preferences expressed in its IPS and MCO. As a result, the Investment Plan is appropriate for the Town's time horizons and available MNRI.

ATTACHMENT

Attachment 1: Town of Bracebridge's Investment Policy Statement

Attachment 2: Town of Bracebridge's Municipal Client Questionnaire

Attachment 3: Town of Bracebridge's proposed Investment Plan

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

Attachment 1

Subject:	Investment Policy Statement	Policy Number:	TOB-2019-006
Date Developed:	December 10, 2019	Date Approved:	December 18, 2019
Lead Department:	Finance	Date Modified: (if applicable)	

POLICY STATEMENT

1. The Corporation of the Town of Bracebridge strives to optimize utilization of its cash resources within statutory limitations while recognizing the importance of protecting and preserving capital together with the need to maintain solvency and liquidity to meet ongoing financial requirements.

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, and
- (ii) principles governing the investment of each category of money.

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

GLOSSARY AND DEFINITIONS

2. 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, portfolio manager, 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.

Asset Class: An asset class is 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. Asset classes include bank deposits, money market securities, bonds and equities, among other things.

Authorizing By-law: means a by-law of a Founding Municipality which authorizes: (i) the entering into of the Initial Formation Agreement; (ii) the establishment of ONE JIB; (iii) the approval of the Client Questionnaire and the adoption of the IPS; and (iv) the entering into of the ONE JIB Agreement.

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.

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

Credit Risk: means the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations. That is, the risk that a lender may not receive the owed principal and interest.

Custodian: means a specialized financial institution that is responsible for safeguarding a municipality's investments and is not engaged in "traditional" commercial or consumer/retail banking. Global custodians hold investments for their clients in multiple jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

Director of Finance/Treasurer: means the Director of Finance/Treasurer as appointed by by-law of the Corporation of the Town of Bracebridge or their designate.

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

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

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

Interest Rate Risk: refers to the possibility that the value of a bond or other fixed- income investment will suffer as the result of a change in interest rates. Interest rate risk can be managed to help improve investment outcomes.

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 Long-Term Monies investments 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 Long-Term Monies under the Regulation, and for Short-Term Monies, 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.

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

Long-Term Money: means money that the municipality has defined as long-term and characterized as money that is not required immediately by the Municipality as described in section 23. Monies that are Long Term Monies will be invested in accordance with the Prudent Investor Standard.

Modern Portfolio Theory: means a theory of portfolio management that looks towards the portfolio as a whole, rather than towards the prudence of each investment in the portfolio. This is found in the CFA Institute Standards of Practice Handbook.

Municipality: means the Corporation of the Town of Bracebridge.

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 July 2, 2020, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Municipality's Long-Term Monies.

Outcome: in the context of the municipality's IPS the word 'outcome' is used interchangeably with 'solutions'. Investment outcomes are a set of investment allocations with varying risk/return characteristics. The outcomes assigned to each investor are intended to reflect the needs and circumstances of the municipality. MNRI may be invested into several outcomes based on the characteristics of the municipality's accounts/reserves and its saving and spending needs.

ONE JIB's Outcome Framework: a set of Investment Outcomes designed by the ONE JIB to categorize the potential goals of investing MNRI. Each Outcome has a unique Asset Allocation with risk/return characteristics that are aligned with the intended use of the monies assigned to the outcome.

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. Funds are pooled or combined with monies of other investors.

Portfolio: means any collection of funds that are grouped together and required for specific purposes.

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 July 2, 2020, the date on which the prudent investor regime applies 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 makes use of Modern Portfolio Theory and applies the standard of prudence to the entire portfolio in respect of the Municipality's Long-Term Money 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.

Regulation: means Ontario Regulation 438/97.

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.

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

Short-Term Money: means money that is required immediately by the Municipality as described in section 22, and which remains under the control and management of the Municipality. The money can be invested in appropriate Legal List Securities.

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

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

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

PURPOSE AND LEGISLATIVE FRAMEWORK

Purpose of Policy

3. This IPS governs the investment of the Town's money not required immediately (MNRI) and money required immediately (MRI). It is intended, among other things, to direct the Director of Finance/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 2020-015, 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.
4. In addition to the Municipality's MRI and MNRI, the Municipality may, from time to time, be entrusted with the management of money and investments for a third-party beneficiary ("third-party trust funds").
5. 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 A attached hereto. The designated funds are identified in this IPS for the sole purpose of enabling the Municipality to better see, on an aggregated basis, the various

financial assets in which the Municipality has an interest. The Municipality is not responsible for the investment activities or performance of designated funds.

6. The goals of this IPS are to:
 - 6.1. Define and assign responsibilities for investment of MRI and MNRI;
 - 6.2. Describe the Municipality's responsibilities with respect to third party trust funds and designated funds;
 - 6.3. Ensure compliance with the applicable legislation;
 - 6.4. Direct ONE JIB as to the Municipality's investment goals and risk tolerance;
 - 6.5. Provide guidance and limitations regarding the investments and their underlying risks;
 - 6.6. Establish a basis of evaluating investment performance and the underlying risks; and
 - 6.7. Establish a reporting standard to Council.
7. This IPS applies to employees of the Municipality, to ONE JIB and to the employees of ONE Investment. ONE JIB, the Director of Finance/Treasurer and any agent or advisor providing services to ONE JIB in connection with the investment of the portfolio of the Town of Bracebridge shall accept and strictly adhere to this IPS.

GOVERNING LEGISLATION

8. Investments of MRI will, in accordance with this IPS, only be made in Legal List Securities.
9. 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.
10. Money and investments that the Municipality holds as third-party trust funds or has an interest in as designated funds will be subject to applicable legislation and any related agreements or instruments.
11. 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:
 - 11.1. General economic conditions;
 - 11.2. The possible effect of inflation or deflation;
 - 11.3. The role that each investment plays within the Municipality's total portfolio of investments;
 - 11.4. The expected total return from income and the appreciation of capital; and
 - 11.5. Needs for liquidity, regularity of income and preservation or appreciation of capital.

PRUDENT INVESTOR STANDARD

12. 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.

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

MONEY REQUIRED IMMEDIATELY AND MONEY NOT REQUIRED IMMEDIATELY

DETERMINATION OF MNRI AND MRI

14. Determination of the Municipality's MNRI is the responsibility of Council. In making the determination, Council may consider:
 - 14.1. the time horizon within which the monies are needed to meet financial obligations;
 - 14.2. the purpose for which the monies have been collected or set aside and are to be used;
 - 14.3. the source of the money; or
 - 14.4. any combination of the foregoing
15. The Municipality's MNRI will be comprised of money that is to be used to meet financial obligations that become due more than eighteen (18) months from the date of receipt of such money by the Municipality. For certainty, all money and investments of the Municipality that have not been identified as MNRI (other than third-party trust funds and any designated funds referenced in section 24) shall be deemed for purposes of this IPS to be MRI.
16. 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 monies by the Director of Finance/Treasurer, in accordance with the provisions set out in section 30.2.

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

OVERVIEW OF PORTFOLIOS

18. The Municipality's portfolios represent funds required for specific purposes. A high-level description of each of these portfolios and their objectives is provided in section 22 and section 23. This IPS applies to the following money of the Municipality, its agencies, boards and commissions including:
 - 18.1. MRI which is invested in Legal List Securities; and/or
 - 18.2. MNRI which is invested under the Prudent Investor Standard.

ROLES AND RESPONSIBILITIES

20. Role of ONE JIB

- 20.1. ONE JIB has been appointed by the Municipality in accordance with the requirements of the Act and the Regulation and on the terms and conditions set out in the ONE JIB Agreement (Appendix B).
- 20.2. ONE JIB exercises control and management of the Municipality's MNRI and the investments made by it in accordance with the objectives and risk tolerance established in this IPS.
- 20.3. Among the responsibilities of ONE JIB are the following:
 - 20.3.1. Reviewing this IPS;
 - 20.3.2. Adopting and maintaining an Investment Plan that complies with this IPS;
 - 20.3.3. Engaging External Portfolio Managers, Custodians, administrators and other investment professionals (Agents);
 - 20.3.4. Allocating the money and investments under its control and management among External Portfolio Managers and their funds in compliance with this IPS;
 - 20.3.5. Monitoring the performance of the Agents; and,
 - 20.3.6. Reporting to the Municipality.
- 20.4. The foregoing is subject to the more detailed terms and conditions contained in the ONE JIB Agreement.

21. Role of Municipal Staff

- 21.1. This IPS is approved and adopted by Council with input from the Director of Finance/Treasurer, and from ONE JIB with respect to MNRI. MRI of the Municipality, and any third-party trust funds referenced in section 24, remain under the control and management of the Director of Finance/Treasurer.
- 21.2. Consistent with this IPS, the Director of Finance/Treasurer is responsible for the implementation of the investment program and the establishment of investment procedures which shall include:
 - 21.2.1. Investment management of MRI and any third-party trust funds referenced in the PURPOSE AND LEGISLATIVE FRAMEWORK section of the Policy, or under the direction of, the Director of Finance/Treasurer;
 - 21.2.2. 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,

21.2.3. A system of controls exercised by the Director of Finance/Treasurer to regulate the activities of staff in the Finance Department.

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

21.4. In the management of MRI of the Municipality, and any third-party trust funds referenced in the PURPOSE AND LEGISLATIVE FRAMEWORK section of the Policy, the Director of Finance/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.

21.5. Ethics and Conflicts of Interest

21.5.1. Individuals who are responsible for the Town of Bracebridge's Short-Term Portfolio shall comply with Town of Bracebridge's Accountability and Transparency Policy as well as the relevant professional codes of conduct (e.g., the CPA Code of Professional Conduct).

21.5.2. 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 Municipal Act, 2001 (the "Act"). This Code of Conduct applies to the Chair and the other Members of ONE JIB acting in their capacity as Members of ONE JIB.

INVESTMENT

22. MRI: Short-Term Money

22.1. The Municipality's MRI is described in this IPS as Short-Term Money. Short-Term Money consists of money needed to meet the financial obligations of the Municipality coming due within eighteen (18) months from the date of receipt of such money and are controlled and managed by the Director of Finance/Treasurer.

22.2. Short-Term Money: Investment Objectives

22.2.1. The main focus of the investment of Short-Term Money is cash management, and the interest income generated by the investment of these money contribute to municipal revenues.

22.2.2. Capital preservation is the paramount objective for short-term investments, and these investments need to be highly liquid. Consequently, only high quality, short-term 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.

22.2.3. The investment objectives for short term funds, ranked in priority, are as follows:

22.2.3.1. 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 staggered so that investment cash inflows occur throughout the year.

22.2.3.2. Liquidity Requirements

Liquidity is measured by the ease with which securities can be converted to cash to meet forecast spending. The investments that are eligible under Ontario's Eligible Investments and Related Financial Agreements 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 funds to meet expenditures.

22.2.3.3. Rate of Return

The Municipality's funds shall be invested to maximize the rate of return within acceptable risk levels while respecting the security of principal, legal constraints and the adequate 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 Policy 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.

22.3. Short-Term Money: Eligible Investments

22.3.1. Short Term Money may be invested in high quality, short-term 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 Policy, as deemed eligible by Ontario Regulation 438/97 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 the following offerings by ONE Investment:

22.3.1.1. ONE Investment High Interest Savings Account;

22.3.1.2. ONE Investment Money Market Portfolio; and,

22.3.1.3. ONE Investment Canadian Government Bond Portfolio.

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

23. MNRI: Long-Term Money

23.1. The Municipality’s MNRI is described in this IPS as Long-Term money. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the Long-Term Money and the investments made therewith.

23.2. From time to time, the Municipality may require money immediately to meet financial obligations and may require ONE JIB to liquidate one or more investments in order to generate money to pay 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 Director of Finance/Treasurer.

23.3. Long-Term Money: Investment Objectives

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

23.3.1.1. Preservation of capital;

23.3.1.2. Adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements;

23.3.1.3. Diversification by asset class, market, sector, issuer, credit quality and term to maturity;

23.3.1.4. Income and capital appreciation; and,

23.3.1.5. Macro risks, such as inflation, economic growth and interest rates.

23.3.2. The municipality’s Investment objectives for its Long-Term money (MNRI) can be achieved via allocations to the Outcomes defined within the ONE JIB’s Outcome Framework. A summary of this framework is described in Table 1 below.

Table 1

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years

Stable Return	Stable Return	Income Generation; To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk; emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)
	Asset Mgt Reserves	Contributions to generate returns to fund asset management reserves	Higher risk; emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)
Target Date	Target Date 3-5 yrs	Preservation of capital	Low risk; high liquidity	3 – 5 years
	Target Date 5-10 yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 – 10 years
	Target Date 10+ yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long-term inflation-adjusted growth	> 10 years

23.3.3. Investment of long-term money is to be managed 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 Long-Term Money's investment horizons are aligned with the Municipality's obligations and cash flow requirements and may consist of liquid and non-liquid securities based on future cash flow requirements.

23.4. Long-Term Money: Eligible Investments

23.4.1. Eligible investments for Long-Term Money include any Pooled Fund or other collective investment vehicle or institutional investment management product sponsored or managed by ONE Investment for the Prudent Investment Program (Prudent Investment Offering), provided always that the products and the selection of products comply in all material respects with the IPS

23.4.2. Additionally, nothing in this IPS prevents Long-Term Money from being held in cash, short term money market instruments, or overnight deposits.

23.5. Long-Term Money: Sinking Funds

23.5.1. Not applicable

23.6. Long-Term Money: Local Distribution Corporation (LDC) Securities

23.6.1. The direct investment in LDC shares and/or promissory notes, as may be applicable, prior to July 2, 2020 shall be permitted and included as part of the Long-Term Money/MNRI held by ONE JIB. Specific details of this investment shall be approved by Council in its sole and absolute discretion, and ONE JIB shall adhere to all terms and conditions as directed by the Municipality. More specifically, ONE JIB shall be prohibited from selling, transferring, assigning, or pledging the LDC shares.

23.6.2. LDC shares are considered restricted, special assets and remain in the custody of the Town of Bracebridge. LDC shares are to be viewed as separate standalone investments with the subject matter expertise and administrative functions remaining under the purview of Town of Bracebridge. Council retains direct, de facto control of the LDC shares and ONE JIB shall adhere to all terms and conditions as directed. More specifically, Council controls all acquisition and disposition decisions related to current and future LDC assets. Any voting related to LDC shares will be undertaken solely by the Town of Bracebridge.

23.6.3. The investment in LDC shares will not be included in calculations regarding asset mix/allocations or other constraints that apply to the Long-Term Money.

24. Third-Party Trust Funds and Designated Funds

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

24.2. The Municipality's third-party trust funds and the designated funds are listed in Schedule A.

24.3. For certainty, the third-party trust funds and the designated funds are not MNRI of the Municipality, and such monies are not under the control or management of ONE JIB.

25. Investment Management

25.1. Investment Management of Short-Term Money

25.1.1. The investment of Short-Term Funds shall be controlled and managed by the Director of Finance/Treasurer.

25.2. Investment Management of Long-Term Money

25.2.1. The investment of Long-Term Money shall be controlled and managed by ONE JIB in accordance with this IPS.

25.2.2. Competent External Portfolio Managers shall be appointed by ONE JIB and they shall enter into an agreement with ONE Investment that complies with this IPS and Part II of the Regulation and provide compliance and performance reports. In accordance with the applicable regulatory requirements, ONE JIB shall make any External Portfolio Manager changes deemed in the best interest of the Municipality. For each External Portfolio Manager, ONE Investment shall agree on a set of operational guidelines including constraints, discretion limits, diversification and quality standards, and

performance expectations, which are documented in each External Portfolio Manager's guidelines.

26. Transition to Prudent Investor Regime

This section has been left intentionally blank.

27. Investment Constraints

27.1. Environmental, Social and Governance (ESG) Investing

27.1.1. 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.

27.1.2. The Municipality supports ESG investing for Short-Term and Long-Term Money.

27.1.3. For the investment of Short-Term Funds, the Director of Finance/Treasurer is required to invest in instruments that support responsible ESG principles.

27.1.4. For the investment of Long-Term Money, ONE JIB is required to explore how External Portfolio Managers are implementing responsible investing principles at the time of hiring and during periodic reviews. It may report on results periodically, if requested.

27.2. Securities Lending

27.2.1. The Municipality may invest in pooled funds, and other investment funds that are controlled by an External Portfolio Manager who may engage in Securities Lending if the policies of the External Portfolio Manager that apply to such pools permit such an action.

27.3. Derivatives

27.3.1. Derivatives may not be used for speculative purposes. They may be used for the investment of Long-Term Money where they are fully covered by a backing asset, e.g., as for currency or other hedging, to change portfolio duration or in covered call strategies.

27.4. Use of Leverage

27.4.1. Nothing in this IPS prevents the use of leverage, provided it is prudent to do so. Leverage is inherent in the use of certain types of investment strategies and instruments. Where leverage is employed, ONE JIB (for MNRI) and the Director of Finance/Treasurer (for MRI) shall have in place monitoring procedures to manage overall exposure to any counterparty. Leverage is not a strategy currently employed by ONE JIB but may be considered at a later date.

27.5. Pooled Funds

27.5.1. All investment strategies may be pursued directly through holdings of corporate and government issuers and indirectly via pooled funds and investment funds or any combination thereof. The investment strategies may also include allocations to cash or short-term investment vehicles.

27.6. Currency Hedging

27.6.1. The Short-Term Portfolio will not utilize currency hedging.

27.6.2. The Municipality's funding requirements are in Canadian dollars. However, some exposure to foreign currencies in the Long-Term 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.

28. Performance Monitoring, Rebalancing and Management

28.1. Short-Term Money

28.1.1. The Director of Finance/Treasurer shall monitor the performance, rebalance asset mix and manage short-term funds in a manner that achieves the investment objectives set out in this IPS.

28.2. Long-Term Money

28.2.1. For the investment of Long-Term Money, ONE JIB shall establish parameters for monitoring investments and rebalancing through policy or directly within the investment plan.

28.2.2. Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. At minimum, ONE JIB shall provide at least annual reporting described in section 35.2 that shows the Municipality's holdings, declares compliance with this IPS and shows External Portfolio Manager performance.

ADMINISTRATIVE POLICIES

29. Flow of Money and Annual Municipal Budget

29.1. Transfer to ONE JIB as Part of Annual Review Process

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

29.2. Transfer to Municipality as Part of Annual Review Process

29.2.1. On an annual basis ONE JIB shall be notified by the Director of Finance/Treasurer as to the amount, if any, required by the Municipality from the Long-Term Money then under the control and management of ONE JIB for the Municipality's operational purposes. Such amount shall be deemed to be Short-Term Funds and shall be returned to the Municipality in a lump sum or by way of periodic payments, as directed by the Director of Finance/Treasurer.

30. Flow of Money Otherwise than through the Budget Process

30.1. Surplus Funds

30.1.1. The Short-Term Funds capture 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 Director of Finance/Treasurer at any such time during the year shall be transferred to ONE JIB to be under its management and control as Long-Term Funds. Amounts so transferred will be recorded annually in the Investment Plan and allocated by ONE JIB in accordance with the Investment Plan.

30.2. Contingencies

30.2.1. The Director of Finance/Treasurer is authorized to direct ONE JIB to return any amounts determined by the Director of Finance/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 during the year shall not exceed 25% of the Long-Term Money under the control and management of ONE JIB as at the date that the Municipality approved its budget for the year (the Budgeted Long-Term Money). In determining the Budgeted Long-Term Money for purposes of calculating the 25% limit, any Long-Term Money to be transferred to the control and management of ONE JIB in accordance with that year's Annual Review pursuant to section 29.1 shall be included and any amount to be returned by ONE JIB to the Municipality pursuant to section 29.2 shall be excluded.

31. Valuation of Investments

31.1. Investments shall be valued according to the values provided by the Custodian(s). For the investment of Long-Term Money, 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 External Portfolio Manager to the Custodian no less frequently than quarterly.

32. Voting Rights

32.1. Subject to the provisions of section 23.6, with respect to LDC securities, where External Portfolio Managers have been appointed, such External Portfolio Managers shall assume the responsibility of exercising voting rights and will report their voting policies to ONE JIB annually. The Municipality may access these policies at any time.

33. Internal Controls

33.1. The Director of Finance/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 Director of Finance/Treasurer. To the extent ONE JIB's input is needed, these requirements will be communicated in advance to ONE JIB.

34. Custodians

34.1. All investments and assets of the investment portfolios shall be held by a Custodian and any of the Custodian's sub-custodians or nominees. For Long-Term Money, the Custodian shall be acceptable to ONE Investment. For Short-Term money the Custodian shall be acceptable to ONE Investment, if ONE Investment is administering the investment of the Municipality's Short-Term Money, otherwise the Custodian shall be acceptable to the Municipality.

35. Reporting

35.1. Short-Term Money

35.1.1. For the investment of Short-Term Money, the Director of Finance/Treasurer shall report at least annually to Council, prior to or together with, the annual audited financial statements of the Corporation. The investment report from the Director of Finance/Treasurer shall include:

35.1.1.1. A listing of investments, with market value, held at the end of the reporting period;

35.1.1.2. A statement about the performance of the investment portfolio during the reporting period;

35.1.1.3. A statement as to whether or not, in their opinion, all investments were made in accordance with this IPS;

35.1.1.4. A record of the date of each transaction; and

35.1.1.5. Such other information that Council may require or that, in their opinion, should be included.

35.2. Long-Term Money

- 35.2.1. The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of Long-Term Money at least annually. This report shall include the following:
 - 35.2.1.1. Investment performance during the period covered by the report;
 - 35.2.1.2. Asset mix of the total portfolio;
 - 35.2.1.3. A listing of individual investments held at the fund level at the end of the reporting period showing, where appropriate, book value, market value, realized/unrealized gains/losses and actual income received;
 - 35.2.1.4. A list of all transactions including the security name, trade date, and the purchase and/or sale price;
 - 35.2.1.5. A statement by the Director of Finance/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
 - 35.2.1.6. Any other pertinent information in the opinion of the Director of Finance/Treasurer.
- 35.3. All securities invested on behalf of the Municipality by ONE JIB or with the assistance of ONE Investment shall be held for safekeeping in the name of the Municipality by a Custodian.

APPROVAL, SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE

36. Revocation / Amendment of Previous Investment Policy

- 36.1. Upon coming into effect, this IPS supersedes previously approved investment policies of the Municipality. Specifically, Investment Policy TOB-2019-006 is repealed as of the date this IPS comes into effect.

37. Modifications to the IPS

- 37.1. At least annually, Council shall review the IPS and update it, if required. In the course of reviewing the IPS, Council may request comments from the Director of Finance/Treasurer with respect to the investment of Short-Term Money and from ONE JIB with respect to the investment of Long-Term Money.
- 37.2. Following the Council's review of the IPS, ONE JIB shall review the Investment Plan and update it, if required.
- 37.3. At a minimum, the annual review will consider:
 - 37.3.1. the adequacy of funding for capital works;
 - 37.3.2. the Municipality's ability to reduce other spending;
 - 37.3.3. flexibility of the timeframe to payout; and
 - 37.3.4. sensitivity to loss.

38. Effective Date

- 38.1. This IPS is adopted by Council of the Municipality effective October 12, 2022. The Director of Finance/Treasurer is directed to sign a copy of this IPS to evidence approval and to deliver a copy of this IPS to ONE JIB. 523

Paul Judson



Director of Finance/Treasurer

October 13, 2022

Date

Attachment 2

Municipal Client Questionnaire (MCQ)

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

Additionally, update the MCQ within 90 days if:

- a. There is a significant change in the municipality's financial circumstances, or
- b. There is a significant change in the municipality's "money not required immediately"

For changes between annual reviews, provide written notice of changes by using the mid-year MCQ update form on the last page of this document.

1. CLIENT INFORMATION

1.1 NAME OF MUNICIPALITY: Corporation of the Town of Bracebridge

1.2 ADDRESS: 1000 Taylor Court, Bracebridge

1.3 TREASURER INFORMATION

- i. Name: Paul Judson
- ii. Phone Number: 705 394 5908 iii. Email: pjudson@bracebridge.ca

1.4 PRIMARY DAY-TO-DAY CONTACT INFORMATION*

- i. Name: Same as above
- ii. Title: _____
- iii. Phone Number: _____ iv. Email: _____

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

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?

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

2.2 Does Municipal staff (the person most responsible for managing investments) have prior investment industry education/designations/experience? Please describe:

The Town's Treasurer has a CFA designation and worked for 20 years in the ratings industry

2.3 Check the following list of investment vehicles with which your municipality has used within the past five years. [*Check all that apply*]

- Canadian money market securities (e.g., Cash, bank accounts, HISA etc.)
- Locked-in Investments (e.g., GICs, PPNs etc.)
- Local Distribution Corporation 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

3. INVESTMENT OBJECTIVES AND RISK TOLERANCE

This section of the Questionnaire asks about the Municipality’s Money Not Required Immediately (MNRI). In general, investors can expect a higher annualized rate of return if the investor is also willing to accept volatility or fluctuation in the market value of their investments. For example, investors can expect that the average annual rate of return for a five-year period will be higher where the portfolio’s returns are varied when measured on a year-by-year basis, with some years having negative returns. A portfolio which has a steady return year over year, with little possibility of negative returns in any year, will most likely have a lower annualized return when measured on a rolling five-year average.

3.1 In relation to MNRI, which of the following best reflects the Municipality’s longer-term investment objectives (return), risk tolerance (volatility of returns) and shorter-term tolerance for losses (actual or unrealized)?

	Description	Investment Objective	Risk Tolerance	Tolerance for short-term (3 year) losses*
<input type="checkbox"/>	Lower risk/return	Capital preservation is the main objective. Willingness to accept lower returns to reduce the likelihood of losses	Conservative Approach: A small chance of loss of capital over a 5-year period	Less than 5% decline
<input checked="" type="checkbox"/>	Moderate risk/return	Achieve moderate growth without excessive risk to capital	Moderate chance of loss of capital over a 5-year period	5-15% decline
<input type="checkbox"/>	Higher risk/return	Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns	Greater uncertainty of outcomes with potential of higher returns over a 5-year period	More than 15% decline

* these percentages are for illustrative purposes only, to determine sensitivity to potential capital loss, and do not represent a guarantee by ONE JIB or ONE Investment.

3.2 Other information: Is there any other information about the Municipality’s investment objectives and risk tolerance for its MNRI that is relevant to the IPS or Investment Plan?

No

Sections 4 and 5 of this Questionnaire asks about the Municipality's assets, liabilities and cash flow and is not limited to MNRI. It is intended to assist ONE Investment in obtaining an understanding of the Municipality's financial circumstances, including its cash flow needs.

4. **FINANCIAL INFORMATION**

4.1 Please provide a table (next page or attached) showing "Money Not Required Immediately" divided into reserves and reserve funds with expected investment time horizons. A template is provided on the following page as a guide.

Note: MNRI can be determined by time, source of funds, purpose of funds, or such other means as the Municipality may decide is appropriate. For example, the 'less than 3 years' column of MNRI in the template might not be applicable for all municipalities.

Summary of Municipal Accounts for Investment Planning Purposes

Reserve Type	Brief Description	MNRI Amount	Investment Horizon of MNRI			
			Less than 3 years	3 to 5 years	5 to 10 years	10+ years
SAMPLE – Roads	Ongoing Maintenance	\$8,000,000	\$1,500,000	\$1,500,000	\$3,500,000	\$3,500,000
SAMPLE – Infrastructure	Road Lane Widening	\$5,000,000		\$1,000,000	\$4,000,000	
Obligatory Reserve Funds	Gas Tax, Parkland Cash-in-Lieu, Development Charges etc.	\$1,100.9				\$1,100.9
Capital Project Reserves	Fire, Streetlighting, Library, Parks & Trails, Recreation, Gen Gov't. Tax Rate Stabilization etc.	\$2,147.3				\$2,147.3
Contingency Reserves	Emergency Planning, PW Environmental/Operating	\$2,893.8				\$2,893.8
Stablization Reserves	Election, Economic Development, General Government, Building Fees, Local Hospital etc.	\$650.5				\$650.5
	\$ in thousands					
Total		\$6,792.5				\$6,792.5

4.2 Cash Flow Projections affecting MNRI by year (please provide details that may help inform the ONE JIB about potential drawdowns/additions to MNRI that you anticipate in coming years. Supporting documentation may be provided as needed.

Type	Next year	2 years	3 to 5 years	5 to 10 years	Greater than 10 years
Anticipated MNRI Drawdowns	\$0	\$0	\$0	\$0	\$0
Anticipated MNRI Contributions	\$0	\$0	\$0	\$0	\$0
Net change in MNRI	\$0	\$0	\$0	\$0	\$0

4.3 Do the MNRI drawdown forecasts in 4.2 reflect:

- Drawdowns of current reserve balances
- Drawdowns of current reserve balances inclusive of projected future budgetary contributions

4.4 If the Municipality has completed a capital budget and asset management plan, how many years does this forecast extend?

- Less than 3 years
 3-5 Years
 5-10 Years
 10 years or more

Funding/Expenditure Analysis

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

Unanticipated requests are completed by motion of Council, generally to be funded by a related reserve account. There are no recent occurrences to report. Staff do not anticipate requiring MNRI to fund any such shortfalls.

4.6 Is there a particular year when the Municipality had unusual, large expected capital expenditure(s)?

Yes No

4.7 If so, please explain the timing and nature of the expenditure(s)

The Town is in the midst of building a multi-use community centre, which is expected to be complete in mid-2024. Total project costs are \$75.33 million. The Town has secured loans of \$50M and provincial funding of \$17.362M, with the balance funded internally. The Town forecasts its cash flows to be more than sufficient to fund the remaining costs. This gives staff confidence that the Town will not require any MNRI to support the project.

4.8 Is there any near-term (within the next 24 months) decisions or uncertainties that could have a material impact on your MNRI forecasts? (e.g., projects contingent on unsecured grants, potential significant changes to debt financing strategy, significant acquisition or disposal/divestment).
Provide details here:

The construction of the multi-use community centre is on time and on budget, supported by a fixed price contract. Given the advancement of the project, we do not anticipate a major shock that would require us to unexpectedly draw down MNRI.

5. **PORTFOLIO INFORMATION**

5.1 MNRI Details

Description	As of Date (DD/MM/YY)	Value
Invested in ONE JIB Outcomes as of <i>Date</i> (A)	30/06/23	\$6,792.5
Pledged (in kind) Securities (Bonds, GICs, PPNs etc.) as of <i>Date</i> (B)		\$0
Expected Contributions (withdrawals) of MNRI and <i>Date</i> fund to be remitted / paid (C)		\$0
Locked in portion (LDC shares or notes as of <i>Date</i> (D)		\$34,935.345
Total MNRI (A to D)		\$41,727.85

5.2 The Municipality may pledge less liquid securities to ONE JIB as part of MNRI. Please identify below the details of pledged securities that the municipality may have.

- The Municipality does not have locked in investments that represent a portion of MNRI
- The Municipality has the following investments as pledged securities that represent a portion of MNRI (see section 6)

6. EXISTING INVESTMENTS

6.1. Please provide a table showing your current investments deemed MNRI and their characteristics, or attach a copy of a statement (if applicable).

<i>Security/Investment</i>	<i>Type</i>	<i>Manager/Institution</i>	<i>Book Value</i>	<i>Market Value</i>	<i>Maturity Date (If applicable)</i>
<i>SAMPLE CIBC Global Blue Chip Growth Deposit Notes, Series 12</i>	<i>PPN</i>	<i>CIBC</i>	<i>\$5,000,000</i>	<i>N/A</i>	<i>February 2030</i>
<i>SAMPLE London 3.2% May 9, 2026</i>	<i>Bond</i>	<i>N/A</i>	<i>\$1,000,000</i>	<i>\$1,098,000</i>	<i>May 9, 2026</i>
<i>SAMPLE Canada 2 7/8 July 2, 2028</i>	<i>Bond</i>	<i>N/A</i>	<i>\$2,000,000</i>	<i>\$1,945,000</i>	<i>July 2, 2028</i>
<i>Not Applicable</i>					

6.2. Describe your overall investment strategy or investment objectives.

7. OTHER INFORMATION

7.1 Please provide any additional information or context on the information provided that you consider relevant to ONE JIB's understanding of your municipality's MNRI.

N/A

8. INVESTMENT RESTRICTIONS

8.1 Are the Municipality's investments subject to any prohibited investment or other similar restrictions that are not fully disclosed in the Municipal IPS?

Yes No

If Yes, please specify.



Municipal Client Questionnaire (MCQ)

9. 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 16 day of August, 2023

Paul Judson

Paul Judson

Digitally signed by Paul
Judson
Date: 2023.08.18 13:29:41
+04'00'

Name and Signature of Treasurer

Second Signature (if Required)



Municipal Client Questionnaire (MCQ)

Appendix 1 – Midyear MCQ Updates Form

Please provide details that explain the nature of the 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 the ONE JIB to understand how this update changes the cashflow characteristics or investment horizons of MNRI relative to the most recent update to the MCQ.

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
Town of Bracebridge
Investment Plan

Date: September 6, 2023

200 University Ave., Suite 801
Toronto Ontario M5H 3C6 Canada



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1. Definitions

Act	Act means the <i>Municipal Act, 2001</i> , S.O. 2001, c. 25, as amended from time to time.
Agent	Agent means any administrator, Custodian, payment servicer, External Portfolio Manager, 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, in the manner and to the extent provided in the Regulation, pursuant to a written agreement with ONE Investment and, without limiting the generality of the foregoing, Agent includes ONE Investment.
Asset Allocation	Asset Allocation means the proportions of each Asset Allocation (or Asset Class) in an investment portfolio. The primary Asset Allocations (or Asset Classes) are cash and cash-equivalent instruments, fixed income, equities and equity-equivalent securities. These primary Asset Allocations (or Asset Classes) can be further subdivided into government and corporate bonds, large and smaller cap equities and other widely recognized asset categories. ONE Investment generally uses the term “Asset Allocation” to refer to the percentage, at the applicable time, of an investment portfolio comprised of cash, fixed income and equities.
Asset Class	Asset Class means the type of asset category in an investment portfolio. The primary Asset Classes (or Asset Allocations) are cash, cash-equivalent instruments, fixed income equities and equity-equivalent securities. These primary Asset Classes (or Asset Allocations) can be further subdivided into government and corporate bonds, large and small cap equities and other widely recognized asset categories. This term can be used interchangeably with Asset Allocation (defined above).
Asset Weight	Asset Weight means the actual percentage of HISA and/or of a particular Fund in comparison to the entire amount invested in a particular Outcome and also means the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in a particular Outcome. This term also includes the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in the investment portfolio.
Authorizing By-law	Authorizing By-law means, with respect to a Participating Municipality, the by-law under which it (i) adopts and undertakes to maintain its IPS, (ii) authorizes the entering into of the ONE JIB Agreement with ONE JIB and the other Participating Municipalities, (iii) approves its completed MCQ, (iv) authorizes the establishment of a Code of Conduct for ONE JIB, and (v)

delegates to ONE JIB the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

Note: an Authorizing By-law of a Participating Municipality can, at the option of council, also be constituted as the Prudent Investor Enabling By-law by specifying a specific future date, agreed to by ONE JIB, as the date on which the PI Standard will apply to the Participating Municipality under Section 418.1 of the Act.

Benchmark	Benchmark means an independently verifiable index that is representative of a specific securities market. For the most part the Benchmark is a relevant market index e.g., the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc. against which investment performance can be compared. ONE Investment generally selects recognized and widely used performance benchmarks which measure total returns expressed in Canadian dollars. ONE Investment may use a single index or a blended index made up of one or more indices.
CFA Institute	CFA Institute means the 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.
Chief Compliance Officer (CCO)	Chief Compliance Officer means a duly qualified individual who is the most senior officer responsible for the design and implementation of the compliance program for ONE Investment and for the ONE Prudent Investment Program.
Chief Investment Officer (CIO)	Chief Investment Officer means a duly qualified individual who is the most senior person responsible to oversee investments and who advises ONE JIB as to the recommended Outcomes for Participating Municipalities to comply with their IPSs.
Credit Risk	Credit Risk means the possibility that a borrower will not repay a loan or meet other contractual obligations in full on time. One example of credit risk is the risk that a lender may not receive the borrowed principal and interest when due. Another example of credit risk, sometimes referred to as counterparty credit risk, is the risk that a party to a derivatives contract will default and fail to fulfill its obligations.
Custodian	Custodian means a specialized financial institution appointed to have custody and safekeeping of financial assets. Global Custodians may hold assets for their clients in jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

Derivative	A derivative means a contract between two or more parties the value of which 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.
Drift	Drift means the deviation from Target Weight. Drift is cause for concern or a trigger for Rebalancing when it reaches or exceeds a certain magnitude for a specified period of time.
ESG (Environmental, Social and Governance Factors)	ESG factors mean “indicators used to analyse a (investee) company’s prospects” which are based on measures of its performance on environmental, social, and corporate governance criteria. According to the United Nations Principles of Responsible Investment, environmental issues relate to “the quality and functioning of the natural environment and natural systems”, social issues relate to “the rights, well-being and interest of people and communities”, and governance issues relate to “the governance of companies and other investee entities.”
External Portfolio Managers	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 ONE Investment Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.
Funds	Funds mean the pooled investment Funds offered as part of the ONE Prudent Investment Program and includes the ONE Canadian Equity Fund, the ONE Global Equity Fund, the ONE Canadian Bond Fund, the ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund, each of which is a Fund. Each Fund constitutes an Investment Fund and a Pooled Fund (defined below).
In-Kind	In-Kind means assets/securities instead of cash. In certain cases Participating Municipalities may transfer securities to ONE JIB as part of their MNRI instead of remitting only cash to ONE JIB. As these securities mature ONE JIB would invest the proceeds into the Outcomes specified in the relevant Investment Plan.
Internal Controls	Internal Controls mean 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 Fund	Investment Fund means a pool of money belonging to many investors that is used to collectively purchase stocks, bonds or other securities. This term includes a Fund (defined above) and a Pooled Fund (defined below).
Investment Plan	Investment Plan means the investment plan for a Participating Municipality applicable to its Long-Term Funds and investments that the Participating Municipality does not require immediately, as adopted and maintained by ONE

JIB under the Regulation, as the Investment Plan may be amended from time to time.

Investment Policy Statement (IPS)	Investment Policy Statement means the investment policy applicable to a Participating Municipality’s investments adopted and maintained by the council of the Participating Municipality for Long-Term Funds under the Regulation, and for Short-Term Funds, as the IPS may be amended from time to time. The IPS may also apply to the money and investments held by the Participating Municipality for the benefit of persons other than the Participating Municipality itself and may make reference to any source of money in which the Participating Municipality may have an indirect interest but which the Participating Municipality has no authority to invest.
Legal List Securities	Legal List Securities mean the securities that are prescribed from time to time in Part I of the Regulation.
Leverage	Leverage means using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage tends to increase investment risks.
Local Distribution Corporation	Local Distribution Corporation or LDC means a corporation incorporated under section 142 of the Ontario <i>Electricity Act, 1998</i> , as amended from time to time.
Long-Term Funds	Long-Term Funds mean money that the Participating Municipality has defined as long-term and characterized as money that is not required immediately.
Money Not Required Immediately (MNRI)	Money Not Required Immediately means money that is not required immediately by a Participating Municipality, the control and management of which has been given to ONE JIB. There is no universal definition of MNRI and it is at the discretion of each Participating Municipality to determine its MNRI in a way that is appropriate for its circumstances.
Municipal Client Questionnaire (MCQ)	Municipal Client Questionnaire means a document which is completed by the Treasurer of each Participating Municipality, and which includes information on municipal investments and risk preferences that must be reviewed annually.
Municipality	Municipality means the Town of Bracebridge.
ONE High Interest Savings Account (HISA)	ONE High Interest Savings Account means an account created by ONE Investment, into which money may be deposited, that offers competitive interest rates on daily balances. It functions in a similar way as a bank account in that it pays interest and money can be withdrawn on demand without triggering investment gains or losses.
ONE Investment	ONE Investment means the not-for-profit organization founded by CHUMS Financing Corporation and Local Authority Services that serves as an agent of ONE JIB to supply management, administrative and other services required by ONE JIB in the discharge of ONE JIB’s duties and responsibilities.

ONE JIB	ONE JIB means ONE Joint Investment Board, established by certain Participating Municipalities (sometimes referred to as the Founding Municipalities) under section 202 of the Act as a Joint Investment Board for purposes of Part II of the Regulation. ONE JIB, as constituted from time to time, is the duly appointed Joint Investment Board for a Participating Municipality and acts in accordance with the Act, the Regulation, the ONE JIB Agreement, including the Terms of Reference, and each Participating Municipality's IPS and Investment Plan.
ONE JIB Agreement	ONE JIB Agreement means the agreement effective as of July 2, 2020, entered into between ONE JIB, the six original Participating Municipalities (sometimes referred to as the Founding Municipalities) and One Investment in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Participating Municipality's money and investments that are not required immediately under Section 418.1 of the Act and in accordance with the Regulation.
ONE Prudent Investment Program	ONE Prudent Investment Program means the program for municipal investment in respect of which a Participating Municipality has appointed ONE JIB as its Joint Investment Board and has entered into the ONE JIB Agreement. The ONE Prudent Investment Program includes the Prudent Investment Offering (defined below).
Outcome	Outcome means the categories and strategies in accordance with which a Participating Municipality's MNRI may be invested. "Outcome" is used interchangeably with "solution". There are four different Outcome categories. They include the "cash", "stable return", "contingency" and "target date" categories. Each Outcome category shares certain objectives or goals for the MNRI invested in accordance with that Outcome category. The Outcome categories are used by ONE JIB to determine the appropriate Outcome strategies for each Participating Municipality. An Outcome category may have one or more Outcome strategies associated with it. Each Outcome strategy formulated by ONE JIB includes objectives, risk tolerance, liquidity needs, time horizons and Asset Allocations. The Outcome strategies are designed to enable ONE JIB to respond to a Participating Municipality's specific needs and circumstances. A Participating Municipality's Outcomes portfolio consists of its Outcome categories and strategies and the associated investments in the Funds associated with each Outcome strategy. A Participating Municipality's Outcomes portfolio considers a Participating Municipality's MNRI in its entirety and is determined individually by ONE JIB to meet the investment objectives for each Participating Municipality. A Participating Municipality's MNRI may be invested in accordance with several different Outcome categories and strategies.
Outcome Framework	Outcome Framework means the entire set of Outcome categories and strategies authorized by ONE JIB.

Participating Municipality	Participating Municipality means from time to time each of the municipalities for whom ONE JIB acts as the Joint Investment Board under the terms of the ONE JIB Agreement and includes the Participating Municipalities that established ONE JIB (sometimes referred to as the Founding Municipalities).
Pooled Fund	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 money that is invested and managed by an External Portfolio Manager. Money belonging to various investors is pooled and used collectively to purchase stocks, bonds and other securities. This term includes a Fund (defined above).
Portfolio	Portfolio means any collection of Funds that are grouped together and required for specific purposes.
Proxy Voting	Proxy Voting means the exercise of voting rights attached to the securities under the control and management of ONE JIB under the ONE Prudent Investment Program. ONE JIB may direct the voting of proxies in accordance with ONE JIB's proxy voting policies. In the normal course, ONE JIB and ONE Investment delegate voting of proxies to the applicable External Portfolio Manager pursuant to the investment management agreement with such External Portfolio Manager.
Prudent Effective Date	Prudent Effective Date means the effective date set out in a Prudent Investor Enabling By-law as the date on which the Prudent Investor Standard applies to the Participating Municipality.
Prudent Investment Offering	Prudent Investment Offering refers to the suite of investment products and services used to invest MNRI of the Participating Municipalities. It is inclusive of the Pooled Funds that have been formed for this purpose, HISA accounts associated with ONE JIB activities, and the Outcomes of ONE JIB. The Prudent Investment Offering is included in the ONE Prudent Investment Program (defined above).
Prudent Investor (PI)	Prudent Investor means an investor who makes an investment using the care, skill, diligence and judgment that an investor acting in accordance with section 418.1 of the Act would exercise in making the investment.
Prudent Investor Enabling By-law	Prudent Investor Enabling By-law means, with respect to a Participating Municipality, the by-law under which it makes the Prudent Investor Standard apply to it as at the specific date set out in such by-law under Section 418.1 of the Act.
Prudent Investor Standard	The "Prudent Investor Standard" means the standard of care which requires ONE JIB, when investing money under section 418.1 of the Act, to exercise the care, skill, diligence and judgement that a prudent investor would exercise in making such an investment. The Prudent Investor Standard applies to the Participating Municipalities' Long-Term Funds under the control and management of ONE JIB.

Rebalancing	Rebalancing means changing the percentage weight of HISA or of one or more Funds in an Outcome to align each such percentage weight to its Target Weight.
Regulation	Regulation means Ontario Regulation 438/97, as amended from time to time.
Risk	Risk means the uncertainty of future investment returns or potential for capital loss.
Risk Tolerance	Risk Tolerance means the financial ability and willingness to absorb a loss in return for greater potential for gains.
Securities Lending	Securities Lending means the practice of lending securities to another market participant for a fee. Generally, 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. A Securities Lending program is managed by a Custodian on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional marginal returns on the total portfolio.
Short-Term Money	Short-Term Money means money that is required immediately by the Participating Municipality as described in its IPS and which remains under the control and management of the Participating Municipality. The money can be invested in securities that are prescribed in Part I of the Regulation.
Sinking Fund	Sinking Fund means a fund established in respect of sinking fund debentures into which annual contributions must be made in an amount sufficient, with interest compounded annually, to pay the principal of the particular Sinking Fund debentures at maturity.
Sinking Fund Excess Earnings	Sinking Fund Excess Earnings mean the investment earnings of the Sinking Fund in excess of the earnings required to pay the principal of the particular Sinking Fund debentures at maturity.
Sinking Fund Required Contributions (Annual Sinking Fund Requirement)	Sinking Fund Required Contributions (Annual Sinking Fund Requirement) mean the amount of money to be set aside each year for deposit into a Sinking Fund for each Sinking Fund debenture issue in accordance with the Participating Municipality's debenture by-laws.
Sinking Fund Required Earnings	Sinking Fund Required Earnings mean the investment earnings of the Sinking Fund 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.
Target Weight	Target Weight means the original percentage weight of HISA and/or of one or more Funds for a particular Outcome as set out in the Investment Plan for a Participating Municipality. This term can also mean the original percentage weight of one or more Asset Allocations for a particular Outcome.

2. Purpose of Investment Plan

As required under the Act's prudent investor regime, this Investment Plan (Plan) establishes how ONE JIB will invest Bracebridge's money that it does not require immediately (Long-Term Funds or MNRI).

This Plan applies to all investments that are controlled and managed by ONE JIB on behalf of Bracebridge.

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 Bracebridge's IPS.

4. Investment Context

4.1 Investment Goals and Objectives

Returns on investments have an impact on Bracebridge's revenues, and therefore a longer-term impact on future years' budgets, and are intended to keep pace with inflation over the long term.

Investments may consist of liquid and non-liquid assets, depending on future obligations. Expected investment risks and returns are balanced to create allocations that provide a high probability that Bracebridge's investment objectives can be achieved.

MNRI will be invested to generate any or all of the following Outcomes:

- a. Funding contingencies, where returns are reinvested with a view to growing principal over the long-term for large withdrawals in unpredictable situations;
- b. Creating stable returns, where principal is maintained and a reliable stream of returns may be available to spend as/if needed; and,
- c. Funding target date projects, where Bracebridge has an obligation for a specific project at a specific time.

Bracebridge has identified the goals and objectives for their MNRI according to the Outcome Framework used by ONE JIB. Table 1 details the investment objectives for its MNRI according to the classification scheme.

Table 1 - Objectives* Disclosed in Bracebridge's IPS

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years
Stable Return	Stable Return	Income Generation; To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk; emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)
	Asset Mgt Reserves	Contributions to generate returns to fund asset management reserves	Higher risk; emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)
Target Date	Target Date 3-5 yrs	Preservation of capital	Low risk; high liquidity	3 – 5 years
	Target Date 5-10 yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 – 10 years
	Target Date 10+ yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long-term inflation-adjusted growth	> 10 years

* The objectives disclosed by Bracebridge are aligned with the Outcome Frameworks adopted by ONE JIB.

Bracebridge’s investment needs described in its IPS provide Council’s guidance to ONE JIB in determining investment allocations. Additional context from the MCQ and dialogue with the Treasurer were used to interpret the details in Table 1. This informs ONE JIB about Bracebridge’s current goals, objectives, circumstances and risk tolerance, and helps direct how investment allocations will be determined. The allocation of Bracebridge’s MNRI in this Plan is consistent with the details as disclosed in Bracebridge’s IPS and MCQ.

While individually Bracebridge’s reserve and reserve funds require liquidity, collectively they provide Bracebridge with considerable flexibility that should allow some exposure to less liquid investments as/if needed. This is more relevant for reserve and reserve funds with longer investment horizons. However, at present all ONE Investment funds are designed to be highly liquid. Less liquid investments may become available through ONE Investment at a later date.

ONE JIB uses an Outcome Framework that helps to translate the objectives as disclosed by the Participating Municipalities into investment allocations. The Outcome categories used by ONE JIB are aligned with the “Outcome Strategies” identified by Bracebridge in Table 1 above. The MNRI of Bracebridge will be assigned to associated Outcomes in the ONE JIB’s Outcome Framework in this Investment Plan.

From time to time ONE JIB may review the Outcome Framework and associated investment allocations. This may result in changes to the investment allocations assigned to Bracebridge in this Investment Plan.

4.2 Comments by Chief Investment Officer

The Chief Investment Officer is not recommending any changes in the allocation of MNRI in the investment Outcomes at this time. The updated MCQ and discussion with the Treasurer noted only minor changes in the investment horizon of municipal reserves vs. the previous year. Additionally, the Town will not make additional contributions or withdrawals from MNRI this year.

The Town continues construction of its multi-use community centre, which is scheduled for completion in 2024. This is a significant project for the Town with total costs of \$75 million, which are being funded out of MRI and external financing. The Treasurer does not anticipate that MNRI will be required to complete this project. When this project is completed, it is possible that unspent balances related to the project could be reclassified as MNRI.

The other major consideration relating to future MNRI contributions is related to a hospital project, as council will be discussing how Bracebridge will finance its share of a local hospital to be built. In future years, MNRI may need to be set aside to fund this long-term commitment. The Treasurer expects to have more clarity about this within the next year.

Bracebridge's overall investment horizon is very long, with its MNRI allocated fairly evenly between the Contingency and Target Date 10+ Year Outcome. Both of these outcomes have a meaningful allocation to equities, which should provide the potential for meaningful investment growth over the long term. At the time of writing, the recommended overall exposure to equity within the Investment Plan was about 67.8%. This is appropriate considering the investment horizon and risk profile of the Town.

5. Investment Portfolio

5.1 Asset Allocations

Asset allocations for each Outcome 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 Appendix A.

The goals, objectives, constraints and circumstances of Bracebridge are taken into consideration when assigning asset allocations for Bracebridge using ONE Investment's Outcome-based approach. These decisions are informed by the requirement to comply with the Prudent Investor Standard as defined in the Act. The Prudent Investor Standard identifies several key considerations that need to be incorporated in the decision-making process, including:

- General economic conditions;
- The possible effect of inflation or deflation;
- The role that each investment or course of action plays within Bracebridge's portfolio of investments;

- The expected total return on investment and the appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital.

In drafting this Plan, these current economic conditions and the possible effect on inflation/deflation have been considered as follows:

- On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) pandemic that led to significant disruptions in economic activity over the last few years. As the effects of the pandemic continue to fade, economic activity has continued to normalize.
- Loose monetary policy in the wake of the pandemic led to inflationary pressures globally. In Canada, inflation peaked at 8.1% in 2022 and since trended lower to 2.8% in June 2023, and remains above the Bank of Canada's 2% target.
- The invasion of Ukraine by Russia in February 2022 introduced additional disruptions and uncertainty in the financial markets, which have contributed to elevated inflation levels.
- Efforts by the Bank of Canada and other central banks to reduce inflationary pressures led to sharply higher interest rates in 2022. The Bank of Canada increased its overnight lending rate by 4.0% last year, in one of the sharpest movements in interest rates in modern history.
- There is some risk that aggressive rate hikes could lead to an economic recession.
- Diversified investment allocations, such as those used in the Outcome Framework, may help to dampen the volatility of returns and mitigate the risks associated with macroeconomic or geopolitical events. A diversified approach should help to reduce volatility while still offering the potential for investment returns to outpace inflation.
- The portions of MNRI that will be needed in the shorter term will be invested in investment strategies with very low risk and high liquidity (such as cash and short-term fixed income) given the economic uncertainty in the near-term.
- The portions of MNRI that are not expected to be needed over the short-term will be invested to take advantage of a longer-term investment horizon and achieve higher returns by investing in equities and bonds.

5.2 Account Structure

The amounts of MNRI, as disclosed in Bracebridge's MCQ dated October 12, 2022, have been allocated into investment Outcome categories as shown in Table 2 below.

*Table 2 – Investment Allocations based on MCQ updated on 12 October 2022**

Outcome	Allocation (\$)	Allocation Weight (%)
Contingency	\$ 3,262,223	48.0
Target Date 10+ Years	3,530,276	52.0
Overall	\$ 6,792,498	100.0

* The amounts in this table are representative of the information contained in the MCQ. The values are based on the market value of MNRI on June 30, 2023. The Investment Plan will be implemented based on the allocation weights in Table 2.

Mixes of ONE Prudent Investment Program funds and products appropriate for Bracebridge’s circumstances will be used for each Outcome. Descriptions of these Outcomes, ONE Prudent Investment Program funds and the asset allocations for each Outcome are shown in Appendix B.

5.3 Contingency Outcome

The allocation to the Contingency Outcome will be approximately \$3.3 million.

Contingency monies may be drawn upon to meet unexpected needs and infrequent events. Emphasis on the preservation of purchasing power is a key consideration, and therefore growth in the value of investments is emphasized. Details of the allocation of the Contingency Outcome are shown in Table 4. These monies will be invested according to the asset mix set out in Table 3 and will be rebalanced to ensure a consistent risk profile – rebalancing is explained in more detail in section 6.4. Further detail about the Contingency Outcome can also be found in Appendix B. All income will be reinvested to facilitate continued long-term growth in the assets until they are needed.

Table 3 - Contingency Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	55	60	65	
ONE Canadian Equity Fund		18		S&P/TSX Composite Index
ONE Global Equity Fund		42		MSCI ACWI (All Country World Index)
Fixed Income	35	40	45	
ONE Canadian Government Bond Fund		6		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		6		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		28		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C.

5.4 Target Date Outcomes

Bracebridge identified reserves that would be appropriate for Target Date Outcomes. Most of Bracebridge’s MNRI will be allocated to Target Date Outcomes, which will be allocated in a way that reflects the expected time horizon of balances and reserves. The monies invested in Target Date Outcomes will be split into separate Target Date allocations that collectively reflect the need for liquidity and growth and the time horizon in which the funds will be required. Target Date Outcomes will be managed with the objective of providing for the return of principal, income and capital gains at a target date in the future. All income will be reinvested.

Due to the long investment horizon associated with MNRI, all of Bracebridge’s MNRI allocated to target date outcomes has been allocated to the Target date 10+ Year Outcome. Approximately \$3.5 million or 48% of MNRI will be invested in the Target Date 10+ Year Outcome, which is intended to fund longer-term capital projects. This Target Date Outcome has an overall allocation to equity of about 75%, which should provide an opportunity for the monies invested to grow in value. More detail on the allocations for the Target Date 10+ Year Outcome are shown in Table 4.

As these monies may be used for construction/development projects in the future, growth is highly relevant as it will help preserve the purchasing power for monies invested. The need for investment returns to at least match inflation is a key consideration for monies allocated to this longer dated target date outcome.

Table 4 - Target Date 10+ Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	71	75	59	
ONE Canadian Equity Fund		22.5		S&P/TSX Composite Index
ONE Global Equity Fund		52.5		MSCI ACWI (All Country World Index)
Fixed Income	21	25	29	
ONE Canadian Government Bond Fund		3.75		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		3.75		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		17.5		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

5.5 Projected Investment Returns

This section has not been updated.

5.6 Non-Liquid Assets

a. Legacy Investments / Strategic Investments

Bracebridge's investment in Lakeland Holdings Ltd., an LDC, has a strategic purpose beyond generating investment returns. While this investment is part of the responsibility of ONE JIB, it is subject to a restriction set out in Bracebridge's IPS such that ONE JIB has agreed not to dispose of or deal with that investment without Bracebridge's consent. Table 5 below describes the investment in Lakeland Holdings Ltd.

Table 5 - Bracebridge's LDC Holdings

Investment in Local Distribution Company	Amount (\$)
Lakeland Holdings Ltd.	\$34,935.345

b. Transitional Investments

This section does not apply

5.7 Other Accounts

Bracebridge has no other accounts ONE JIB must consider.

6. Applicable ONE JIB Policies

Besides those listed below, there may also be constraints specific to each externally managed portfolio that govern how they are invested by the external investment manager.

6.1 Environmental, Social and Governance (ESG) Investing

ONE JIB supports ESG investing and incorporates those principles into its investment decision-making through its due diligence processes when choosing and evaluating External Portfolio Managers. External Portfolio Managers are assessed for their ESG policies. ONE JIB recognizes the practical difficulties of negative screening, whereby securities are excluded based on the nature of their business. ONE JIB's preference is to integrate social responsibility into the investment process with the intent of influencing companies to change their behaviour where appropriate. ONE JIB's approach will necessarily vary by External Portfolio Manager based on a number of factors, including the degree of control exercised by ONE JIB, contractual restrictions and the nature of the investment. Accommodating all requests for specific ESG considerations may not be possible due to availability, costs or other factors.

6.2 Securities Lending

Investment Funds that are controlled by an External Portfolio Manager may engage in securities lending if their policies permit such an action.

6.3 Derivatives

ONE JIB does not intend that derivatives be used in the investment of Long-Term Funds for speculative purposes or to apply leverage to the portfolios for non-hedging purposes. In certain cases, Long-Term Money is invested in underlying funds where the External Portfolio Manager is authorized under the constituting documents of such underlying funds to use derivatives. In such cases, the External Portfolio Manager shall provide written notice of its intended use of derivatives and the contents of such notice shall be satisfactory to ONE JIB. Generally, use of derivatives will be permitted where for so long as the derivative instrument or agreement is outstanding, the investment portfolio has a long position or other offsetting position in the underlying asset. For example, derivative instruments may be used for currency hedging, to change portfolio duration or in covered call strategies.

6.4 Rebalancing

Each investment Outcome will have target weights assigned for each asset class and investment holding, which collectively represent the intended asset allocation for the Outcome. Minimum and maximum weights will also be assigned for asset class allocations, and these weights will guide the rebalancing process. Each account's asset allocation will be monitored and rebalanced by ONE Investment in accordance with ONE JIB's Rebalancing Policy and this Investment Plan.

7. Implementation

7.1 Custodian

All investments under the control and management of ONE JIB, except for Municipally owned electricity assets, shall be held for safekeeping by ONE Investment's Custodian.

7.2 Transition Plan (including transitional investments)

This section does not apply

7.3 Accommodating Cashflow Needs

a. Investment Income and Rebates

Income from investments will be automatically reinvested and cashflow needs of Bracebridge are expected to be financed with the sale of units of the investment pools. Any fee discounts that apply to Bracebridge are intended to be reinvested into the Contingency Outcome or as otherwise directed by the Treasurer.

a. Anticipated mid-year cashflow requests

Bracebridge has not disclosed any known mid-year cashflow needs that would result in withdrawals.

b. Unanticipated mid-year cashflow requests

Upon receipt of an updated MCQ from Bracebridge that involves a withdrawal of MNRI, the Chief Investment Officer will process the request in accordance with ONE JIB's Withdrawals of Money Not Required Immediately (MNRI) Policy.



Appendix A: Process for Communicating Changes in Investment Needs

For effective investment management it is imperative that material changes in Bracebridge's investment needs be communicated to ONE JIB on a timely basis. These include changes in:

- Risk tolerance;
- The IPS;
- Timeframes and/or estimated amounts for financial obligations, including sooner-than-expected amounts and longer timeframes;
- Revisions in MNRI;
- Desired end use of money, especially if that is likely to affect the investment approach; and
- Changes in authorized personnel responsible for investments

These changes must be communicated in writing using the MCQ on the ONE Investment website. Section 5.01 (c) of the ONE JIB Agreement requires that Participating Municipalities provide written notice to the Board Secretary of ONE JIB of any amendment or modification to its IPS. Written communication should be directed to the attention of the Chief Investment Officer at ONE@oneinvestment.ca and the ONE JIB Secretary at dkelly@oneinvestment.ca. They are considered received when ONE Investment provides a formal return email acknowledgement.

Appendix B: Investment Outcomes

The asset allocations for ONE Investment's Outcomes are detailed in the tables below. Rebalancing will be managed for these asset allocations as explained in this Plan. As asset mixes drift away from their intended target and converge on either the minimum or maximum ranges noted below, ONE Investment will rebalance the holdings to restore allocations to the intended asset mix. The Outcomes will also be rebalanced twice annually, as required, to ensure the allocations do not drift materially away from the intended targets. ONE JIB may review and amend the investment allocations for the ONE Investment's Outcomes from time to time. Any changes subsequently implemented by ONE JIB that revise allocation weights assigned or holdings included in these Outcomes may supersede the details in the tables below. The allocations below reflect changes to the ONE HISA and ONE Canadian Government Bond Fund that will be implemented effective October 1st, 2023.

Cash Outcome

Asset Class	% Weight		
	Min	Target	Max
Fixed Income	100	100	100
ONE Canadian Government Bond Fund		100	
Total		100	

Stable Return Outcome

Asset Class	% Weight		
	Min	Target	Max
Equity	26	30	34
ONE Canadian Equity Fund		9	
ONE Global Equity Fund		21	
Fixed Income	66	70	74
ONE Canadian Government Bond Fund		19	
ONE Canadian Corporate Bond Fund		9	
ONE Global Bond Fund		42	
Total		100	

Contingency Outcome

Asset Class	% Weight		
	Min	Target	Max
Equity	55	60	65
ONE Canadian Equity Fund		18	
ONE Global Equity Fund		42	
Fixed Income	35	40	45
ONE Canadian Government Bond Fund		6	
ONE Canadian Corporate Bond Fund		6	
ONE Global Bond Fund		28	
Total		100	

Asset Management Reserves Outcome

Asset Class	% Weight		
	Min	Target	Max
Equity	88	90	92
ONE Canadian Equity Fund		27	
ONE Global Equity Fund		63	
Fixed Income	8	10	12
ONE Canadian Government Bond Fund		1.5	
ONE Canadian Corporate Bond Fund		1.5	
ONE Global Bond Fund		7	
Total		100	

Target Date Outcomes:

Investments with target dates will be managed to reduce risk as the target date approaches. As time passes and the spending needs get closer, it is appropriate to reduce the amount of risk so that there is greater certainty that the money will be available as needed. This means that reserves, reserve accounts and other balances that are assigned to target date allocation will be reassigned to a nearer dated Target Date Outcome as time passes. In this way, as the spending needs grows nearer, the investments will be migrated to a lower risk target date Outcome.

Asset Class	Target Date 3-5 Years			Target Date 5-10 Years			Target Date 10+ Years		
	% Weight			% Weight			% Weight		
	Min	Target	Max	Min	Target	Max	Min	Target	Max
Equity	8	10	12	45	50	55	71	75	79
ONE Canadian Equity Fund		3			15			22.5	
ONE Global Equity Fund		7			35			52.5	
Fixed Income	88	90	92	45	50	55	21	25	29
ONE Canadian Government Bond Fund		30.5			7.5			3.75	
ONE Canadian Corporate Bond Fund		10.5			7.5			3.75	
ONE Global Bond Fund		49			35			17.5	
Total		100			100			100	

Appendix C: Performance Benchmarks for ONE Investment Funds

- The table below details the benchmarks to be used for the performance evaluation of the ONE Investment Pools.
- Blended benchmarks for the prudent investor Outcomes will be used in proportion to their target asset allocation weights.

ONE HISA*	Bank of Canada 1 Year GIC Rate
ONE Canadian Equity Fund	S&P/TSX Composite Total Return Index
ONE Global Equity Fund	MSCI ACWI (net)
ONE Canadian Government Bond Fund*	60% the DEX All Government Short Bond Index and 40% the DEX 91 Day T-Bill Index Prior to October 1, 2023, benchmark was 95% the DEX All Government Short Bond Index and 5% the DEX 91 Day T-Bill Index
ONE Canadian Corporate Bond Fund	48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index
ONE Global Bond Fund	Bloomberg Barclays Multiverse Index

* Benchmark for the ONE Canadian Government Bond Fund to change on October 1st, 2023 to reflect a reorientation of the investment guidelines for the fund. HISA allocations in the investment outcomes will be reallocated into ONE Canadian Government Bond Fund concurrently with these changes.

To: ONE Joint Investment Board
 From: Keith Taylor, Chief Investment Officer, ONE Investment
 Date: September 6, 2023
 Re: District Municipality of Muskoka’s Investment Plan 2023
 Report: ONE JIB 2023-045

1. RECOMMENDATIONS

It is recommended that the Board:

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

2. SUMMARY

The District Municipality of Muskoka has updated its Municipal Client Questionnaire (MCQ) to provide information on its MNRI and the investment horizons associated with its reserve balances. As part of its annual review process, District staff provided details of the changes in the investment horizon associated with MNRI and completed cashflow analysis. The updated Investment Plan accommodates for a MNRI withdrawal of \$5.5 million that was requested by Muskoka. MNRI from longer investment horizon Outcomes will be used to fund the withdrawal, which will slightly decrease the District’s overall investment horizon, but the District will continue to have a very long investment horizon. The revised Investment Plan will have a consolidated equity allocation of 50.2%.

The proposed investment allocations, which reflect consolidated holdings across ONE Investment Outcomes, are presented below:

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	n/a	n/a
ONE Canadian Equity Fund	21.4	15.1
ONE Global Equity Fund	50.0	35.1
ONE Canadian Government Bond Fund	14.0	9.8
ONE Canadian Corporate Bond Fund	10.0	7.0
ONE Global Bond Fund	46.8	32.9
Total \$	\$142.3	100.0

3. BACKGROUND

The District Municipality of Muskoka’s Annual Investment Policy Statement review (IPS) resulted in only minor changes that have no material impact on its Investment Plan.

The District Municipality of Muskoka completed its annual IPS review on August 10, 2023, with council approving minor housekeeping modifications to the IPS that were consistent with revisions in the ONE JIB IPS template. These modifications clarify language and give ONE JIB more flexibility to modify the product offerings used in the Prudent Investment Program.

The District Municipality of Muskoka has MNRI of \$142.3 million after the \$5.5 million withdrawals of MNRI

The District Municipality of Muskoka had approximately \$147.8 million of MNRI invested in the ONE JIB Outcomes as of June 30, 2023, which is higher than the MNRI identified in its most recent MCQ. The District Municipality is planning to draw down \$5.5 million of MNRI because of revised cash flow forecasts.

Table 1 below provides a summary of the reserve categories and the associated investment horizon of these reserves as disclosed in Muskoka’s MCQ. As shown in Table 1 below, the bulk of MNRI has an investment horizon of 5 to 10 years, which includes MNRI that will be allocated to both target date outcomes and contingency outcomes. Overall, Muskoka has a long investment horizon.

Table 1: MNRI by reserve and time horizon forecast, adapted from table 4.1 of MCQ (in thousands of \$)

Reserve Type	Comments	MNRI Amount	Investment Horizon of MNRI			
			18 months to 3 years	3-5 years	5-10 years	10+ years
Development Charge Reserve Funds	Stable balances	8,103.3	-	3,694.8	4,408.6	-
Obligatory and fee-based reserve funds	Near-term drawdowns	7,326.4	-	1,831.6	5,494.8	-
Program Reserve Funds	Increasing after 2024	91,053.6	100.9	8,904.4	67,048.3	15,000.0
Debt Reduction Reserve Fund	Well defined funding needs	17,069.4	-	5,217.1	1,852.3	10,000.0
Stabilization Reserves	Stable balances	12,947.5	-	-	12,617.5	330.0
Contingency Reserves	Modest growth expected	5,926.4	-	-	5,926.4	-
MNRI Total		142,426.6	100.9	19,647.9	97,347.8	25,330.0

4. ANALYSIS

The District Municipality of Muskoka will drawdown \$5.5 million of its investments with ONE JIB this year to help fund nearer term capital projects

The updated MCQ indicates a reduction in MNRI of \$5.5 million. The Treasurer confirmed the District's intention to modestly reduce MNRI balances to make funding available for near-term capital projects. The District has two capital projects where the MNRI drawdown may be used, including a paramedic station and a long-term care home in Huntsville. Both projects may break ground within the next year.

The proposed mapping to Outcomes and resulting asset allocation are consistent with the time horizon of the District Municipality of Muskoka's cashflow forecasts

The District Municipality of Muskoka's reserves have a very long investment horizon, with almost \$125 million of MNRI having an investment horizon of 5 years or more. The changes resulting from the annual Investment Plan review suggest a slightly shorter overall investment horizon for the consolidated portfolio. The revisions to the Investment Plan will raise monies for the drawdown by reducing allocations to the longer-dated target date outcomes. Additionally, the allocations to the Target Date 3-5 Year Outcome would increase by about \$2.7 million, also funded by moving MNRI from longer investment horizon outcomes. These changes in allocation across outcomes should better align the Investment Plan allocations with Muskoka's updated cashflow forecasts. It is estimated that these changes to the Outcome allocations would lower consolidated equity allocations by less than 2%. As such, this is not a significant change to the overall Investment Plan and should have a marginal impact on the risk level of the consolidated portfolio.

Mapping the MNRI to Outcomes relied on the MCQ and discussions with the Treasurer to ensure a common understanding of the uses and purpose of the MNRI. Asset allocations (Table 3 below) and fund allocations (Tables 4 and 5) were determined using the ONE JIB Outcomes Framework.

Table 3: Proposed Outcome Mapping and Asset Allocation (values in \$ millions)

Outcome	Total Invested (\$ millions)	Portfolio Weight (%)	HISA (%)	Fixed Income (%)	Equities (%)	Total (%)
Cash	\$ 0.1	0.1	-	100	-	100
Contingency	18.9	13.3	-	40	60	100
Target Date 3-5 Years	19.5	13.7	-	90	10	100
Target Date 5-10 Years	78.8	55.4	-	50	50	100
Target Date 10+ Years	25.0	17.6	-	25	75	100
Total	\$ 142.3	100.0				

Table 4: Proposed Pooled Fund-Level Allocation (values in \$ millions)

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	n/a	n/a
ONE Canadian Equity Fund	21.4	15.1
ONE Global Equity Fund	50.0	35.1
ONE Canadian Government Bond Fund	14.0	9.8
ONE Canadian Corporate Bond Fund	10.0	7.0
ONE Global Bond Fund	46.8	32.9
Total \$	\$ 142.3	100.0

Table 1: Proposed Pooled Fund Allocations by Outcome (values in \$ millions)

Outcome	ONE HISA	ONE Canadian Equity Fund	ONE Global Equity Fund	ONE Canadian Govt Bond Fund	ONE Canadian Corporate Bond Fund	ONE Global Bond Fund	Total
Cash	-	-	-	\$ 0.1	-	-	\$ 0.1
Contingency	-	3.40	7.94	1.13	1.13	5.3	18.9
Target Date 3-5 Years	-	0.59	1.37	5.95	2.05	9.6	19.5
Target Date 5-10 Years	-	11.82	27.58	5.91	5.91	27.6	78.8
Target Date 10+ Years	-	5.63	13.13	0.94	0.94	4.4	25.0
Total \$	-	\$ 21.4	\$ 50.0	\$ 14.0	\$ 10.0	\$ 46.8	\$ 142.3

5. CONCLUSION

The proposed Investment Plan is consistent with the District Municipality of Muskoka's IPS. The proposed asset mix and fund allocations reflect the investment objectives and risk preferences expressed in its IPS and MCQ. As a result, the Investment Plan is appropriate for the District Municipality's time horizons and available MNRI.

ATTACHMENT

Attachment 1: The District Municipality of Muskoka's Investment Policy Statement
 Attachment 2: The District Municipality of Muskoka's Municipal Client Questionnaire
 Attachment 3: The District Municipality of Muskoka's proposed Investment Plan

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

Attachment 1

Appendix A



POLICY

Name: Investment Policy Statement	Policy Number: FI-009-2023
Administrative Approval Date: July 19, 2023	
Council Approval Date: August 10, 2023	Supersedes: FI-009-2022
Most Recent Amendment Date: July 11, 2023	Effective Date: August 10, 2023

Policy Statement

1. The District Municipality of Muskoka strives to optimize utilization of its cash resources within statutory limitations while recognizing the importance of protecting and preserving capital together with the need to maintain solvency and liquidity to meet ongoing financial requirements. Funds that are defined as money not required immediately are to be invested within the scope of the Prudent Investor Standard where diversification and potential for the growth of investments play a prominent role.

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Glossary and Definitions

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

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

Agent: means any administrator, Custodian, payment servicer, portfolio manager, 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.

Asset Class: An asset class is 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. Asset classes include bank deposits, money market securities, bonds and equities, among other things.

Authorizing By-law means a by-law of a Founding Municipality which authorizes: (i) the entering into of the Initial Formation Agreement; (ii) the establishment of ONE JIB; (iii) the approval of the Client Questionnaire and the adoption of the IPS; and (iv) the entering into of the ONE JIB Agreement.

Benchmark: means an index that is representative of a specific securities market (e.g. which includes but is not limited to 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.

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

Credit Risk: means the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations. That is, the risk that a lender may not receive the owed principal and interest.

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

their clients in multiple jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

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

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

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

Interest Rate Risk: refers to the possibility that the value of a bond or other fixed-income investment will suffer as the result of a change in interest rates. Interest rate risk can be managed to help improve investment outcomes.

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 Long-Term Money investments 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 Long-Term Money under the Regulation, and for Short-Term Money, 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.

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

Long-Term Money: means money that the municipality has defined as long-term and characterized as money that is not required immediately (MNRI) by the Municipality as described in section 21. Monies that are Long Term Money will be invested in accordance with the Prudent Investor Standard.

Modern Portfolio Theory: means a theory of portfolio management that looks towards the portfolio as a whole, rather than towards the prudence of each investment in the portfolio. This is found in the CFA Institute Standards of Practice Handbook.

Municipality: means The District Municipality of Muskoka.

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 July 2, 2020, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Municipality's Long-Term Money.

Outcome: in the context of the municipality's IPS the word 'outcome' is used interchangeably with 'solutions'. Investment outcomes are a set of investment allocations with varying risk/return characteristics. The outcomes assigned to each investor are intended to reflect the needs and circumstances of the municipality. MNRI may be invested into several outcomes based on the characteristics of the municipality's accounts/reserves and its saving and spending needs.

ONE JIB's Outcome Framework: a set of Investment Outcomes designed by ONE JIB to categorize the potential goals of investing MNRI. Each Outcome has a unique Asset Allocation with risk/return characteristics that are aligned with the intended use of the money assigned to the outcome.

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 required for specific purposes.

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 July 2, 2020, the date on which the prudent investor regime applies 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 makes use of Modern Portfolio Theory and applies the standard of prudence to the entire portfolio in respect of the Municipality's Long-Term Money 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.

Regulation: means Ontario Regulation 438/97.

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.

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

Short-Term Money: means money that is required immediately (MRI) by the Municipality as described in section 19, and which remains under the control and management of the Municipality. The money can be invested in appropriate Legal List Securities.

Treasurer: means the Treasurer as appointed by by-law of The District Municipality of Muskoka or their designate.

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

Sinking Fund Required Contributions (Annual Sinking Fund Requirement): means the amount of money to be set aside each year for deposit into a sinking fund or a retirement fund, as applicable, for each sinking fund and term 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 and term debentures.

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

Purpose

1. 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 2020-6 pursuant to which the Municipality authorized the establishment of guidelines for the prudent management of the Municipality's MNRI pursuant to section 418.1 of the Act.
2. In addition to the Municipality's MRI and MNRI, the Municipality is from time to time entrusted with the management of money and investments for a third-party beneficiary ("third-party trust funds"). There are also source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Such source(s) of money, referred to in this IPS as "designated funds", are listed in Schedule A attached hereto. The designated funds are identified in this IPS for the sole purpose of enabling the Municipality to better see, on an aggregated basis, the various financial assets in which the Municipality has an interest. The Municipality is not responsible for the investment activities or performance of designated funds.
3. The goals of this IPS are to:
 - 3.1. Define and assign responsibilities for investment of MRI and MNRI;
 - 3.2. Describe the Municipality's responsibilities with respect to third-party trust funds and designated funds;
 - 3.3. Ensure compliance with the applicable legislation;

- 3.4. Direct ONE JIB as to the Municipality's investment goals and risk tolerance;
- 3.5. Provide guidance and limitations regarding the investments and their underlying risks;
- 3.6. Establish a basis of evaluating investment performance and the underlying risks; and,
- 3.7. Establish a reporting standard to Council.

Scope

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

Legislative Authority

5. Investments of MRI will, in accordance with this IPS, only be made in Legal List Securities.
6. Investments of MNRI are governed by the Prudent Investor Standard in accordance with Section 418.1 of the Act. This standard is similar to that which governs trustees and pension fund administrators and creates a fiduciary responsibility. Prudent investment in compliance with the Act and the Regulation enhances the potential for the Municipality to earn improved risk-adjusted rates of return.
7. Money and investments that the Municipality holds as third-party trust funds or has an interest in as designated funds will be subject to applicable legislation and any related agreements or instruments.
8. The Act provides that the Municipality, and therefore ONE JIB, must consider the following criteria in planning investments of MNRI, in addition to other criteria relevant to the circumstances:
 - 8.1. General economic conditions;
 - 8.2. The possible effect of inflation or deflation;
 - 8.3. The role that each investment plays within the Municipality's total portfolio of investments;
 - 8.4. The expected total return from income and the appreciation of capital; and
 - 8.5. Needs for liquidity, regularity of income and preservation or appreciation of capital.

Standards of Care

9. For MNRI, the standard to be used by the Municipality and ONE JIB shall be the Prudent Investor Standard as required by section 418.1 of the Act and Part II of the Regulation in the context of managing the Municipality's MNRI and investments thereof. Investments shall be made with the care, skill, diligence, and judgment, taking into account the prevailing circumstances, that persons of prudence, discretion and integrity would exercise in the management of investments, considering the necessity of preserving capital as well as the need for income and appreciation of capital. The Act includes a duty to obtain the advice that a prudent investor would obtain under comparable circumstances.
10. Officers, employees and investment agents acting in accordance with written procedures and the IPS and exercising due diligence shall take all necessary actions to optimize performance of investments on a portfolio basis, taking into account the prescribed risk and other parameters set out in this IPS and market factors. The Municipality's staff, acting in accordance with written procedures and this IPS, shall be relieved of personal responsibility for an investment's performance, provided underperformance relative to expectations is reported to Council and the liquidation or sale of investments is carried out in accordance with this IPS.

Money Required Immediately and Money Not Required Immediately

11. Determination of the Municipality's MNRI is the responsibility of Council. In making the determination, Council may consider:
 - 11.1. the time horizon within which the monies are needed to meet financial obligations;
 - 11.2. the purpose for which the monies have been collected or set aside and are to be used;
 - 11.3. the source of the money; or
 - 11.4. any combination of the foregoing.
12. The Municipality's MNRI will be comprised of money that is to be used to meet financial obligations that become due more than eighteen (18) months from the date of receipt of such money by the Municipality.
13. For certainty, all money and investments of the Municipality that have not been identified as MNRI (other than third-party trust funds and any designated funds referenced in section 2) shall be deemed for purposes of this IPS to be MRI.
14. Determination of the Municipality's MNRI and MRI may be modified at any time and from time to time by action of Council and with respect to specific money by the Treasurer, in accordance with the provisions set out in section 27.3.

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

Overview of Portfolios

16. The Municipality's portfolios represent funds required for specific purposes. A high-level description of each of these portfolios and their objectives is provided in section 19.3 and section 21.3. This IPS applies to the following money of the Municipality, its agencies, boards and commissions including:
 - 16.1. MRI which is invested in Legal List Securities; and
 - 16.2. MNRI which is invested under the Prudent Investor Standard.

Roles and Responsibilities

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

Role of ONE JIB

- 17.1. ONE JIB has been appointed by the Municipality in accordance with the requirements of the Act and the Regulation and on the terms and conditions set out in the ONE JIB Agreement (Appendix "A").
- 17.2. ONE JIB exercises control and management of the Municipality's MNRI and the investments made by it in accordance with the objectives and risk tolerance established in this IPS.
- 17.3. Among the responsibilities of ONE JIB are the following:
 - 17.3.1. Reviewing this IPS;
 - 17.3.2. Adopting and maintaining an Investment Plan that complies with this IPS;
 - 17.3.3. Engaging External Portfolio Managers, Custodians, administrators and other investment professionals (Agents);
 - 17.3.4. Allocating the money and investments under its control and management among External Portfolio Managers and their funds in compliance with this IPS;
 - 17.3.5. Monitoring the performance of the Agents; and,
 - 17.3.6. Reporting to the Municipality.
- 17.4. The foregoing is subject to the more detailed terms and conditions contained in the ONE JIB Agreement.

18. **Role of Municipal Staff**

- 18.1. This IPS is approved and adopted by Council with input from the Treasurer, and from ONE JIB with respect to MNRI. MRI of the Municipality, and any third-party trust funds referenced in section 2, remain under the control and management of the Treasurer.
- 18.2. Consistent with this IPS, the Treasurer is responsible for the implementation of the investment program and the establishment of investment procedures which shall include:
 - 18.2.1. Investment management of MRI and any third-party trust funds referenced in section 2 by, or under the direction of, the Treasurer;
 - 18.2.2. In the management of MRI of the Municipality, and any third-party trust funds referenced in section 2, the Treasurer may engage one or more agent(s) and service provider(s). ONE Investment can assist with the investment of the Municipality's MRI, in Legal List Securities and with the investment of third-party trust funds, in accordance with the terms of the applicable trust, if permitted, at the request of the Municipality;
 - 18.2.3. The deposit or withdrawal of MNRI, under the explicit delegation of authority regarding MNRI, and the investment thereof, to ONE JIB, which is responsible for the control and management of such funds and investments;
 - 18.2.4. A system of controls exercised by the Treasurer to regulate the activities of staff in the Finance Department; and
 - 18.2.5. Individuals involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.
- 18.3. Authorized individuals acting in accordance with this policy and exercising due diligence shall be relieved of personal liability and responsibility for an individual security's credit risk or market price change.

Ethics and Conflicts of Interest

- 18.4. Individuals who are responsible for The District Municipality of Muskoka's Short-Term Portfolio shall comply with The District Municipality of

Muskoka's Conflict of Interest guidelines and any relevant professional codes of conduct (e.g., the CPA Code of Professional Conduct).

- 18.5. 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 Municipal Act, 2001 (the "Act"). This Code of Conduct applies to the Chair and the other Members of ONE JIB acting in their capacity as Members of ONE JIB.

Investment

19. MRI: Short-Term Money

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

19.2. Short-Term Funds: Investment Objectives

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

- 19.3. Capital preservation is the paramount objective for short-term investments, and these investments need to be highly liquid. Consequently, only high quality, short-term 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 short term money, ranked in priority, are as follows:

a) Security of Principal

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

b) Liquidity Requirements

Liquidity is measured by the ease with which securities can be converted to cash to meet forecast spending. The investments that are eligible under Ontario's Eligible Investments and Related Financial Agreements 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 Policy 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.

20. **Short-Term Money: Eligible Investments**

20.1. Short Term Money may be invested in high quality, short-term 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 Policy, as deemed eligible by Ontario Regulation 438/97 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 the following offerings by ONE Investment:

- ONE Investment High Interest Savings Account;
- ONE Investment Money Market Portfolio; and,
- ONE Investment Canadian Government Bond Portfolio

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

21. **MNRI: Long-Term Money**

21.1. The Municipality's MNRI is described in this IPS as Long-Term money. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has

exclusive control and management of the Long-Term Money and the investments made therewith.

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

21.3. Long-Term Money: Investment Objectives

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

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

21.3.2. The municipality’s Investment objectives for its Long-Term money (MNRI) can be achieved via allocations to the Outcomes defined within the ONE JIB’s Outcome Framework. Table 1 provides a summary of this framework.

Table 1:

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon
Cash	Cash	Preservation of capital	Low risk, high liquidity	< 3 years
Stable Return	Stable Return	Income generation: To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk, emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)
Contingency	Asset mgt. reserves	Contributions to generate returns to fund asset management reserves	Higher risk, emphasis on longer-term capital growth, low liquidity	> 10 years (Perpetual)

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon
Target Date	Target Date 3-5 yrs	Preservation of capital	Low risk, high liquidity	3 – 5 years
Target Date	Target Date 5-10 yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 – 10 years
Target Date	Target Date 10+ yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long-term inflation-adjusted growth	> 10 years

21.3.3. Investment of long-term money 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 Long-Term Money'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.

21.4. Long-Term Money: Eligible Investments

21.4.1. Eligible investments for Long-Term Money include any Pooled Fund or other collective investment vehicle or institutional investment management product sponsored or managed by ONE Investment for the Prudent Investment Program (Prudent Investment Offering), provided always that the products and the selection of products comply in all material respects with the IPS.

21.4.2. Additionally, nothing in this IPS prevents Long-Term Money from being held in cash, short term money market instruments, or overnight deposits.

21.5. Local Distribution Corporation (LDC) Securities

21.5.1. Not applicable.

21.6. Long-Term Funds: Muskoka Debentures

21.6.1. Debentures previously issued by the Municipality which are available to be publicly traded may from time to time become attractive for the Municipality to repurchase prior to maturity. These investments shall be included as part of the Long-Term Funds. ONE JIB will be prohibited from selling the debentures without the

consent of the Municipality. The Municipality will inform ONE JIB accordingly when such debenture repurchases take place.

22. Third-Party Trust Funds and Designated Funds

- 22.1. In addition to the Municipality's own money, the Municipality is from time to time entrusted with third-party trust funds, and the Municipality's responsibilities and obligations with respect thereto may be subject to other legislation and governed by other agreements and instruments. To the extent that there is any conflict or inconsistency between the provisions of this IPS and the terms and conditions contained in such other legislation, agreements or instruments applicable to third-party trust funds, the latter shall prevail.
- 22.2. The Municipality's third-party trust funds and the designated funds are listed in Schedule A.
- 22.3. For certainty, the third-party trust funds and the designated funds are not MNRI of the Municipality, and such monies are not under the control or management of ONE JIB.

23. Investment Management

23.1. Investment Management of Short-Term Money

- 23.1.1. The investment of Short-Term Funds shall be controlled and managed by the Treasurer.

23.2. Investment Management of Long-Term Money

- 23.2.1. The investment of Long-Term Money shall be controlled and managed by ONE JIB in accordance with this IPS.
- 23.2.2. Competent External Portfolio Managers shall be appointed by ONE JIB, and they shall enter into an agreement with ONE Investment that complies with this IPS and Part II of the Regulation and provide compliance and performance reports. In accordance with the applicable regulatory requirements, ONE JIB shall make any External Portfolio Manager changes deemed in the best interest of the Municipality. For each External Portfolio Manager, ONE Investment shall agree on a set of operational guidelines including constraints, discretion limits, diversification and quality standards, and performance expectations, which are documented in each External Portfolio Manager's guidelines.

24. Transition to Prudent Investor Regime

This section has been left intentionally blank.

25. **Investment Constraints**

25.1. **Environmental, Social and Governance (ESG) Investing**

25.1.1. The Municipality supports ESG investing for Short-Term and Long-Term Money. 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.

25.1.2. For the investment of Short-Term Funds, the Treasurer is required to invest in instruments that support responsible ESG principles.

25.1.3. For the investment of Long-Term Money, ONE JIB is required to explore how External Portfolio Managers are implementing responsible investing principles at the time of hiring and during periodic reviews. It may report on results periodically, if requested.

25.2. **Securities Lending**

25.2.1. The Municipality may invest in pooled funds, and other investment funds that are managed by an External Portfolio Manager who may engage in Securities Lending if the policies of the External Portfolio Manager permit such an action.

25.3. **Derivatives**

25.3.1. Derivatives may not be used for speculative purposes. They may be used for the investment of Long-Term Money where they are fully covered by a backing asset, e.g., as for currency or other hedging, to change portfolio duration or in covered call strategies.

25.4. **Use of Leverage**

25.4.1. Nothing in this IPS prevents the use of leverage, provided it is prudent to do so. Leverage is inherent in the use of certain types of investment strategies and instruments. Where leverage is employed, ONE JIB (for MNRI) and the Treasurer (for MRI) shall have in place monitoring procedures to manage overall exposure to any counterparty. Leverage is not a strategy currently employed by ONE JIB but may be considered at a later date.

25.5. **Pooled Funds**

25.5.1. All investment strategies may be pursued directly through holdings of corporate and government issuers and indirectly via pooled funds and investment funds or any combination thereof. The investment

strategies may also include allocations to cash or short-term investment vehicles.

25.6. Currency Hedging

25.6.1. The Municipality's funding requirements are in Canadian dollars. However, some exposure to foreign currencies in the Long-Term 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.

26. Performance Monitoring, Rebalancing and Management

26.1. Short-Term Money

26.1.1. The Treasurer shall monitor the performance, rebalance asset mix and manage short-term funds in a manner that achieves the investment objectives set out in this IPS.

26.2. Long-Term Money

26.2.1. For the investment of Long-Term Funds, each account's asset mix will be monitored on a periodic basis by ONE JIB. Should the asset mixes deviate outside the ranges set out in the Investment Plan, the account will be rebalanced as soon as practicable taking into consideration variations in market liquidity and the investment objectives. Cash inflows /outflows will be used to rebalance as much as possible. If they are insufficient, investments will be sold in a commercially reasonable manner and reallocated as required.

26.2.2. Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. At minimum, ONE JIB shall provide reporting described in section 32.2 that shows the Municipality's holdings, declares compliance with this IPS, and shows External Portfolio Manager performance.

Administrative Policies

27. Flow of Money and Annual Municipal Budget

27.1. Transfer to ONE JIB as Part of Annual Review Process

27.1.1. On an annual basis, as part of the Municipality's Annual Review process, the Municipality shall identify the amount, if any, of Long-Term Money that it holds. Any Long-Term Money not already under

the control and management of ONE JIB shall be transferred to ONE JIB as soon as practicable.

27.2. Transfer to Municipality as Part of Annual Review Process

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

27.3. Flow of Money Otherwise than through the Budget Process

27.3.1. Surplus Funds

27.3.1.1. The Short-Term Funds capture 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 Long-Term Funds. Amounts so transferred will be recorded annually in the Investment Plan and allocated by ONE JIB in accordance with the Investment Plan.

27.3.2. Contingencies

27.3.2.1. 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 during the year shall not exceed 25% of the Long-Term Money under the control and management of ONE JIB as at the date that the Municipality approved its budget for the year (the Budgeted Long-Term Money). In determining the Budgeted Long-Term Money for purposes of calculating the 25% limit, any Long-Term Money to be transferred to the control and management of ONE JIB in accordance with that year's Annual Review pursuant to section 27.1 shall be included and any amount to be returned by ONE JIB to the Municipality pursuant to section 27.2 shall be excluded.

27.3.2.2. In the event that expenditures for unexpected contingencies exceed 25% of the Budgeted Long-Term Funds, ONE JIB may be directed to return any amounts under its control and management by motion of the Council of the Municipality.

28. Valuation of Investments

28.1. Investments shall be valued according to the values provided by the Custodian(s). For the investment of Long-Term Money, 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 External Portfolio Manager to the Custodian no less frequently than quarterly.

29. Voting Rights

29.1. Where Subject to the provisions with respect to LDC securities (if applicable), where External Portfolio Managers have been appointed, such External Portfolio Managers shall assume the responsibility of exercising voting rights and will report their voting policies to ONE JIB annually. The Municipality may access these policies at any time.

30. Internal Controls

30.1. 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.

31. Custodians

31.1. All investments and assets of the investment portfolios shall be held by a Custodian and any of the Custodian's sub-custodians or nominees. For Long-Term Money, the Custodian shall be acceptable to ONE Investment. For Short-Term Money the Custodian shall be acceptable to ONE Investment if ONE Investment is administering the investment of the Municipality's Short-Term Money, otherwise the Custodian shall be acceptable to the Municipality.

32. Reporting

32.1. Short-Term Money

32.1.1. For the investment of Short-Term Money, **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;

32.1.2. A statement as to whether or not, in their opinion, all investments were made in accordance with this IPS; and

32.1.3. A record of the date of each transaction; covered and any other information required under the Regulation and that the Treasurer may consider to be pertinent.

32.2. Long-Term Money

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

32.2.1. Investment performance during the period covered by the report;

32.2.2. Asset mix of the total portfolio;

32.2.3. A listing of individual investments held at the fund level at the end of the reporting period showing, where appropriate, book value, market value, realized/unrealized gains/losses and actual income received;

32.2.4. A list of all transactions including the security name, trade date, and the purchase and/or sale price;

32.2.5. 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;

32.2.6. Any other pertinent information in the opinion of the Treasurer; and

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

Approval, Subsequent Modifications and Effective Date

33. Revocation/Amendment of Previous Investment Policy

33.1. Upon coming into effect, this IPS supersedes previously approved investment policies of the Municipality. Specifically, Investment Policy FI-009-2022 is repealed as of the date this IPS comes into effect.

34. Modifications to the IPS

34.1. At least annually, Council shall review the IPS and update it, if required. In the course of reviewing the IPS, Council may request comments from the Treasurer with respect to the investment of Short-Term Money and from ONE JIB with respect to the investment of Long-Term Money.

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

34.3. At a minimum, the annual IPS review will consider:

- 34.3.1.the adequacy of funding for capital works;
- 34.3.2.the Municipality’s ability to reduce other spending;
- 34.3.3.flexibility of the timeframe to payout; and
- 34.3.4.sensitivity to loss.

35. Effective Date

35.1. This IPS is adopted by Council of the Municipality effective August 10, 2023. The Treasurer is directed to sign a copy of this IPS to evidence approval and to deliver a copy of this IPS to ONE JIB.

Signed by

Treasurer

Date

Schedule "A"

Third-Party Trust Funds

1. The Pines Residents Trust Funds.

Designated Funds

2. Social housing capital reserves of a non-profit housing corporation which are to be invested in the Housing Services Corporation's pooled capital reserve funds managed by Encasa.

Municipal Client Questionnaire (MCQ)

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

Additionally, update the MCQ within 90 days if:

- a. There is a significant change in the municipality's financial circumstances, or
- b. There is a significant change in the municipality's "money not required immediately"

For changes between annual reviews, provide written notice of changes by using the mid-year MCQ update form on the last page of this document.

1. CLIENT INFORMATION

1.1 NAME OF MUNICIPALITY: The District Municipality of Muskoka

1.2 ADDRESS: 70 Pine Street, Bracebridge ON P1L 1N3

1.3 TREASURER INFORMATION

- i. Name: Suzanne Oliner
- ii. Phone Number: 7056452100 E:4115 iii. Email: Suzanne.olimer@muskoka.on.ca

1.4 PRIMARY DAY-TO-DAY CONTACT INFORMATION*

- i. Name: Vineet Bhatia
- ii. Title: Director of Tax Policy & Long-Term Financial Planning(Deputy Treasurer)
- iii. Phone Number: 7056452100 E:4222 iv. Email: vineet.bhatia@muskoka.on.ca

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

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?

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

2.2 Does Municipal staff (the person most responsible for managing investments) have prior investment industry education/designations/experience? Please describe:

Muskoka's finance staff hold various designations such as CPA and CA. The finance team also consist of staff who have prior experience within broader public sector entities such as education section (school boards) and the provincial government (Treasury Board Secretariat).

2.3 Check the following list of investment vehicles with which your municipality has used within the past five years. [*Check all that apply*]

- Canadian money market securities (e.g., Cash, bank accounts, HISA etc.)
- Locked-in Investments (e.g., GICs, PPNs etc.)
- Local Distribution Corporation 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

3. INVESTMENT OBJECTIVES AND RISK TOLERANCE

This section of the Questionnaire asks about the Municipality’s Money Not Required Immediately (MNRI). In general, investors can expect a higher annualized rate of return if the investor is also willing to accept volatility or fluctuation in the market value of their investments. For example, investors can expect that the average annual rate of return for a five-year period will be higher where the portfolio’s returns are varied when measured on a year-by-year basis, with some years having negative returns. A portfolio which has a steady return year over year, with little possibility of negative returns in any year, will most likely have a lower annualized return when measured on a rolling five-year average.

3.1 In relation to MNRI, which of the following best reflects the Municipality’s longer-term investment objectives (return), risk tolerance (volatility of returns) and shorter-term tolerance for losses (actual or unrealized)?

	Description	Investment Objective	Risk Tolerance	Tolerance for short-term (3 year) losses*
<input type="checkbox"/>	Lower risk/return	Capital preservation is the main objective. Willingness to accept lower returns to reduce the likelihood of losses	Conservative Approach: A small chance of loss of capital over a 5-year period	Less than 5% decline
<input checked="" type="checkbox"/>	Moderate risk/return	Achieve moderate growth without excessive risk to capital	Moderate chance of loss of capital over a 5-year period	5-15% decline
<input type="checkbox"/>	Higher risk/return	Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns	Greater uncertainty of outcomes with potential of higher returns over a 5-year period	More than 15% decline

* these percentages are for illustrative purposes only, to determine sensitivity to potential capital loss, and do not represent a guarantee by ONE JIB or ONE Investment.

3.2 Other information: Is there any other information about the Municipality’s investment objectives and risk tolerance for its MNRI that is relevant to the IPS or Investment Plan?

Sections 4 and 5 of this Questionnaire asks about the Municipality's assets, liabilities and cash flow and is not limited to MNRI. It is intended to assist ONE Investment in obtaining an understanding of the Municipality's financial circumstances, including its cash flow needs.

4. **FINANCIAL INFORMATION**

4.1 Please provide a table (next page or attached) showing "Money Not Required Immediately" divided into reserves and reserve funds with expected investment time horizons. A template is provided on the following page as a guide.

Note: MNRI can be determined by time, source of funds, purpose of funds, or such other means as the Municipality may decide is appropriate. For example, the 'less than 3 years' column of MNRI in the template might not be applicable for all municipalities.

Summary of Municipal Accounts for Investment Planning Purposes

Reserve Type	Brief Description	MNRI Amount	Investment Horizon of MNRI			
			Less than 3 years	3 to 5 years	5 to 10 years	10+ years
SAMPLE Roads	Ongoing Maintenance	\$8,000,000	\$1,500,000	\$1,500,000	\$3,500,000	\$3,500,000
SAMPLE Infrastructure	Road Lane Widening	\$5,000,000		\$1,000,000	\$4,000,000	
Development Charge Reserve Funds	Stable Balances	8,104,000		3,695,000	4,409,000	
Obligatory and fee-based reserve	Near-term drawdowns	7,327,000		1,832,000	5,495,000	
Program Reserve Funds	Increasing after 2024	91,055,000	101,000	8,905,000	67,049,000	15,000,000
Debt Reduction Reserve Fund	Well defined funding needs	17,071,000		5,218,000	1,853,000	10,000,000
Stabilization Reserves	Stable balances	12,948,000			12,618,000	330,000
Contingency Reserves	Modest growth expected	5,927,000			5,927,000	
Total		142,432,000	101,000	19,650,000	97,351,000	25,330,000

4.2 Cash Flow Projections affecting MNRI by year (please provide details that may help inform the ONE JIB about potential drawdowns/additions to MNRI that you anticipate in coming years. Supporting documentation may be provided as needed.

Type	Next year	2 years	3 to 5 years	5 to 10 years	Greater than 10 years
Anticipated MNRI Drawdowns	(14,257,000)	(4,103,000)			-
Anticipated MNRI Contributions			50,461,000	192,374,000	-
Net change in MNRI	(14,257,000)	(4,103,000)	50,461,000	192,374,000	-

4.3 Do the MNRI drawdown forecasts in 4.2 reflect:

- Drawdowns of current reserve balances
- Drawdowns of current reserve balances inclusive of projected future budgetary contributions

4.4 If the Municipality has completed a capital budget and asset management plan, how many years does this forecast extend?

- Less than 3 years
 3-5 Years
 5-10 Years
 10 years or more

Funding/Expenditure Analysis

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

Unanticipated requests for funding go through the Finance and Corporate Services committee for approval, with further resolution of council.
 Unlikely that Municipality will need to drawdown MNRI for unexpected shortfalls.

4.6 Is there a particular year when the Municipality had unusual, large expected capital expenditure(s)?

Yes No

4.7 If so, please explain the timing and nature of the expenditure(s)

Municipality does not forecast a large unexpected capital expenditure as all of the capital budget expenditures are budgeted through the annual budgeting process.

4.8 Is there any near-term (within the next 24 months) decisions or uncertainties that could have a material impact on your MNRI forecasts? (e.g., projects contingent on unsecured grants, potential significant changes to debt financing strategy, significant acquisition or disposal/divestment).

Provide details here:

Construction funding for the new long term care home (Fairvern), future paramedic station in Port Carling, costs for landfill cell development.

The municipality is using a mixed pool for funding it's future capital needs driven from internal reserves, OCIF and CCBF grant funding, and debt financing.

5. **PORTFOLIO INFORMATION**

5.1 MNRI Details

Description	As of Date (DD/MM/YY)	Value
Invested in ONE JIB Outcomes as of <i>Date</i> (A)	30/06/2023	147,780,633
Pledged (in kind) Securities (Bonds, GICs, PPNs etc.) as of <i>Date</i> (B)	30/06/2023	1,882,435
Expected Contributions (withdrawals) of MNRI and <i>Date</i> fund to be remitted / paid (C)		(5,500,000)
Locked in portion (LDC shares or notes as of <i>Date</i> (D)		N/A
Total MNRI (A to D)		144,163,068

5.2 The Municipality may pledge less liquid securities to ONE JIB as part of MNRI. Please identify below the details of pledged securities that the municipality may have.

- The Municipality does not have locked in investments that represent a portion of MNRI
- The Municipality has the following investments as pledged securities that represent a portion of MNRI (see section 6)

6. EXISTING INVESTMENTS

6.1. Please provide a table showing your current investments deemed MNRI and their characteristics, or attach a copy of a statement (if applicable).

Security/Investment	Type	Manager/Institution	Book Value	Market Value	Maturity Date (If applicable)
SAMPLE CIBC Global Blue Chip Growth Deposit Notes, Series 12	PPN	CIBC	\$5,000,000	N/A	February 2030
SAMPLE London 3.2% May 9, 2026	Bond	N/A	\$1,000,000	\$1,098,000	May 9, 2026
SAMPLE Canada 2^{7/8} July 2, 2028	Bond	N/A	\$2,000,000	\$1,945,000	July 2, 2028
National Bank In-Kind	Bond	National Bank		1,882,435	various

6.2. Describe your overall investment strategy or investment objectives.

The majority of the District's available funds are invested through ONE. The District's objectives are to limit the use of external financing through sustained contributions to reserves and investment returns that meet inflationary and replacement cost requirements.

7. OTHER INFORMATION

7.1 Please provide any additional information or context on the information provided that you consider relevant to ONE JIB's understanding of your municipality's MNRI.

8. INVESTMENT RESTRICTIONS

8.1 Are the Municipality's investments subject to any prohibited investment or other similar restrictions that are not fully disclosed in the Municipal IPS?

Yes No

If Yes, please specify.



Municipal Client Questionnaire (MCQ)

9. 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 14 day of August, 2023

Suzanne Oliner

Vineet Bhatia

A handwritten signature in black ink, appearing to read "Suzanne Oliner", written over a horizontal line.

A handwritten signature in black ink, appearing to read "Vineet B.", written over a horizontal line.

Name and Signature of Treasurer

Second Signature (if Required)



Municipal Client Questionnaire (MCQ)

Appendix 1 – Midyear MCQ Updates Form

Please provide details that explain the nature of the 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 the ONE JIB to understand how this update changes the cashflow characteristics or investment horizons of MNRI relative to the most recent update to the MCQ.

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
The District Municipality of Muskoka
Investment Plan

Date: September 6, 2023

200 University Ave., Suite 801
Toronto Ontario M5H 3C6 Canada



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1. Definitions

- Act** Act means the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended from time to time.
- Agent** Agent means any administrator, Custodian, payment servicer, External Portfolio Manager, 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, in the manner and to the extent provided in the Regulation, pursuant to a written agreement with ONE Investment and, without limiting the generality of the foregoing, Agent includes ONE Investment.
- Asset Allocation** Asset Allocation means the proportions of each Asset Allocation (or Asset Class) in an investment portfolio. The primary Asset Allocations (or Asset Classes) are cash and cash-equivalent instruments, fixed income, equities and equity-equivalent securities. These primary Asset Allocations (or Asset Classes) can be further subdivided into government and corporate bonds, large and smaller cap equities and other widely recognized asset categories. ONE Investment generally uses the term “Asset Allocation” to refer to the percentage, at the applicable time, of an investment portfolio comprised of cash, fixed income and equities.
- Asset Class** Asset Class means the type of asset category in an investment portfolio. The primary Asset Classes (or Asset Allocations) are cash, cash-equivalent instruments, fixed income equities and equity-equivalent securities. These primary Asset Classes (or Asset Allocations) can be further subdivided into government and corporate bonds, large and small cap equities and other widely recognized asset categories. This term can be used interchangeably with Asset Allocation (defined above).
- Asset Weight** Asset Weight means the actual percentage of HISA and/or of a particular Fund in comparison to the entire amount invested in a particular Outcome and also means the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in a particular Outcome. This term also includes the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in the investment portfolio.
- Authorizing By-law** Authorizing By-law means, with respect to a Participating Municipality, the by-law under which it (i) adopts and undertakes to maintain its IPS, (ii) authorizes the entering into of the ONE JIB Agreement with ONE JIB and the other Participating Municipalities, (iii) approves its completed MCQ, (iv) authorizes the establishment of a Code of Conduct for ONE JIB, and (v) delegates to ONE JIB the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

Note: an Authorizing By-law of a Participating Municipality can, at the option of council, also be constituted as the Prudent Investor Enabling By-law by

specifying a specific future date, agreed to by ONE JIB, as the date on which the PI Standard will apply to the Participating Municipality under Section 418.1 of the Act.

Benchmark	Benchmark means an independently verifiable index that is representative of a specific securities market. For the most part the Benchmark is a relevant market index e.g., the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc. against which investment performance can be compared. ONE Investment generally selects recognized and widely used performance benchmarks which measure total returns expressed in Canadian dollars. ONE Investment may use a single index or a blended index made up of one or more indices.
CFA Institute	CFA Institute means the 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.
Chief Compliance Officer (CCO)	Chief Compliance Officer means a duly qualified individual who is the most senior officer responsible for the design and implementation of the compliance program for ONE Investment and for the ONE Prudent Investment Program.
Chief Investment Officer (CIO)	Chief Investment Officer means a duly qualified individual who is the most senior person responsible to oversee investments and who advises ONE JIB as to the recommended Outcomes for Participating Municipalities to comply with their IPSs.
Credit Risk	Credit Risk means the possibility that a borrower will not repay a loan or meet other contractual obligations in full on time. One example of credit risk is the risk that a lender may not receive the borrowed principal and interest when due. Another example of credit risk, sometimes referred to as counterparty credit risk, is the risk that a party to a derivatives contract will default and fail to fulfill its obligations.
Custodian	Custodian means a specialized financial institution appointed to have custody and safekeeping of financial assets. Global Custodians may hold assets for their clients in jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").
Derivative	A derivative means a contract between two or more parties the value of which 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.

Drift	Drift means the deviation from Target Weight. Drift is cause for concern or a trigger for Rebalancing when it reaches or exceeds a certain magnitude for a specified period of time.
ESG (Environmental, Social and Governance Factors)	ESG factors mean “indicators used to analyse a (investee) company’s prospects” which are based on measures of its performance on environmental, social, and corporate governance criteria. According to the United Nations Principles of Responsible Investment, environmental issues relate to “the quality and functioning of the natural environment and natural systems”, social issues relate to “the rights, well-being and interest of people and communities”, and governance issues relate to “the governance of companies and other investee entities.”
External Portfolio Managers	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 ONE Investment Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.
Funds	Funds mean the pooled investment Funds offered as part of the ONE Prudent Investment Program and includes the ONE Canadian Equity Fund, the ONE Global Equity Fund, the ONE Canadian Bond Fund, the ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund, each of which is a Fund. Each Fund constitutes an Investment Fund and a Pooled Fund (defined below).
In-Kind	In-Kind means assets/securities instead of cash. In certain cases Participating Municipalities may transfer securities to ONE JIB as part of their MNRI instead of remitting only cash to ONE JIB. As these securities mature ONE JIB would invest the proceeds into the Outcomes specified in the relevant Investment Plan.
Internal Controls	Internal Controls mean 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 Fund	Investment Fund means a pool of money belonging to many investors that is used to collectively purchase stocks, bonds or other securities. This term includes a Fund (defined above) and a Pooled Fund (defined below).
Investment Plan	Investment Plan means the investment plan for a Participating Municipality applicable to its Long-Term Funds and investments that the Participating Municipality does not require immediately, as adopted and maintained by ONE JIB under the Regulation, as the Investment Plan may be amended from time to time.

Investment Policy Statement (IPS)	Investment Policy Statement means the investment policy applicable to a Participating Municipality’s investments adopted and maintained by the council of the Participating Municipality for Long-Term Funds under the Regulation, and for Short-Term Funds, as the IPS may be amended from time to time. The IPS may also apply to the money and investments held by the Participating Municipality for the benefit of persons other than the Participating Municipality itself and may make reference to any source of money in which the Participating Municipality may have an indirect interest but which the Participating Municipality has no authority to invest.
Legal List Securities	Legal List Securities mean the securities that are prescribed from time to time in Part I of the Regulation.
Leverage	Leverage means using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage tends to increase investment risks.
Local Distribution Corporation	Local Distribution Corporation or LDC means a corporation incorporated under section 142 of the Ontario <i>Electricity Act, 1998</i> , as amended from time to time.
Long-Term Funds	Long-Term Funds mean money that the Participating Municipality has defined as long-term and characterized as money that is not required immediately.
Money Not Required Immediately (MNRI)	Money Not Required Immediately means money that is not required immediately by a Participating Municipality, the control and management of which has been given to ONE JIB. There is no universal definition of MNRI and it is at the discretion of each Participating Municipality to determine its MNRI in a way that is appropriate for its circumstances.
Municipal Client Questionnaire (MCQ)	Municipal Client Questionnaire means a document which is completed by the Treasurer of each Participating Municipality, and which includes information on municipal investments and risk preferences that must be reviewed annually.
Municipality	Municipality means the District Municipality of Muskoka.
ONE High Interest Savings Account (HISA)	ONE High Interest Savings Account means an account created by ONE Investment, into which money may be deposited, that offers competitive interest rates on daily balances. It functions in a similar way as a bank account in that it pays interest and money can be withdrawn on demand without triggering investment gains or losses.
ONE Investment	ONE Investment means the not-for-profit organization founded by CHUMS Financing Corporation and Local Authority Services that serves as an agent of ONE JIB to supply management, administrative and other services required by ONE JIB in the discharge of ONE JIB’s duties and responsibilities.

ONE JIB	ONE JIB means ONE Joint Investment Board, established by certain Participating Municipalities (sometimes referred to as the Founding Municipalities) under section 202 of the Act as a Joint Investment Board for purposes of Part II of the Regulation. ONE JIB, as constituted from time to time, is the duly appointed Joint Investment Board for a Participating Municipality and acts in accordance with the Act, the Regulation, the ONE JIB Agreement, including the Terms of Reference, and each Participating Municipality's IPS and Investment Plan.
ONE JIB Agreement	ONE JIB Agreement means the agreement effective as of July 2, 2020, entered into between ONE JIB, the six original Participating Municipalities (sometimes referred to as the Founding Municipalities) and One Investment in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Participating Municipality's money and investments that are not required immediately under Section 418.1 of the Act and in accordance with the Regulation.
ONE Prudent Investment Program	ONE Prudent Investment Program means the program for municipal investment in respect of which a Participating Municipality has appointed ONE JIB as its Joint Investment Board and has entered into the ONE JIB Agreement. The ONE Prudent Investment Program includes the Prudent Investment Offering (defined below).
Outcome	Outcome means the categories and strategies in accordance with which a Participating Municipality's MNRI may be invested. "Outcome" is used interchangeably with "solution". There are four different Outcome categories. They include the "cash", "stable return", "contingency" and "target date" categories. Each Outcome category shares certain objectives or goals for the MNRI invested in accordance with that Outcome category. The Outcome categories are used by ONE JIB to determine the appropriate Outcome strategies for each Participating Municipality. An Outcome category may have one or more Outcome strategies associated with it. Each Outcome strategy formulated by ONE JIB includes objectives, risk tolerance, liquidity needs, time horizons and Asset Allocations. The Outcome strategies are designed to enable ONE JIB to respond to a Participating Municipality's specific needs and circumstances. A Participating Municipality's Outcomes portfolio consists of its Outcome categories and strategies and the associated investments in the Funds associated with each Outcome strategy. A Participating Municipality's Outcomes portfolio considers a Participating Municipality's MNRI in its entirety and is determined individually by ONE JIB to meet the investment objectives for each Participating Municipality. A Participating Municipality's MNRI may be invested in accordance with several different Outcome categories and strategies.
Outcome Framework	Outcome Framework means the entire set of Outcome categories and strategies authorized by ONE JIB.

Participating Municipality	Participating Municipality means from time to time each of the municipalities for whom ONE JIB acts as the Joint Investment Board under the terms of the ONE JIB Agreement and includes the Participating Municipalities that established ONE JIB (sometimes referred to as the Founding Municipalities).
Pooled Fund	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 money that is invested and managed by an External Portfolio Manager. Money belonging to various investors is pooled and used collectively to purchase stocks, bonds and other securities. This term includes a Fund (defined above).
Portfolio	Portfolio means any collection of Funds that are grouped together and required for specific purposes.
Proxy Voting	Proxy Voting means the exercise of voting rights attached to the securities under the control and management of ONE JIB under the ONE Prudent Investment Program. ONE JIB may direct the voting of proxies in accordance with ONE JIB's proxy voting policies. In the normal course, ONE JIB and ONE Investment delegate voting of proxies to the applicable External Portfolio Manager pursuant to the investment management agreement with such External Portfolio Manager.
Prudent Effective Date	Prudent Effective Date means the effective date set out in a Prudent Investor Enabling By-law as the date on which the Prudent Investor Standard applies to the Participating Municipality.
Prudent Investment Offering	Prudent Investment Offering refers to the suite of investment products and services used to invest MNRI of the Participating Municipalities. It is inclusive of the Pooled Funds that have been formed for this purpose, HISA accounts associated with ONE JIB activities, and the Outcomes of ONE JIB. The Prudent Investment Offering is included in the ONE Prudent Investment Program (defined above).
Prudent Investor (PI)	Prudent Investor means an investor who makes an investment using the care, skill, diligence and judgment that an investor acting in accordance with section 418.1 of the Act would exercise in making the investment.
Prudent Investor Enabling By-law	Prudent Investor Enabling By-law means, with respect to a Participating Municipality, the by-law under which it makes the Prudent Investor Standard apply to it as at the specific date set out in such by-law under Section 418.1 of the Act.
Prudent Investor Standard	The "Prudent Investor Standard" means the standard of care which requires ONE JIB, when investing money under section 418.1 of the Act, to exercise the care, skill, diligence and judgement that a prudent investor would exercise in making such an investment. The Prudent Investor Standard applies to the Participating Municipalities' Long-Term Funds under the control and management of ONE JIB.

Rebalancing	Rebalancing means changing the percentage weight of HISA or of one or more Funds in an Outcome to align each such percentage weight to its Target Weight.
Regulation	Regulation means Ontario Regulation 438/97, as amended from time to time.
Risk	Risk means the uncertainty of future investment returns or potential for capital loss.
Risk Tolerance	Risk Tolerance means the financial ability and willingness to absorb a loss in return for greater potential for gains.
Securities Lending	Securities Lending means the practice of lending securities to another market participant for a fee. Generally, 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. A Securities Lending program is managed by a Custodian on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional marginal returns on the total portfolio.
Short-Term Money	Short-Term Money means money that is required immediately by the Participating Municipality as described in its IPS and which remains under the control and management of the Participating Municipality. The money can be invested in securities that are prescribed in Part I of the Regulation.
Sinking Fund	Sinking Fund means a fund established in respect of sinking fund debentures into which annual contributions must be made in an amount sufficient, with interest compounded annually, to pay the principal of the particular Sinking Fund debentures at maturity.
Sinking Fund Excess Earnings	Sinking Fund Excess Earnings mean the investment earnings of the Sinking Fund in excess of the earnings required to pay the principal of the particular Sinking Fund debentures at maturity.
Sinking Fund Required Contributions (Annual Sinking Fund Requirement)	Sinking Fund Required Contributions (Annual Sinking Fund Requirement) mean the amount of money to be set aside each year for deposit into a Sinking Fund for each Sinking Fund debenture issue in accordance with the Participating Municipality's debenture by-laws.
Sinking Fund Required Earnings	Sinking Fund Required Earnings mean the investment earnings of the Sinking Fund 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.
Target Weight	Target Weight means the original percentage weight of HISA and/or of one or more Funds for a particular Outcome as set out in the Investment Plan for a Participating Municipality. This term can also mean the original percentage weight of one or more Asset Allocations for a particular Outcome.

2. Purpose of Investment Plan

As required under the Act's prudent investor regime, this Investment Plan (Plan) establishes how ONE JIB will invest Muskoka's money that it does not require immediately (Long-Term Funds or MNRI).

This Plan applies to all investments that are controlled and managed by ONE JIB on behalf of Muskoka.

3. Responsibility for Plan

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

4. Investment Context

4.1 Investment Goals and Objectives

Returns on investments have an impact on Muskoka's revenues, and therefore a longer-term impact on future years' budgets, and are intended to keep pace with inflation over the long term.

Investments may consist of liquid and non-liquid assets, depending on future obligations. Expected investment risks and returns are balanced to create allocations that provide a high probability that Muskoka's investment objectives can be achieved.

MNRI will be invested to generate any or all of the following Outcomes:

- a. Funding contingencies, where returns are reinvested with a view to growing principal over the long-term for large withdrawals in unpredictable situations;
- b. Creating stable returns, where principal is maintained and a reliable stream of returns may be available to spend as/if needed; and,
- c. Funding target date projects, where Muskoka has an obligation for a specific project at a specific time.

Muskoka has identified the goals and objectives for their MNRI according to the Outcome Framework used by ONE JIB. Table 1 details the investment objectives for its MNRI according to the classification scheme.

Table 1 - Objectives* Disclosed in Muskoka's IPS

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years
Stable Return	Stable Return	Income Generation; To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk; emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)
	Asset Mgt Reserves	Contributions to generate returns to fund asset management reserves	Higher risk; emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)
Target Date	Target Date 3-5 yrs	Preservation of capital	Low risk; high liquidity	3 – 5 years
	Target Date 5-10 yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 – 10 years
	Target Date 10+ yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long-term inflation-adjusted growth	> 10 years

* The objectives disclosed by Muskoka are aligned with the Outcome Frameworks adopted by ONE JIB.

Muskoka's investment needs described in its IPS provide Council's guidance to ONE JIB in determining investment allocations. Additional context from the MCQ and dialogue with the Treasurer were used to interpret the details in Table 1. This informs ONE JIB about Muskoka's current goals, objectives, circumstances and risk tolerance, and helps direct how investment allocations will be determined. The allocation of Muskoka's MNRI in this Plan is consistent with the details as disclosed in Muskoka's IPS and MCQ.

While individually Muskoka's reserve and reserve funds require liquidity, collectively they provide Muskoka with considerable flexibility that should allow some exposure to less liquid investments as/if needed. This is more relevant for reserve and reserve funds with longer investment horizons. However, at present all ONE Investment funds are designed to be highly liquid. Less liquid investments may become available through ONE Investment at a later date.

ONE JIB uses an Outcome Framework that helps to translate the objectives as disclosed by the Participating Municipalities into investment allocations. The Outcome categories used by ONE JIB are aligned with the "Outcome Strategies" identified by Muskoka in Table 1 above. The MNRI of Muskoka will be assigned to associated Outcomes in the ONE JIB's Outcome Framework in this Investment Plan.

From time to time ONE JIB may review the Outcome Framework and associated investment allocations. This may result in changes to the investment allocations assigned to Muskoka in this Investment Plan.

4.2 Comments by Chief Investment Officer

Details provided in Muskoka's MCQ and discussion with the Treasurer indicated that some revisions in the allocation of MNRI across investment outcomes were appropriate due to the changing circumstances of the municipality. Muskoka will be withdrawing \$5.5 million of MNRI as part of this Investment Plan update, with allocations to outcomes with a longer investment horizon being trimmed and the proceeds being used to increase allocations to the Target Date 3-5 Year Outcome and to fund the drawdown of MNRI. These changes are anticipated to reduce the consolidated exposure to equities by about 2%, slightly reducing the risk profile of Muskoka's investments.

The drawdowns in MNRI may be used for near-term capital projects. These may include capital projects that are anticipated but not yet fully finalized, such as a paramedic station and a long-term care home that will require funding. It was also noted that the new sewage treatment plan has been completed but that the decommissioning of the old facilities is ongoing, with costs related to the decommissioning coming in well above budget. The drawdown in MNRI will provide flexibility to fund these projects.

Muskoka's overall investment horizon remains long. In future years, they expect that MNRI will be required to help fund two new hospitals to be built in the district. This may lead to contributions to MNRI in future years when there is greater clarity on these capital projects. Overall, Muskoka has the flexibility to assume a moderate risk profile for the consolidated portfolio, with its investment allocations influenced by the long-term horizon associated with the MNRI. The recommended changes to the Investment Plan would decrease exposure to equity within the Investment Plan to about 50%, which is appropriate considering the district's circumstances and risk profile.

5. Investment Portfolio

5.1 Asset Allocations

Asset allocations for each Outcome 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 Appendix A.

The goals, objectives, constraints and circumstances of Muskoka are taken into consideration when assigning asset allocations for Muskoka using ONE Investment's Outcome-based approach. These decisions are informed by the requirement to comply with the Prudent Investor Standard as defined in the Act. The Prudent Investor Standard identifies several key considerations that need to be incorporated in the decision-making process, including:

- General economic conditions;
- The possible effect of inflation or deflation;
- The role that each investment or course of action plays within Muskoka's portfolio of investments;
- The expected total return on investment and the appreciation of capital; and

- Needs for liquidity, regularity of income and preservation or appreciation of capital.

In drafting this Plan, these current economic conditions and the possible effect on inflation/deflation have been considered as follows:

- On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) pandemic that led to significant disruptions in economic activity over the last few years. As the effects of the pandemic continue to fade, economic activity has continued to normalize.
- Loose monetary policy in the wake of the pandemic led to inflationary pressures globally. In Canada, inflation peaked at 8.1% in 2022 and since trended lower to 2.8% in June 2023, and remains above the Bank of Canada’s 2% target.
- The invasion of Ukraine by Russia in February 2022 introduced additional disruptions and uncertainty in the financial markets, which have contributed to elevated inflation levels.
- Efforts by the Bank of Canada and other central banks to reduce inflationary pressures led to sharply higher interest rates in 2022. The Bank of Canada increased its overnight lending rate by 4.0% last year, in one of the sharpest movements in interest rates in modern history.
- There is some risk that aggressive rate hikes could lead to an economic recession.
- Diversified investment allocations, such as those used in the Outcome Framework, may help to dampen the volatility of returns and mitigate the risks associated with macroeconomic or geopolitical events. A diversified approach should help to reduce volatility while still offering the potential for investment returns to outpace inflation.
- The portions of MNRI that will be needed in the shorter term will be invested in investment strategies with very low risk and high liquidity (such as cash and short-term fixed income) given the economic uncertainty in the near-term.
- The portions of MNRI that are not expected to be needed over the short-term will be invested to take advantage of a longer-term investment horizon and achieve higher returns by investing in equities and bonds.

5.2 Account Structure

The amounts of MNRI, as disclosed in Muskoka’s MCQ dated August 14, 2023 have been allocated into investment Outcome categories as shown in Table 2 below.

*Table 2 – Investment Allocations based on MCQ updated on 14 August 2023**

Outcome	Allocation (\$)	Allocation Weight (%)
Cash	\$ 80,633	0.1%
Contingency	18,900,000	13.3%
Target Date 3-5 Years	19,500,000	13.7%
Target Date 5-10 Years	78,800,000	55.4%
Target Date 10+ Years	25,000,000	17.6%
Overall	\$ 142,280,633	100.0%

* The amounts in this table are representative of the information contained in the MCQ. The values are based on the market value of MNRI on June 30, 2023. The Investment Plan will be implemented based on the allocation weights in Table 2.

Mixes of ONE Prudent Investment Program funds and products appropriate for Muskoka’s circumstances will be used for each Outcome. Descriptions of these Outcomes, ONE Prudent Investment Program funds and the asset allocations for each Outcome are shown in Appendix B.

5.3 Cash Outcome

The allocation to the Cash Outcome will be approximately \$80,000.

Cash allocations are appropriate for Muskoka’s relatively short-term funding needs. As the monies are anticipated to be drawn down within three years, it is most appropriate to invest these monies such that there is minimal potential for capital loss. Longer-term investments are able to assume more risk and potentially absorb capital losses as there is ample time for investment growth to allow the investment value to recover. Details of the allocation of the Cash Outcome are found in Table 3. Further detail about the Cash Outcome allocations can also be found in Appendix B. Monies in the Cash Outcome are expected to be reclassified as MRI over the next few years. All interest earned in the Cash Outcome will be reinvested in the Cash Outcome:

Table 3 - Cash Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Cash	100	100	100	
ONE Canadian Government Bond Fund		100		Blended – Canadian Government Bonds
Total		100		

Further discussion on benchmarks is included in Appendix C.

5.4 Contingency Outcome

The allocation to the Contingency Outcome will be approximately \$18.9 million.

Contingency monies may be drawn upon to meet unexpected needs and infrequent events. Emphasis on the preservation of purchasing power is a key consideration, and therefore growth in the value of investments is emphasized. Details of the allocation of the Contingency Outcome are shown in Table 4. These monies will be invested according to the asset mix set out in Table 4 and will be rebalanced to ensure a consistent risk profile – rebalancing is explained in more detail in section 6.4. Further detail about the Contingency Outcome can also be found in Appendix B. All income will be reinvested to facilitate continued long-term growth in the assets until they are needed.

Table 4 - Contingency Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	55	60	65	
ONE Canadian Equity Fund		18		S&P/TSX Composite Index
ONE Global Equity Fund		42		MSCI ACWI (All Country World Index)
Fixed Income	35	40	45	
ONE Canadian Government Bond Fund		6		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		6		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		28		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C.

5.5 Target Date Outcome

Muskoka identified reserves that would be appropriate for Target Date Outcomes. Most of Muskoka’s MNRI will be allocated to Target Date Outcomes, which will be allocated in a way that reflects the expected time horizon of balances and reserves. The monies invested in Target Date Outcomes will be split into separate Target Date allocations that collectively reflect the need for liquidity and growth and the time horizon in which the funds will be required. The allocation to the Target Date Outcomes will be approximately \$123 million, and divided among the various target date outcomes accordingly:

- Target Date 3-5 Year – \$19.5 million
- Target Date 5-10 Year – \$ 78.8 million
- Target Date 10+ Years – \$ 25.0 million

Target Date Outcomes will be managed with the objective of providing for the return of principal, income and capital gains at a target date in the future. All income will be reinvested.

Approximately \$19.5 million (about 13.7% of total MNRI) will be allocated into the Target Date 3-5 Year Outcome, which is intended to provide some liquidity for projects within the next five years. Due to the relatively short-term time horizon, the monies invested in this Target Date Outcome will attempt to mitigate the potential for capital loss by investing primarily in fixed income and cash-like investments. This Outcome has a small allocation to equity investments to enhance the growth potential. It is anticipated the entire balance will be drawn down in the coming years to pay for planned expenditures. More detail on the allocations for the Target Date 3-5 Year Outcome is shown in Table 5 below.

Table 5 - Target Date 3-5 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	8	10	12	
ONE Canadian Equity Fund		3		S&P/TSX Composite Index
ONE Global Equity Fund		7		MSCI ACWI (All Country World Index)
Fixed Income	88	90	92	
ONE Canadian Government Bond Fund		30.5		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		10.5		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		49		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

Most of Muskoka’s MNRI reflects reserves set aside for capital projects with an investment horizon in excess of 5 years. Approximately 55.4%, or \$78.8 million of MNRI will be invested in the Target Date 5–10 Year Outcome. Details of the allocation for this Outcome are in Table 6 below. Further detail about the Target Date 5-10 Year Outcome allocations can also be found in Appendix B.

Amounts will be allocated to the Target Date 5–10 Year Outcomes to reflect the intended time horizon and risk profile for reserve accounts where near term liquidity is less relevant. The Target Date 5–10 Year Outcome has a 50% allocation to equities, which should help monies invested in this

outcome to achieve growth. As monies invested in this Outcome typically reflect reserves for future capital projects, growth is the value of investments is important to help offset the impact of inflation and pre-construction changes on project costs.

Table 6 - Target Date 5-10 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	45	50	55	
ONE Canadian Equity Fund		15		S&P/TSX Composite Index
ONE Global Equity Fund		35		MSCI ACWI (All Country World Index)
Fixed Income	45	50	55	
ONE Canadian Government Bond Fund		7.5		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		7.5		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		35		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

Approximately 17.6%, or \$25.0 million of MNRI will be invested in the Target Date 10+ Year Outcome, which is intended to fund longer-term capital projects. This Target Date Outcome has an overall allocation to equity of about 75%, which should provide an opportunity for the monies invested to grow in value. More detail on the allocations for the Target Date 10+ Year Outcome are shown in Table 7.

As these monies may be used for construction/development projects in the future, growth is highly relevant as it will help preserve the purchasing power for monies invested. The need for investment returns to at least match inflation is a key consideration for monies allocated to this longer dated target date outcome.

Table 7 - Target Date 10+ Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	71	75	59	
ONE Canadian Equity Fund		22.5		S&P/TSX Composite Index
ONE Global Equity Fund		52.5		MSCI ACWI (All Country World Index)
Fixed Income	21	25	29	
ONE Canadian Government Bond Fund		3.75		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		3.75		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		17.5		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

5.6 Projected Investment Returns

This section has not been updated.

5.7 Non-Liquid Assets

a. Legacy Investments / Strategic Investments

The District issues debentures, which are sold to the public. From time to time, the Treasurer may repurchase some of these debentures when the pricing is attractive. These repurchased debentures will not be immediately retired and will instead be held until the maturity date of the debenture. These Muskoka debentures are part of Muskoka's MNRI if the remaining term to maturity exceeds 18 months. Table 8 identifies Muskoka debentures that are included in MNRI. They are subject to a restriction set out in Muskoka's IPS, such that ONE JIB has agreed not to dispose of or deal with that investment without Muskoka's consent. Holdings in repurchased Muskoka Debentures will not impact or influence the investment allocation of other MNRI discussed in this Plan. Muskoka's MCQ identifies \$1,882,435 in pledged securities, which represents all debentures repurchased.

Table 9 – Muskoka Debenture Holdings (MNRI)

Issue	Maturity	Face value
Muskoka 4.9%	May-24	\$ 46,133
Muskoka 4.95%	May-25	211,921
Muskoka 5.0%	May-26	107,142
Muskoka 5.05%	May-27	302,463
Muskoka 5.05%	May-28	375,162
Muskoka 5.1 %	May-29	420,898
Muskoka 5.1 %	May-30	145,069
Muskoka 2.95%	Nov-30	91,233
Muskoka 3.00%	Nov-31	91,393
Muskoka 3.05%	Nov-27	91,021
Total		\$ 1,882,435

b. Transitional Investments

This section does not apply.

5.8 Other Accounts

Muskoka has no other accounts ONE JIB must consider.

6. Applicable ONE JIB Policies

Besides those listed below, there may also be constraints specific to each externally managed portfolio that govern how they are invested by the external investment manager.

6.1 Environmental, Social and Governance (ESG) Investing

ONE JIB supports ESG investing and incorporates those principles into its investment decision-making through its due diligence processes when choosing and evaluating External Portfolio Managers. External Portfolio Managers are assessed for their ESG policies. ONE JIB recognizes the practical difficulties of negative screening, whereby securities are excluded based on the nature of their business. ONE JIB's preference is to integrate social responsibility into the investment process with the intent of influencing companies to change their behaviour where appropriate. ONE JIB's approach will necessarily vary by External Portfolio Manager based on a number of factors, including the degree of control exercised by ONE JIB, contractual restrictions and the nature of the investment. Accommodating all requests for specific ESG considerations may not be possible due to availability, costs or other factors.

6.2 Securities Lending

Investment Funds that are controlled by an External Portfolio Manager may engage in securities lending if their policies permit such an action.

6.3 Derivatives

ONE JIB does not intend that derivatives be used in the investment of Long-Term Funds for speculative purposes or to apply leverage to the portfolios for non-hedging purposes. In certain cases, Long-Term Money is invested in underlying funds where the External Portfolio Manager is authorized under the constituting documents of such underlying funds to use derivatives. In such cases, the External Portfolio Manager shall provide written notice of its intended use of derivatives and the contents of such notice shall be satisfactory to ONE JIB. Generally, use of derivatives will be permitted where for so long as the derivative instrument or agreement is outstanding, the investment portfolio has a long position or other offsetting position in the underlying asset. For example, derivative instruments may be used for currency hedging, to change portfolio duration or in covered call strategies.

6.4 Rebalancing

Each investment Outcome will have target weights assigned for each asset class and investment holding, which collectively represent the intended asset allocation for the Outcome. Minimum and maximum weights will also be assigned for asset class allocations, and these weights will guide the rebalancing process. Each account's asset allocation will be monitored and rebalanced by ONE Investment in accordance with ONE JIB's Rebalancing Policy and this Investment Plan.

7. Implementation

7.1 Custodian

All investments under the control and management of ONE JIB, shall be held for safekeeping by ONE Investment's Custodian. Additionally, securities In-Kind will be under the control and management of ONE JIB but may be held for safekeeping by a custodian acceptable to ONE JIB.

7.2 Transition Plan (including transitional investments)

This section does not apply.

7.3 Accommodating Cashflow Needs

a. Investment Income and Rebates

Income from investments will be automatically reinvested and cashflow needs of Muskoka are expected to be financed with the sale of units of the investment pools. Any fee discounts that apply to Muskoka are intended to be reinvested into the Contingency Outcome or as otherwise directed by the Treasurer.

a. Anticipated mid-year cashflow requests

Muskoka has not disclosed any known mid-year cashflow needs that would result in withdrawals.

b. Unanticipated mid-year cashflow requests

Upon receipt of an updated MCQ from Muskoka that involves a withdrawal of MNRI, the Chief Investment Officer will process the request in accordance with ONE JIB's Withdrawals of Money Not Required Immediately (MNRI) Policy.



Appendix A: Process for Communicating Changes in Investment Needs

For effective investment management it is imperative that material changes in Muskoka's investment needs be communicated to ONE JIB on a timely basis. These include changes in:

- Risk tolerance;
- The IPS;
- Timeframes and/or estimated amounts for financial obligations, including sooner-than-expected amounts and longer timeframes;
- Revisions in MNRI;
- Desired end use of money, especially if that is likely to affect the investment approach; and
- Changes in authorized personnel responsible for investments

These changes must be communicated in writing using the MCQ on the ONE Investment website. Section 5.01 (c) of the ONE JIB Agreement requires that Participating Municipalities provide written notice to the Board Secretary of ONE JIB of any amendment or modification to its IPS. Written communication should be directed to the attention of the Chief Investment Officer at ONE@oneinvestment.ca and the ONE JIB Secretary at dkelly@oneinvestment.ca. They are considered received when ONE Investment provides a formal return email acknowledgement.

Appendix B: Investment Outcomes

The asset allocations for ONE Investment's Outcomes are detailed in the tables below. Rebalancing will be managed for these asset allocations as explained in this Plan. As asset mixes drift away from their intended target and converge on either the minimum or maximum ranges noted below, ONE Investment will rebalance the holdings to restore allocations to the intended asset mix. The Outcomes will also be rebalanced twice annually, as required, to ensure the allocations do not drift materially away from the intended targets. ONE JIB may review and amend the investment allocations for the ONE Investment's Outcomes from time to time. Any changes subsequently implemented by ONE JIB that revise allocation weights assigned or holdings included in these Outcomes may supersede the details in the tables below. The allocations below reflect changes to the ONE HISA and ONE Canadian Government Bond Fund that will be implemented effective October 1st, 2023.

Cash Outcome

Asset Class	% Weight		
	Min	Target	Max
Fixed Income	100	100	100
ONE Canadian Government Bond Fund		100	
Total		100	

Stable Return Outcome

Asset Class	% Weight		
	Min	Target	Max
Equity	26	30	34
ONE Canadian Equity Fund		9	
ONE Global Equity Fund		21	
Fixed Income	66	70	74
ONE Canadian Government Bond Fund		19	
ONE Canadian Corporate Bond Fund		9	
ONE Global Bond Fund		42	
Total		100	

Contingency Outcome

Asset Class	% Weight		
	Min	Target	Max
Equity	55	60	65
ONE Canadian Equity Fund		18	
ONE Global Equity Fund		42	
Fixed Income	35	40	45
ONE Canadian Government Bond Fund		6	
ONE Canadian Corporate Bond Fund		6	
ONE Global Bond Fund		28	
Total		100	

Asset Management Reserves Outcome

Asset Class	% Weight		
	Min	Target	Max
Equity	88	90	92
ONE Canadian Equity Fund		27	
ONE Global Equity Fund		63	
Fixed Income	8	10	12
ONE Canadian Government Bond Fund		1.5	
ONE Canadian Corporate Bond Fund		1.5	
ONE Global Bond Fund		7	
Total		100	

Target Date Outcomes:

Investments with target dates will be managed to reduce risk as the target date approaches. As time passes and the spending needs get closer, it is appropriate to reduce the amount of risk so that there is greater certainty that the money will be available as needed. This means that reserves, reserve accounts and other balances that are assigned to target date allocation will be reassigned to a nearer dated Target Date Outcome as time passes. In this way, as the spending needs grows nearer, the investments will be migrated to a lower risk target date Outcome.

Asset Class	Target Date 3-5 Years			Target Date 5-10 Years			Target Date 10+ Years		
	% Weight			% Weight			% Weight		
	Min	Target	Max	Min	Target	Max	Min	Target	Max
Equity	8	10	12	45	50	55	71	75	79
ONE Canadian Equity Fund		3			15			22.5	
ONE Global Equity Fund		7			35			52.5	
Fixed Income	88	90	92	45	50	55	21	25	29
ONE Canadian Government Bond Fund		30.5			7.5			3.75	
ONE Canadian Corporate Bond Fund		10.5			7.5			3.75	
ONE Global Bond Fund		49			35			17.5	
Total		100			100			100	

Appendix C: Performance Benchmarks for ONE Investment Funds

- The table below details the benchmarks to be used for the performance evaluation of the ONE Investment Pools.
- Blended benchmarks for the prudent investor Outcomes will be used in proportion to their target asset allocation weights.

ONE HISA*	Bank of Canada 1 Year GIC Rate
ONE Canadian Equity Fund	S&P/TSX Composite Total Return Index
ONE Global Equity Fund	MSCI ACWI (net)
ONE Canadian Government Bond Fund*	60% the DEX All Government Short Bond Index and 40% the DEX 91 Day T-Bill Index Prior to October 1, 2023, benchmark was 95% the DEX All Government Short Bond Index and 5% the DEX 91 Day T-Bill Index
ONE Canadian Corporate Bond Fund	48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index
ONE Global Bond Fund	Bloomberg Barclays Multiverse Index

* Benchmark for the ONE Canadian Government Bond Fund to change on October 1st, 2023 to reflect a reorientation of the investment guidelines for the fund. HISA allocations in the investment outcomes will be reallocated into ONE Canadian Government Bond Fund concurrently with these changes.

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: September 6, 2023
Re: ONE HISA and ONE Canadian Government Bond Fund – Implementation Update
Report: ONE JIB 2023-043

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

At its meeting on November 30, 2022, the ONE JIB approved recommendations from the New Products Committee resulting in certain modifications to the Outcomes Framework with respect to the roles of HISA and ONE Canadian Government Bond Fund as components. These changes, when implemented, eliminate ONE HISA from the investment outcomes, replacing it with incremental allocations to ONE Canadian Government Bond Fund. Concurrently, the investment mandate of ONE Canadian Government Bond Fund will change, so that the portfolio has a very short maturity profile and very high credit quality. The Fund will thus be a closer substitute for cash. This report sets out the steps which ONE Investment proposes to take in implementing these changes, which are to take place in September 2023.

3. BACKGROUND

ONE JIB has previously approved changes that would redeploy existing ONE HISA balances of Participating Municipalities into ONE Canadian Government Bond Fund

ONE Investment's High Interest Savings Account (HISA) is currently one of the building blocks used in the Outcomes Framework. HISA is a deposit account maintained at a Canadian Schedule I Bank and its inclusion in the ONE Prudent Investment Offering presents certain operational challenges. All the other investment options in the Outcomes Framework are pooled fund units with a uniform trading and settlement cycle. Switching between the various ONE Prudent Investment Pooled Funds is seamless; however, switching between a Pooled Fund and HISA is a manually intensive process which leads to operational issues that complicate investment transactions and the reporting of returns. There is thus a greater risk of error. To resolve these challenges and mitigate risk, ONE JIB has directed that ONE HISA balances should be applied to the purchase of ONE Canadian Government Bond Fund with the revised investment mandate.

The mandate of the ONE Canadian Government Bond Fund will be modified to remove corporate credit exposure and reduce the interest rate sensitivity

Concurrently with the redeployment of HISA balances, the investment mandate of ONE Canadian Government Bond Fund will be modified. The modified portfolio will no longer have exposure to corporate credit and will maintain very high credit quality, and the maturity profile will be reduced to dampen the interest rate sensitivity of the Fund. The target duration of the mandate would be 1.75 years, and the Fund would only hold government-related securities. The overall result is that the Fund will be a closer substitute for cash.

Full details of the approved changes in the investment mandate can be found in the decision history links provided below: is report.

Link 1: [June 21, 2023 - New Product Committee 2023 Workplan Report](#)

Link 2: [June 21, 2023 - New Products Committee Meeting Report](#)

Link 3: [October 5, 2022 Options for replacement of HISA Report](#)

Link 4: [November 30, 2022 - New Product Committee Meeting Report](#)

The foregoing changes will be implemented at the end of the third quarter of 2023

The New Products Committee recommended at its June 21, 2023 meeting that the transition of ONE HISA balances to ONE Canadian Bond Fund take place by September 30, 2023. The changes in the investment mandate of ONE Canadian Government Bond Fund will be effective concurrently with the portfolio rebalancing. ONE JIB approved these recommendations at its July 19, 2023 meeting.

The implementation plan will apply HISA balances to the purchase of units of ONE Canadian Government Bond Fund on the last trading day of the month, September 29th. The change in the investment mandate of ONE Canadian Government Bond Fund will be effective October 1st.

4. ANALYSIS

Converting ONE HISA balances to ONE Canadian Government Bond Fund and effecting revisions to the investment mandate involves a series of steps

While the plan at a high level is simple (move HISA balances and change the Fund's mandate), implementation requires careful planning for a smooth transition. Staff of ONE Investment have engaged the assistance of legal counsel and is coordinating with the trustee of the ONE Investment Pooled Funds, MFS as the external investment manager, and CIBC as the bank at which HISA is maintained, and others. Certain internal operational changes must be planned and put into place, including changing investment allocations, modifying compliance rules, and revising benchmarks. Attachment 1 to this report provides an overview of the planning, which shows all the relevant steps involved.

The transition will lead to about \$50 million in HISA balances being redeployed into the ONE Canadian Government Bond Fund

Currently, HISA is held in three investment Outcomes, including the Cash Outcome, the Target

Date 3-5 Year Outcome, and the Stable Return Outcome. HISA balances held across these three outcomes for all Participating Municipalities were \$50,688,932.41 in the aggregate at the end of July 2023. These balances will be used to purchase units of the ONE Canadian Government Bond Fund at the end of September 2023.

The transition will take place over the quarter end to simplify analysis of fund returns and reporting

The transition is designed so that the changes in the benchmark and mandate of the ONE Canadian Government Bond Fund occur at quarter-end. If the transition occurred mid-quarter, the benchmark changes would also need to change mid-quarter. A performance benchmark for the quarter would need to be constructed using the two different benchmarks with an appropriate time weighting for each. This would make the evaluation of performance for the quarter more complicated. For this reason, the transition will take place over quarter end, permitting the Fund to complete the third quarter with one benchmark and begin the fourth quarter with the new benchmark.

The necessary steps to facilitate the changes are under way

Changes in the investment mandate of the ONE Canadian Government Bond Fund will require a revision of the investment guidelines of the Fund as reflected in the Pooled Fund Trust Agreement, and revisions to the Investment Management Agreement. Legal counsel has been engaged to make these revisions, and discussions with the investment manager, MFS, have occurred.

Plans are in place to announce the changes to clients and counterparties. The Trustee of the Fund has been informed of the changes in the investment mandate; Participating Municipalities have been given notice of the changes; the custodian has been informed of the transition planning; the ONE HISA vendor (CIBC) has been alerted to the pending \$50 million drawdown; and MFS, the investment manager of the ONE Canadian Bond Fund, has been involved in the planning.

HISA balances to be transitioned into the ONE Canadian Government Bond Fund at end of September 2023, and the Fund's mandate change will be effective at start of fourth quarter

Trading related to these changes will be conducted in late September, with HISA balances to be used to purchase ONE Canadian Government Bond Fund on September 29, 2023, the last trading day of the quarter. This will result in large cash balances in ONE Canadian Government Bond Fund that the investment manager can use to purchase T-bills to generate interest over the weekend. On the first trading day of the fourth quarter, October 2nd, the investment manager will liquidate the Treasuries and rebalance the mandate according to the revised investment guidelines.

With respect to Investment Plans coming forward to the September 6, 2023 ONE JIB meeting, if the Investment Plans are approved portfolio modifications will be implemented at the same time, with trades taking place within the last few days of the month. This will lead to incremental purchases of the ONE Canadian Government Bond Fund beyond the \$50 million in HISA balances mentioned earlier.

Compliance rules and allocations targets would be updated on the Portfolio Management System about 2 weeks prior to the transition to allow trades to be modelled and reviewed

Changes to the HISA and ONE Canadian Government Bond Fund effectively remove an asset class, namely cash, and increase the allocation weight of the ONE Canadian Government Bond Fund. Allocations to HISA effectively disappear. For the trading to be modelled in the portfolio management system, the new allocation targets will need to be updated in the system. Compliance rules embedded in the portfolio management system will also be updated so the Chief Investment Officer and Chief Compliance Officer can validate that the trades that are being modelled are aligned with the updated compliance rules.

5. CONCLUSION

This report describes the steps that will be taken to implement the changes to the ONE HISA and ONE Canadian Government Bond Fund approved by the ONE JIB at its July 19, 2023, meeting. These changes, when implemented, eliminate ONE HISA from the investment outcomes and replace it with incremental allocations to ONE Canadian Government Bond Fund, with its revised mandate.

ATTACHMENT

Attachment 1: Implementation Steps - ONE HISA and ONE Canadian Government Bond Fund

Drafted by: Keith Taylor, Chief Investment Officer

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

Attachment 1: Implementation Steps - ONE HISA and ONE Canadian Government Bond Fund

Step	Detail	Timeline
1	Prepare Transition Plan for PI HISA and ONE Canadian Government Bond Fund	July
2	Amend Schedule to Investment Management Agreement with MFS.	July
3	Amend Schedules to Pooled Fund Trust Agreement.	July
4	Courtesy Notice to CIBC regarding withdrawal of \$50 million of HISA balances as part of transition.	August
5	Discussion with MFS to plan the transition of HISA into ONE Canadian Bond Fund and changes in the ONE Canadian Bond Fund's investment mandate.	August
6	Prepare ONE JIB report to summarize revisions of blended benchmark for ONE Canadian Bond Fund and all the Outcomes. Revise asset allocation ranges of Outcomes resulting from transition.	August
7	Sent courtesy notice to all Participating Municipalities of changes to ONE HISA and ONE Canadian Government Bond Fund and the plan to implement changes at end of third quarter.	August
8	Inform custodian and trustee of the fund changes and transition planning.	August
9	ONE JIB review of transition planning.	September 6th
10	Update portfolio management system (Harmony) to reflect changes in allocations including new outcome allocations and new compliance rules.	Mid September
11	Trades are modelled on portfolio management system using updated outcome allocations.	September 22nd
12	Review of trades, plan movement of HISA balances.	September 25 & 26
13	Place pooled fund trades to deploy ONE HISA balances in Outcomes into ONE Canadian Government Bond Fund	September 27th
14	Place pooled fund trades to implement Investment Plans for Muskoka and Aurora.	September 27th
	<i>NOTE : HISA Balances will only move on settlement date of pooled fund trades</i>	

Step	Detail	Timeline
15	For HISA balances currently in Outcomes : HISA balances transferred from Outcome accounts to ONE JIB Trust HISA account. Balances transferred onwards to custodian to settle pooled fund trades.	September 29th
16	For Aurora MNRI contribution : MNRI amount drawn from Aurora's legal list HISA account and transferred to ONE JIB Trust HISA account. Balances transferred onwards to custodian to settle pooled fund trades.	September 29th
17	For Muskoka MNRI withdrawal : net proceeds of pooled fund/HISA transactions to be remitted to ONE JIB Trust HISA account. Proceeds to be transferred onwards to Muskoka's LL ONE HISA account to completed the MNRI drawdown.	September 29th
18	ONE Canadian Government Bond Fund will <u>not</u> use arriving monies to rebalance fund.	September 29th
19	MFS to use buy T-bills to deploy arriving monies, which should be in excess of \$50 million.	September 29th
20	MFS will sell T-bills and rebalance the fund to the allocation weights according to revised fund mandate	October 2nd
21	Interest paid in arrears for September HISA balances	early October
22	HISA accounts with zero balances at month end will receive interest in arrears for preceding month. Ad hoc transactions required deploy residual interest in HISA accounts into investment Outcomes.	Early October, November and December



REPORT

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: September 6, 2023
Re: Fund Manager Performance Review Q2 2023
Report: ONE JIB 2023-O52

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

This report summarizes the performance of the ONE Investment Prudent Investment Funds for the second quarter of 2023, including a brief overview of factors contributing to performance. More notable themes influencing fixed income market performance over the second quarter of 2023 include the continued focus on inflation and how it may influence the trajectory of interest rates. More notable themes influencing equity markets include the attention being paid to Artificial Intelligence (AI), which has led to massive share price increases for firms involved in this industry.

All the ONE pooled funds had positive returns for the 12-month period ending June 30, 2023, but returns were mixed in the second quarter. Returns from the equity-oriented pooled funds were positive, with both funds benefiting from the ongoing rally in global equity markets, but fixed income returns were negative. All three fixed-income-oriented pooled funds had modestly negative returns in the quarter in response to further increases in interest rates by major global central banks. The review of manager performance during the second quarter of 2023 did not identify any performance issues that warranted concern. The performance of the funds as of June 30, 2023, is summarized below.

	Quarter	1 Year
ONE Canadian Equity Fund	3.5%	17.0%
ONE Global Equity Fund	3.3%	19.4%
ONE Canadian Corporate Bond Fund	-0.4%	2.8%
ONE Canadian Government Bond Fund	-0.7%	1.2%
ONE Global Bond Fund	-0.2%	4.1%

3. BACKGROUND

ONE JIB and ONE Investment have a responsibility to review the performance of the investment managers

As outlined in the Policy for Reviewing External Fund Managers, ONE Investment is to report to ONE JIB on a quarterly basis, identifying any issues arising from the quarterly review of the external investment managers. The report is to include a summary of the positioning of the mandates, information on investment performance, an explanation of the drivers of performance, and commentary to explain the performance and market context.

Inflation pressures continue to abate in most major economies, yet inflation remains above central bank targets

Inflation, which peaked in June 2020 above 8% in both the US and Canada, has continued to decline and is now in the range of 3%. While this shows the success that central banks have had in fighting inflation, the fight is not yet over, as these inflation levels remain above the 2% target that central banks typically target. While the Bank of Canada indicated that it would pause interest rate hikes in the first quarter, this pause was short-lived, and the bank increased rates in the second quarter to address ongoing inflation concerns. The US Federal Reserve also raised interest rates in the quarter. Policy interest rates increased by 0.25% in both the US and Canada during the second quarter, with both countries announcing an additional 0.25% rate hike in July, bringing policy rates to 5.5% and 5.0% respectively.

Interest rates may remain higher for longer than previously anticipated

While the consensus view is that we are close to the end of interest rate hikes, there remains considerable uncertainty regarding when interest rates will start to decline. At the start of the second quarter, the pricing of interest rate futures implied that the market was expecting central banks in Canada and the United States to start cutting their policy interest rates in the latter half of 2023. This is no longer the case, as persistent inflation pressures have led to expectations of additional rate hikes, pushing out the timeline for when rate cuts may potentially start. The market seems to have been making inferences about what the central banks may do in the future, but there is little evidence to suggest that the central banks are ready to cut interest rates. Inflation continues to be the focus for central banks, and the future path of policy decisions will be data-dependent, making the outlook for interest rates highly uncertain.

Where interest rates ultimately converge over time continues to be debated. The consensus view has been that interest rates will retreat to levels seen prior to the COVID crisis, but during the quarter some expressed concern that this may be too optimistic a view. There has been discussion by market strategists, and US Federal reserve officials that suggest that interest rates may remain elevated for an extended period. Economists often use the term 'neutral rate of interest' in this context, which refers to an interest rate that over the long term would neither be expansionary nor contractionary. Many are starting to wonder if the neutral rate of interest will be higher in the future. This means that there is not only uncertainty about *when* interest rates will decline, but there is also discussion about *how much* interest rates will decline, with some suggesting that interest rates may remain permanently higher than pre-crisis levels. These are highly relevant discussions as they influence interest rate expectations that affect future returns for both fixed income and equity investments.

The widely anticipated economic recession has yet to arrive

While many had anticipated that last year's massive interest rate increases would lead to an economic recession, the recession has yet to arrive. Rising interest rates are typically contractionary and tend to reduce economic activity, which is why they help contain inflation. When the economy is operating at (or beyond) full capacity, inflation pressures often emerge, and higher interest rates, in theory, should dampen economic demand and thereby dampen inflation pressures. Unfortunately, there is little evidence that the dramatically higher interest rates have significantly dampened economic activity. Unemployment rates in the US and Canada are near historic lows, suggesting that central banks may still have the flexibility to raise interest rates further to combat inflation. While some traditional leading economic indicators have been flagging a potential recession on the horizon, there seems to be growing confidence that a 'soft landing' for the economy can be engineered. This rosy outlook has, in part, been supportive for equity prices, helping to fuel the ongoing rally in equity markets. As it takes between 12 and 18 months for the full impact of interest rate hikes to affect economic activity, it may not be clear yet that a recession has been avoided. This remains a risk for the equity market outlook and has implications for the interest rate outlook as well.

4. ANALYSIS

The ONE Canadian Equity Fund had returns of 3.5% in the second quarter, bringing returns to 17% for the 12-month period ending June 30, 2023

Canadian equity markets performed well in the quarter, with the ONE Canadian Equity Fund generating returns of 3.5%. The fund outperformed the broader market by more than 2.5% in the quarter, with both security selection and sector allocation contributing to the fund's outperformance.

The best-performing sector in the quarter was the Information Technology sector, where the fund has an overweight allocation relative to its benchmark. While the heavy allocation to this sector helped fund performance, security selection detracted from performance within this sector. The fund currently has no holdings in Shopify, a large-cap stock that had returns of 32% in the quarter. The manager sold its position in this stock last year as the firm's outlook was deteriorating. The weakest sector of the Canadian equity market was the Materials sector, which was down almost 7%. The fund has less than half the exposure to this sector as its benchmark, which reflects how the mandate was constructed to reduce volatility in returns. The fund's light exposure to the Materials sector contributed to its overall outperformance compared to its benchmark in the quarter. To a large extent, this positioning reflects the structure of the mandate rather than an active investment choice by the manager.

Security selection within the Industrial sector made a significant contribution to returns, explaining about half of the fund's outperformance relative to its benchmark. Two stocks where the fund has a large overweight position accounted for the bulk of this contribution. Finning

International, which sells and rents heavy equipment used in the construction and resource sectors, had returns of 21.8% in the quarter. As this holding represented over 4% of the fund's holdings, it made a large contribution to overall returns. Boyd Group, which operates automotive collision repair centres, was up about 17% also made a significant contribution to overall fund returns.

The ONE Global Equity Fund had strong returns in the quarter of 3.3%, with returns for the 12-month period ending June 30, 2023 of 19.3%

Global equity markets continue to recover from the weakness experienced in 2022, with global equities posting gains for three consecutive quarters. The fund's 3.3% returns in the quarter modestly underperformed benchmark returns, with returns over the 12-month period ending June 30, 2023, being in line with benchmark returns.

The Information Technology sector was the best-performing sector of the market in the quarter, with returns of over 15% as the sector continues to recover from the sharp weakness experienced last year. The emergence of AI was a prominent theme affecting stock performance, with firms associated with AI experiencing spectacular returns in 2023. This was exemplified by the performance of Nvidia Corp., which has become a leading player in the emerging AI field. Nvidia had returns of 52% in the quarter, which comes after 90% returns experienced in the first quarter of 2023. The strength within the technology sector has tended to favour firms associated with AI and has tended to focus on the larger market-capitalization firms. The fund has a notable underweight allocation to this sector, limiting its ability to participate in the strong sector performance, and security selection within the sector has not helped. The fund has no holdings in Nvidia and has no exposure to some of the larger market capitalization firms that have had strong performance, like Apple Inc., which represents about 4.5% of the benchmark that was up 18%.

The fund's holdings in the Financial sector performed particularly well in the quarter. While the Financial sector's slightly underperformed the broader global equity market, fund holdings in this sector had much stronger performance. Holdings in XP Inc., which operates as an investment management company, had returns of 90% in the quarter, making a significant contribution to fund returns. The fund holds a 1.4% weight in the shares of XP Inc., which is not represented in the fund's performance benchmark. Holdings in Marsh & McLennan Companies, Inc., an insurance broker and risk management firm, also made a significant positive contribution to returns, as they represented almost 5% of fund holdings and had returns of 13% in the quarter.

Currency movements and regional exposure also influenced performance but had a smaller overall impact on performance relative to the benchmark. The strength of the Canadian dollar negatively affected fund performance, with the translation of foreign currency-denominated returns to Canadian dollar returns reducing returns by about 2%. The fund also has a large underweight exposure to the Asia ex-Japan region, which had flat performance in the quarter. Performance in this region was affected by a disappointing economic outlook in China.

All three fixed income funds had modestly negative returns in the quarter in response to another round of central bank rate hikes

A new round of interest rate hikes by central banks created a headwind for the performance of the fixed income market in the quarter, as interest rates were generally higher across the yield

curve. The US 10-year bond yield rose 37 basis points in the quarter, ending the quarter at 3.84%. The magnitude of the increase was much smaller than moves experienced over the last year, leading to modest losses for all three funds. The ONE Canadian Government Bond Fund and the ONE Canadian Corporate Bond Fund had returns of -0.4% and -0.7%, respectively, in the quarter, while the ONE Global Bond Fund fared slightly better with returns of -0.2%. All three funds generated positive returns in the 12-month period ending June 30, 2023.

The ONE Canadian Government Bond Fund and the ONE Canadian Corporate Bond Fund are currently positioned with an effective duration that is very similar to their benchmark. This means that the funds' interest rate sensitivity is similar to their benchmarks, and rising interest rates should not lead to fund outperformance. At quarter's end, the effective duration of these two funds was 2.6 and 5.1 years, respectively.

The ONE Global Bond Fund has somewhat lower interest rate sensitivity than its benchmark. Its duration is 5.5 years, which is about 1 year less than the duration of its benchmark. The effect of a lower duration made a small positive contribution to performance relative to the fund's benchmark. Over the last year, the manager has increased the duration of the fund significantly, which reflects its changing investment outlook.

The ONE Global Bond Fund has an unconstrained bond mandate, which means the manager is less concerned about the position of the fund relative to its benchmark. The manager does not attempt to match benchmark performance but instead seeks to deliver a strong, consistent total investment return over a full market cycle.

All three ONE Investment fixed income funds benefitted from narrowing credit spreads in the quarter

During the quarter, credit spreads (the yield that corporate bonds offer in excess of sovereign bond yields) narrowed, with the credit spreads narrowing more for lower credit quality bonds than for higher credit quality bonds. Narrowing credit spreads typically lead to corporate bonds outperforming sovereign bonds. This had a positive impact on the fund performance of all three funds as they all have more credit exposure than their benchmark.

The ONE Canadian Government Bond Fund has an allocation of 42% to very high credit quality corporate bonds versus zero in its benchmark, while the ONE Canadian Corporate Bond Fund has a 69% allocation to high credit quality corporate bonds versus 50% in its benchmark. The narrowing of credit spreads had a small positive impact on the relative performance of these funds, helping both to outperform their benchmarks in the quarter. These two funds only hold bonds with a credit quality of A- or above, unlike the ONE Global Bond Fund, which holds lower-quality bonds, including high-yield bonds.

The ONE Global Bond Fund has a heavy allocation to high-yield bonds, with about an 18% allocation versus about 5% in its benchmark. This fund also has a 32% allocation to BBB credit-quality bonds, more than twice the allocation in its benchmark. As credit spreads narrowed more for high-yield and BBB bonds, the impact of narrowing credit spreads had a larger positive

influence on the relative performance of the ONE Global Bond Fund than the Canadian-oriented bond funds.

While the Canadian bond funds outperformed their benchmark by a small margin, the ONE Global Bond Fund's soundly outperformed its benchmark

Both the ONE Canadian Government Bond Fund and the ONE Corporate Bond Fund modestly outperformed their benchmarks, with fund performance net of fees exceeding benchmark performance by more than 20 basis points (bps), largely because of the heavy allocation to corporate bonds.

While this also helped the performance of the ONE Global Bond Fund, adding an estimated 40 bps to relative performance, the main driver of the Global Bond Fund's outperformance was related to currency movements. The fund outperformed its benchmark by more than 300 basis points in the quarter, with the bulk of this outperformance coming from foreign exchange gains related to currency hedges. The hedge gains offset what would have been more pronounced negative returns in the quarter. The ONE Global Bond Fund can actively hedge currency exposure, and over the last few years, almost all of the foreign currency exposure of its holdings has been hedged back to the Canadian dollar. The Canadian dollar was strong versus most major international currencies in the quarter, which led to significant gains on these currency hedges. The manager reduced the funds' currency hedging in the quarter, with 74.7% of the portfolio hedged back to the Canadian dollar at the end of the quarter, down 6.25% from the start of the quarter.

5. CONCLUSION

The review of manager performance during the second quarter of 2023 did not identify any performance issues that warrant concern. The performance of the ONE Prudent Investment Funds was satisfactory, with four of the five ONE Investment pooled funds outperforming their benchmarks. Equity-oriented pooled funds produced positive returns, while all three fixed-income-oriented pooled funds experienced modestly negative returns in response to rising interest rates. Overall, the economic backdrop remains a source of uncertainty. It is not yet clear what the final effect of the recent interest rate hikes will be, and there remains a risk that they may cause an economic recession. This has direct implications for the interest rate outlook, which affects bond prices and corporate profits, which drive equity performance. The positioning of the investment mandates has taken the current capital market outlook and economic backdrop into consideration. On balance, the funds are well positioned for any environment.

Drafted by: Keith Taylor, Chief Investment Officer

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

To: ONE Joint Investment Board,
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: September 6, 2023
Re: Allocations and Benchmarks for Outcome Framework - Update
Report: ONE JIB 2023-041

1. RECOMMENDATIONS

The ONE Joint Investment Board has approved replacing High Interest Saving Account (HISA) with the ONE Canadian Government Bond (the “**Fund**”) for the purposes of the ONE Prudent Investment Program. In this connection, it is recommended that the Board:

1. Confirm the intent to use the Fund in place of HISA, and to eliminate HISA as an investment component of ONE Investment’s Prudent Investment Outcome Framework, such replacement and elimination to be applicable to the Investment Plans of all Participating Municipalities and also generally on a go-forward basis;
2. Approve and adopt the following ancillary changes:
 - a. a revised benchmark for the Fund made up of 60% FTSE Canada Short Government Bond Index + 40% FTSE Canada 91-Day Treasury Bill Index;
 - b. necessary modifications to the Outcome Framework Allocations and Allocation Ranges and Benchmark Details of Outcomes;
3. Authorize and direct ONE Investment, acting through its duly appointed officers, to take such further actions as may be required to give full effect to the foregoing, and to provide for consistency throughout the ONE Prudent Investment Program.

2. SUMMARY

ONE JIB at its November 30, 2022, meeting approved the removal of HISA from the Outcomes Framework to be replaced with allocations to the Fund and directed that the changes be implemented. In conjunction with this, the Fund will be reoriented to focus on shorter-term government bonds, with no exposure to corporate credit. This affects the allocations used in the Outcomes Framework, the asset class allocation ranges (minimum and maximum allowable weights), and the blended benchmark of the Fund. As the Fund is featured in every Outcome, there is a corresponding change to the blended benchmark for all Outcomes.

At inception, the Fund was intended to closely track, in portfolio composition and performance, the ONE Canadian Government Bond Portfolio which is offered by ONE Investment as part of the Legal List Program. The mandate of the Fund will be revised, effective October 1, 2023, after

which the investment orientation of the ONE Canadian Government Bond Portfolio and the Fund will diverge.

3. BACKGROUND

ONE JIB has approved changes that replace allocations to ONE HISA in the Outcomes Framework with incremental allocations to the Fund

Following recommendations from the New Products Committee on November 7, 2022, ONE JIB approved replacement of the current allocations to HISA with investment in the Fund. As a result, HISA would no longer be represented among the available components in the Outcome Framework. Thus, the Cash Outcome (which is retained) will have a 100% allocation to the Fund. Allocations to HISA in the Stable Return Outcome and Target Date 3-5 Year Outcome will similarly be replaced. Any residual HISA balances which remain due to interest payments being made in arrears will be cleared out in due course, and latest by year-end.

The mandate of the Fund is being revised to shorten the maturity profile and consist only of government related securities.

ONE Investment has coordinated with MFS, the investment manager of the Fund, to revise the investment guidelines of the mandate, which will reorient the investment exposure. This will reduce both the credit risk in the Fund and its sensitivity to changes in interest rates. With these changes, the Fund will provide cash-like exposure. More detail on the specific details of the new mandate can be found in the June 21, 2023 [New Products Committee report](#).

Other Ancillary Changes.

In connection with the above, investment allocations, benchmarks, and compliance rules will require modification. ONE JIB has effected the changes to the Investment Plans of each of the Participating Municipalities through a deeming provision such that all references to HISA are, as at the Effective Date, read as references to the Fund. To complete this transition, ONE Investment will also change, or deem changed, all references to HISA as references to the Fund for purposes of all other program documents, including template investment plans for newly onboarded municipalities and municipalities contemplating prudent investment. Other such necessary changes, to benchmarks and Outcome Allocations contained in the Investment Plans and elsewhere in the Program documents will be made as the need arises.

4. ANALYSIS

Replacing HISA with the Fund affects allocations for three Outcomes

Replacing HISA only affects three Outcomes where HISA currently is a holding. The Cash Outcome's only holding is HISA, which will be replaced by the Fund. The Stable Return Outcome and Target Date 3 to 5 Year Outcome, which have allocations to both HISA and the ONE Canadian Government Bond Fund, will increase their allocations to the Fund (by 10% and 20% respectively) when HISA is removed. Details of the changed allocations can be found in

Attachment 1 to this report. As a result of these changes, the asset class 'Cash', which has been represented by HISA balances will no longer exist as a separate asset class in the Outcomes Framework. As a result of these changes, The Cash Outcome, will hold the Fund, which is a component of the Fixed Income asset class.

Replacing HISA with the Fund affects allocation weights and asset class allocation weights / ranges for trading and compliance purposes, necessitating revisions

The current Investment Plan template contains details of the target weights of holdings and asset classes and provide minimum and maximum asset allocation ranges that govern how the outcomes are invested. The replacement of HISA will result in changes. Attachment 2 shows the revised target weights and asset allocation ranges, with the changes highlighted in red. Allocation target weights have been updated to reflect the larger allocation to the Fund. The minimum and maximum asset allocation ranges, which are used for compliance monitoring purposes, have been updated in a consistent manner as the previous allocation ranges. The minimum and maximum ranges were designed to trigger a rebalance of the outcomes when an asset class outperforms or underperforms other asset classes by 20% or more. This ensures that allocations of outcomes remain close to target weights, even in volatile markets.

The Fund's mandate change requires a new blended benchmark

The Fund's revised mandate will result in a portfolio with a shorter maturity profile. The target duration is now about 1.75 years, and blended benchmarks have been constructed with this target in mind. The new benchmark was derived by changing the weights of the components in the existing benchmark, as noted in Table 1 below. The change is effective October 1, 2023.

Table 1 - benchmark changes - ONE Canadian Government Bond Fund

OLD :	95% FTSE Canada Short Government Bond Index + 5% FTSE Canada 91-Day Treasury Bill Index.
NEW :	60% FTSE Canada Short Government Bond Index + 40% FTSE Canada 91-Day Treasury Bill Index.

Changes to the benchmark of the Fund results in corresponding changes to the benchmarks of all Outcomes

The Fund is found in every Outcome in the Outcomes Framework, and revisions to its benchmark index will require corresponding revisions to the benchmarks of all Outcomes. Such revisions are shown in Attachment 2, as footnotes to the outcome allocation tables. (For ease of reference, the weights used in the blended benchmarks that have changed are highlighted in red.)

5. CONCLUSION

The elimination of HISA and its replacement by a changed Fund necessitates changes to other affected ONE Prudent Investment Program documents. This report summarizes such changes and is intended to provide ONE JIB members with additional clarity particularly with respect to the allocations of Outcomes in the Outcomes Framework, the asset class allocation ranges, and

the benchmarks.

ATTACHMENTS

Attachment 1: Changes in Outcome Framework Allocations

Attachment 2: Allocation Ranges and Benchmark Details of Outcomes

Drafted by: Keith Taylor, Chief Investment Officer

Reviewed by: Susan Han, Partner, WeirFoulds LLP

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

Attachment 1: Changes in Outcome Framework Allocations

							Allocation			
Investment Outcome \ Holding	HISA	Canadian Equity Fund	Global Equity Fund	Canadian Government Bond Fund	Canadian Corporate Bond Fund	Global Bond Fund	Equity Asset Class	Fixed Income Asset Class	Cash Asset Class	Total
Cash	100%	0.0%	0.0%	0% 100.0%	0.0%	0.0%		100.0%	100.0%	100%
Stable Return	10%	9.0%	21.0%	9.0% 19%	9.0%	42.0%	30.0%	60.0% 70.0%	10%	100%
Contingency	0.0%	18.0%	42.0%	6.0%	6.0%	28.0%	60.0%	40.0%		100%
Asset Management	0.0%	27.0%	63.0%	1.5%	1.5%	7.0%	90.0%	10.0%		100%
Target Date 3-5	20%	3.0%	7.0%	10.5% 30.5%	10.5%	49.0%	10.0%	70.0% 90.0%	20% 0%	100%
Target Date 5-10	0.0%	15.0%	35.0%	7.5%	7.5%	35.0%	50.0%	50.0%		100%
Target Date 10+	0.0%	22.5%	52.5%	3.75%	3.75%	17.5%	75.0%	25.0%		100%

Attachment 2: Allocation Ranges and Benchmark Details of Outcomes

Benchmarks - ONE Investment Funds

ONE Canadian Government Bond Fund	60% the DEX All Government Short Bond Index and 40% the DEX 91 Day T-Bill Index Blended benchmark for Canadian Government Bonds Prior to October 1, 2023: 95% FTSE Canada Short Government Bond Index + 5% FTSE Canada 91-Day T-Bill Index.
ONE Canadian Corporate Bond Fund	48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index.
ONE Canadian Equity Fund	S&P/TSX Composite Total Return Index
ONE Global Equity Fund	MSCI ACWI (net)
ONE Global Bond Fund	Bloomberg Barclays Multiverse Index CAD - Unhedged

Benchmarks - ONE JIB Outcomes

Cash Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Cash Fixed Income	100	100	100	
ONE Canadian Government Bond Fund		100		blended benchmark - Canadian Government Bonds
Total		100		

Cash Outcome returns and risk are discussed in section 6.6.

The blended benchmark for Canadian Government Bonds is: 60% FTSE Canada Short Government Bond Index + 40% FTSE Canada 91-Day T-Bill Index.

Benchmark for Cash Outcome prior to October 1, 2023: Bank of Canada 1 Year GIC Rate.

Stable Return Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Cash	8	10	12	
ONE HISA		10		Bank of Canada 1 Year GIC Rate
Equity	26	30	34	
ONE Canadian Equity Fund		9		S&P/TSX Composite Index
ONE Global Equity Fund		21		MSCI ACWI (All Country World Index)
Fixed Income	66	70	74	
ONE Canadian Government Bond Fund		19		<i>blended benchmark</i> - Canadian Government Bonds
ONE Canadian Corporate Bond Fund		9		<i>blended benchmark</i> - Canadian Corporate Bonds
ONE Global Bond Fund		42		Bloomberg Barclays Multiverse Index
Total		100		

Stable Return Outcome returns and risk are discussed in section 6.6.

Benchmark: 9% x S&P/TSX Composite Total Return Index + 21% x MSCI ACWI + 19% x *blended benchmark* - Canadian Government Bonds + 9% x *blended benchmark* - Canadian Corporate Bonds + 42% x Bloomberg Barclays Multiverse Index.

The blended benchmark for Canadian Government Bonds is: 60% FTSE Canada Short Government Bond Index + 40% FTSE Canada 91-Day T-Bill Index.

The *blended benchmark* for Canadian Corporate Bonds is 48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index.

Benchmark prior to October 1, 2023: 10% Bank of Canada 1 Year GIC Rate + 9% x S&P/TSX Composite Total Return Index + 21% x MSCI ACWI + 9% x *blended benchmark* - Canadian Government Bonds + 9% x *blended benchmark* - Canadian Corporate Bonds + 42% x Bloomberg Barclays Multiverse Index.

The blended benchmark for Canadian Government Bonds Prior to October 1, 2023: 95% FTSE Canada Short Government Bond Index + 5% FTSE Canada 91-Day T-Bill Index.

Contingency Return Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	55	60	65	
ONE Canadian Equity Fund		18		S&P/TSX Composite Index
ONE Global Equity Fund		42		MSCI ACWI (All Country World Index)
Fixed Income	35	40	45	
ONE Canadian Government Bond Fund		6		<i>blended benchmark</i> - Canadian Government Bonds
ONE Canadian Corporate Bond Fund		6		<i>blended benchmark</i> - Canadian Corporate Bonds
ONE Global Bond Fund		28		Bloomberg Barclays Multiverse Index
Total		100		

Contingency Outcome returns and risk are discussed in section 6.6.

Benchmark: 18% x S&P/TSX Composite Total Return Index + 42% x MSCI ACWI + 6% x *blended benchmark* - Canadian Government Bonds +6% x *blended benchmark* - Canadian Corporate Bonds + 28% x Bloomberg Barclays Multiverse Index.

The *blended benchmark* for Canadian Government Bonds is: 60% FTSE Canada Short Government Bond Index + 40% FTSE Canada 91-Day T-Bill Index.

The *blended benchmark* for Canadian Corporate Bonds is 48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index.

The *blended benchmark* for Canadian Government Bonds Prior to October 1, 2023: 95% FTSE Canada Short Government Bond Index + 5% FTSE Canada 91-Day T-Bill Index.

Asset Management Reserve Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	88	90	92	
ONE Canadian Equity Fund		27		S&P/TSX Composite Index
ONE Global Equity Fund		63		MSCI ACWI (All Country World Index)
Fixed Income	8	10	12	
ONE Canadian Government Bond Fund		1.5		<i>blended benchmark</i> - Canadian Government Bonds
ONE Canadian Corporate Bond Fund		1.5		<i>blended benchmark</i> - Canadian Corporate Bonds
ONE Global Bond Fund		7		Bloomberg Barclays Multiverse Index
Total		100		

Asset Management Reserve Outcome returns and risk are discussed in section 6.6.

Benchmark: 27% x S&P/TSX Composite Total Return Index + 63% x MSCI ACWI + 1.5% x *blended benchmark* - Canadian Government Bonds +1.5% x *blended benchmark* - Canadian Corporate Bonds + 7% x Bloomberg Barclays Multiverse Index.

The *blended benchmark* for Canadian Government Bonds is: 60% FTSE Canada Short Government Bond Index + 40% FTSE Canada 91-Day T-Bill Index.

The *blended benchmark* for Canadian Corporate Bonds is 48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index.

The *blended benchmark* for Canadian Government Bonds Prior to October 1, 2023: 95% FTSE Canada Short Government Bond Index + 5% FTSE Canada 91-Day T-Bill Index.

Target Date 3 to 5 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Cash	17	20	23	
ONE-HISA		20		Bank of Canada 1 Year GIC Rate
Equity	8	10	12	
ONE Canadian Equity Fund		3		S&P/TSX Composite Index
ONE Global Equity Fund		7		MSCI ACWI (All Country World Index)
Fixed Income	88	90	92	
ONE Canadian Government Bond Fund		30.5		blended benchmark - Canadian Government Bonds
ONE Canadian Corporate Bond Fund		10.5		blended benchmark - Canadian Corporate Bonds
ONE Global Bond Fund		49		Bloomberg Barclays Multiverse Index
Total		100		

Target Date 3 to 5 Year Outcome returns and risk are discussed in section 6.6.

Benchmark: 3% x S&P/TSX Composite Total Return Index + 7% x MSCI ACWI + 30.5% x *blended benchmark* - Canadian Government Bonds +10.5% x *blended benchmark* - Canadian Corporate Bonds + 49% x Bloomberg Barclays Multiverse Index.

The blended benchmark for Canadian Government Bonds is: 60% FTSE Canada Short Government Bond Index + 40% FTSE Canada 91-Day T-Bill Index.

The *blended benchmark* for Canadian Corporate Bonds is 48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index.

Benchmark prior to October 1, 2023: 20% Bank of Canada 1 Year GIC Rate + 3% x S&P/TSX Composite Total Return Index + 7% x MSCI ACWI + 10.5% x *blended benchmark* - Canadian Government Bonds +10.5% x *blended benchmark* - Canadian Corporate Bonds + 49% x Bloomberg Barclays Multiverse Index.

The blended benchmark for Canadian Government Bonds Prior to October 1, 2023: 95% FTSE Canada Short Government Bond Index + 5% FTSE Canada 91-Day Treasury Bill Index.

Target Date 5 to 10 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	45	50	55	
ONE Canadian Equity Fund		15		S&P/TSX Composite Index
ONE Global Equity Fund		35		MSCI ACWI (All Country World Index)
Fixed Income	45	50	55	
ONE Canadian Government Bond Fund		7.5		blended benchmark - Canadian Government Bonds
ONE Canadian Corporate Bond Fund		7.5		blended benchmark - Canadian Corporate Bonds
ONE Global Bond Fund		35		Bloomberg Barclays Multiverse Index
Total		100		

Target Date 5 to 10 Year Outcome returns and risk are discussed in section 6.6.

Benchmark: 15% x S&P/TSX Composite Total Return Index + 35% x MSCI ACWI + 7.5% x *blended benchmark* - Canadian Government Bonds +7.5% x *blended benchmark* - Canadian Corporate Bonds + 35% x Bloomberg Barclays Multiverse Index.

The blended benchmark for Canadian Government Bonds is: 60% FTSE Canada Short Government Bond Index + 40% FTSE Canada 91-Day T-Bill Index.

The *blended benchmark* for Canadian Corporate Bonds is 48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index.

The blended benchmark for Canadian Government Bonds Prior to October 1, 2023: 95% FTSE Canada Short Government Bond Index + 5% FTSE Canada 91-Day Treasury Bill Index.

Target Date 10+ Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	71	75	79	
ONE Canadian Equity Fund		22.5		S&P/TSX Composite Index
ONE Global Equity Fund		52.5		MSCI ACWI (All Country World Index)
Fixed Income	21	25	29	
ONE Canadian Government Bond Fund		3.75		<i>blended benchmark</i> - Canadian Government Bonds
ONE Canadian Corporate Bond Fund		3.75		<i>blended benchmark</i> - Canadian Corporate Bonds
ONE Global Bond Fund		17.5		Bloomberg Barclays Multiverse Index
Total		100		

Target Date 10+ Year Outcome returns and risk are discussed in section 6.6.

Benchmark: 22.5% x S&P/TSX Composite Total Return Index + 52.5% x MSCI ACWI + 3.75% x *blended benchmark* - Canadian Government Bonds + 3.75% x *blended benchmark* - Canadian Corporate Bonds + 17.5% x Bloomberg Barclays Multiverse Index.

The *blended benchmark* for Canadian Government Bonds is: 60% FTSE Canada Short Government Bond Index + 40% FTSE Canada 91-Day T-Bill Index.

The *blended benchmark* for Canadian Corporate Bonds is 48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index.

The *blended benchmark* for Canadian Government Bonds Prior to October 1, 2023: 95% FTSE Canada Short Government Bond Index + 5% FTSE Canada 91-Day Treasury Bill Index.



REPORT

To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investment Services, MFOA
Date: September 6, 2023
Re: Annual ONE JIB Template Review Process Update
Report: ONE JIB 2023-046

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.
2. Approve the Outcomes Framework Policy in Attachment 1.

2. SUMMARY

ONE Investment has developed three templates to document a municipality's investment policy, investment plan, current/future cash flows, reserves and spending requirements. ONE Investment and ONE JIB annually review these templates. The primary goal of this year's review is to streamline the templates to enable the Prudent Investment Program to scale efficiently. The Investment Plan template is the primary focus this year, although changes to the Municipal Client Questionnaire will also be part of the review. The Investment Policy Statement was not included in this year's review since changes were made during the 2022 review.

This report provides an update on the review process to date, and next steps to be taken. Staff presented at a ONE JIB education session on July 19, 2023, and discussed the templates with the Participating Municipalities at a meeting on August 3, 2023. Additional post-session written feedback has been gathered. As a result of the annual review, a new ONE JIB Outcomes Framework Policy is being proposed and is included in **Attachment 1** of this report.

3. BACKGROUND

ONE JIB has identified the core templates as a priority area for improvement

ONE JIB conducts an annual review of its templates. In the last two ONE JIB governance self-evaluations, ONE JIB members identified the templates as a priority area for improvement. Last year, ONE Investment used a consultative process with ONE JIB to ensure that member feedback was incorporated where possible before the revised templates were presented. Last year's review resulted in modest changes. But more significant revisions will be needed to enable the Board to make decisions efficiently in an environment with more participating municipalities and very large participating municipalities.

The annual review this year has four objectives, with a goal of finding efficiencies for scalability

The following objectives are the focus of this year’s annual review:

- Assessing the templates for operational efficiency
- Minimizing unnecessary redundancy between the templates, policies and processes
- Developing documents that are clear and easy to use for municipalities
- Identifying and incorporating the information essential for ONE JIB’s decision-making.

As the Prudent Investment Program continues to grow, streamlined documentation would improve overall operational efficiency by reducing staff workload, avoiding the possibility of contradictory information in different documents, and making it easier for ONE JIB to focus on key decisions.

The annual review will conclude at the November 29, 2023 ONE JIB Meeting, with revised templates being proposed

Due to its broader scope, this year’s review is not expected to be completed until November 2023. *Table 1* below outlines the project timeline.

Table 1 - Project Timeline

Step	Timeline	Description
Process Approved	June 1, 2023	Template review process steps and timelines approved
Education Session	July 19, 2023	Presentation on the legislative requirements, templates, impacts on process and administration.
Gather template feedback from Participating Municipalities	Summer 2023 (after education session)	Distribute MCO template and questionnaire soliciting feedback from Participating Municipalities
Summary of feedback from participating municipalities and enabling policy review	September 6, 2023	Summarize feedback on templates from participating municipalities and propose policy changes, which will be presented to ONE JIB prior to proposed template changes.
Gather feedback from ONE JIB	September 13, 2023	Distribute a survey to ONE JIB soliciting feedback on the IP and MCO template.
Revised Templates	November 29, 2023	Revised templates will be presented to ONE JIB

4. ANALYSIS

The proposed Investment Plan and Municipal Client Questionnaire Templates will be brought forward for consideration at the November 29, 2023 ONE JIB meeting

Industry best practices and feedback from Participating Municipalities and ONE JIB members will be considered in the proposed Investment Plan and Municipal Client Questionnaire templates. To date, research has been gathered on industry best practices and Participating Municipalities have provided feedback on the MCQ. Additionally, a survey will be sent out to the ONE JIB members to gather their feedback on the Investment Plan and MCQ after the September 6, 2023 ONE JIB meeting.

A new ONE JIB Framework Outcome Policy is being proposed as a result of the Annual Review; the draft policy has been included in Attachment 1 of this report

The current Investment Plan template includes descriptive and process-related information on the ONE JIB Outcomes Framework that is better suited in a policy instead of the individual Municipal Investment Plans. By transferring this detail to the policy, continuity of information is better maintained whenever ONE JIB chooses to modify the Outcomes Framework or the Asset Allocations associated with that framework.

The proposed policy establishes the principles governing the ONE JIB Outcomes Framework and the annual review which includes:

- An annual review of the outcome allocations given:
 - General economic conditions;
 - The possible effect of inflation or deflation;
 - The role that each investment or course of action plays within each outcome;
 - The expected total return on investment and appreciation of capital; and
 - Needs for liquidity, regularity of income and preservation or appreciation of capital based on the objectives of the outcome.
- At minimum, once every three years, the annual review will include a review of the design, categories, objectives, recommended risk tolerances and time horizons of each outcome.
- At minimum, once every five years, the annual review will include a formal asset allocation study of each outcome to determine an appropriate allocation between the underlying products, and expected returns and standard deviations of each outcome.
- ONE JIB members or the Chief Investment Officer may recommend an early review or accelerated timeline due to a change in events or circumstances. Upon such recommendation, ONE JIB will decide whether to initiate an early review.
- Any updates to the ONE JIB Outcomes Framework resulting from a review will be

reflected in Participating Municipalities' investment plans upon their next scheduled review, unless ONE JIB provides direction otherwise.

The proposed policy is inclusive of the changes included in the September 6, 2023 ONE JIB report on the Update to Allocations and Benchmarks for Outcome Framework (ONE JIB 2023-O41) as a result of implementing changes to ONE HISA and the ONE Canadian Bond Fund.

Feedback from Participating Municipalities on the MCQ has been positive overall, with the recommendation to add a few additional questions to improve the municipality's ability to tell its financial story

In advance of the August 3, 2023 Participating Municipalities meeting, a MCQ survey was distributed by e-mail, one municipality submitted its survey response in advance of the meeting while the other municipalities verbally discussed the MCQ during the meeting. For reference the current MCQ template has been included in **Attachment 2** of this report and the MCQ survey distributed to the Participating Municipalities is included in **Attachment 3** of this report.

In summary the following MCQ sections were discussed

- Section 3, Investment Objectives and Risk Tolerances: no changes were recommended to the table
- Section 4.1, Summary of Municipal Accounts for Investment Planning Purposes: no changes were recommended to the table
- There was general acceptance for the following new MCQ question to be added:
 - a) What assumptions / factors does the municipality include in the reserve cash flow forecast (i.e., inflation, future tax-based reserve contributions, forecasted development charge revenue etc.) For consideration, a point was raised that different reserves may have different assumptions (i.e., different inflationary rates).
 - b) Have there been any major changes in circumstances since the last MCQ update that you would feel would require a reallocation or what has changed since the last MCQ?
 - c) How sensitive is the municipality to recognizing investment gain/losses?
- Section 4.2 Cash Flow Projections Affecting MRNI: the effectiveness of this table was discussed and there was no consensus. Opinions generally fell into one of three groups.
 - Status quo, the table is effective,
 - The table should be removed because the cash flows in the Section 4.1 table along with the MCQ change questions (proposed) would be sufficient to demonstrate the municipal financial picture.
 - The table should be removed because municipal uncertainty in the longer term often results in a NULL 4.2 table.
- Section 4.2 Capital Budget and Asset Management Plan Forecast: the municipalities are in favour of adding a question to the MCQ asking to what extent the asset management plan is integrated into the capital budget process.
- Section 6.1 Existing Investments: although this table may not apply to every municipality, the idea of removing the table and asking for a schedule (if applicable) was not

recommended because they thought the quality of information may not meet ONE JIB's needs.

5. CONCLUSION

Information provided at the ONE JIB education session on July 19, 2023, comments received from the Participating Municipalities at the meeting on August 3, 2023 and written feedback from ONE JIB members in the survey sent out September 13, 2023 will be used as input for a comprehensive review of the Investment Plan template and the Municipal Client Questionnaire template.

A ONE JIB Outcomes Framework Policy has been developed as part of simplifying the Investment Plan template.

Revised templates for the Investment Plan and Municipal Client Questionnaire will be brought forward to the November 29, 2023 ONE JIB meeting.

ATTACHMENT

Attachment 1: DRAFT ONE JIB Outcome Framework Policy

Attachment 2: Current ONE JIB MCQ Template (fillable PDF format)

Attachment 3: Participating Municipalities MCQ Survey

Drafted by: Jennifer Hess, Manager of Investment Services, MFOA

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

ONE Joint Investment Board Policy Statement			
Policy:	Outcome Framework	Date Approved: September 6, 2023	Person Most Responsible: Chief Investment Officer
		Date of Next Review: September 2024	

Purpose Statement

The purpose of this policy is to establish the principles governing the board approved ONE JIB Outcome Framework, and the review and compliance of this policy.

Scope

This is a policy of ONE JIB and applies to the Chief Investment Officer of ONE Investment, who's duties include the investment of the Money Not Required Immediately (MNRI) of Participating Municipalities in accordance with the related Investment Policy Statement and Investment Plan. The scope of the policy is limited to the determination of MNRI as it applies to the annual investment plan review and updated as required under the Outcome Framework.

Definitions

- **Asset Allocation (Asset Mix)** means the proportion of each asset class in a portfolio.
- **Benchmark** means an independently verifiable index that is representative of a specific securities market. For the most part the Benchmark is a relevant market index e.g., the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc. against which investment performance can be compared. ONE Investment generally selects recognized and widely used performance benchmarks which measure total returns expressed in Canadian dollars. ONE Investment may use a single index or a blended index made up of one or more indices.
- **Chief Investment Officer (CIO)** means a duly qualified individual who is the most senior person responsible to oversee investments and who advises ONE JIB as to the recommended Outcomes for Participating Municipalities to comply with their IPSs.



- **Investment Plan** refers to a document that defines how ONE JIB will invest the MNRI of a Participating Municipalities, as outlined in Ontario Regulation 438/97.
- **Investment Policy Statement (IPS)** means the investment policy applicable to a Participating Municipality's investments adopted and maintained by the council of the Participating Municipality for Short and Long-Term Funds under the Regulation and may be amended from time to time. The IPS may also apply to the money and investments held by the Participating Municipality for the benefit of persons other than the Participating Municipality itself and may make reference to any source of money in which the Participating Municipality may have an indirect interest but which the Participating Municipality has no authority to invest.
- **Money Not Required Immediately (MNRI)** means long-term money held by the Participating Municipalities that are delegated to ONE JIB to control and manage. There is no universal definition of MNRI, and it is at the discretion of Participating Municipalities to define MNRI in a way that is appropriate for their circumstances.
- **Municipal Client Questionnaire (MCO)** means a document which is completed by the Treasurer of each Participating Municipality, and which includes information on municipal investments and risk preferences that must be reviewed annually.
- **ONE JIB** refers to the ONE Joint Investment Board that was formed on May 19, 2020 under section 202 of the Municipal Act, as required under Part II of Ontario Regulation 438/97, to manage the investments of Ontario municipalities under the prudent investor regime. ONE Investment is the agent for ONE JIB and the relationship is governed by a services agreement.
- **Outcomes** are a set of investment strategies with varying risk/return characteristics designed to align with the purpose, time horizon, and expected volatility of the associated MNRI. The Outcomes assigned to each Participating Municipality are intended to reflect the needs and circumstances of the municipality.
- **Outcome Framework** means the framework established by ONE JIB for categorizing different types of MNRI by purpose, time horizon, and expected volatility.
- **Participating Municipalities** refer to municipal investors having entered into a ONE JIB Agreement for the investment of MNRI.
- **Prudent Investor Standard** means the standard of care which requires ONE JIB, when investing money under section 418.1 of the Act, to exercise the care, skill, diligence and judgement that a prudent investor would exercise in making such an investment. The



Prudent Investor Standard applies to the Participating Municipalities' Long-Term Funds under the control and management of ONE JIB.

- **Target Weight** means the percentage weight of investment holdings defined in the Outcome Framework that represents the intended Allocation Weights for each Outcome. These Target Weights are intended to provide guidance to the Chief Investment Officer and ONE JIB to evaluate the positioning of Participating Municipality investments and, as appropriate, direct how the Outcomes should be rebalanced.

Policy Statement

Investment Goals and Objectives

- The ONE JIB Outcome Framework outlined in **Appendix 1** of this policy, helps translate the financial objectives as disclosed by the participating municipality into investment allocations.
- As part of their annual review, the municipality will identify their goals and objectives for their Money Not Required Immediately (MNRI).
- The MNRI will be assigned to associated Outcomes in the ONE JIB Outcomes Framework in the Investment Plan, updated as required and prepared by the Chief Investment Officer based on the information provided in the annual review.

Asset Allocations

- A formal asset allocation study will guide an appropriate asset allocation mix between underlying products for asset allocation under the Outcomes Framework.
- Details on the asset allocations under the Outcomes Framework are included in **Appendix 2** of this policy.

Review

The ONE JIB Outcomes Framework will be reviewed annually, and the annual reviews will consist of a review of the outcome allocations given:

- General economic conditions;
- The possible effect of inflation or deflation;
- The role that each investment or course of action plays within each outcome;
- The expected total return on investment and appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital based on the objectives of the outcome.



At minimum, once every three years, the annual review will include a review of the design, categories, objectives, recommended risk tolerances and time horizons of each outcome.

At minimum, once every five years, the annual review will include a formal asset allocation study of each outcome to determine an appropriate allocation between the underlying products, and expected returns and standard deviations of each outcome.

ONE JIB members or the Chief Investment Officer may recommend an early review or accelerated timeline due to a change in events or circumstances. Upon such recommendation, ONE JIB will decide whether to initiate an early review.

Any updates to the ONE JIB Outcomes Framework resulting from a review will be reflected in participating municipality investment plans upon their next scheduled review, unless ONE JIB provides direction otherwise.

Compliance

A covering report from the Chief Investment Officer accompanies any annual municipal Investment Plan reviews submitted to ONE JIB, summarizing the determinization of MNRI under the Outcome Framework and compliance with this policy.

Reference

Appendix 1 – Outcomes Framework

Appendix 2 – Asset Allocations under the Outcomes Framework

Appendix 1 – Outcome Framework

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years
Stable Return	Stable Return	Income Generation; To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk; emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)
	Asset Mgt Reserves	Contributions to generate returns to fund asset management reserves	Higher risk; emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)
Target Date	Target Date 3-5 yrs	Preservation of capital	Low risk; high liquidity	3 – 5 years
	Target Date 5-10 yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 – 10 years
	Target Date 10+ yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long-term inflation-adjusted growth	> 10 years



Appendix 2 – Asset Allocations under the Outcome Framework

Cash Outcome

Cash allocations are appropriate for relatively short-term funding needs. As the monies are anticipated to be drawn down within three years, it is most appropriate to invest these monies such that there is minimal potential for capital loss. Longer-term investments can assume more risk and potentially absorb capital losses as there is ample time for investment growth to allow the investment value to recover. Details of the allocation of the Cash Outcome are found in Table 2. Monies in the Cash Outcome are expected to be reclassified as MRI over the next few years. All interest earned in the Cash Outcome will be reinvested in the Cash Outcome:

Table 2 - Cash Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Fixed Income	100	100	100	
ONE Canadian Corporate Bond Fund		100		Blended – Canadian Government Bonds
Total		100		

Stable Return Outcome

The Stable Return Outcome is specifically designed to generate stable returns that could be used as a recurring income. This Outcome’s investment approach is relatively conservative, as it attempts to provide a recurring return stream while also emphasizing preservation of capital. All income generated from the Stable Return Outcome will be reinvested. This Outcome has an allocation of 30% to equity investments, which will help generate annual returns to support the municipal budget and potentially provide modest growth in capital over time. The annual income needs of the municipality may be satisfied by selling securities from the Stable Return Outcome as needed. The degree to which balances invested in this Outcome can grow over time is directly influenced by the rate at which drawdowns take place.

The allocation of the Stable Return Outcome is shown in Table 3. Stable Return monies will be invested based on the following asset mix. All income will be reinvested to facilitate continued long-term growth in the assets until they are needed.

Table 3– Stable Return Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	26	30	34	
ONE Canadian Equity Fund		9		S&P/TSX Composite Index
ONE Global Equity Fund		21		MSCI ACWI (All Country World Index)
Fixed Income	66	70	74	
ONE Canadian Government Bond Fund		19		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		9		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		42		Bloomberg Barclays Multiverse Index
Total		100		

Contingency Outcome

Contingency monies may be drawn upon to meet unexpected needs and infrequent events. Emphasis on the preservation of purchasing power is a key consideration, and therefore growth in the value of investments is emphasized. These monies will be invested according to the asset mix set out in Table 4 and will be rebalanced to ensure a consistent risk. All income will be reinvested to facilitate continued long-term growth in the assets until they are needed.

Table 4 - Contingency Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	55	60	65	
ONE Canadian Equity Fund		18		S&P/TSX Composite Index
ONE Global Equity Fund		42		MSCI ACWI (All Country World Index)
Fixed Income	35	40	45	
ONE Canadian Government Bond Fund		6		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		6		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		28		Bloomberg Barclays Multiverse Index
Total		100		

Asset Management Reserves Outcome

The Asset Management Reserve Outcome is specifically designed as an Outcome suitable for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to fund asset management reserves. The very long-term nature of asset management reserves allows this Outcome to emphasize long-term growth, and as such, it has a significant allocation to equities. Details of the allocation of the Municipality's Asset Management Reserves Outcome are show in Table 5. All income generated by this outcome will be reinvested. Monies invested in this Outcome will be invested based on the following asset mix and will be rebalanced to ensure a consistent risk profile.

Table 5 - Asset Management Reserve Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	88	90	92	
ONE Canadian Equity Fund		27		S&P/TSX Composite Index
ONE Global Equity Fund		63		MSCI ACWI (All Country World Index)
Fixed Income	8	10	12	
ONE Canadian Government Bond Fund		1.5		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		1.5		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		7		Bloomberg Barclays Multiverse Index
Total		100		

Target Date Outcome

The municipality identifies reserves that would be appropriate for Target Date Outcomes. Most of the municipality's MNRI will be allocated to Target Date Outcomes, which will be allocated in a way that reflects the expected time horizon of balances and reserves. The monies invested in Target Date Outcomes will be split into separate Target Date allocations that collectively reflect the need for liquidity and growth and the time horizon in which the funds will be required.

Target Date Outcomes will be managed with the objective of providing for the return of principal, income and capital gains at a target date in the future. All income will be reinvested.

The Target Date 3-5 Year Outcome is intended to provide some liquidity for projects within the next five years. Due to the relatively short-term time horizon, the monies invested in this Target Date Outcome will attempt to mitigate the potential for capital loss by investing primarily in fixed income and cash-like investments. This Outcome has a small allocation to equity investments to enhance the growth potential. It is anticipated the entire balance will be drawn down in the coming years to pay for planned expenditures. More detail on the allocations for the Target Date 3-5 Year Outcome is shown in Table 6 below.

Table 6 - Target Date 3-5 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	8	10	12	
ONE Canadian Equity Fund		3		S&P/TSX Composite Index
ONE Global Equity Fund		7		MSCI ACWI (All Country World Index)
Fixed Income	88	90	92	
ONE Canadian Government Bond Fund		30.5		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		10.5		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		49		Bloomberg Barclays Multiverse Index
Total		100		

The Target Date 5-10 Year Outcome reflects the intended time horizon and risk profile for reserve accounts where near term liquidity is less relevant. Details of the allocation for this Outcome are in Table 7 below. The Target Date 5-10 Year Outcome has a 50% allocation to equities, which should help monies invested in this outcome to achieve growth. As monies invested in this Outcome typically reflect reserves for future capital projects, growth is the value of investments is important to help offset the impact of inflation and pre-construction changes on project costs.

Table 7 - Target Date 5-10 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	45	50	55	
ONE Canadian Equity Fund		15		S&P/TSX Composite Index
ONE Global Equity Fund		35		MSCI ACWI (All Country World Index)
Fixed Income	45	50	55	
ONE Canadian Government Bond Fund		7.5		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		7.5		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		35		Bloomberg Barclays Multiverse Index
Total		100		

The Target Date 10+ Year Outcome, is intended to fund longer-term capital projects. This Target Date Outcome has an overall allocation to equity of about 75%, which should provide an opportunity for the monies invested to grow in value. More detail on the allocations for the Target Date 10+ Year Outcome are shown in Table 8.

As these monies may be used for construction/development projects in the future, growth is highly relevant as it will help preserve the purchasing power for monies invested. The need for investment returns to at least match inflation is a key consideration for monies allocated to this longer dated target date outcome.



Table 8 - Target Date 10+ Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	71	75	59	
ONE Canadian Equity Fund		22.5		S&P/TSX Composite Index
ONE Global Equity Fund		52.5		MSCI ACWI (All Country World Index)
Fixed Income	21	25	29	
ONE Canadian Government Bond Fund		3.75		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		3.75		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		17.5		Bloomberg Barclays Multiverse Index
Total		100		

Municipal Client Questionnaire (MCQ)

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

Additionally, update the MCQ within 90 days if:

- a. There is a significant change in the municipality’s financial circumstances, or
- b. There is a significant change in the municipality’s “money not required immediately”

For changes between annual reviews, provide written notice of changes by using the mid-year MCQ update form on the last page of this document.

1. CLIENT INFORMATION

1.1 NAME OF MUNICIPALITY: _____

1.2 ADDRESS: _____

1.3 TREASURER INFORMATION

i. Name: _____

ii. Phone Number: _____ iii. Email: _____

1.4 PRIMARY DAY-TO-DAY CONTACT INFORMATION*

i. Name: _____

ii. Title: _____

iii. Phone Number: _____ iv. Email: _____

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

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?

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

2.2 Does Municipal staff (the person most responsible for managing investments) have prior investment industry education/designations/experience? Please describe:

2.3 Check the following list of investment vehicles with which your municipality has used within the past five years. [*Check all that apply*]

- Canadian money market securities (e.g., Cash, bank accounts, HISA etc.)
- Locked-in Investments (e.g., GICs, PPNs etc.)
- Local Distribution Corporation 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

3. INVESTMENT OBJECTIVES AND RISK TOLERANCE

This section of the Questionnaire asks about the Municipality’s Money Not Required Immediately (MNRI). In general, investors can expect a higher annualized rate of return if the investor is also willing to accept volatility or fluctuation in the market value of their investments. For example, investors can expect that the average annual rate of return for a five-year period will be higher where the portfolio’s returns are varied when measured on a year-by-year basis, with some years having negative returns. A portfolio which has a steady return year over year, with little possibility of negative returns in any year, will most likely have a lower annualized return when measured on a rolling five-year average.

3.1 In relation to MNRI, which of the following best reflects the Municipality’s longer-term investment objectives (return), risk tolerance (volatility of returns) and shorter-term tolerance for losses (actual or unrealized)?

	Description	Investment Objective	Risk Tolerance	Tolerance for short-term (3 year) losses*
<input type="checkbox"/>	Lower risk/return	Capital preservation is the main objective. Willingness to accept lower returns to reduce the likelihood of losses	Conservative Approach: A small chance of loss of capital over a 5-year period	Less than 5% decline
<input type="checkbox"/>	Moderate risk/return	Achieve moderate growth without excessive risk to capital	Moderate chance of loss of capital over a 5-year period	5-15% decline
<input type="checkbox"/>	Higher risk/return	Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns	Greater uncertainty of outcomes with potential of higher returns over a 5-year period	More than 15% decline

* these percentages are for illustrative purposes only, to determine sensitivity to potential capital loss, and do not represent a guarantee by ONE JIB or ONE Investment.

3.2 Other information: Is there any other information about the Municipality’s investment objectives and risk tolerance for its MNRI that is relevant to the IPS or Investment Plan?

Sections 4 and 5 of this Questionnaire asks about the Municipality's assets, liabilities and cash flow and is not limited to MNRI. It is intended to assist ONE Investment in obtaining an understanding of the Municipality's financial circumstances, including its cash flow needs.

4. **FINANCIAL INFORMATION**

4.1 Please provide a table (next page or attached) showing "Money Not Required Immediately" divided into reserves and reserve funds with expected investment time horizons. A template is provided on the following page as a guide.

Note: MNRI can be determined by time, source of funds, purpose of funds, or such other means as the Municipality may decide is appropriate. For example, the 'less than 3 years' column of MNRI in the template might not be applicable for all municipalities.

Summary of Municipal Accounts for Investment Planning Purposes

Reserve Type	Brief Description	MNRI Amount	Investment Horizon of MNRI			
			Less than 3 years	3 to 5 years	5 to 10 years	10+ years
SAMPLE – Roads	Ongoing Maintenance	\$8,000,000	\$1,500,000	\$1,500,000	\$3,500,000	\$3,500,000
SAMPLE – Infrastructure	Road Lane Widening	\$5,000,000		\$1,000,000	\$4,000,000	
Total						

4.2 Cash Flow Projections affecting MNRI by year (please provide details that may help inform the ONE JIB about potential drawdowns/additions to MNRI that you anticipate in coming years. Supporting documentation may be provided as needed.

Type	Next year	2 years	3 to 5 years	5 to 10 years	Greater than 10 years
Anticipated MNRI Drawdowns					
Anticipated MNRI Contributions					
Net change in MNRI					

4.3 Do the MNRI drawdown forecasts in 4.2 reflect:

- Drawdowns of current reserve balances
- Drawdowns of current reserve balances inclusive of projected future budgetary contributions

4.4 If the Municipality has completed a capital budget and asset management plan, how many years does this forecast extend?

- Less than 3 years
- 3-5 Years
- 5-10 Years
- 10 years or more

Funding/Expenditure Analysis

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

4.6 Is there a particular year when the Municipality had unusual, large expected capital expenditure(s)?

Yes No

4.7 If so, please explain the timing and nature of the expenditure(s)

4.8 Is there any near-term (within the next 24 months) decisions or uncertainties that could have a material impact on your MNRI forecasts? (e.g., projects contingent on unsecured grants, potential significant changes to debt financing strategy, significant acquisition or disposal/divestment).
Provide details here:

5. **PORTFOLIO INFORMATION**

5.1 MNRI Details

Description	As of Date (DD/MM/YY)	Value
Invested in ONE JIB Outcomes as of <i>Date</i> (A)		
Pledged (in kind) Securities (Bonds, GICs, PPNs etc.) as of <i>Date</i> (B)		
Expected Contributions (withdrawals) of MNRI and <i>Date</i> fund to be remitted / paid (C)		
Locked in portion (LDC shares or notes as of <i>Date</i> (D)		
Total MNRI (A to D)		

5.2 The Municipality may pledge less liquid securities to ONE JIB as part of MNRI. Please identify below the details of pledged securities that the municipality may have.

- The Municipality does not have locked in investments that represent a portion of MNRI
- The Municipality has the following investments as pledged securities that represent a portion of MNRI (see section 6)

6. EXISTING INVESTMENTS

6.1. Please provide a table showing your current investments deemed MNRI and their characteristics, or attach a copy of a statement (if applicable).

<i>Security/Investment</i>	<i>Type</i>	<i>Manager/Institution</i>	<i>Book Value</i>	<i>Market Value</i>	<i>Maturity Date (If applicable)</i>
<i>SAMPLE CIBC Global Blue Chip Growth Deposit Notes, Series 12</i>	<i>PPN</i>	<i>CIBC</i>	<i>\$5,000,000</i>	<i>N/A</i>	<i>February 2030</i>
<i>SAMPLE London 3.2% May 9, 2026</i>	<i>Bond</i>	<i>N/A</i>	<i>\$1,000,000</i>	<i>\$1,098,000</i>	<i>May 9, 2026</i>
<i>SAMPLE Canada 2 7/8 July 2, 2028</i>	<i>Bond</i>	<i>N/A</i>	<i>\$2,000,000</i>	<i>\$1,945,000</i>	<i>July 2, 2028</i>

6.2. Describe your overall investment strategy or investment objectives.

7. OTHER INFORMATION

7.1 Please provide any additional information or context on the information provided that you consider relevant to ONE JIB's understanding of your municipality's MNRI.

8. INVESTMENT RESTRICTIONS

8.1 Are the Municipality's investments subject to any prohibited investment or other similar restrictions that are not fully disclosed in the Municipal IPS?

Yes No

If Yes, please specify.



Municipal Client Questionnaire (MCQ)

9. 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)



Municipal Client Questionnaire (MCQ)

Appendix 1 – Midyear MCQ Updates Form

Please provide details that explain the nature of the 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 the ONE JIB to understand how this update changes the cashflow characteristics or investment horizons of MNRI relative to the most recent update to the MCQ.

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)

Participating Municipalities MCQ Survey

As part of the annual review of the ONE JIB Documentation Templates, participating municipalities are being asked for feedback on the Municipal Client Questionnaire (MCQ). Feedback can be provided at the August 3, 2023 meeting at 11 AM or through the attached survey. Any written responses should be received by Friday August 4, 2023.

MCQ Format

Based on previous feedback, the MCQ is now available in a Fillable PDF Format, it has been provided as an attachment to this survey for reference purposes.

Question #1: Section 3 Investment Objectives and Risk Tolerance

	Description	Investment Objective	Risk Tolerance	Tolerance for short-term (3 year) losses*
<input type="checkbox"/>	Lower risk/return	Capital preservation is the main objective. Willingness to accept lower returns to reduce the likelihood of losses	Conservative Approach: A small chance of loss of capital over a 5-year period	Less than 5% decline
<input type="checkbox"/>	Moderate risk/return	Achieve moderate growth without excessive risk to capital	Moderate chance of loss of capital over a 5-year period	5-15% decline
<input type="checkbox"/>	Higher risk/return	Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns	Greater uncertainty of outcomes with potential of higher returns over a 5-year period	More than 15% decline

* these percentages are for illustrative purposes only, to determine sensitivity to potential capital loss, and do not represent a guarantee by ONE JIB or ONE Investment.

Does the **Risk / Return grid** (above) provide an adequate scale to represent your municipality's longer term investment objectives (return) and risk tolerance (volatility of returns)?

Yes

No

If No, how would you like the table modified?

b) Should the MCQ include a question on what assumptions/factors your municipality includes in your reserve / reserve fund forecast (i.e. inflation, future tax based reserve contributions, forecasted development charge revenue etc.) in order to better understand the cashflows?

Yes

No

Optional Comment

c) Should the MCQ include a question asking if there have been any major changes in circumstances since the last MCQ update that you feel would require a reallocation?

Yes

No

Optional Comment

d) Should the MCQ include a question asking how sensitive the municipality is to recognizing investment gains/losses?

Yes

No

Optional Comment

Question #3: Section 4.2 Cash Flow Projections Affecting MNRI

Type	Next year	2 years	3 to 5 years	5 to 10 years	Greater than 10 years
Anticipated MNRI Drawdowns					
Anticipated MNRI Contributions					
Net change in MNRI					

Does the **Cash Flow Projection table** (above) provide a clear way for your municipality to communicate potential draw downs or additions to MNRI that are currently *projected* to occur?

- Yes
- No

If No, how would you like the table modified?

Question #4: Section 4.4 Capital Budget and Asset Management Plan Forecast

- a) What is the length of your annual capital budget forecast?
- b) What is the length of your asset management plan forecast?
- c) To what extent is your asset management plan integrated into your capital planning budgeting process?

- a. Fully integrated
- b. Substantially integrated
- c. Partially integrated
- d. Somewhat integrated
- e. Not integrated at all

Question #5: Section 6.1 Existing Investments

<i>Security/Investment</i>	<i>Type</i>	<i>Manager/Institution</i>	<i>Book Value</i>	<i>Market Value</i>	<i>Maturity Date (If applicable)</i>
<i>SAMPLE CIBC Global Blue Chip Growth Deposit Notes, Series 12</i>	<i>PPN</i>	<i>CIBC</i>	<i>\$5,000,000</i>	<i>N/A</i>	<i>February 2030</i>
<i>SAMPLE London 3.2% May 9, 2026</i>	<i>Bond</i>	<i>N/A</i>	<i>\$1,000,000</i>	<i>\$1,098,000</i>	<i>May 9, 2026</i>
<i>SAMPLE Canada 2 ^{7/8} July 2, 2028</i>	<i>Bond</i>	<i>N/A</i>	<i>\$2,000,000</i>	<i>\$1,945,000</i>	<i>July 2, 2028</i>

In the Municipal Investment Policy Statement, existing securities may be pledged to ONE JIB as part of MNRI. Over time, these securities would then be prudently transitioned over to the ONE JIB Outcome Framework (if applicable).

Does the **Existing Investments** table (above) provide a clear way for your municipality to communicate existing securities that are deemed to be MNRI?

Yes

No

If No, how would you like the table modified?

Question #6: Other Recommendations

Would you like to see any of the other sections / questions in the MCQ modified? If Yes, please explain.



REPORT

To: ONE Joint Investment Board
From: Judy Dezell, Co-President/Co-CEO, ONE Investment
Date: September 6, 2023
Re: Strategic Plan - Q2 2023 Progress
Report: ONE JIB 2023-O36

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

ONE JIB approved a Strategic Plan in the Fall of 2022. To track progress on the key initiatives of the Strategic Plan, a tracking tool has been developed for ONE JIB. All initiatives are currently on track.

3. BACKGROUND

Futures List and Strategic Plan implementation tracking

ONE JIB has an approved 2023 work plan known as the Futures List that identifies key initiatives and normal business operations of ONE JIB. Tracking the progress of implementing these initiatives allows ONE JIB to monitor its progress. Further, in 2022 ONE JIB approved, in conjunction with ONE Investment, a Strategic Plan for 2023 to 2028 with four strategic imperatives:

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

ONE JIB has now moved to implementation of the Strategic Plan and is using this tool to monitor the progress of implementing the Plan.

4. ANALYSIS

The importance of a strategic reporting tool

The Futures List tracks the annual workplan of ONE JIB. Being able to monitor progress on the workplan allows ONE JIB to ensure its business objectives are achieved over the course of the year. In addition, the objectives in the Strategic Plan require ongoing monitoring which will allow ONE JIB to evaluate progress towards achieving the strategic imperatives. Individual imperatives can be assessed, enabling adjustments to the allocation of resources if necessary. Further, measuring the implementation of the Strategic Plan improves accountability for all stakeholders in the Strategic Plan (ONE JIB, ONE Investment Board and ONE Investment staff), helping to ensure that everyone is working towards the same goals and objectives, and that they are performing their tasks in a timely and efficient manner. The Strategic Plan is a long-term document, five years in this instance, which may require course correction over time. Monitoring allows timely course corrections when needed.

The strategic reporting tool uses a simple colour scheme to allow ONE JIB to monitor quickly what is on track (green), delayed (yellow), cancelled (red) or changed in scope (purple). The tool looks back on the previous quarter. For Q2 2023 all initiatives are on track. The Q2 report can be found in Appendix A attached to this report.

5. CONCLUSION

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

A key initiative is already underway to support the strategic imperative of Growth of AUM by developing data and analytical capabilities. ONE JIB will be regularly informed on the progress of this initiative.

ATTACHMENT

Attachment 1: Q2 2023 Strategic Reporting Tool

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

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

Attachment 1

Q2 2023 Strategic Reporting Tool for ONE JIB Futures List and Strategic Plan

Agenda	Topics	Status	Notes
Board Governance & Administrative Matters	Board Governance Self-Evaluation Results Exemption reporting to Ontario Securities Commission Board Governance Training	On Track On Track On Track	
Strategy and Policy	Municipal Insights Quarterly Futures List Review ESG Working Group Strategic Plan Implementation: Key Initiative Large Municipal Offering Strategic Plan Implementation: Data and Analytics Capability New Products Committee	On Track On Track On Track On Track On Track On Track	
Investment Oversight	Municipal Reports: Q4 Investment Reports Investment Plan Implementation Update Year End Compliance Reports Investor Onboarding IPS and MCQ review and Investment Plan Approval Fund Manager Reports: Q4 Performance Review Fund Manager Presentation Quarterly Compliance Reports	On Track On Track On Track On Track On Track On Track On Track	New cohort identified and working through the steps to joining ONE JIB.

To: ONE Joint Investment Board
From: Colin MacDonald, Manager of Policy, MFOA
Date: September 6, 2023
Re: Municipal Insights Update Q3 2023
Report: ONE JIB 2023-051

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

The Province has granted strong mayor powers to 47 additional municipalities in Ontario, including the Town of Whitby, the Town of Innisfil, the City of Thunder Bay, and the Town of Aurora. The increased mayoral powers include the authority to propose the budget. The full implications on the budget process are unknown, but it could introduce more uncertainty into the process.

The Province has announced that Ernst and Young has been selected to audit the finances of six municipalities to inform its assessment of the financial impact of Bill 23. The first phase of the audit is scheduled for the end of 2023, which means that municipalities will likely have to develop their 2024 budgets on the assumption of no increased support from the Province. This may lead to an increased draw on reserves by some municipalities.

The Province has appointed the transition board for the dissolution of The Regional Municipality of Peel. ONE Investment is closely monitoring the transition decisions and the separate regional reviews to determine any potential impact on the Prudent Investment Program, including municipal MNRI forecasts.

3. BACKGROUND

The Province has extended strong mayor powers to 47 more municipalities, which includes budget authority

On September 8, 2022, Bill 3 - the Strong Mayors, Building Homes Act, 2022 received royal assent. Bill 3 amended the *City of Toronto Act 2006*, the *Municipal Act, 2001*, and the *Municipal Conflict of Interest Act* to grant the mayors of Toronto and Ottawa additional powers. On June 16, 2023, the Province expanded strong mayor powers to 26 additional municipalities. On August 21, 2023 the Province announced housing targets and strong mayor powers for 21 other

municipalities; it also announced that strong mayor powers would be extended to all municipalities with a population greater than 50,000 by 2030. Strong mayor powers are intended to give mayors more authority, and especially to implement initiatives that align with provincial priorities. The additional powers include, but are not limited to, the authority to restructure municipal departments, hire and fire department heads, establish committees and determine their composition, propose a budget and veto council amendments to the budget, with some limitations.

Ernst and Young has been chosen to audit the impact of Bill 23 on municipal finances, with the first phase of the audits expected to be complete by the end of 2023

On July 26, 2023, the Province announced that Ernst and Young has been chosen to audit the finances of the six municipalities chosen to help determine the financial impact of Bill 23. The first phase of the audit is expected to be complete by the end of 2023. *The More Homes Built Faster Act, 2022* (Bill 23) introduced changes to the *Development Charges Act, 1997* and the *Planning Act* that will affect municipal reserves. The financial impact of Bill 23 on municipalities is uncertain as the Province has committed to keeping municipalities “whole” with respect to funding “housing enabling infrastructure” for those that meet or exceed their provincially mandated housing targets. As detailed in the Municipal Insights Report for Q2 2023, the Province indicated that as part of its assessment on keeping municipalities “whole,” it would conduct an audit of municipal finances to aid in its determination of the financial impact of Bill 23 on municipalities.

The audits have two key objectives:

1. Assessing the financial impacts of Bill 23, and
2. Optimizing municipal resources and assessing the state of municipal finances

The scope of objective one is an independent estimate of the financial impacts of Bill 23 assuming the municipality meets/exceeds the housing target over the 10-year period (2022-2031); the methodology of which includes forecasting the increase in net revenues over the period, which will take investment returns into account.

The scope of objective two includes a 5-year (2018-2022) backward looking assessment of the state of municipal finances, including the municipality’s ability to maintain service levels with the financial tools at its disposal, its fiscal stewardship of assets/resources, its ability to meet short and long-term obligations, and its short and long-term policy, operating and capital decisions and their impact on the municipality’s fiscal health.

The terms of reference indicate that the scope of the reviews can change.

The Province has announced the transition team for the dissolution of Peel Region, but regional facilitators for the other six two-tier municipal systems under review have not yet been selected

On May 18, 2023, the Province introduced legislation to dissolve Peel Region. On July 5, 2023, the Province [appointed](#) a five-person transition board to advise the Ministry of Municipal Affairs and Housing on restructuring and dissolving the upper tier. The transition board members have extensive experience across public and private sectors. The board is comprised of:

- John Livey (chair) – a former senior public servant with many urban municipalities in the GTA, including the City of Toronto, the City of Markham, and York Region.
- Tracey Cook – a former senior public servant with the City of Toronto, with extensive experience in law enforcement and security.
- Sean Morely – a partner at Fasken Martineau LLP whose focus is on business law in the Global Infrastructure and Projects practice group.
- Eric Joliffe – a former senior executive in police services at various municipalities, including Chief of Police for the York Regional Police.
- Peter Weltman – Ontario’s former Financial Accountability Officer (2018-2023), who also has extensive experience in senior financial positions with the Federal government.

It is expected that Peel Region will be dissolved by January 1, 2025.

At the same time that the Province announced the dissolution of Peel, it also announced a review of six other two-tiered municipal structures, and that they would be appointing “facilitators” to conduct those reviews. The two-tiered municipal structures under review are the Region of Durham, Halton Region, Niagara Region, Simcoe County, the Region of Waterloo, and York Region. The Province has said that facilitators will be appointed by September 11, 2023.

4. ANALYSIS

The municipal budget process will likely see more uncertainty and potentially greater volatility in the future with the shift of authority to the mayor

Municipal finance staff in the affected municipalities are currently working through the practical application of the budget component of strong mayor powers. Implementation and level of involvement of the Mayor’s office will vary by municipality and mayor, but any significant changes to the process are likely to be incremental, and any substantive changes will likely evolve over time. While mayors technically cannot delegate budget authority, some have issued formal orders to senior staff that their budget process is to carry out as it has in prior years. Municipalities have become accustomed to the uncertainty of potential changes in priorities that come with a four-year election cycle. The shift to a strong mayor system could provide greater stability in budget priorities as mayors tend to have longevity; however, it is also probable that priorities may shift to a greater extent during transitions between mayors. MFOA is holding closed discussion groups with municipal finance staff to share insights, lessons learned and practices with respect to implementing the mayor-led budget process. Whitby, Thunder Bay, Innisfil and Aurora are the Participating Municipalities affected by the legislation. This may introduce further uncertainty and increased conservatism into municipal reserve forecasts, but the impacts remain to be seen.

The timing of the audit of municipal finances means that municipalities affected by Bill 23 will likely have to make difficult budget decisions on their 2024 budgets that could affect reserves

Given that the expected completion of the first phase of municipal finance audits is the end of the year, it is likely municipalities will have to budget with the expectation that no funds will be forthcoming from the Province.

Municipalities will have to make decisions on how or if they fully finance their growth-related capital costs. Should municipalities fully fund their growth capital programs, they will likely need to make decisions on whether that gets funded through increased debt financing, draws on reserves not dedicated to growth, increased tax levies, service cuts or a blend of options. As municipalities and residents are sensitive to tax levy increases, it is highly likely that some municipalities will increase planned draws on reserves, which may reduce their MNRI. However, municipalities may also choose to reduce their growth-related infrastructure investments in the face of lower development charge revenue, hoping for future Provincial policy changes.

The regional review may affect the implementation strategy and projected client base of the Large Municipality Offering under development, and it may affect available reserves for different infrastructure types, notably water and wastewater

The regional review focuses on large urban municipalities in Southern Ontario in two-tier structures. Many of the municipalities for whom the Large Municipality Offering is being developed are included in the review. With potential uncertainty and the dissolution of Peel Region, ONE Investment and ONE JIB may need to reexamine the potential clients for the Large Municipality Offering and adjust it accordingly.

The dissolution of Peel is raising many questions with respect to how the Province will deal with shared services, particularly those which are difficult to subdivide based on municipal borders, notably water and wastewater and emergency services. In its recommendations to the Province, the Housing Supply Task Force recommended the implementation of a water and wastewater utility model, whereby joint municipal services boards would be established and governed by a provincial regulator. If such a model is adopted in Peel, it could serve as a template across the Province in line with recommendations from the Task Force. This could signal a shift in the way water and wastewater reserve funds are managed, which may ultimately see them removed from direct municipal control and ONE JIB's purview. Alternatively, it may require some additional legal analysis and practical implementation discussions about how and if ONE JIB can manage by a joint municipal services board.

5. CONCLUSION

Municipalities are operating in a period of increased instability due to changes in Provincial legislation. These changes will likely affect reserve and reserve fund forecasts, which should shorten the time horizon of a portion of MNRI, particularly for municipalities who collect development charges or who belong to one of the two-tiered municipal structures under review.

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