



**ONE JIB
Regular Board Meeting
Agenda**

Meeting #: 2023-004
Date: November 29 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 September 6, 2023	1 - 12
3.b Business Arising from the September 6, 2023 Minutes	
4. Communications	
4.a Mark P. Bischoff, Manulife Investment Management, November 20, 2023	13 - 14
5. Delegations	
5.a Town of Aylmer Transition to Prudent Investor	15 - 28
6. Board Committee Reports	
7. Items Proceeding by Consent	
8. Governance and Administrative Matters	
8.a Town of Aylmer – ONE JIB Agreement (2023-054)	29 - 137
8.b ONE Investment Audit Committee Update – November 29 2023 (2023-064) (consent)	138 - 144
8.c Board Skills Matrix Review Fall 2023 (2023-056) (consent)	145 - 154

8.d	2024 Futures List (2023-057)	155 - 157
8.e	Board Governance Self-Evaluation Report – Fall 2023 (2023-060)	158 - 161
8.f	ONE JIB Investment Plan and MCQ Template Survey Results (2023-062) (consent)	162 - 166
8.g	ONE JIB Terms of Reference, Code of Conduct and Procedure By-law Review (2023-075)	167 - 277
9.	Strategy and Policy	
9.a	Strategic Plan – Q3 2023 Progress (2023-070) (consent)	278 - 280
9.b	Investment Plan and Municipal Client Questionnaire Templates (2023-063)	281 - 309
9.c	Municipal Insights Update Q4, 2023 (2023-073)	310 - 313
10.	Investment Oversight	
10.a	Municipal Performance Reports Q3 2023 (2023-067) (consent)	314 - 600
10.b	Compliance Reports Asset Classes and Target Weight Allocations Q3 2023 (2023-072) (consent)	601 - 609
10.c	Investment Plan Implementation Update – Q3 2023 (2023-069) (consent)	610 - 615
10.d	Investment Manager Presentation – Guardian Capital (2023-068) (staff report consent)	616 - 636
10.e	Town of Aylmer - Investment Policy Statement (2023-055)	637 - 666
10.f	Town of Aylmer - Investment Plan 2023 (2023-065)	667 - 702
10.g	City of Kenora - Investment Plan 2023 (2023-071)	703 - 768
10.h	Fund Manager Performance Review Q3 2023 (2023-076)	769 - 774
10.i	Review of Investment Allocations Associated with the Outcomes Framework (2023-077)	775 - 780
10.j	Review of External Managers - 2023 (2023-066)	781 - 783
11.	Closed Session	

**11.a AON Presentation - Confidential Commercial or Financial Information - s. 239
2.(i)(j) of the Municipal Act**

12. Reconvene in Public Session

13. Other Business

14. Meeting Outcomes

15. Authorizing Motion

16. Adjournment

17. Next Meeting

17.a Regular Meeting - February 28, 2024 (10:00 am - 3:00 pm)



ONE JIB

Regular Board Meeting

Minutes

Meeting #: 2023-07
Date: September 6, 2023, 10:00 a.m.
Location: AMO Office (In Person and Electronic)
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
C. Tessier

Others Present:

J. Dezell, Co-President/Co-CEO, ONE Investment
D. Herridge, Co-President/Co-CEO, ONE Investment
H. Douglas, WeirFoulds LLP, Legal Counsel
E. Foo, Chief Compliance Officer, ONE Investment
J. 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 ONE JIB and the work of municipalities, take place on traditional Indigenous territories across Ontario. We recognize and respect the history, languages, and cultures of the First Nations, Metis, Inuit, and all Indigenous peoples whose presence continues to enrich our communities.

2. Disclosures of Pecuniary Interest

Board Member Rettie declared a pecuniary interest in Agenda item 12.a - Remuneration - Board Members who are Municipal Treasurers - as he is currently occupying a position that will be affected by the discussion.

Board Member Melinyshyn declared a pecuniary interest in Agenda item 12.a - Remuneration - Board Members who are Municipal Treasurers - as he is currently occupying a position that will be affected by the discussion.

(See Minute No. 12.a.)

3. Minutes of Previous Meeting

3.a Approval of the July 19, 2023, ONE JIB Meeting Minutes

Moved by Board Member Pountney

THAT the minutes of the July 19, 2023, ONE JIB Meeting be approved as circulated.

Carried

3.b Business Arising from the July 19, 2023, Meeting Minutes.

There was no business arising from the July 19, 2023, ONE JIB 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 (2023-O35)

Judy Dezell, Co-President/Co-CEO of ONE Investment, made a presentation on the Procedure By-Law Amendments - Terms of Chair and Vice-Chair report.

Moved by Board Member Melinyshyn

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

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

Carried

(See By-law No. 2023-1.)

4.b Election of the Board Chair

Board Secretary Kelly conducted the election of the Board Chair.

Board Member Giles nominated Bill Hughes for the position of Board Chair for the three-year term ending September 6, 2026, and until a successor is appointed.

There were no further nominations.

Moved by Board Member Rettie

THAT the nominations for the position of Board Chair be closed.

Carried

Moved by Board Member Giles

THAT Bill Hughes be appointed as Board Chair for the three-year term ending September 6, 2026 and until a successor is appointed.

Carried Unanimously

4.c Election of the Board Vice-Chair

Board Chair Hughes conducted the election of the Board Vice-Chair.

Board Member Melinyshyn nominated Geri James for the position of Board Vice-Chair.

There were no further nominations.

Moved by Board Member Dowty

THAT nominations for the position of Board Vice-Chair be closed.

Carried

Moved by Board Member Melinyshyn

THAT Geri James be appointed as Board Vice-Chair for the three-year term ending September 6, 2026 and until a successor is appointed.

Carried Unanimously

5. **Communications**

There were no communications.

6. **Delegations**

6.a **Town of Aurora re. Transition to Prudent Investor**

Rachel Wainwright-van Kessel, Director, Finance – Treasurer, Town of Aurora, made a presentation on the Town of Aurora’s transition to the Prudent Investor program.

Moved by Board Member Giles

THAT the Board receive the presentation from Ms. Wainwright-van Kessel.

Carried

7. **Board Committee Reports**

There were no Board Committee Reports.

8. **Consent Items**

Moved by Board Member Tessier

THAT the Board approve items 9.a, 9.b, 10.a, 10.b, 10.c, and 10.d, all of which are listed as “Consent Items” on the Agenda, as listed below, and the recommendations contained in the related staff reports:

9.a. ONE Investment Audit Committee Update – September 6, 2023

9.b. Board Governance Self-Evaluation Fall 2023

- 10.a. Municipal Performance Reports – Q2 2023
- 10.b. Compliance Reports –Asset Class and Target Weight Allocations Q2 2023
- 10.c. Whitby and Innisfil – Investment Plan Implementation Update
- 10.d. Investment Manager Presentation – Mawer’s Global Equity Strategy (staff report only)

Carried

9. Governance and Administrative Matters

- 9.a ONE Investment Audit Committee Update – September 6, 2023 (consent) (2023-049)

Moved by Board Member Tessier

THAT the Board adopt the recommendation to receive the report.

Carried

- 9.b Board Governance Self-Evaluation Fall 2023 (consent) (2023-034)

Moved by Board Member Tessier

THAT the Board adopt the recommendation to receive the report.

Carried

- 9.c Town of Aurora – ONE JIB Agreement (2023-053)

Jennifer Hess, Manager of Investment Services, MFOA, made a presentation on the Town of Aurora – ONE JIB Agreement report.

Moved by Board Member Tessier

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

- 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.

Carried

10. Investment Oversight

- 10.a Municipal Performance Reports – Q2 2023 (consent) (2023-040)

Moved by Board Member Tessier

THAT the Board adopt the recommendation to receive the report.

Carried

10.b Compliance Reports – Asset Class and Target Weight Allocations Q2 2023
(consent) (2023-050)

Moved by Board Member Tessier

THAT the Board adopt the recommendation to receive the report.

Carried

10.c Whitby and Innisfil – Investment Plan Implementation Update (consent)
(2023-037)

Moved by Board Member Tessier

THAT the Board adopt the recommendation to receive the report.

Carried

10.d Municipal Fund Manager Presentation – Mawer’s Global Equity Strategy
(consent) (2023-042)

Moved by Board Member Tessier

THAT the Board adopt the recommendation to receive the report.

Carried

Rob Campbell, Institutional Portfolio Manager, and Kevin Minas, Institutional
Portfolio Manager, made a presentation on Mawer’s Global Equity Strategy.

Moved by Board Member Pountney

THAT the Board receive the presentation.

Carried

Moved by Board Member Dowty

That the Board recess for 10 minutes.

Carried

The Board recessed at 11:33 a.m. and reconvened at 11:43 a.m.

10.e Town of Aurora – Investment Policy Statement (2023-048)

Jennifer Hess, Manager of Investment Services, MFOA made a presentation on the Town of Aurora – Investment Policy Statement report.

Moved by Board Member Melinyshyn

THAT the Board receive the presentation and adopt the recommendation in the report as amended to read:

THAT the Board receive the Investment Policy Statement.

Carried

10.f Town of Aurora’s Investment Plan 2023 (2023-047)

Keith Taylor, Chief Investment Officer, ONE Investment, made a presentation on the Town of Aurora’s Investment Plan 2023 report.

Moved by Board Member Tessier

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

1. Receive the Town of Aurora’s Municipal Client Questionnaire (Attachment 1).
2. Approve the Town of Aurora’s proposed Investment Plan (Attachment 2).

Carried

10.g Town of Bracebridge’s Investment Plan 2023 (2023-044)

Keith Taylor, Chief Investment Officer, ONE Investment, made a presentation on the Town of Bracebridge’s Investment Plan 2023 report.

Moved by Board Member Pountney

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

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).

Carried

10.h District Municipality of Muskoka's Investment Plan 2023 (2023-045)

Keith Taylor, Chief Investment Officer, ONE Investment, made a presentation on the District Municipality of Muskoka's Investment Plan 2023.

Moved by Board Member Giles

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

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).

Carried

Moved by Board Member Dowty

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

Carried

The Board recessed at 12:07 p. m. and reconvened at 1:00 p.m.

10.i ONE HISA and ONE Canadian Government Bond Fund - Implementation Update (2023-043)

Keith Taylor, Chief Investment Officer, ONE Investment, made a presentation on the ONE HISA and ONE Canadian Government Bond Fund - Implementation Update report.

Move by Board Member Rettie

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

Carried

10.j Fund Manager Performance Review Q2 2023 (2023-052)

Keith Taylor, Chief Investment Officer, ONE Investment, made a presentation on the Fund Manager Performance Review Q2 2023 report.

Moved by Board Member Giles

THAT the Board receive the presentation and adopt the recommendation to receive the report, as amended to provide that the Board confirms its members have reviewed the Fund Manager Performance Reports – Q2 2023 provided in the Resource Library.

Carried

10.k Allocations and Benchmarks for Outcome Framework – Update (2023-041)

Keith Taylor, Chief Investment Officer, ONE Investment, made a presentation on the Allocations and Benchmarks for Outcome Framework – Update report.

Moved by Board Member Rettie

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

1. Approve a revised benchmark for the Canadian Government Bond Fund made up of 60% FTSE Canada Short-Term Government Bond Index + 40% FTSE Canada 91-Day Treasury Bill Index.
2. Approve the changes to the Outcome Framework’s allocations, target weights and ranges, and benchmarks shown in Attachments 1 and 2 to accommodate the replacement of HISA with the revised Canadian Government Bond Fund.

Carried

11. Strategy and Policy

11.a Annual ONE JIB Template Review Process Update (2023-046)

Jennifer Hess, Manager of Investment Services, MFOA, made a presentation on the Annual ONE JIB Template Review Process Update report. In doing so, she was assisted by Colin Macdonald, Manager of Policy, MFOA.

Moved by Board Member Tessier

THAT the Board receive the presentation and adopt the second recommendation in the report as follows:

2. THAT the Board approve the Outcomes Framework Policy in Attachment 1.

Carried

11.b Strategic Plan – Q2 2023 Progress (2023-O36)

Judy Dezell, Co-President/Co-CEO of ONE Investment, made a presentation on the Strategic Plan – Q2 2023 Progress report.

Moved by Board Member Giles

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

Carried

11.c Municipal Insights Update Q3 2023 (2023-O51)

Colin Macdonald, Manager of Policy, MFOA, made a presentation on the Municipal Insights Update Q3 2023 report.

Moved by Board Member Rettie

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

Carried

12. Other Business

12.a Remuneration – Board Members who are Municipal Treasurers

Board Members Rettie and Melinyshyn declared an interest in this matter, and did not take part in the discussion of, or vote or attempt to influence the voting on this matter. (See Minute No. 2)

Moved by Board Member Tessier

THAT the Board request the ONE Investment Board to consider remuneration for municipal members of ONE JIB commensurate with other members of ONE JIB, subject to the member complying with all relevant requirements of the member's municipality.

Carried

13. Meeting Outcomes

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

1. Approved Procedure By-law amendments to provide for three-year terms for both the Chair and Vice-Chair.
2. Reappointed Bill Hughes as Board Chair and Geri James as Vice-Chair for three-year terms to September 6, 2026, and until their successors are appointed.
3. Received a presentation from the Town of Aurora's Director, Finance on the Town's move towards the Prudent Investor program. The Board is very pleased to have Aurora join the Prudent Investor program.
4. Approved six Consent Items and the recommendations contained in the related staff reports. The consent items included an update from the ONE Investment Audit Committee, the upcoming Board Governance Self-Evaluation survey, an update on the implementation of Whitby's and Innsfil's Investment Plans, and the second quarter Municipal Performance Reports and Compliance reports.
5. Received a presentation from Mawer on its Global Equity Strategy.
6. Approved the Board entering into an Agreement with the Town of Aurora and ONE Investment whereby the Town of Aurora will become a Participating Municipality in the Prudent Investor program and approved the Town of Aurora's Investment Plan.
7. Approved annual Investment Plans for the Town of Bracebridge and the District Municipality of Muskoka.
8. Received the ONE HISA and ONE Canadian Government Bond Fund Implementation update.
9. Received the second quarter Fund Manager Performance Review.
10. Approved a new benchmark for the ONE Canadian Government Bond Fund and changes to the allocations, target weights and ranges, and benchmarks for the Outcomes Framework to reflect the replacement of HISA with the revised ONE Canadian Government Bond Fund.
11. Approved a new ONE JIB Outcomes Framework Policy.
12. Received a report on the Strategic Plan showing everything is on track.
13. Received the Municipal Insights Update, which highlights ongoing changes in the municipal sector.
14. Passed a motion requesting that the ONE Investment Board consider remuneration for municipal members of ONE JIB commensurate with other

members of ONE JIB, subject to the member complying with all relevant requirements of the member's municipality.

14. **Authorizing Motion**

Moved by Board Member Rettie

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

Carried

15. **Adjournment**

Moved by Board Member Dowty

THAT the Board adjourn its meeting.

Carried

The meeting adjourned at 2:27 p.m.

16. **Next Meeting: November 29th, 2023, at 10:00 am.**

Denis Kelly, Board Secretary

From: Mark P. Bischoff <Mark_Bischoff@manulifeam.com>
Sent: Monday, November 20, 2023 5:11 PM
To: Keith Taylor <ktaylor@oneinvestment.ca>
Subject: RE: Need to a some text for board report

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Keith,

Here is our statement:

We do not anticipate the changes announced this week having any direct impact on the Global Multi-Sector team or the management of the Strategic Fixed Income strategy, nor do we expect any change to the team's investment philosophy or process.

Any questions, please let me know.

Regards,

Mark Bischoff, CFA
Managing Director, Relationship Management
Manulife Investment Management

E mark_bischoff@manulifeam.com

T 416 852 3230

M 647 289 7982

200 Bloor Street East, North Tower, 5th Floor
Toronto, Ontario, Canada, M4W 1E5

 **Manulife** Investment Management

CONFIDENTIAL

From: Keith Taylor <ktaylor@oneinvestment.ca>
Sent: Thursday, November 16, 2023 7:06 PM
To: Mark P. Bischoff <Mark_Bischoff@manulifeam.com>
Subject: RE: Need to a some text for board report

Hi Mark,

Sorry about earlier – was boarding a flight and the connection was not great. I know you could not hear me well and I had the same problem, and I was quite literally at the gates walking onto the plane! In any case the specific request I got from Judy is below.

For the ONE JIB agenda package could you please ask Mark to provide a short summary of what this news means for our Global Bond Fund. An email is sufficient and remind him it will be in a publicly posted agenda package. Jennie will need it for the communication section of the agenda by November 21st.

As I noted, I will add a short summary in one of my reports too – a couple of sentences would suffice.

Regards,

Keith



Joint Investment Board Presentation

Presenting

Andy Grozelle

Chief Administrative Officer

Town of Aylmer

agrozelle@town.aylmer.on.ca

Heather Sachs, CPA

Director of Financial Services

Town of Aylmer

hsachs@town.aylmer.on.ca

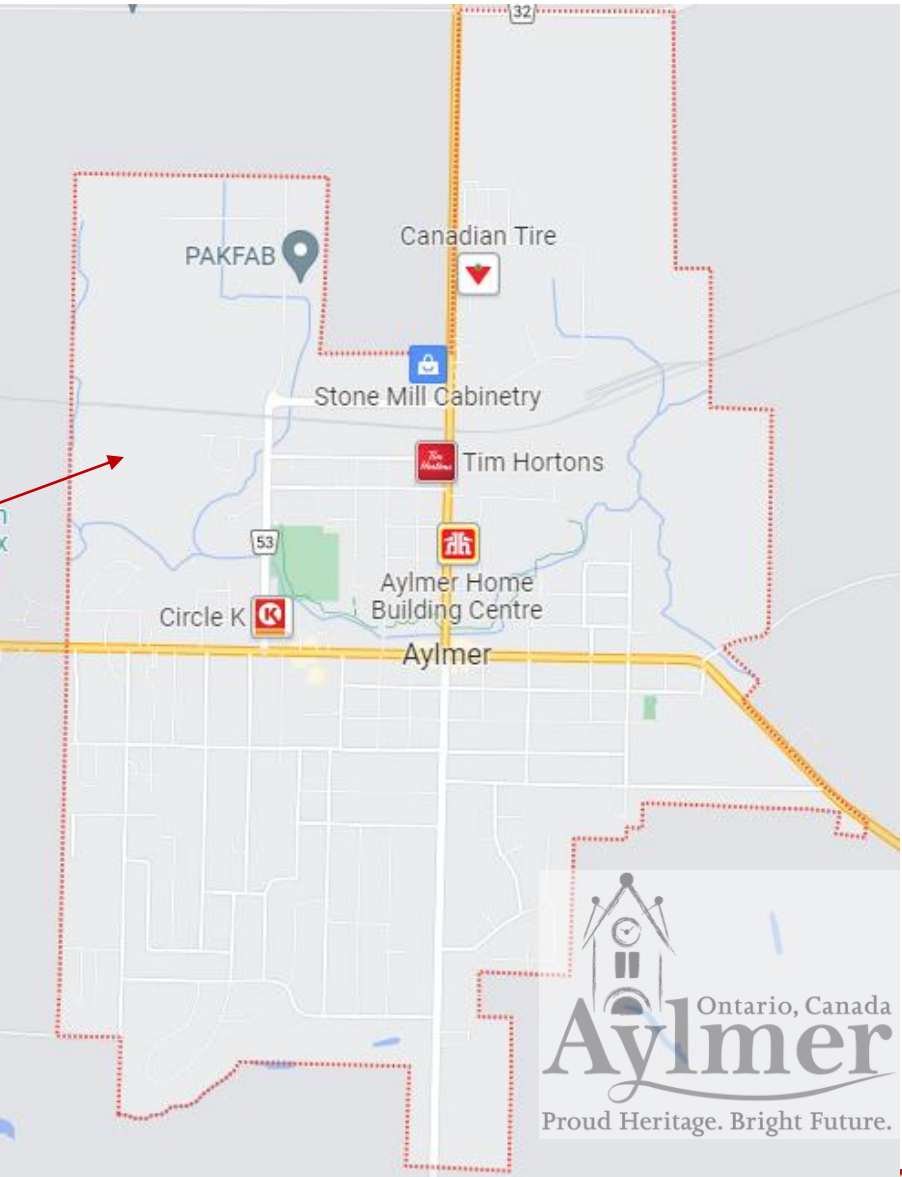
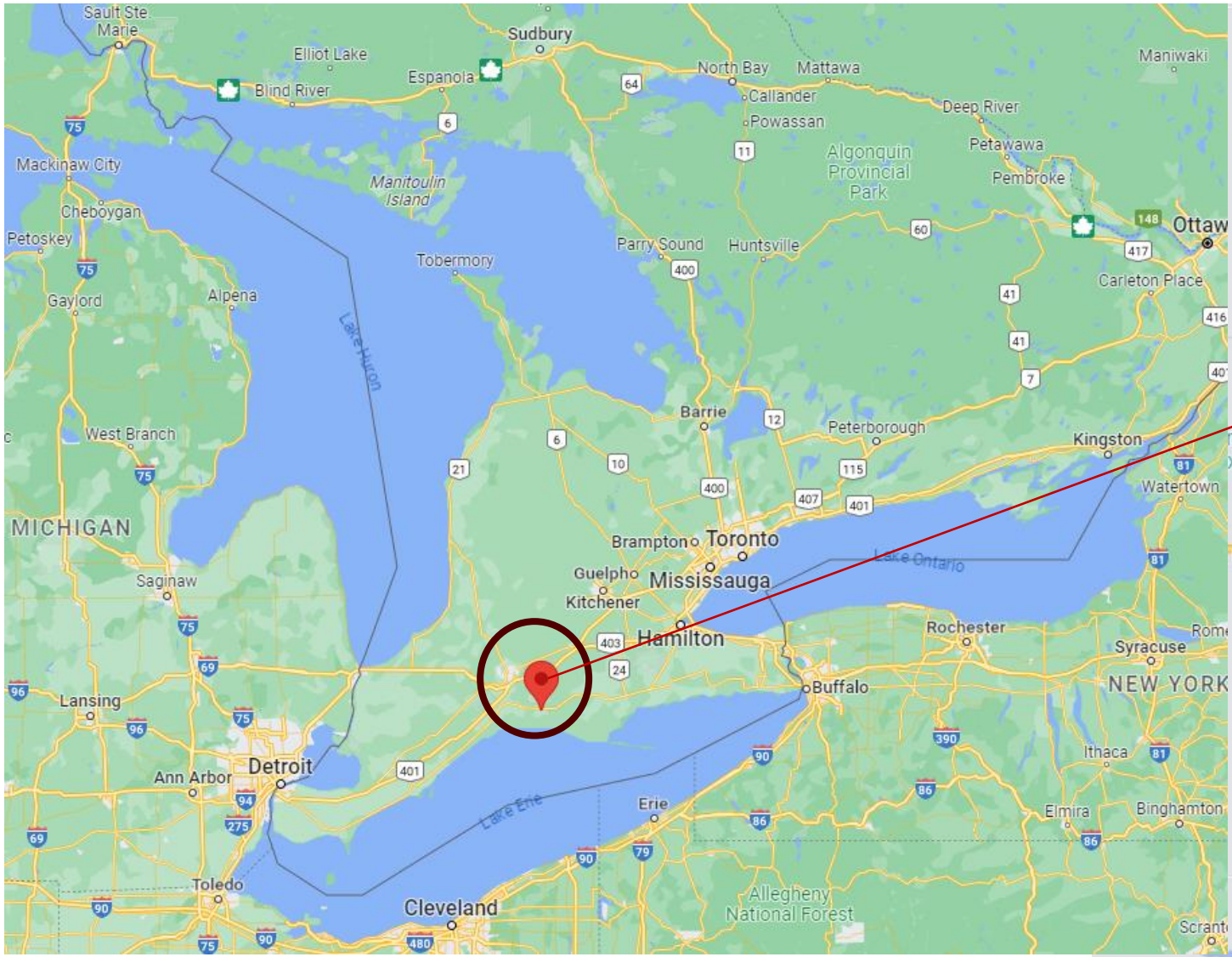




Quick Facts

- Aylmer is a small urban community of approximately 8,500 people
- Strategically located on Highway 3, and within easy distance to Highway 401
- Home to a broad range of manufacturing firms
- Vibrant downtown, farmer's market, and a variety of fairs and events that are held throughout the year
- Aylmer has established itself as a progressive employer through establishing a compressed work week and flexible work arrangements
- Aylmer Council has a progressive vision for the community including accelerated housing and industrial growth
- The Town of Aylmer supports diversity and inclusion in the community.
- Aylmer is a service area and meeting place for the rural communities surrounding the Town.





EDUCATION

Of Aylmer's resident population, **1,885** people have secondary school diplomas, **1,545** have college or other certificates and **560** have university degrees. The field of study most pursued is **Engineering & Related Technologies**, followed by **Business Management & Public Administration**.



HOME OWNERSHIP

RENT
31%



OWN
69%

COMMON LAW
515

SINGLE
1,425

WIDOWED
525

DIVORCED
340

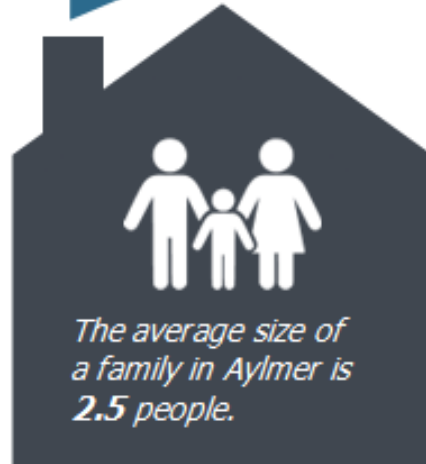
MARITAL
STATUS

MARRIED
3,155

SEPARATED
185

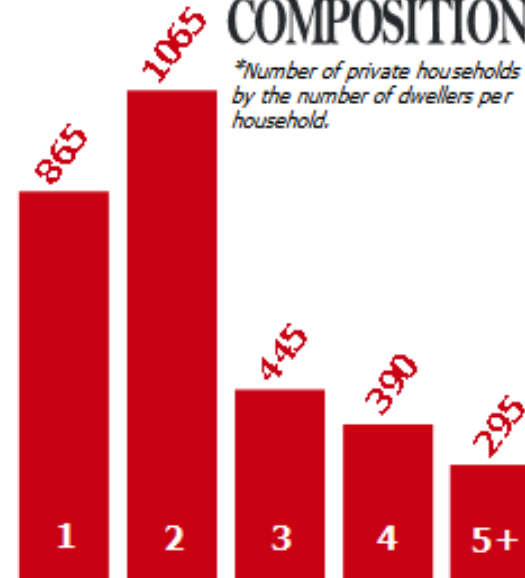


Median Household
Income: **\$56,806**

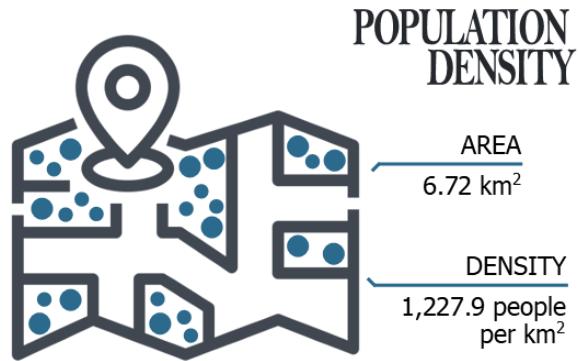
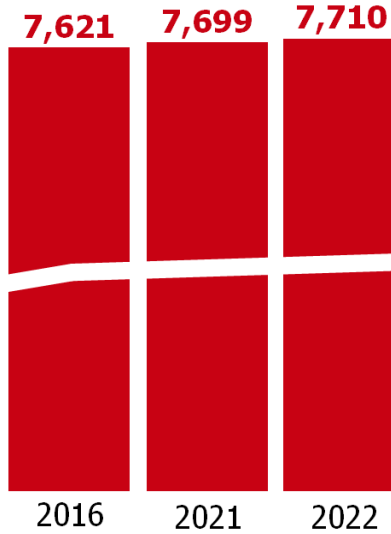


HOUSEHOLD COMPOSITION

*Number of private households by the number of dwellers per household.



POPULATION

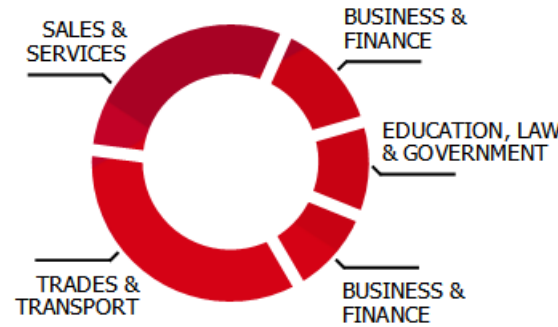


LABOUR FORCE



The Town of Aylmer has an unemployment rate of **9.1%**.

TOP 5 OCCUPATION SECTORS



TOP 10 EMPLOYMENT SECTORS



COMMUTE TO WORK



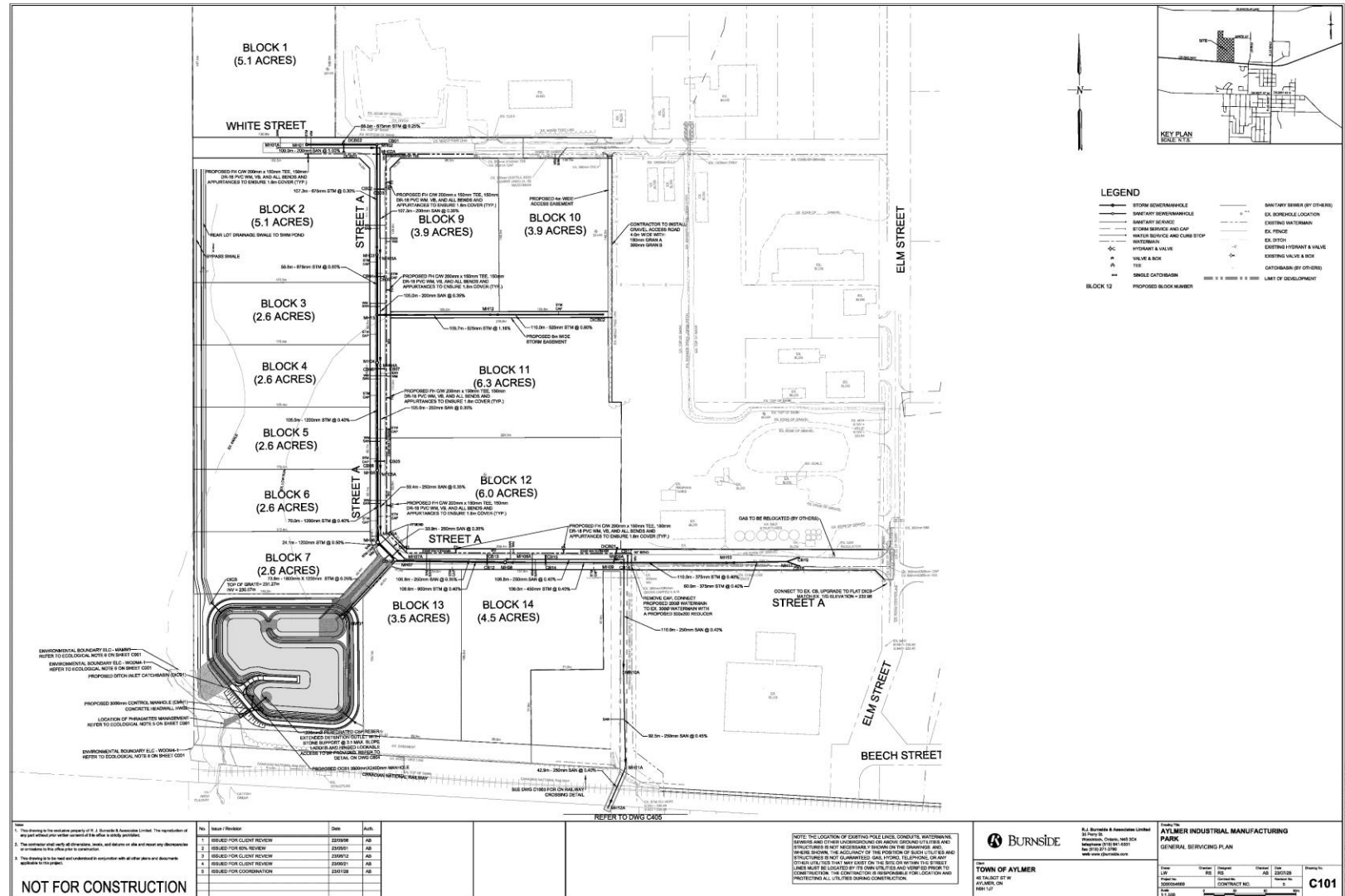
The average home to work commute for residents in Aylmer is **19 Minutes** with the majority of workers commuting to work by **vehicle**.

Growth in Aylmer

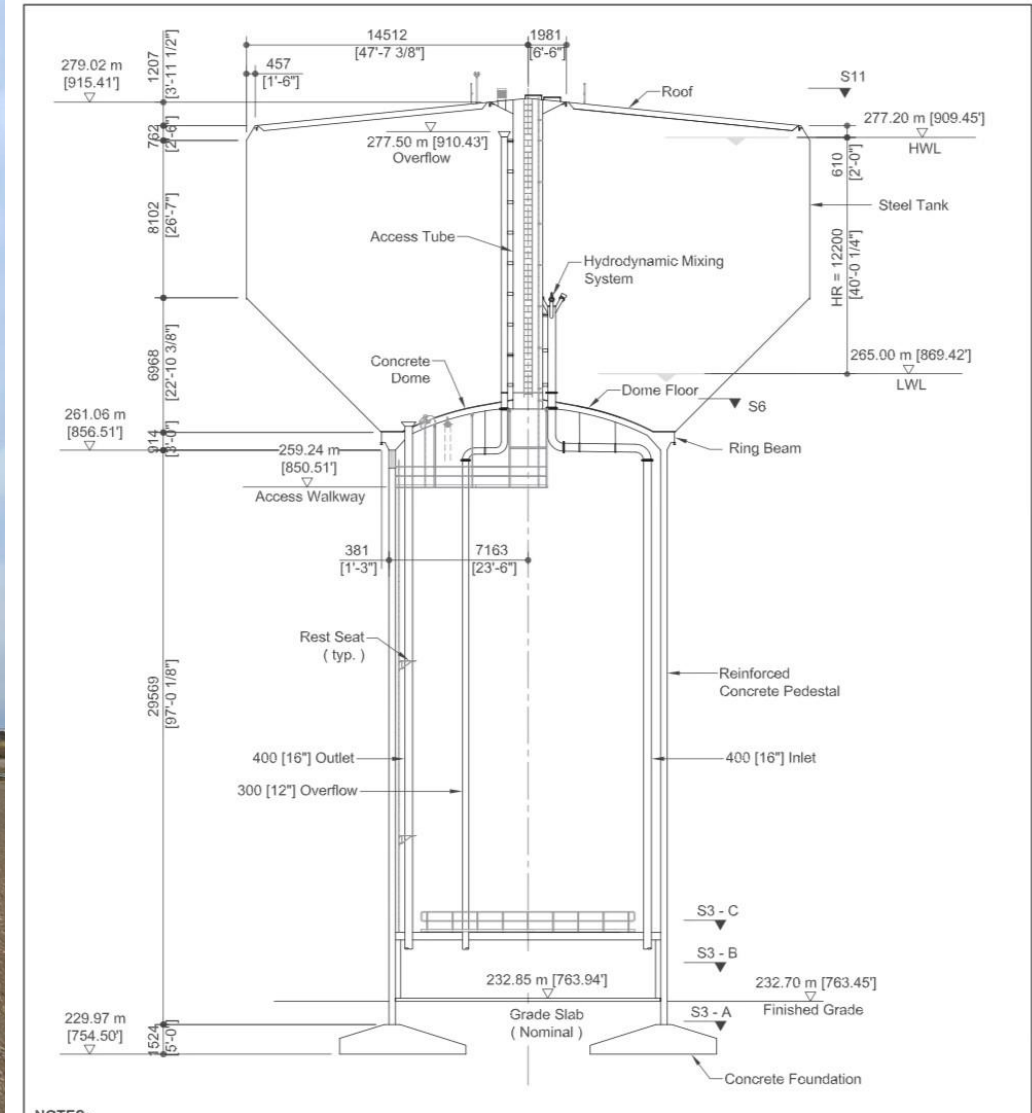
Willowrun Subdivision – Phase One

October 2023





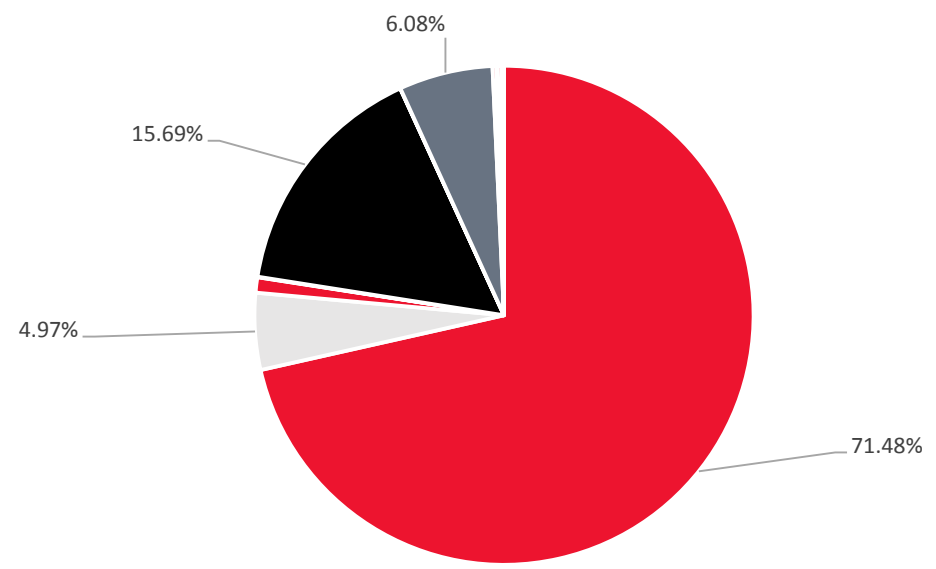
Aylmer Water Tower



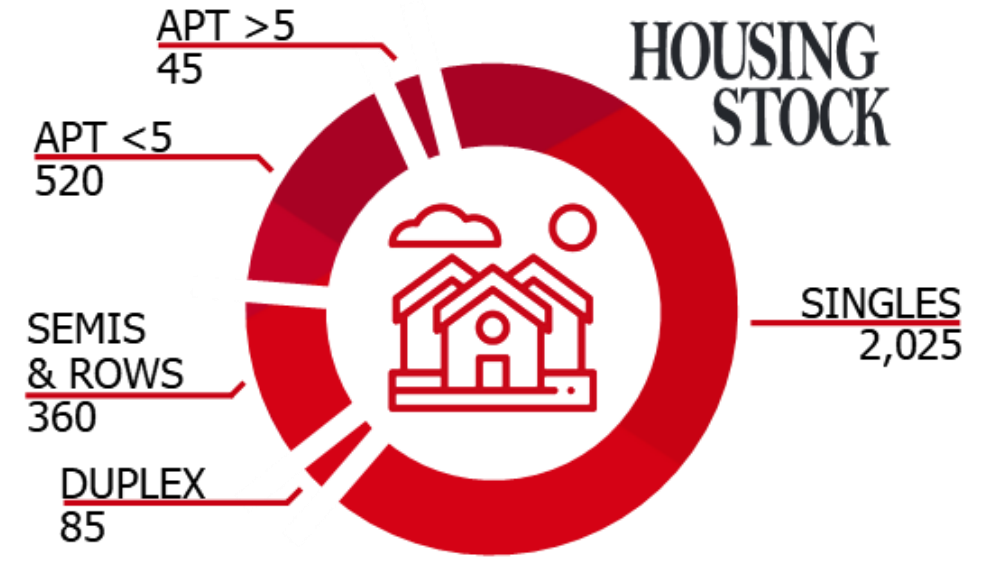
Assessment & Population



Assessment base

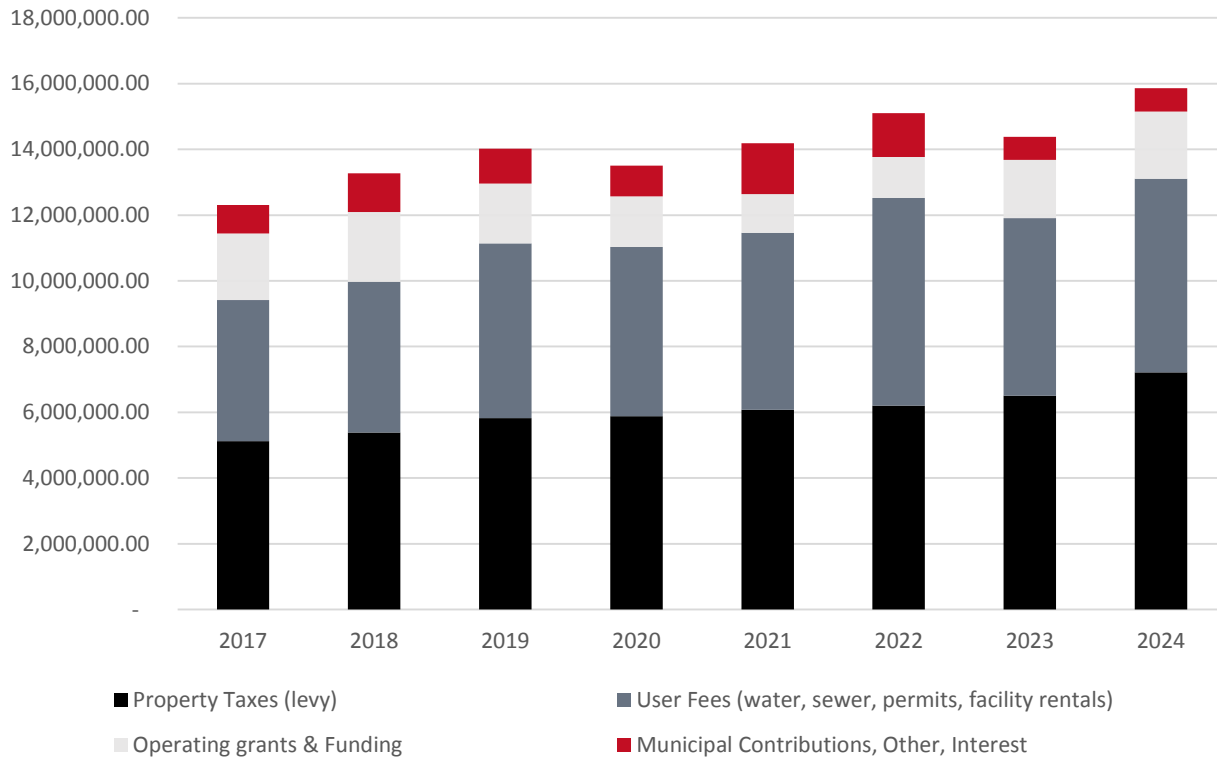


- res/farm (RT)
- farmlands (FT)
- industrial (IT)
- commercial excess/vacant unit (CU)
- industrial excess/vacant unit (IU)
- multi-res (MT)
- commercial (CT)
- pipeline (PT)
- commercial vacant land (CX)
- industrial vacant land (IX)
- new multi-residential (NT)
- parking lot (GT)
- res/farm farmland class I (R1)
- shopping centre (ST)

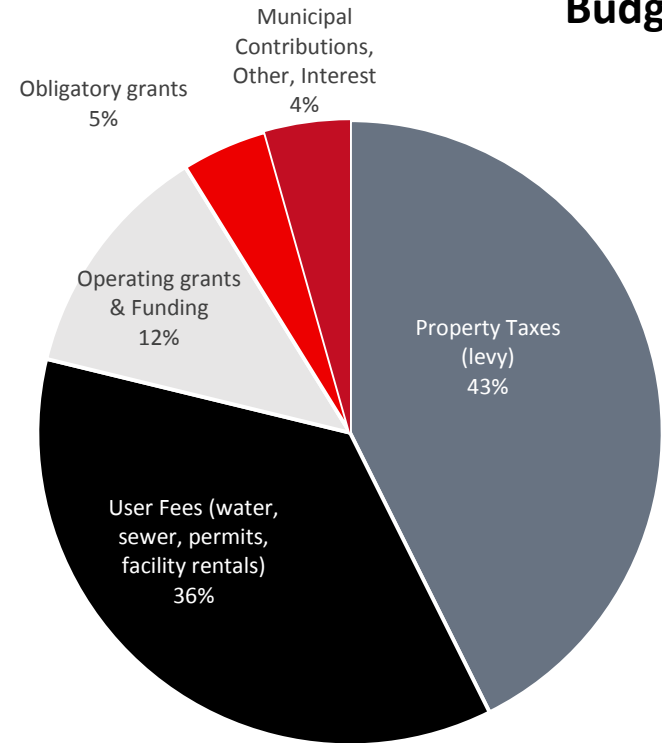


Funding Sources

Sources of Revenue



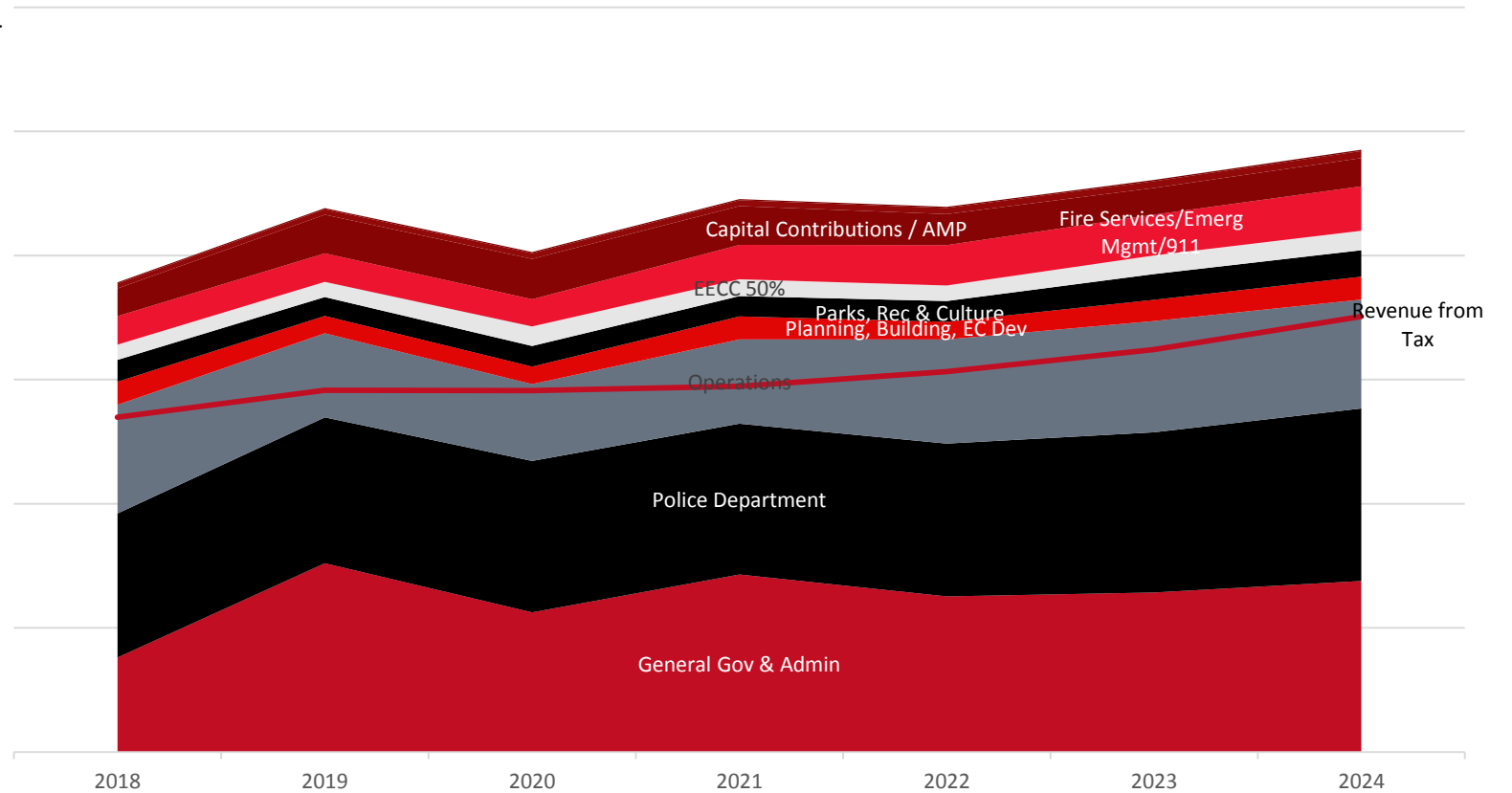
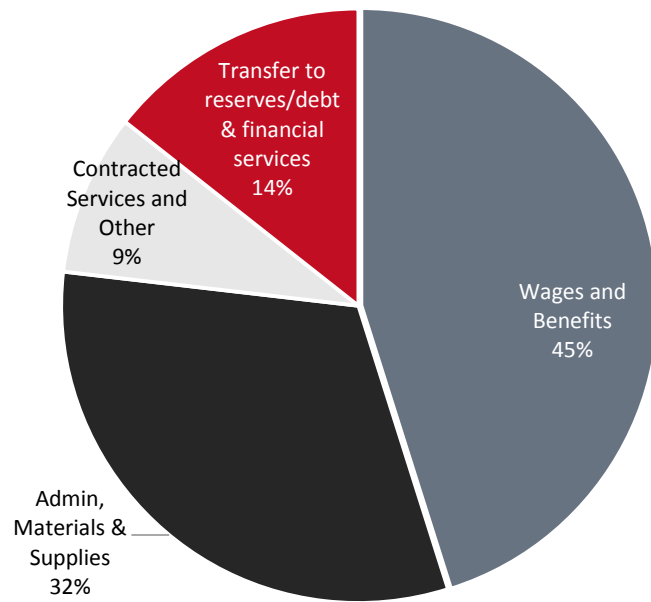
Budget 2024



Operating Costs

Departmental Operating Costs

Budget 2024





[Link to EC Dev Video](#)

<https://youtu.be/yfEzyW5XZ-o>

<https://aylmer.ca/>

<https://www.facebook.com/TownofAylmer/>

<https://www.instagram.com/townofaylmer/>

To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investment Services, MFOA
Date: November 29, 2023
Re: Town of Aylmer - ONE JIB Agreement
Report: ONE JIB 2023-054

1. RECOMMENDATIONS

It is recommended that the Board:

1. Accept the Town of Aylmer as a Participating Municipality with ONE JIB
2. Authorize the Chair and Board Secretary to execute a ONE JIB Agreement on behalf of ONE JIB with the Town of Aylmer and ONE Investment

2. SUMMARY

The Town of Aylmer'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's 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 Investor 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 were 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 (**Attachment 1**) 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 a Prudent Investor Enabling 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 Aylmer has completed all the steps necessary to join ONE JIB as a

Participating Municipality

The Town of Aylmer's Council passed a single Authorizing and Enabling Bylaw 46-23 on July 12, 2023. Through this by-law the municipality has adopted its Investment Policy Statement that permits investing under the prudent investor regime and its Municipal Client Questionnaire, and approved entering into a Joint Investment Board Agreement with ONE JIB.

The Investment Policy Statement was developed using ONE JIB's Investment Policy Statement template. Further detail on the Town of Aylmer's Investment Policy Statement is provided in Report 2023-55.

If ONE JIB confirms its acceptance of the Town of Aylmer 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 Aylmer, will be the agreed upon effective date for the ONE JIB Agreement. The Investment Plan can be implemented on or after that date.

The Town of Aylmer is expected to invest \$1.58 million

The Town of Aylmer has submitted a Municipal Client Questionnaire. The Town indicates that it will initially invest \$1.58 million of MNRI. Further details on the Municipal Client Questionnaire, the Investment Policy Statement and the Investment Plan will be provided in Reports 2023-55 and 2023-65.

There are no restrictions or clauses in the Town of Aylmer'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.

The Town of Aylmer has a clause in the IPS that prohibits direct investments in commodities or commodity futures (other than broad market indices), investments in, or mortgages on, raw or undeveloped real property, and foreign direct investment in countries subject to Canadian or UN economic sanctions. It should be also noted that the City of Thunder Bay, City of Quinte West and the City of Kenora's Investment Policy Statements contain the same prohibited investments restriction. In the opinion of the Chief Investment Officer, the Investment Policy Statement of the applicant municipality includes no additional restrictions or clauses that conflict with the mandates of the Prudent Investment Program Offerings or that 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, provides 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 agrees to accept the Town of Aylmer as a Participating Municipality and authorize ONE Investment to work with the Chair and Secretary of ONE JIB and the Town to execute the ONE JIB Agreement and complete any other necessary documentation.

ATTACHMENTS

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 September 8, 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.
4. Schedule “D” – Fees and Expenses – Schedule “D” of the ONE JIB Agreement sets out the approach to fees and expenses for the ONE Investment Pooled Funds and includes a representative example of the fund fees.
 - (a) Effective January 1, 2021 the fee for the ONE Canadian Equity Fund was reduced from 55.0 bps to 45.0 bps.

Table of Contents

	Page
Section 1 - INTERPRETATION	2
1.01 Definitions.....	2
1.02 Governing Law.....	4
1.03 Headings and Table of Contents.	5
1.04 Number and Gender.	5
1.05 Severability.....	5
Section 2 - ONE JOINT INVESTMENT BOARD	5
2.01 Appointment.....	5
2.02 Exclusive Appointment.	5
2.03 Delegation.....	5
2.04 Acceptance.....	5
2.05 Acceptance by Participating Municipalities.....	6
Section 3 - DUTIES OF ONE JIB	6
3.01 Duties.....	6
3.02 Engagement of Agents.....	6
3.03 Role of ONE Investment.....	7
3.04 Monitoring Performance.	7
3.05 Further Authorizations.....	7
Section 4 - REPRESENTATIONS AND WARRANTIES.....	7
4.01 Representations and Warranties of Applicant Municipality.	7
4.02 Representations and Warranties of Participating Municipalities.	8
4.03 Representations and Warranties of Founding Municipalities.....	8
4.04 Representations and Warranties of ONE JIB.....	9
4.05 Representations and Warranties of ONE Investment.....	9
Section 5 - INVESTMENT POLICY AND INVESTMENT PLAN	9
5.01 Investment Policy.....	9
5.02 Investment Plan.	10
5.03 Amendments.....	10
5.04 Additions and Withdrawals of Money and Investments.....	12
Section 6 - AGENTS.....	13
6.01 Authority.....	13
6.02 Administrator.	13
6.03 Custodian.....	13

Table of Contents
(continued)

	Page
6.04 External Portfolio Managers.	13
6.05 No rights to assets.....	14
Section 7 - COMPOSITION AND GOVERNANCE OF ONE JIB.....	14
7.01 Appointment and Term of Members.	14
7.02 Prohibition re Membership.....	14
7.03 Municipal Treasurers.....	14
7.04 Procedural and Other Matters Relating to ONE JIB.	15
7.05 Paramourncy.	15
Section 8 - REPORTING.....	15
8.01 Annual Investment Report.....	15
8.02 Compliance Reporting.....	15
Section 9 - FEES AND EXPENSES.....	15
9.01 Fees and expenses.	15
9.02 Fees Payable to Agents.	15
Section 10 - STANDARD OF CARE AND LIMITATION OF LIABILITY	16
10.01 Standard of Care.	16
10.02 Limitation on liability.....	16
10.03 Indemnification.....	16
10.04 Performance of Trusts.....	16
10.05 Where IPS Imprudent.	17
Section 11 - COMPLAINTS HANDLING.....	17
11.01 Initial Complaints.	17
11.02 Escalation.....	17
Section 12 - AMENDMENTS TO THE AGREEMENT.....	18
12.01 Amendments not Requiring Approval of Participating Municipalities.	18
12.02 Amendments Requiring Approval of Participating Municipalities.....	19
12.03 Restatements.....	20
Section 13 - WITHDRAWAL	20
13.01 Withdrawal from ONE JIB by Regulation.	20
13.02 Withdrawal from ONE JIB by a Participating Municipality that is not a Founding Municipality.....	20
13.03 Withdrawal from ONE JIB by a Founding Municipality.	20
13.04 Procedures re Withdrawal.	21

Table of Contents
(continued)

	Page
Section 14 - DIRECTIONS, INSTRUCTIONS AND NOTICES	21
14.01 Certificate re Authorized Persons.	21
14.02 Reliance on Authorized Persons.	22
14.03 Reliance on Experts and Others.	22
Section 15 - TERM AND TERMINATION	23
15.01 Termination of Agreement.....	23
15.02 Participating Municipalities may not Dissolve ONE JIB.....	23
Section 16 - GENERAL	23
16.01 Notice.....	23
16.02 Application of the <i>Municipal Affairs Act</i>	24
16.03 Further action.	24
16.04 Benefit.....	24
16.05 Counterparts	24
16.06 Electronic Signatures.....	24
SCHEDULE A PARTICIPATING MUNICIPALITIES (INCLUDING ADDRESS FOR NOTICES)	27
SCHEDULE B – 1 FORM OF APPLICANT/PARTICIPATING MUNICIPALITY PRUDENT INVESTOR ENABLING BY-LAW FOR APPLICANT MUNICIPALITIES.....	28
SCHEDULE B – 2 FORM OF APPLICANT/PARTICIPATING MUNICIPALITY PRUDENT INVESTOR AUTHORIZING BY-LAW-PARTICIPANT MUNICIPALITY (CONSOLIDATED)	32
SCHEDULE B – 3 FORM OF APPLICANT/PARTICIPATING MUNICIPALITY PRUDENT INVESTOR ENABLING BY-LAW FOR APPLICANT MUNICIPALITIES.....	36
SCHEDULE B – 4 FORM OF FOUNDING MUNICIPALITY AUTHORIZING BY-LAW	39
SCHEDULE B – 5 FORM OF FOUNDING MUNICIPALITY PRUDENT INVESTOR ENABLING BY-LAW	44
SCHEDULE C TERMS OF REFERENCE FOR ONE JIB	47
1. ESTABLISHMENT & PURPOSE	48
2. DEFINITIONS AND INTERPRETATION	48
3. DUTIES AND RESPONSIBILITIES	48
3.1 Compliance with Municipal Legislation	48
3.2 Member Responsibility to Comply with Act and Regulation	49
3.3 Enumerated Duties	49
3.4 ONE JIB Reports to the Participating Municipalities	50
3.5 ONE JIB Reports to the Municipal Treasurer.....	50
3.6 ONE JIB Reports to Securities Regulatory Authorities	51
3.7 Secretary to ONE JIB	51

Table of Contents
(continued)

	Page
3.8 Legal and Other Advisors	51
4. CONSTITUTION.....	51
4.1 Number and Quorum.....	51
4.2 Qualification.....	52
4.3 Appointment of Members and Nominating Committee.....	52
4.4 Consent	52
4.5 Adherence to Code of Conduct.....	53
4.6 Vacancies of Office	53
4.7 Resignations	54
4.8 Removal of Member	54
4.9 Term	54
4.10 Orientation and Continuing Education	54
4.11 Chair and Vice-Chair.....	55
4.12 Committees.....	55
4.13 Self Assessments.....	55
5. MEETINGS OF ONE JIB.....	56
5.1 Calling and Place of Meetings.....	56
5.2 Notice of Meeting	57
5.3 Persons Entitled to Participate.....	57
5.4 Conduct of Meetings.....	57
5.5 Minutes of the Meetings and other Records.....	57
6. CONFLICTS OF INTEREST	58
6.1 Application of the <i>Municipal Conflict of Interest Act</i>	58
6.2 Duty to Disclose	58
7. STANDARD OF CARE AND INDEMNITY	58
7.1 Standard of Care	58
7.2 Indemnification.....	58
7.3 Liability.....	59
7.4 Insurance.....	59
8. FEES AND EXPENSES.....	59
8.1 Compensation.....	59
8.2 Reimbursement of Expenses.	60
9. CONFIDENTIALITY.....	60

Table of Contents
(continued)

	Page
9.1 Maintaining Confidentiality	60
9.2 Public Statements and Dealing with Media	61
10. AMENDMENTS	61
10.1 General.....	61
10.2 Amendments.....	61
10.3 Electronic Delivery	61
10.4 Computation of Time	62
10.5 Omission and Errors.....	62
EXHIBIT A ONE JOINT INVESTMENT BOARD CODE OF CONDUCT	63
APPENDIX A ONE JOINT INVESTMENT BOARD CODE OF CONDUCT COMPLAINT PROTOCOL.....	75
EXHIBIT B CLOSED MEETINGS PERMITTED OR REQUIRED	89
EXHIBIT C ONE JIB MAY REFUSE DISCLOSURE OF A RECORD	91
EXHIBIT D COMPENSATION FOR ONE JIB MEMBERS	92
EXHIBIT E PROCESS TO APPOINT INTEGRITY COMMISSIONER AND CLOSED MEETING INVESTIGATOR	93
SCHEDULE D FEES AND EXPENSES	94

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 Aurora

100 John West Way
Aurora, ON L4G 6J1
ATTN: Director,
Finance – Treasurer
Phone: (905) 727-1375

Town of Bracebridge

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

Town of Huntsville

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

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

Municipality of Neebing

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

City of Kenora

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

The District Municipality of Muskoka

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

The Corporation of the City of Quinte West

7 Creswell Drive
Trenton, ON K8V 5R6
ATTN: Director of Finance/Treasurer

City of Thunder Bay

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

Town of Whitby

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

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-PARTICIPANT 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 XXXXX 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.

To: ONE Joint Investment Board
From: Donna Herridge, Co-President/Co-CEO, ONE Investment
Date: November 29, 2023
Re: ONE Investment Audit Committee Update - November 29 2023
Report: ONE JIB 2023-O64

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

This report provides a summary of the ONE Investment Audit Committee meeting of September 13, 2023, which included updates on the following topics:

- Approval of ONE Investment's Unaudited Interim Statements of the Pooled Funds
- Overview of ONE Investment's Policies
- Approval of the self-evaluation questions to be completed by Audit Committee members
- Overview of the Compliance Manual and progress on implementing the Compliance task list
- CIBC Mellon's Quarterly Key Performance Indicators, as presented by Chief Compliance Officer Foo, which will be a standing item on the Audit Committee agenda in the future.
- Cyber security assessment update, which will be delayed until early in 2024 to allow AMO time to incorporate changes following its upcoming office move
- Enterprise risk assessment update on risk scores, trends, and status of the Risk Mitigation Plan
- Notification of a request from ONE JIB to compensate JIB members who are municipal Treasurers. which will be reviewed by the ONE Investment Board

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 operates under a Terms of Reference, attached in Appendix A and reports directly to the ONE Investment Board.

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

- James (Jim) Giles (Chair) and Heidi Franken from ONE JIB

- Sandra Zwiers (Vice Chair) from the ONE Investment Board
- 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

ONE's Unaudited Interim Financial Statement for the ONE Investment Pooled Funds was approved by the Audit Committee and Participating Municipalities (PM) were notified of its availability

The Audit Committee reviewed and approved the ONE Investment's Unaudited Interim Statement for the Pooled Funds (Statement). Participating Municipalities have received the Statements through email and were notified that it is available on the ONE Investment [website](#).

ONE's policies were reviewed, with revisions to be provided at the next Audit Committee

Periodic reviews of policies are a best practice. ONE's policies are reviewed on an as-needed, annual, three or five-year basis. The following policies will be reviewed at the November meetings:

- Reserve Fund Policy
- Distribution Policy
- Procurement Policy
- Anti-Money Laundering Policy
- Investment Policy
- ONE JIB Code of Conduct
- Pricing Error Policy (LL & PI)
- ONE JIB Remuneration

Staff will ensure the Records Retention Policy for the Prudent Investment Offering is approved as contemplated by the *Municipal Act*.

ONE staff work for either AMO or MFOA. Human Resources Policies such as social media, code of conduct of the affiliated Associations will continue to govern ONE staff.

Audit Committee reviewed self-evaluation questions, which will be distributed and reported on at a future meeting

Not-for-profit best practice contemplates an annual evaluation of the Committee. 2021 was the inaugural self-evaluation completed by the Audit Committee which was an online survey available during the month of October.

The Compliance Manual and Task List are monitored on an ongoing basis with some additional tasks required – one of which was completed after the meeting

The Co-Presidents/CEO have been working with Ara Compliance to complete the Compliance Manual and Compliance Task List, which were approved by the Audit Committee at its April 2023 meeting.

- The Compliance Task List includes monthly, annual and ad hoc functions. To date, the compliance functions are on track, except for the following two tasks, which are slightly behind schedule: Ara Compliance Support summary of findings from an annual review of ONE Investment's compliance task list which will occur in late 2023/early 2024 after being in place for approximately one year;
- Delivery of a Compliance Letter from ONE's Legal Counsel to the Participating Municipalities anticipated in Fall 2023; and,
- Annual Compliance and Anti-Money Laundering training activities for staff and Audit Committee/Board members was conducted October 6th and is now complete. Two Audit Committee members participated in the live session which was recorded for those who are interested but unavailable on the date.

Chief Compliance Officer Foo presented Key Performance Indicators related to CIBC Mellon

Staff meet with CIBC Mellon monthly and will be provide the quarterly CIBC Mellon key performance indicator reports to the Audit Committee to help monitor the performance of not only CIBC Mellon (the custodian/recordkeeper), but also the operational aspect of fund managers' trades. This presentation helped Audit Committee members better understand the compliance function as well as errors experienced, and necessary corrective action taken. ONE Investment was compensated for interest costs incurred due to portfolio manager actions.

The next cyber security assessment will be completed in early 2024 to allow AMO time to implement additional controls following its office move in December 2023

ONE Investment conducted its first cybersecurity assessment in early 2022 with initial plans to conduct another one in late 2023. Given AMO's office move in December 2023, it was decided to delay the next assessment until early 2024. ONE will be contracting with Calian to complete the three-stage review:

- Penetration testing
- Maturity threat assessment
- Strategy and roadmap creation.

Risk scores related to retention of business and reliance on a few large investors have been reduced due to increased uncertainty related to changes in provincial legislation

The report provided updates on the various risks, trends and progress on the initiatives to implement the Risk Mitigation Plan. Sector uncertainties introduced with *Bill 23 More Homes Built Faster Act, 2022*, dissolution of the Region of Peel and Regional reviews have limited municipal staff availability. Risk scores related to retention of business and reliance on large

municipalities have been reduced as municipal staff time is redirected to address provincial legislative changes.

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 Audit Committee, two of the five members do not sit on either the ONE JIB or ONE Investment Board. This report briefly outlined the key reports from each of the last ONE JIB and ONE Investment Board meetings on June 1 and 2, respectively. It was well received by the members.

We will report on the next Audit Committee meeting, which is scheduled for November 20, 2023, at the ONE JIB's meeting of February 29, 2024.

5. CONCLUSION

The Audit Committee provides oversight for ONE Investment which includes the approval of Financial Statements and regular review of compliance and enterprise risks.

ATTACHMENTS

Attachment 1: Audit Committee Terms of Reference

Drafted by: Donna Herridge, Co-President/CEO

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

Attachment 1

Terms of Reference ONE Investment Board's Audit Committee

Scope

The Audit Committee (Committee) assists the ONE Board in fulfilling its oversight responsibilities of:

- ONE Investment, as a not-for-profit, financial reporting; and
- ONE Legal List Investment Program and ONE Prudent Investment Program, offered in compliance with the Municipal Act, 2001 Section 418 and 418.1 respectively and ONE Savings Accounts.

Purpose

The Committee assists the ONE Investment Board (ONE) in its oversight responsibilities as follows:

- review and recommend approval of Financial Statements and applicable Ontario Securities Commission reporting requirements under ONE Prudent Investor Program;
- Bring financial information such as external audit management letter, to the attention of the Board.
- overseeing the integrity of the financial management and reporting systems; including the effectiveness of the ONE Investment's internal controls;
- ensuring the independence of the external auditors;
- overseeing the work of Chief Compliance Officer under ONE Prudent Investor Program;
- overseeing the portfolio management system;
- monitoring financial-related risk management policies and systems and,
- such other initiatives as may be necessary or desirable as ONE may refer to the Committee.

Composition and Operations

The Committee consists of at least three Members, including representatives from the ONE Investment and Joint Investment Boards. Each Member is financially literate, and independent of any external auditors. Skill sets considerations include:

- accounting and financial reporting;
- investment compliance;
- Ontario security reporting requirement;
- other relevant financial management expertise.

The Members of the Committee select the Chair of the Committee.



ONE's Co-Presidents/Co-CEO's, Secretary-Treasurer and Chief Compliance Officer are non-voting ex-officio members of the Committee and will make available meeting support.

Meetings

The Committee meets at least two times a year, and otherwise as necessary. The Committee operates under these Terms of Reference.

Duties and Responsibilities

The Committee has the following specific responsibilities.

Financial Management and Reporting

Ensure that effective lines of communication exist among external auditors, ONE Investment's management, and ONE.

Review and discuss with the external auditors:

- the scope and plan of audits;
- the audit fee;
- legal, accounting, and regulatory matters that may have a material impact on the financial statements; and,
- any significant findings and recommendations together with management's responses.

Review and discuss with ONE Investment management:

- any problems with financial policies, financial reporting, or matters in contention with or under consideration;
- the appropriateness of key accounting estimates, the accounting principles being employed, and any change in accounting policy or practice;
- any proposed changes in financial statement presentation or notes;
- other matters that, in the opinion of the auditor, ought to be brought to the attention of the Committee; and,
- confirm ONE Investment has completed all statutory reporting requirements.

Recommend to ONE, approve of annual financial statements.

Investment Compliance

Review with ONE Investment management and Chief Compliance Officer:

- Risks and controls over municipal investments; and,
- Identification, reporting and follow up actions of breach in compliance procedures.

Financial - Internal Controls

Meet with ONE Investment management at least once a year to:



- review the design and effectiveness of ONE Investment's internal controls, management information systems, and any recommendations for improvements; and
- discuss any matters that the committee, the external auditor or ONE Investment management consider appropriate.

Auditor Independence

Review:

- the independence of the external auditor from the ONE Investment management, and report any concerns to ONE;
- the appointment of the external auditor and recommend to ONE the compensation and terms of engagement.

Other Issues

Address such other issues that may, from time to time, come before the Committee or arise in its deliberations.

Terms of reference Review and Self-Evaluation

On an annual basis, review these Terms of Reference and evaluate the committee's performance against them. Report the results of the review and self-evaluation and make appropriate recommendations to ONE.

To: ONE Joint Investment Board
From: Judy Dezell, Co-President/Co-CEO, ONE Investment
Date: November 29, 2023
Re: Board Skills Matrix Review Fall 2023
Report: ONE JIB 2023-O56

1. RECOMMENDATIONS

It is recommended that the Board:

1. Approve the ONE JIB Skills Matrix attached as Appendix A
2. Direct ONE staff to provide the Board with the next review of the skills matrix in Fall 2024.

2. SUMMARY

ONE JIB maintains a defined set of skills for Board recruitment that is made available to Participating Municipalities and the broader public.

ONE JIB requested, and good governance suggests, the skills matrix be reviewed at least annually.

The skills matrix was last reviewed by ONE JIB in Fall 2022.

3. BACKGROUND

ONE JIB is a skills-based board

ONE Investment worked with the Founding Municipalities to create the ONE JIB, as required by the *Municipal Act, 2001* and Part II of *Ontario Regulation 438/97*. ONE JIB is a skills-based board. In addition to the municipal treasurer perspective, the skills sought for the Board include investment industry experience in a range of products and markets, as well as risk management, compliance and accounting perspectives.

4. ANALYSIS

Good governance practices suggest reviewing the skills matrix at least annually

The skills matrix is an effective visual tool in recruiting for a broad range of skills. ONE

Investment created a skills matrix specific to its needs, attached as Appendix A, to recruit for ONE JIB. The skills matrix was reviewed by ONE JIB in November 2022 – no changes were made at the time. Currently, ONE Investment is not recommending any changes to the skills matrix.

5. CONCLUSION

ONE JIB is demonstrating good governance practices by annually reviewing the skills matrix.

Drafted by: Judy Dezell, Co-President/CEO

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

Appendix A ONE Joint Investment Board Skills Matrix

Collectively the members of the Joint Investment Board represent a range of skills, knowledge, and experience to execute their duties in an effective manner.

Each Director must possess the following attributes: <ul style="list-style-type: none"> • Independence, impartiality, and sound judgement • Integrity and the highest standards of professional conduct • Long-term, strategic outlook • Ability to operate effectively as part of a diverse team 			Each Director must be willing to: <ul style="list-style-type: none"> • Understand and exercise their fiduciary responsibility and apply the prudent person standard • Devote the time and effort necessary to be an effective Board member, including attending and contributing to Board meetings • Engage in ongoing learning e.g. take courses, attend conferences as required 						
	<i>Founding Municipality Members</i>		<i>External Members (up to 7 to be selected)</i>						
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>
ONE JIB Member									
Term Expiry (JIB)									
Senior Level Management Experience									
Senior Level Management Executive level experience in a major public or private organization such as: <ul style="list-style-type: none"> • Holds or held the position of Treasurer/Deputy Treasurer as per section 286 of the Municipal Act; OR, • Senior level experience in a major public or private corporation or the investment industry such as the management of institutional portfolios and/or mutual funds 	X	X	X	X	X	X	X	X	X
Communications	X	X	X	X	X	X	X	X	X

<ul style="list-style-type: none"> • Demonstrates good verbal and written communication skills • Exhibits ability to discuss and defend different thoughts and ideas 									
Strategy <ul style="list-style-type: none"> • Demonstrates strategic and innovative thought leadership • Ability to analyze issues and make decisions that support the prudent investment mandate 	X	X		X	X	X			X
Education and Professional Designations <ul style="list-style-type: none"> • Post graduate degree in the fields of finance; business; economics; risk management; accounting; public administration; law; policy; or related fields; or • Certification such as the CFA Charter holder, Canadian Investment Manager Certification, CPA, MBA etc. 	X	X	X	X	X	X	X	X	X
Financial Literacy and Risk Management									
Risk Management <ul style="list-style-type: none"> • Understands risk and financial administration within the framework of the prudent investor standard • Ability to identify potential risks through knowledge of risk management programs • Experience/knowledge of the risks inherent in the operations of an investment management program 			X	X	X	X	X		X
Financial Literacy <ul style="list-style-type: none"> • Ability to read, understand and analyze financial statements and reports • Experience with financial accounting standards, internal controls, reporting and valuations • Understanding of investment accounting and performance measurement standards 	X	X	X	X	X	X	X	X	X
Board Knowledge, Skills and Experience									
Board Governance/Knowledge	X	X	X	X	X	X	X	X	X

<p>Understands:</p> <ul style="list-style-type: none"> • structure and rules of a Board of Directors and the relationship with Management/ONE Investment Staff • guidelines involved in disclosing information, maintaining privacy and confidentiality • importance of the governance role and the difference between managing and monitoring/oversight • Willing to engage in discussions with differences of opinion, but able to “speak with one voice” on Board decisions 									
<p>Oversight Experience</p> <ul style="list-style-type: none"> • Knowledge, experience or demonstrated understanding of the responsibilities involved in overseeing investments and being part of a Board • Experience providing advice in a fiduciary capacity 			X	X	X	X			X
Government/Policy Experience									
<p>Governmental Policy Experience</p> <ul style="list-style-type: none"> • Knowledge, experience and demonstrated understanding of the workings of government and public policy • Experience in developing public policy with respect to economics and finance • Strong understanding of relevant regulatory regimes 						X	X		
<p>Municipal Finance Experience</p> <ul style="list-style-type: none"> • Understanding of key concepts, issues, and practices in municipal finance • Oversight of municipal investments 	X	X				X			
Public Funds and Institutions	X			X		X	X		X

<ul style="list-style-type: none"> • Understands the principles of public accountability and integrity • Comfortable with public transparency • Has experience working with/for public institutions/entities 									
Investment Knowledge, Skills and Experience									
Investments/Portfolio Management - Equities <ul style="list-style-type: none"> • Hands-on experience managing investment portfolios in equities • Knowledge and understanding of the workings of equity investment markets 					X				X
Investments/Portfolio Management – Fixed Income <ul style="list-style-type: none"> • Hands-on experience managing fixed income investment portfolios • Knowledge and understanding of the workings of fixed income markets 			X						X
Investments/Portfolio Management – Alternatives <ul style="list-style-type: none"> • Hands-on experience managing investment portfolios in alternative investments • Knowledge and understanding of the workings of public and/or private markets for alternative investments such as infrastructure, private debt, private equity, and real estate 									X
Investment Products <ul style="list-style-type: none"> • Understands the differences between various investment products and structures such as pooled funds, mutual funds, exchange traded funds, commingled accounts, including costs, suitability for institutional/municipal investors, tax implications • Expertise in launching/implementing various investment products 				X					X
Investments/Managing Investment Risk <ul style="list-style-type: none"> • Experience in managing risk inherent in investment strategies though techniques such as asset allocation, diversification, hedging etc. 			X	X	X	X			X

<ul style="list-style-type: none"> • Understands the key concepts related to building efficient portfolios • Understands asset/liability techniques 									
<p>Investments/Operations</p> <ul style="list-style-type: none"> • Understands the various operational and accounting issues related to investment operations, investment funds • Understands the role of various service providers to the ONE investment program (e.g. custodian, fund accountants, compliance officers, legal, investment managers, consultants) 				X					X



APPENDIX B

ONE Joint Investment Board Member Job Description

The ONE Joint Investment Board (ONE JIB) was established by the Founding Municipalities as a Joint Investment Board under section 202 of the *Municipal Act, 2001* and in accordance with Part II of Ontario Regulation 438/97 to invest money not required immediately on behalf of each Founding Municipality investing in the prudent investor regime. Further, the Founding Municipalities welcome Participating Municipalities to participate in ONE JIB.

Board Responsibilities

Each ONE JIB Member shall perform the functions mandated by, and otherwise comply with, the *Municipal Act, 2001*, Part II of Ontario Regulation 438/97, other applicable legislation including securities legislation and the ONE JIB's Terms of Reference, Code of Conduct and Procedural By-law.

Term

ONE JIB Members are appointed for a term of up to three years.

Requirements

- Commitment to the work of ONE Investment.
- Knowledge and skills in one or more areas of ONE Joint Investment Board Member Skills Matrix.

Responsibilities

The ONE JIB Member must:

- Attend regular board meetings and important related meetings.
- Commit to participate actively in the ONE JIB work as required.
- Stay informed about investment matters, prepare themselves well for meetings, and review and comment on minutes, reports and decisions.
- Get to know other ONE JIB members and build a collegial working relationship that contributes to consensus.
- Be an active participant in annual evaluation and planning efforts.
- Approve, where appropriate, policy and other recommendations received from ONE Investment's Management Committee.
- Monitor all ONE JIB policies.
- Assist in developing and maintaining positive relations among the ONE JIB members, ONE Investment staff and municipal investors to enhance ONE Investment's mission.



Time Required

The ONE JIB will meet between four and six times per year in Toronto. Meetings are generally a half day. Advance preparation time for each meeting will also be required.

Qualifications

ONE JIB Members must be individuals who meet the following criteria:

- be an individual of eighteen (18) or more years of age;
- be a resident of the Province of Ontario;
- cannot be an employee of a municipality, employee of municipal agencies or corporations, or a Member of Council except for the Treasurer required under the *Municipal Act, 2001*;
- not be declared incapable by a court in Canada or any other country; and,
- not having been declared bankrupt or had disciplinary action by a security regulator or self-regulating investment organization in the past twenty years.

Remuneration

ONE JIB Members will receive an annual \$5,000 retainer and \$750 per board meeting. In addition, all ONE JIB Members will also be compensated \$500 for attending business meetings of the ONE JIB. Municipal Treasurer Representatives will not be eligible for remuneration.

Created: July 6, 2018

Updated: February 19, 2020



REPORT

To: ONE Joint Investment Board
From: Judy Dezell, Co-President/Co-CEO, ONE Investment
Date: November 29, 2023
Re: 2024 Futures List
Report: ONE JIB 2023-057

1. RECOMMENDATIONS

It is recommended that the Board:

1. Approve the 2024 Futures List.

2. SUMMARY

- ONE Investment staff have been planning agendas for the 2024 ONE JIB meetings.
- The approved Strategic Plan will be integrated into all aspects of ONE JIB agendas throughout its lifecycle of 2023-2028.
- The ONE JIB Board Governance Self-Evaluation contained a question on members' priorities that has helped to shape ONE JIB's 2024 agendas.

3. BACKGROUND

ONE Investment is planning for 2024

ONE Investment, as the ONE JIB's service provider, has been actively monitoring progress on the 2023 Futures List and looking to what staff support will be required for 2024 activities. This planning enables ONE Investment to allocate the resources necessary to have robust reports for the ONE JIB on a timely basis. It will also ensure that ONE JIB meets both its regulatory obligations and the needs of Participating Municipalities. For full transparency, ONE Investment is providing a high-level futures list by quarter in 2024 for the ONE JIB to consider.

4. ANALYSIS

Good planning results in good governance practices

There are agenda items that recur in specific quarters every year. For example, the first quarter will include year-end compliance and reporting, the third quarter will include mid-year compliance and reporting, and the fourth quarter will include planning for the next year. ONE

JIB will need to regularly review the templates for core documents such as the Investment Policy Statement, the Municipal Client Questionnaire, and the Investment Plan. In addition, ONE JIB will need to review its product offerings and investment managers. The Board will also need to update Investment Plans for current Participating Municipalities and approve Investment Plans for new Participating Municipalities. All of this will need to occur in the context of a new Strategic Plan which will continue to influence ONE JIB agendas throughout 2024. Appendix A provides a high-level snapshot of current plans for 2024.

2024 will see growth in Participating Municipalities

With work well underway on the Large Municipality Offering, it is planned that ONE JIB will be onboarding at least one municipality under the offering in 2024. Meanwhile, work continues with other municipalities to also move to the prudent investor standard. Timing on this may be late 2024 into 2025.

The ONE JIB Self-Evaluation Survey informed work in 2024

ONE JIB undertook its self-evaluation survey in October 2023 which allowed for members' perspective to be included in the plans for 2024. One section of questions in the self-evaluation survey asked ONE JIB members for their views on potential priorities for 2024. The results of the survey can be found in ONE JIB Report #2023-O60.

5. CONCLUSION

ONE Investment is working to provide ONE JIB with high quality information at the appropriate time for effective decision making. Having a plan for future agendas will help ONE Investment and ONE JIB perform effectively and efficiently.

Drafted by: Judy Dezell, Co-President/CEO

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

Attachment 1

The implementation of ONE's Strategic Plan will be integrated across all agenda categories used by ONE JIB throughout 2024.

Agenda Category	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Board Governance & Administrative Matters	Exemption reporting to Ontario Securities Commission	Pooled Trusts Audited Financial Statements	Pooled Trusts Unaudited Financial Statements Board Governance Self-Evaluation Survey	Board Competencies and Skills Matrix Review Board Governance Self-Evaluation Results Annual Futures List
Strategy and Policy	Municipal Insights Quarterly Futures List Review ESG Working Group New Products Committee	Municipal Insights Quarterly Futures List Review Municipal Template Review New Products Committee	Municipal Insights Quarterly Futures List Review New Products Committee	Municipal Insights Quarterly Futures List Review New Products Committee Outcomes Framework Review Annual Review of Fund Managers' Performance
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	Municipal Reports: Q1 investment reports Investment Plan Implementation Update Investor Onboarding IPS and MCQ review and Investment Plan Approval Fund Manager Reports: Q1 Performance review Fund Manager Presentation Quarterly Compliance Reports	Municipal Reports: Q2 Investment reports Investment Plan Implementation Update Investor Onboarding IPS and MCQ review and Investment Plan Approval Fund Manager Reports: Q2 Performance review Fund Manager Presentation Quarterly Compliance Reports	Municipal Reports: Q3 Investment reports Investment Plan Implementation Update Investor Onboarding IPS and MCQ review and Investment Plan Approval Fund Manager Reports: Q3 Performance review Review Fund Allocations within Outcomes Fund Manager Presentation Quarterly Compliance Reports



REPORT

To: ONE Joint Investment Board
From: Judy Dezell, Co-President/Co-CEO, ONE Investment
Date: November 29, 2023
Re: Board Governance Self-Evaluation Report - Fall 2023
Report: ONE JIB 2023-O6O

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the Board Governance Self-Evaluation Report.
2. Direct ONE Investment staff to bring forward the 2024 Board Governance Self-Evaluation Survey in the fourth quarter.

2. SUMMARY

The Board Governance Self-Evaluation was completed by board members in October 2023. The response rate was 66%.

2023 in-person conferences and events provided ONE JIB members with many opportunities to meet and learn from municipal investors.

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 boards' continuous improvement efforts, identify substantive and process strengths and weaknesses, help orient new board members, and validate the board's future priorities. As contemplated in section 4.13 of ONE JIB's Terms of Reference, the ONE JIB directed ONE Investment staff to develop an online self-assessment. The first self-assessment survey was completed in Fall 2020, and a self-assessment survey has been completed every Fall since 2020.

The self-assessment is part of the continuous improvement process

The ONE JIB is a groundbreaking collective effort by the six Founding Municipalities. 2023 saw growth in the number of Participating Municipalities, development of a Large Municipality Offering and changes to the Government Bond Fund mandate through the work of the New Products Committee. Undertaking a self-assessment is a critical part of the continuous improvement process. The self-evaluation questions were designed to identify where

improvements could be made, celebrate successes, and plan the future work of ONE JIB.

4. ANALYSIS

How well has ONE JIB done its job?

The survey received a 66% response rate from ONE JIB members who indicated that ONE JIB is making good decisions within a strong governance framework. The use of a consent agenda was designed to help ONE JIB focus on key areas of business and deal with matters that support the key business through consent. The use of this agenda technique will be even more valuable as the number of Participating Municipalities increases. Table 1, identified areas of focus, were those identified by ONE JIB members in the 2023 survey.

Table 1 - Areas of Focus for 2024

Key ONE JIB Areas of Focus	ONE Investment Response
The Outcomes Framework is an effective means of translating municipal reserves and investment objectives into asset allocations.	Consistently identified by ONE JIB as an area of focus. ONE JIB has identified the need to continuously refine the framework. The ongoing work of the New Products Committee on the OCIO Offering will influence future revisions to the Outcomes Framework.
The core documents (Municipal Client Questionnaire, Investment Policy Statement template, Investment Plan template) are adequately designed to meet ONE JIB's needs.	Consistently identified by ONE JIB as an area of focus. ONE Investment is reviewing these documents after the recent onboarding of new Participating Municipalities. The results of the MCQ and Investment Plan review will come forward to ONE JIB in Fall 2023.

How well has ONE JIB functioned?

Members indicate the ongoing investment in municipal finance training is helpful and would like to see it continue. The introduction of the quarterly municipal insights report is designed to provide regular opportunities to consider municipal finance issues. Table 2 identifies the areas most frequently mentioned in the survey as areas of focus in 2024.

Table 2 - Functional Areas of Focus

Key ONE JIB Areas of Focus	ONE Investment Response
The reports to ONE JIB are well written.	Consistently identified by ONE JIB as an area of focus. ONE Investment has made progress on improving the reports to ONE JIB. The focus for 2023 will be synthesizing technical information into easily understood concepts with clear options for consideration by ONE

Key ONE JIB Areas of Focus	ONE Investment Response
	JIB.
ONE JIB receives written reports in advance of our meetings and with enough time to review them.	ONE Investment staff remain committed to providing ONE JIB agenda packages seven days in advance of meetings.

Does ONE JIB have effective relationships?

ONE JIB members agree members are respectful and listen closely.

Table 3 - Effective Relationships Areas of Focus

Key ONE JIB Areas of Focus	ONE Investment Response
The ONE JIB is sufficiently familiar with the needs of its municipal investors.	A new quarterly report to ONE JIB called Municipal Insights will keep ONE JIB up to date on recent and continuing developments within the municipal sector, including feedback from municipal investors.
ONE JIB members have good relationships with each other.	The pandemic forced virtual meetings for over two years. ONE JIB is now meeting in person for all regularly scheduled meetings. The virtual option will be available in the case of special meetings or as directed by the Chair under the Procedure By-law.

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

This part of the survey offered Board members 14 different topics for consideration as priorities. Table 4 reflects the top two highest-ranked priorities.

Table 4 - ONE JIB Priorities Next 1-2 Years

Key ONE JIB Areas of Focus	ONE Investment Response
Growing assets under management through the OCIO model	ONE Investment staff will continue to work with ONE JIB through its New Products Committee to launch the OCIO Offering with a target of the first dollar invested by July 1, 2024.
Develop a data strategy informed by systematic data collection and filling data gaps	Staffing challenges have delayed this work in the middle of 2023. As of late 2023, ONE Investment is fully staffed, and work has resumed on a single database - the first step in the data strategy. This work will continue into 2024.

Timing of the annual self-evaluation

The response rate for the annual survey was lower than in previous years. The survey was moved to October this year in hopes of improving response rate. Staff will release the 2024 survey immediately after ONE JIB's meeting in September 2024.

5. CONCLUSION

ONE JIB's Governance Self-Evaluation achieved a 66% response rate. The survey results were helpful by informing the 2024 Futures List, but a higher response rate would provide for more meaningful input from ONE JIB. Two key priorities for 2024 will be growing assets under management through the OCIO model and developing a data strategy. Both are directly supportive of ONE JIB's Strategic Plan.

Drafted by: Judy Dezell, 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: November 29, 2023
Re: ONE JIB Investment Plan and MCQ Template Survey Results
Report: ONE JIB 2023-O62

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

Survey results indicate that overall, ONE JIB supports changes to the Investment Plan and Municipal Client Questionnaire templates, although there are some differing opinions regarding the best location for some of the information

This report summarizes the responses provided by the ONE JIB members through the Investment Plan and Municipal Client Questionnaire Survey. The feedback provided by ONE JIB members through the survey, was very valuable to staff. ONE JIB members, although not always in complete agreement, were able to provide insight into the documents and make additional minor recommendations for changes to improve the templates. Staff have taken the survey information along with the other components of the review and have brought forward a recommended new Investment Plan template and Municipal Client Questionnaire template in **Report 2026-O63** for ONE JIB's consideration.

3. BACKGROUND

Feedback on the current templates was gathered from ONE JIB as part of the annual template review

At the September 6, 2023 ONE JIB meeting, report 2023-O46 said that a survey would be sent to the JIB members to gather feedback on the annual review process and the current Investment Plan and Municipal Client Questionnaire templates. This report summarizes the feedback received from seven responses received between October 6, 2023 and October 26, 2023.

4. ANALYSIS

Overall, the ONE JIB supports the 2023 review parameters for updating the Investment

Plan and Municipal Client Questionnaire templates

The four parameters for the 2023 review and ONE JIB's average level of agreement (*out of 10*) are:

- Assessing the templates for operational efficiency (*average score of 8.1*).
- Minimizing unnecessary redundancy between the templates, policies and process (*average score of 9.0*).
- Developing documents that are clear and easy to use for municipalities (*average score of 8.8*).
- Identifying and incorporating information essential to ONE JIB's decision-making process (*average score of 8.8*).

The majority of ONE JIB Members believe that the Investment Plan is the most appropriate location for Translation of Reserves to Outcomes and the Transition Plan. Opinions vary for the other information in the current Investment Plan Template.

The information categories in *Table 1* below are currently in the Investment Plan template. ONE JIB Members were asked to indicate their preferred location for the following information:

Table 1 - Most Appropriate Location for Information Categories (# of votes)

Information	Investment Plan	Investment Policy	MCO	ONE JIB Staff Report	Plan Appendix	Publicly Posted Policy	Ref Material on ONE Website
Translation of Reserves to Outcomes	5			1	1		
Document Definitions	3				2	1	1
CIO Commentary	3			3			1
Outcome Framework Descriptions	3				1	2	1
Analysis of Economic Environment	3			3			1
Transition Plan	5			1	1		

Other suggestions provided by ONE JIB members included:

- Referencing the applicable policies in the Investment Plan, but not include the details.
- Removing the transition details and putting them in the ONE Staff Report
- Removing the generic Outcomes Framework details and putting them in a public report.
- Putting in a description of the municipality's fiscal strategy, including the asset management and capital plan where appropriate.

ONE JIB Members are slightly in favour of removing “ring fenced” assets from the ONE Investment Plan

The survey asked if a Municipality has “ring fenced” MNRI Assets (i.e., hydro shares, sinking funds) in their IPS, to the extent that ONE Investment has no authority to manage those assets, should they remain in the ONE Investment Plan. Four of the seven respondents to the survey said they should not remain in the plan. One respondent suggested that the ONE JIB should know what other assets the Municipality has as part of the MCQ, however, to the extent that ONE JIB has no control over these assets, this information could go in the staff report rather than the investment plan.

The majority of ONE JIB Members support leaving the MCQ Objectives and Risk Tolerances (Section 3) unchanged

Both the participating municipalities and the majority of ONE JIB members recommended leaving the MCQ Objectives and Risk Tolerances table unchanged (*6 of 7 respondents*). The respondent who voted “no” suggested slight changes to the wording by pointing out that the first two options speak to risk, but the third (higher risk/return) speaks to returns; the respondent would like all three to focus on risk.

The majority of ONE JIB Members support leaving the MCQ Municipal Accounts for Investment Planning Purposes (Section 4.1) unchanged

Both the Participating Municipalities and the majority of ONE JIB members recommended leaving the Municipal Accounts for Investment Planning Purposes table unchanged (*6 of 7 respondents*). The respondent who voted “no” suggested that ONE JIB consider allowing municipalities to provide a document with the same information, rather than completing the table.

The majority of ONE JIB Members agreed with the Participating Municipalities that new questions should be added to the MCQ to help municipalities tell their story

Both the Participating Municipalities and the majority of ONE JIB members recommended that the following questions be added to the MCQ to help municipalities tell their story:

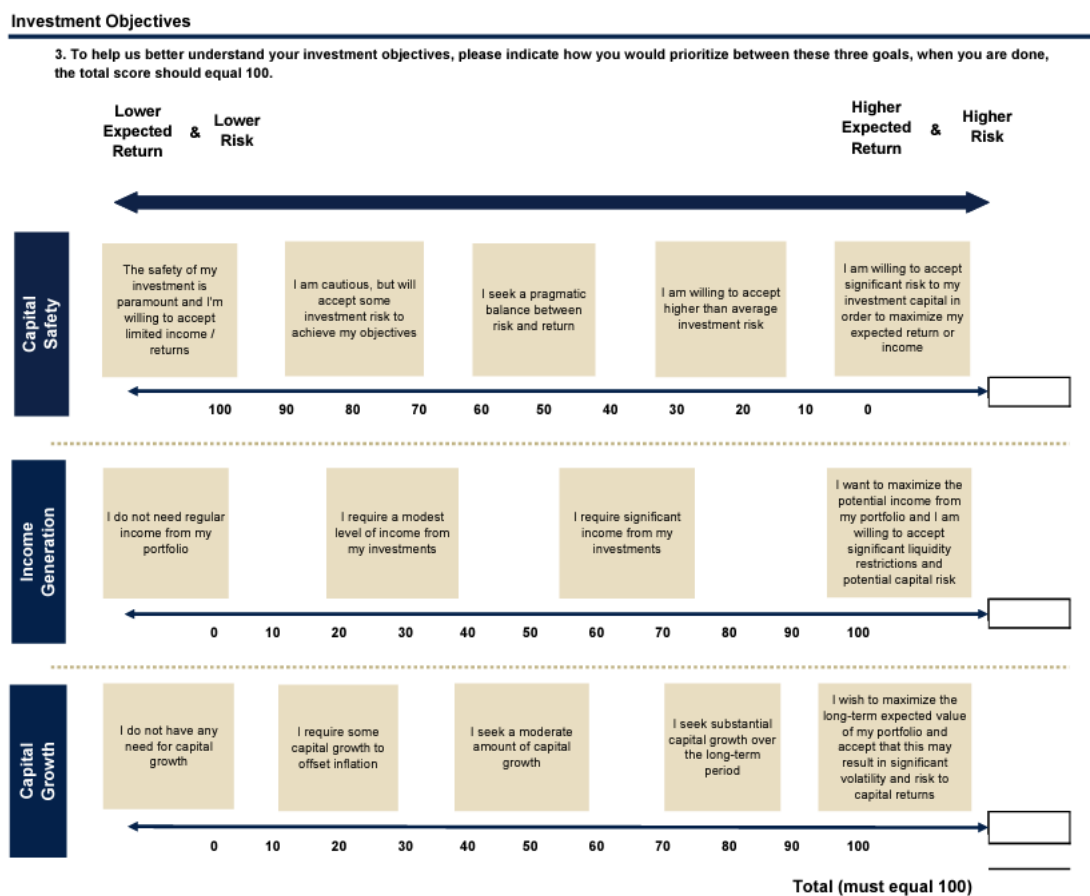
- What assumptions or factors does your municipality include in the reserve cash flow forecast (i.e., inflation, assumptions on future tax-based reserve contributions, forecasted development charge revenue etc.) *Six of seven respondents are in favour.*
- Have there been any major changes in circumstances since the last MCQ update that you feel would require a reallocation of funds? What has changed since the last MCQ? *Six of seven respondents are in favour.*
- How sensitive is your municipality to recognizing investment gains and losses? *Seven of seven respondents are in favour.*
- To what extent is the municipal asset management plan integrated into the capital budget process? *Seven of seven respondents are in favour.*

The respondent who voted “no” to adding the questions, provided additional clarification; although the respondent doesn’t object to the questions if the Participating Municipalities want them included, the respondent is worried it may cause confusion. For example: 1) What if ONE JIB doesn’t agree with their assumptions, or is using very different assumptions?; or 2) If the Participating Municipality notes there was a significant change in circumstances why didn’t they inform the ONE JIB on the change form when it occurred?

Another respondent made a suggestion to expand on the sensitivity to recognizing gains and losses question. Although the respondent agrees with adding the statement the respondent would like to add a graph with selections. The respondent references as an example page 4 of RBC’s client risk profile, on Investment Objectives that shows an “acceptable volatility” graphical representation along with volatility selections. For the JIB’s reference, the screen shot (Figure 1) below shows the information referenced, and the link has also been provided.

<https://ca.rbcwealthmanagement.com/delegate/services/file/871908/content>

Figure 1 – RBC Wealth Management Risk Questionnaire Investment Objectives



ONE JIB Members are slightly in favour of keeping the MCQ Table on Cash Flow Projections Affecting MNRI (Section 4.2)

When asked, Participating Municipalities were split in their opinion of Table 4.2 of the MCQ on Cash Flow Projections Affecting MNRI, although most favoured removing the table. ONE JIB members were asked which statement best reflects their thoughts, and *four of seven respondents voted in favour* of keeping the table.

- 1) No changes, the table is effective. *(four votes)*
- 2) The table could be removed because the cash flows in Section 4.1 (see picture on previous page), along with the new proposed MCQ questions would be sufficient to demonstrate the municipal financial picture. *(three votes)*
- 3) The table could be removed because municipal uncertainty in the longer term often results in a NULL 4.2 Table. *(no votes)*

ONE JIB Members also provided additional suggestions for changes to the MCQ

Additional suggestions made related to the MCQ template included:

- Adding a tick box to indicate no changes to contact information so municipalities do not have to fill out every time.
- Changing the language to more gender-neutral alternatives e.g., ‘they/them’, or ‘the member’, etc.

5. CONCLUSION

Changes outlined above will be compiled in the revised Investment Plan Template and Municipal Client Questionnaire Template

Staff will take the information provided by the ONE JIB members in the survey responses and, along with the information gathered from the Participating Municipalities and best practices research done by staff, will bring forward revised templates for the Investment Plan and Municipal Client Questionnaire in Staff Report **2023-O63**.

ATTACHMENTS

Not Applicable

Drafted by: Jennifer Hess, Manager of Investment Services

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: November 29, 2023
Re: ONE JIB Terms of Reference, Code of Conduct and Procedure By-law Review
Report: ONE JIB 2023-075

1. RECOMMENDATIONS

It is recommended that the Board:

1. Adopt the proposed changes to the ONE JIB Terms of Reference as outlined in Attachment 1.
2. Adopt the proposed changes to the ONE JIB Code of Conduct as outlined in Attachment 2.
3. Adopt the proposed changes to the ONE JIB Procedure By-law as outlined in Attachment 3.

2. SUMMARY

- At the June 1, 2023 meeting of ONE JIB, the Board directed staff to undertake a complete review of the Terms of Reference and Procedure By-law and report to the ONE JIB at its meeting of February 28, 2024.
- The reviews of the Terms of Reference and Procedure By-law are now complete, and this report identifies recommended changes to both.
- A review of ONE JIB's Code of Conduct was also undertaken, as the Code of Conduct is embedded as an exhibit in the Terms of Reference. This report will also outline minor recommended changes to it.

3. BACKGROUND

The ONE JIB has been using the existing Terms of Reference since its inception in May 2020

The ONE JIB Terms of Reference were developed prior to the launch of the ONE JIB and formed part of the ONE JIB Agreement with the original Founding Municipalities and subsequently the Participating Municipalities. They were approved by the Board on May 19, 2020.

The ONE JIB has been using the existing Procedure By-law with minor modifications since the Board's inception in May 2020

The Procedure By-law was originally enacted at the same time as the Terms of Reference were approved on May 19, 2020. The only amendment to the By-law since then has been to reflect changes in the *Municipal Act* regarding virtual attendance at ONE JIB meetings.

Regular review of policies and key documents is a good governance practice

As a good governance practice, it is important to review the Terms of Reference and Procedure By-law every four years (aligned with the municipal election cycle). As the Code of Conduct is embedded as an exhibit in the Terms of Reference, the review included looking at the Code of Conduct as well. The review was also undertaken with a view to ensure the ONE JIB is prepared for growth of assets under management with the launch of the OCIO Offering.

4. ANALYSIS

There are various changes proposed to the Terms of Reference

A review of the Terms of Reference has identified an opportunity to address some smaller issues and housekeeping items. It also allows for a change to better position the ONE JIB to attract large municipalities and grow assets under management.

Every year, as contemplated in the ONE JIB Terms of Reference, ONE JIB undertakes a governance self-evaluation. Consistently since 2020's first evaluation, ONE JIB members have identified the need to build a deeper knowledge of municipal finance. That trend continues in 2023. In addition, ONE Investment and ONE JIB are actively working, through the development of an OCIO Offering, to attract large municipal investors into the prudent investor program. Municipalities that are bringing potentially more than \$0.5 billion in long term investments want a seat at the table.

In anticipation of a large municipal investor wanting to be actively involved with ONE JIB, and to support the desire of the Board to strengthen its municipal finance knowledge, the Board should consider adding more individuals with the desired skills. However, the *Municipal Act* limits the number of municipal treasurers that sit on ONE JIB to 25% of the members. The number of ONE JIB members would need to increase to 12 members to accommodate a third municipal treasurer on the Board. ONE Investment staff are recommending that section 4.1 of the Terms of Reference be amended to provide for ONE JIB being comprised of between seven and twelve members.

Through consultation with the Board's Legal Counsel, it has been determined that Clause (2) of Section 12.02 (a) of the ONE JIB Agreement requires that any increase in the size of ONE JIB must be approved by by-laws of the Participating Municipalities representing at least 75% of the Participating Municipalities who at the time (of the increase) are parties to the agreement and who represent not less than 50% by market value, of the money and investments that are under the control and management of ONE JIB.

Following approval of the changes to the Terms of Reference, ONE JIB will be asking each of the Participating Municipalities to pass the necessary by-law to approve the increase in the number of members on the ONE JIB.

The proposed amendments to the Terms of Reference are more extensive than those to the Code of Conduct and the Procedure By-law. Attachment 1 is a marked-up version of the existing Terms of Reference that includes the change to section 4.1 as well as other more minor and/or housekeeping items that are proposed to be addressed. These additional items include:

Clarification of parts of the Terms of Reference:

- Section 1 - inclusion of reference to both the “Founding Municipalities” and “Participating Municipalities” to reflect the current situation
- Section 2 and 3.1 - now includes specific references to the *Municipal Act, 2001* as it is the principal governing municipal statute
- Section 4.6 (e) - provides that a member can be removed if the member misses three consecutive regular meetings. This recognizes that the Board generally meets quarterly. It is a practical application of the *Municipal Act* provision that provides for removal if a member of council misses meeting for three consecutive months in a context where municipal councils generally meet monthly
- Section 4.13 - removal of references to annual reviews of the Terms of Reference and JIB Member compensation, as the former can be accomplished as necessary, and the latter is within the purview of the ONE Investment Board
- Section 10.2 - specifies that ONE JIB may amend the Terms of Reference from time to time, in consultation with ONE Investment, so long as they are in compliance with the Agreement

Codification of Existing Practices

- Section 3.4 - provides that Annual Investment Reports will be provided to the Treasurer of the municipality (who then decides whether to take them to the municipal council with an explanation or report)
- Section 4.3 - clarifies the current practice of the establishment of a Nominating Committee in consultation with ONE Investment
- Section 4.9 - sets out the current practice that the members’ terms of office and reappointments are set by ONE JIB on the recommendation of the Nominating Committee
- Section 5.5 - confirmation that records of closed sessions of the ONE JIB are distinct from the public Minutes. For transparency, the Board’s practice is that all closed session items are the subject of a motion and vote when the Board resumes in public session

Housekeeping

- Section 4.11 - removal of reference to the initial term of Chair and Vice-Chair as ONE JIB has moved past its start-up period
- Section 4.12 - clarification of the role of the Board’s Committees with wording to complement the Procedure By-law
- Section 5.1 - recognition of the legislative and procedural change that has allowed

- members to attend and participate in meetings electronically
- Section 8.1 – allows for Municipal Treasurer Representatives to receive compensation if this is approved by ONE Investment Board.

The review of the Code of Conduct has identified minor housekeeping matters

The Code of Conduct, approved by the ONE JIB in May 2020, has worked well and requires very few changes. There were a few housekeeping matters that can be addressed with minor changes to the Code. All proposed changes are outlined in a marked-up version of the Code of Conduct in Attachment 2. The most notable changes are related to the removal of gender-based pronouns where possible, instead using nouns like “member” and “Commissioner.” There are also amendments increasing the gifts and benefits limits to \$500 for an individual item and \$750 from one source each year to better reflect the norms in GTA municipalities (sections 12.5 and 12.8).

The review of the Procedure By-law has identified minor housekeeping matters

A review of the Procedure By-law confirmed that it is still effective. There are a few housekeeping matters to be addressed with minor changes to the by-law. All proposed changes are outlined in Attachment 3, which is a marked-up version of the Procedure By-law. The most notable changes are as follows:

- removal of gender-based pronouns where possible, instead using collective nouns like “member” and “Chair”
- provides that the Chair shall set the Agenda for Board meetings, in consultation with the Secretary and ONE Investment staff (Section 5)
- provides that personal items that can be discussed in closed session include those relating to ONE Investment employees, rather than ONE JIB employees, since there are no employees of ONE JIB. (Section 12.2(b))
- clarifies the practice regarding the establishment, membership and role of the Board’s Committees, and provides for mechanisms involving the Board Chair for bringing these forward to the Board for approval (Section 37)

Establishing a cycle for regular review of key documents

It is a good governance practice to establish a regular review cycle for key documents such as the Terms of Reference, Code of Conduct and Procedure By-law. Since ONE JIB is a municipal board, it is recommended that the future review cycle be the first quarter after a municipal election or sooner if there are legislative changes that need to be taken into consideration. ONE Investment staff will schedule the next review to commence in Q1 of 2027.

5. CONCLUSION

ONE JIB is now three years old. It is timely to review all key foundational documents on a regular cycle including the Terms of Reference, Code of Conduct and Procedure By-law.

ATTACHMENTS

Attachment 1: Redline - Amended Terms of Reference - November 2023

Attachment 2: ONE JIB Code of Conduct with proposed amendments - November 2023

Attachment 3: 2020-1 Consolidated Procedure By-law November 2023 with amendments

Drafted by: Judy Dezell, Co-President/CEO ONE Investment, and Jason Hagan, LAS Program
Manager

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

Attachment 1

~~MASTER COPY~~

ONE JOINT INVESTMENT BOARD

TERMS OF REFERENCE

~~Effective~~ First adopted July 2, 2020
Amended and Restated [November ■], 2023

Master Copy Updated as of ~~June 1~~ [November ■], 2023

WF DRAFT: V5_11/22/2023

EXPLANATORY NOTES

Terms of Reference

Amendments Made

The Terms of Reference are attached to the ONE JIB Agreement as Schedule C and therefore constitute a part of that agreement. The Terms of Reference were originally approved by ONE JIB as part of the ONE JIB Agreement at its inaugural meeting on May 19, 2020. They have since been amended.

1. ~~1.~~ 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.
2. ~~2.~~ 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 Vice Chair they shall be elected for three-year terms by the members of ONE JIB.
3. ~~3.~~ 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~~ Members 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~~ Members 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.
4. Effective [November 1, 2023], the Terms of Reference were further amended to make certain clerical and other modifications and to restate as so amended.

TABLE OF CONTENTS

1.	ESTABLISHMENT & PURPOSE	1
2.	DEFINITIONS AND INTERPRETATION	1
3.	DUTIES AND RESPONSIBILITIES	12
3.1	Compliance with Municipal Legislation	12
3.2	Member Responsibility to Comply with Act and Regulation	2
3.3	Enumerated Duties	2
3.4	ONE JIB Reports to the Participating Municipalities	3
3.5	ONE JIB Reports to the Municipal Treasurer	34
3.6	ONE JIB Reports to Securities Regulatory Authorities	4
3.7	Secretary to ONE JIB	4
3.8	Legal and Other Advisors	4
4.	CONSTITUTION	4
4.1	Number and Quorum	4
4.2	Qualification	45
4.3	Appointment of Members and Nominating Committee	5
4.4	Consent	5
4.5	Adherence to Code of Conduct	6
4.6	Vacancies of Office	6
4.7	Resignations	7
4.8	Removal of Member	7
4.9	Term	7
4.10	Orientation and Continuing Education	7
4.11	Chair and Vice-Chair	7
4.12	Committees	8
4.13	Self Assessments	8
5.	MEETINGS OF ONE JIB	9
5.1	Calling and Place of Meetings	9
5.2	Notice of Meeting	9
5.3	Persons Entitled to Participate	109
5.4	Conduct of Meetings	10
5.5	Minutes of the Meetings and other Records	10

6.	CONFLICTS OF INTEREST	10
6.1	Application of the <i>Municipal Conflict of Interest Act</i>	10
6.2	Duty to Disclose	10
7.	STANDARD OF CARE AND INDEMNITY	11
7.1	Standard of Care	11
7.2	Indemnification	11
7.3	Liability	12 <u>11</u>
7.4	Insurance	12
8.	FEES AND EXPENSES	12
8.1	Compensation	12
8.2	Reimbursement of Expenses	13 <u>12</u>
9.	CONFIDENTIALITY	13
9.1	Maintaining Confidentiality	13
9.2	Public Statements and Dealing with Media	13
10.	AMENDMENTS	13
10.1	General	13
10.2	Amendments	14 <u>13</u>
10.3	Electronic Delivery	14
10.4	Computation of Time	14
10.5	Omission and Errors	14
EXHIBIT A	ONE JOINT INVESTMENT BOARD CODE OF CONDUCT <u>Error! Reference source not found.</u>	Ex. A - 1
APPENDIX A	ONE JOINT INVESTMENT BOARD CODE OF CONDUCT COMPLAINT PROTOCOL <u>Error! Reference source not found. Error! Reference source not found.</u>	App. A - 1
EXHIBIT B	CLOSED MEETINGS PERMITTED OR REQUIRED	Ex. B - 1
EXHIBIT C	ONE JIB MAY REFUSE DISCLOSURE OF A RECORD	Ex. C - 1
EXHIBIT D	COMPENSATION FOR ONE JIB MEMBERS	Ex. D - 1
EXHIBIT E	PROCESS TO APPOINT INTEGRITY COMMISSIONER AND CLOSED MEETING INVESTIGATOR	Ex. E - 1

ONE JOINT INVESTMENT BOARD

TERMS OF REFERENCE

Amended and Restated Effective ~~July 2~~ November 1, ~~2020~~ 2023

1. ESTABLISHMENT & PURPOSE

The ONE Joint Investment Board (“ONE JIB”) ~~has been~~ was established by the Founding Municipalities to invest, on behalf of each Founding Municipality, money that ~~each of~~ the Founding Municipalities ~~does~~ do not require immediately ~~on behalf of each Founding Municipality, and~~ to invest money that is not required immediately on behalf of other Ontario municipalities (such other Ontario municipalities, together with the Founding Municipalities, called the “Participating 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 (“Member”) 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~~ Except as otherwise defined in this Section 2, or 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 repeat the definition for “Act” and contain the following additional defined terms:

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

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

“Code of Conduct” means the code of conduct applicable to ~~members of ONE JIB~~ Members in accordance with ~~Municipal Legislation~~ the Act, 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~~ the Act.

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

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~~ONE JIB shall conduct its business and discharge its responsibilities in accordance with [the Act and any other applicable provisions found in](#) 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~~[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~~[Member](#) 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~~[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~~[Members](#) may vote to remove the ~~member~~[Member](#) and any such removal shall be final and binding and shall not be subject to any legal challenge by the removed ~~member~~[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~~[Member](#) being subject to regulatory sanction or discipline; (ii) damage or economic loss, including by way of opportunity cost, to a Participating Municipality; (ii) 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 Treasurer of](#) 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~~[twelve] 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~~Members shall constitute a quorum for the transaction of business at any meeting of ONE JIB.

4.2 Qualification

Each ~~member of ONE JIB~~Member 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~~Member 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~~Members. Subsequent ~~members of ONE JIB~~Members, 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~~Members and with the approval of ONE Investment.

ONE JIB ~~and~~in consultation with ONE Investment may form a nominating committee (the “**Nominating Committee**”), made up of no fewer than three and no more than nine ~~members~~persons to identify individuals to fill vacancies on ONE JIB. The Chair of the Nominating Committee shall be a ~~member of ONE JIB~~Member. The other ~~members of~~persons serving on the Nominating Committee need not be ~~members of ONE JIB~~Members and may be senior officers of ONE Investment and/or representatives of the Participating Municipalities. The Nominating Committee, in recommending a new ~~member~~Member or reappointing a ~~member~~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~~Member; and
- (c) the competencies and skills the prospective ~~member~~Member would bring to ONE JIB.

The then incumbent ~~members of ONE JIB~~Members and ONE Investment shall give consideration to individuals nominated by the Nominating Committee and a new ~~member~~Member shall be appointed with the affirmative vote of a simple majority of ~~members~~Members, and the approval of ONE Investment. ~~ONE JIB members~~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, Temporary~~ vacancies may be filled by the ~~Participating Municipalities in such manner~~ the Chair of ONE JIB as the ~~Participating Municipalities~~ Chair may consider to be appropriate in the circumstances, provided, ~~however,~~ that ~~any~~ the filling of such vacancy ~~filled by~~ receives the ~~Participating Municipalities (rather than by ONE JIB itself)~~ shall be ~~effective only upon at least~~ consent of 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 Members.

4.4 Consent

Upon first acting as a ~~member of ONE JIB~~ Member, every ~~member~~ Member appointed in accordance with Section 4.3 shall be deemed to have consented to (a) acting as a ~~member of ONE JIB~~ Member on the terms and conditions set out herein, and (b) the public disclosure of the existence of ONE JIB, the names of its ~~members~~ Members, the matters reviewed by ONE JIB, the recommendations of ONE JIB, the compensation and expenses of the ~~members of ONE JIB~~ Members, 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 Members, 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~~ Member shall comply at all times with the Code of Conduct for ~~members~~ Members of ONE JIB, ~~a copy of which is attached as Exhibit A as amended from time to~~ time.

4.6 Vacancies of Office

A ~~member of ONE JIB~~ Member shall cease to hold office:

- (a) if the ~~member~~ 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~~ 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~~ 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~~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~~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~~regular meetings, without being authorized to do so by a resolution of ONE JIB;
- (f) if ~~a member has his or her~~the Member's seat on ONE JIB ~~is~~ declared vacant in any judicial process; or
- (g) if ~~a member forfeits his or her~~the Member's membership ~~on ONE JIB~~is forfeited under the Act or any other ~~Act~~act of the Ontario legislature.

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

If a vacancy occurs ~~in the office of a member of~~on ONE JIB, ~~ONE JIB~~the Members shall fill ~~athe~~ vacancy ~~on ONE JIB~~ as soon as practicable and a person appointed to fill a vacancy shall continue as a ~~member~~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~~Members, a Member 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~~Member's contribution or effectiveness on ONE JIB or accepting a directorship with a financial institution or a company which results in the ~~member~~Member becoming subject to a conflict of interest as described in Section 6.2.

A ~~member of ONE JIB~~Member 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~~Members to less than a quorum.

4.8 Removal of Member

A ~~member~~Member or ~~members of ONE JIB~~Members may be removed from office by a majority vote of the other ~~members of ONE JIB~~Members, 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~~Member or ~~members~~Members specifying the effective date of such removal. If a Participating Municipality recommends to ONE JIB that it remove a ~~member~~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~~ Member shall be no more than three years and no less than one year, and shall be set by ONE ~~Investment or ONE JIB, as acting on the case may be~~ recommendation of the Nominating Committee, at the time such ~~member~~ Member is appointed. Staggered terms are permitted. A ~~member~~ Member may not be reappointed for a term of office that, if served, would result in the ~~member~~ Member serving on ONE JIB for longer than nine years unless ONE ~~Investment~~ JIB, on the recommendation of the Nominating Committee, 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~~ Member to understand: (a) the role of ONE JIB and its ~~members~~ Members collectively; and (b) the role of the individual ~~member~~ Member, including the commitment of time and energy that is expected from the ~~member~~ 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~~ Member 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~~ The Chair and the Vice-Chair of ONE JIB shall be elected for three-year terms by the ~~members of ONE JIB~~ Members and upon the resignation, death, disqualification or removal of the current Chair or of the Vice-Chair. The ~~members of ONE JIB~~ Members 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~~ Member. 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~~ 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~~ Member to act in the place of the Chair or other ~~member of ONE JIB~~ Member designated to preside at meetings in ONE JIB's Procedure By-law when the Chair or designated ~~member~~ Member is absent or refuses to act or the office is vacant, and while so acting such ~~member~~ Member has all of the powers and duties of the Chair or designated ~~member~~ 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~~assist in carrying out any of its functions, except the removal of a ~~member of ONE JIB~~Member. Any such committee or subcommittee shall be chaired by a ~~member of ONE JIB~~Member, and its members appointed by ONE JIB, but such members of such committee or subcommittee need not all be ~~ONE JIB members~~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~~A committee ~~does not absolve~~or subcommittee formed under this Section 4.12 is authorized to make recommendations to ONE JIB from on a matter within its responsibility for the functionmandate; however the decision to take action based on the recommendation is reserved to ONE JIB. The Procedure By-law applies to proceedings of committees of ONE JIB with necessary modifications.

4.13 Self Assessments

~~At least annually~~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;~~

(a) ~~(c)~~ its effectiveness as a board, as well as the effectiveness and contribution of each of its ~~members~~Members, including a consideration of:

~~(i) — these Terms of Reference;~~

(i) ~~(ii)~~ the competencies and knowledge each ~~member~~Member is expected to bring to ONE JIB;

(ii) ~~(iii)~~ the level of complexity of the issues reasonably expected to be raised by ~~members~~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;~~

(iii) ~~(v)~~ continuing education activities and industry knowledge of each ~~member of ONE JIB~~Member; and

(iv) ~~(vi)~~ the ability of each ~~member~~Member to contribute the necessary time required to serve effectively on ONE JIB;

(b) ~~(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~~Members; and
 - (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~~Members.
- (c) ~~(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~~opportunities for improvement 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 and the schedule of meetings approved by ONE JIB.

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~~Members may ~~attend and participate by way of conference call or other electronic facility which allows all meeting participants to hear one another~~electronically with all the rights and duties of the other Members under the circumstances set out in the Procedure By-law.

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~~may 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 and closed session records 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~~the Secretary's 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~~By-Lawlaw.

The Secretary to ONE JIB shall be responsible for maintaining records of these Terms of Reference, minutes, closed session records 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~~Members are subject to ~~such~~this Act. A ~~member of ONE JIB~~Member shall comply with ~~such~~this 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~~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~~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 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~~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~~Member's exercise of independent judgement.

Having disclosed or declared a conflict of interest, the ~~member~~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~~Members of ONE JIB in exercising their powers and discharging their duties as a ~~member of ONE JIB~~Member shall:

- i. act honestly and in good faith with a view to the best interests of ~~the~~each 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~~Members, 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, on the recommendation of ONE Investment, considers to be fair and equitable in the circumstances.

Further, the ~~members~~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~~Member to repay such amount if it shall be determined that the ~~member~~Member is not entitled to be indemnified. The foregoing indemnification applies only if the ~~member~~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~~Member shall be liable to ONE Investment or the Participating Municipalities or any other person if the ~~member of ONE JIB~~Member 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~~Member 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~~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~~Members against any liability that may be asserted against or expense that may be incurred by ~~members of ONE JIB~~Members in connection with, or in any way related to, acting as ~~members~~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~~Members. After the initial compensation and expenses are set, the ~~members of ONE JIB, other than the Municipal Treasurer Representatives~~Members, shall be entitled to receive such reasonable compensation and expenses for acting as ~~members~~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~~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~~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~~Member, including the commitment of time and energy that is expected from each ~~member~~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~~ 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~~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~~Member shall promptly notify ONE JIB's Chair or ONE Investment of any advertent or inadvertent disclosure, misuse or misappropriation of Confidential Information of which ~~he or she~~the Member becomes aware.

The ~~members of ONE JIB~~Members 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~~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~~Member.

9.2 Public Statements and Dealing with Media

In the event ONE JIB, or any of its ~~members~~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~~the Chair's designate.

10. AMENDMENTS

10.1 General

A notice or document required to be sent to a ~~member of ONE JIB~~Member or to ONE Investment may be sent by prepaid mail addressed to, or may be delivered personally or by courier to, the ~~member~~Member at the ~~member~~Member's latest address provided by the ~~member~~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: dkellysecretary@oneinvestment.ca

or such other address as ONE Investment may notify each ~~member of ONE JIB~~ [Member](#). A notice or document if mailed to a ~~member of ONE JIB~~ [Member](#) 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~~ [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 and in compliance with the provisions of the Agreement, including where applicable, receipt of approval or consent of Participating Municipalities. 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~~ and subject to receipt of any other consents or approvals as may be required, 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 thereafter~~. As soon as is practicable ~~thereafter~~, ONE JIB shall notify ONE Investment that the proposed amendment has been approved and is in effect. Where relevant to the Participating Municipality, ONE JIB shall include a description of any material amendments to these Terms of Reference in its annual report to each Participating ~~Municipalities~~ [Municipality](#). ONE JIB may not amend these Terms of Reference (i) in a manner inconsistent with the Act and the Regulation and any other provisions of applicable Municipal Legislation, (ii) to give ONE JIB functions other than those prescribed by the Act and the Regulation, or (iii) other than as permitted by the Agreement and 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~~that person’s 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~~ the Member's 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~~ the Member's 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 ~~themselves~~~~herself or himself~~, or ~~of for~~ any other person including, without limitation, ~~her or his~~ the Member's 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~~ the Member 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~~ the Member's 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~~ shall 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 ~~7~~ 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~~ the Member's 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~~ the Member's 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~~\$500, or if the total value of gifts and/or benefits received from any one source during the course of a calendar year exceeds ~~\$300~~\$500, 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~~ the Integrity Commissioner 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~~ the Integrity Commissioner 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 ~~\$500-750~~ or gifts and benefits worth in the aggregate in excess of ~~\$500-750~~ 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~~ the Chair's 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 sections [5](#), [5.1](#), and [5.2](#) ~~8(1)~~ 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~~ the Member's 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~~the Member’s response is satisfactory, or
 - (ii) advise the Member that ~~his or her~~the Member’s 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~~the discretion of the Integrity Commissioner, 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~~the sole discretion of the Integrity Commissioner, 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 the Member~~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 the Member~~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~~ the sole and absolute discretion of the Integrity Commissioner, 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 of the Integrity Commissioner, 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 of the Integrity Commissioner, 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 ~~the Commissioner~~he or she has concluded the investigation under Section 5(2), ~~he or she~~the Commissioner 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~~the Commissioner 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~~the decision of the Integrity Commissioner 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 of the Integrity Commissioner, 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))

)

(Signature)

A Commissioner for taking affidavits etc.

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) _____)

(Signature)

A Commissioner for taking affidavits etc.

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




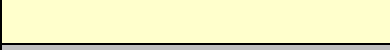

1. Prior to the effective date of the ONE JIB Agreement (July 2, 2020) the Founding Municipalities directed ONE Investment to conduct a Request for Proposal (“RFP”) process to retain the services of an initial Integrity Commissioner and an initial Closed Meeting Investigator for ONE JIB.
2. The Secretary 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.

Document comparison by Workshare Compare on November 22, 2023 2:10:21 PM

Input:	
Document 1 ID	iManage://im10.weirfoulds.com/Active/19251974/1
Description	#19251974v1<im10.weirfoulds.com> - MASTER COPY - Amended Form of Terms of Reference - July 7, 2023
Document 2 ID	iManage://im10.weirfoulds.com/ACTIVE/19251974/9
Description	#19251974v9<im10.weirfoulds.com> - MASTER COPY - Amended Form of Terms of Reference
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	334
Deletions	417
Moved from	1
Moved to	1
Style changes	0
Format changes	0
Total changes	753

Attachment 2

MASTER COPY

ONE JOINT INVESTMENT BOARD

PROCEDURE BY-LAW

Dated as of May 19, 2020

As updated to September 6, 2023

EXPLANATORY NOTES

Procedure By-law

1. Section 238(2) of the *Municipal Act* requires each municipal council and local board to pass a procedure by-law. The ONE Joint Investment Board is a “local board” as defined by the *Municipal Act*.

At its inaugural meeting of May 19, 2020, the ONE Joint Investment Board passed Procedure By-law No. 2020-1. The By-law contained two amendments to the draft by-law recommended by the Board Secretary.

The first amendment was that the Board Chair and Vice-Chair be appointed annually after their initial three-year term. This amendment was reflected in sections 4(1) and 4(2) of By-law No. 2020-1. The second amendment was that the Board Secretary and alternate Secretary are to be appointed by the Board, acting on the advice of ONE Investment. This amendment was reflected in section 7 of By-law No. 2020-1.

2. In July 2020, the Province amended the *Municipal Act* to provide that a member of a local board may participate electronically in both open and closed meetings and be counted in determining quorum, whether or not a state of emergency (such as that in the COVID-19 pandemic) has been declared. This was so long as the local board’s procedure by-law contains such provisions.

At its meeting of September 16, 2020, the ONE Joint Investment Board passed By-law No. 2020-2. This by-law contained three amendments to Procedure By-law No. 2020-1, as follows:

1. It permitted electronic participation of members in meetings of the Board, whether they are open or closed to the public, when there is no declared state of emergency
2. It provided that members of the Board who participate electronically in such meetings of the Board are counted in determining quorum, and
3. It permitted amendments to the procedure by-law so long as notice of the proposed amendment is given at a previous meeting of the Board.

The first two amendments listed above were reflected in the deletion of sections 9(5), 9(6) and 9(7) of Procedure By-law No. 2020-1, and replacing them with new sections 9(5) and 9(6).

The third amendment listed above was reflected by the deletion of section 41(2) of Procedure By-law No. 2020-1 and replacing it with a new section 41(2).

3. At its meeting of June 1, 2023, the ONE Joint Investment Board amended section 4.11 of its Terms of Reference to provide for three-year terms for the Board Chair and Vice-Chair.

At its meeting of September 6, 2023, the Board passed By-law No. 2023-1 to provide for three-year terms for the Board Chair and Vice-Chair consistent with section 4.11 of the Terms of Reference. The three-year terms for the Board Chair and Vice-Chair were provided by deleting sections 4(1) and 4(2) of By-law No. 2020-1 and replacing them with new sections 4(1) and 4(2).

ONE JOINT INVESTMENT BOARD

PROCEDURE BY-LAW (CONSOLIDATED)

BY-LAW NO. 2020-1, AS AMENDED

To govern the proceedings of the ONE Joint Investment Board

WHEREAS section 238(2) of the *Municipal Act, 2001* (“the Act”) provides that every municipality and local board shall pass a procedure by-law for governing the calling, place and proceedings of meetings,

The Board enacts:

A. Definitions

1. Definitions

Board means ONE Joint Investment Board that has been established under section 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 Joint Investment Board Agreement.

Chair means the Chair of the Board.

Committee means a committee or sub-committee of the Board.

Meeting means a meeting of the Board or a Committee where a Quorum of the Members is present and the Members discuss or otherwise deal with any matter in a way that materially advances the business or decision-making of the Board.

Member means a Member of the Board, including the Chair.

Motion means a proposal moved by a Member to adopt, amend, or otherwise deal with a matter before the Board or a Committee.

Motion to Defer means a Motion to delay a decision on a matter by postponing its consideration:

- (1) indefinitely;
- (2) until, or within, some specified time or time period;

- (3) until a specified event happens; or
- (4) until a report or communication is presented.

Motion to Receive for Information means a motion to acknowledge a matter or part of a matter including the main motion or amendment, to take no current action on the matter, and to place the matter in the Board's records for future reference.

Motion to Refer means a motion to send a matter, including a main motion or amendment, to a Committee or person for more information or recommendation.

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 the Board under the ONE Joint Investment Board Services Agreement made between the Board and ONE Investment.

Participating Municipality means each municipality for whom the Board acts as the Joint Investment Board under the terms of the ONE Joint Investment Board Agreement from time to time.

Point of Order means bringing to the attention of the Chair and Members that a person has broken a rule or made an error in procedure and asking that the Board follow the rules or that the error in procedure be corrected.

Point of Privilege means a request to the Chair and to the Board to immediately consider and take action to remedy a situation where a Member believes that another Member has spoken disrespectfully towards that Member or another Member, or who considers that his or her integrity or that of a Member or official has been impugned or questioned by a Member.

Recorded Vote means a vote for which the Secretary records all Members present and how they voted.

Secretary means the Secretary of the Board, or alternate Secretary of the Board.

Special Meeting means a meeting of the Board other than a regular Meeting, a continued Meeting, or a reconvened Meeting.

B. Conduct of Business

2. Principles of the procedure by-law

- (1) The following are the principles upon which the procedure by-law is based:
 - (a) The majority of Members have the right to decide;
 - (b) The minority of Members have the right to be heard;

- (c) All Members have the right to information to help make decisions unless otherwise prevented by law;
 - (d) Members have a right to an efficient Meeting;
 - (e) All Members have the right to be treated with respect and courtesy; and
 - (f) All Members have equal rights, privileges and obligations.
- (2) This procedure by-law is to be interpreted in accordance with these principles.

3. Business conducted according to the by-law

The Board shall observe the rules in this by-law in all proceedings of the Board and its Committees.

C. Board Chair and Vice Chair

4. Appointment of Chair and Vice Chair

- (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. *(amendment – By-law No. 2023-1, September 6, 2023)*
- (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. *(amendment – By-law No. 2023-1 September 6, 2023)*

5. Duties of the Chair

The Chair of the Board:

- (1) shall preside at all Meetings of the Board;
- (2) may cancel and/or reschedule a regular Meeting of the Board or call a Special Meeting or Special Emergency Meeting of the Board as necessary;
- (3) shall represent the Board at public or official functions or designate another Member to do so; ~~and~~

(4) shall conduct the election of the Vice Chair of the Board; and

(5) shall set the Agenda for Board meetings, in consultation with the Secretary and ONE Investment staff.

6. Duties of Vice Chair

The Vice Chair of the Board has all the powers and shall perform all the duties of the Chair of the Board in the absence or inability or refusal of the Chair of the Board to act, or if the Chair's office is vacant, together with any additional powers and duties as may be assigned by the Board from time to time.

D. Secretary of the Board

7. The Board Secretary

The Secretary of the Board and the alternate Secretary of the Board shall be appointed by the Board acting on the advice of ONE Investment.

8. Duties of the Secretary

The Secretary:

- (1) shall give notice of each regular Meeting of the Board together with an agenda of the matters to be considered so that the notice and agenda will reach the Members at their addresses as recorded in the Board's records at least five days in advance of the Meeting, where feasible;
- (2) shall give notice of each Special Meeting of the Board;
- (3) shall ensure that the Chair and Members, ONE Investment staff, the Treasurers of the Participating Municipalities and the public are given notice of all the Board and Committee Meetings;
- (4) shall record the Minutes of all the Board Meetings and the reports of all Committee Meetings;
- (5) shall forward the draft Minutes of all the Board Meetings to the Chair and Members, ONE Investment staff and the Treasurers of the Participating Municipalities;
- (6) shall arrange for posting of the Board's Minutes on the appropriate web site;
- (7) shall maintain records of the Board's terms of reference, minutes and reports of Meetings, copies of materials, by-laws and reports provided to and by the Board; and

- (8) shall disclose the Board's records as required under the *Municipal Freedom of Information and Protection of Privacy Act*.

Failure to give notice in accordance with Subsection 8(1) shall not affect the validity of the proceedings taken at the Meeting.

E. Board Meetings

9. Regular Meetings

- (1) Meetings of the Board shall be called by the Chair in consultation with ONE Investment and the Secretary.
- (2) Meetings of the Board shall be held at such place in Ontario (or any other place agreed to by the Board and ONE Investment) as is designated in the notice of meeting, or any other location deemed suitable by the Chair, acting on the advice of the Secretary and ONE Investment.
- (3) The Board shall hold a minimum of four Meetings each calendar year.
- (4) All Meetings shall be open to members of the public except when they are permitted to be closed under the Act.
- (5) If the Chair of the Board is of the opinion that there are exceptional circumstances pertaining to a Meeting of the Board or a Committee of the Board, the Chair of the Board may determine that a Member or Members of the Board may participate electronically in a Meeting of the Board or a Committee of the Board that is open or closed to the public. (*amendment – By-law No. 2020-2, September 16, 2020*)
- (6) A Member of the Board who is participating electronically in a Meeting of the Board or a Committee of the Board pursuant to Subsection 9(5) shall have all of the usual rights and obligations of Members of the Board, including the right to speak, ask questions, make motions, and vote and shall be counted in determining whether or not a quorum of Members of the Board is present at any point in time during such a Meeting. (*amendment – By-law No. 2020-2, September 16, 2020*)
- (7) (*deleted by By-law No. 2020-2, September 16, 2020*)

10. Absence of Chair and Vice Chair

In the absence of both the Chair and the Vice Chair for a period of more than fifteen minutes after the appointed time of the Meeting, if a Quorum is present, the Board shall appoint one of the other Members as Acting Board Chair. ~~She or he~~ The Acting Board Chair shall discharge the duties of the Chair during the Meeting, or until the arrival of the Board Chair or Vice Chair.

11. Special Meetings

Special Meeting called by the Chair:

- (1) The Chair may call a Special Meeting of the Board provided that:
 - (a) Members are notified at least 48 hours before the scheduled beginning of the Special Meeting;
 - (b) the notice for the Special Meeting includes the time, date, and location of the Meeting;
 - (c) the notice states the purpose of the Meeting; and
 - (d) the notice is delivered either in person or sent by electronic mail to each Member.

No other Business Considered

- (2) At a Special Meeting, the Board shall consider only the business in the Notice of Special Meeting and no other business.

Special Meeting by Petition of the Members

- (3)
 - (a) If the Secretary receives a petition signed by the majority of Members requesting a Special Meeting, the Secretary shall call a Special Meeting for the purpose, date and time the petition requests.
 - (b) A petition under clause (a) of Subsection 11(3) must contain:
 - (1) the original signatures of the signing Members;
 - (2) a clear statement of the Meeting's purpose; and
 - (3) the time and date for the Meeting.
 - (c) The Secretary shall give at least 48 hours' notice of the Special Meeting by Petition of the Members and the notice for this Meeting must be delivered in person or sent by electronic mail to each Member.
 - (d) Failure of the Secretary to give the notice provided for in clause (a) of Subsection 11(1) or clause (c) of Subsection 11 (3) does not affect the validity of the proceedings taken in a Special Meeting.

Special Emergency Meeting

- (4) Despite Subsection 11(1), the Chair ~~of the Board~~ may call a Special Emergency Meeting of the Board without giving 48 hours' notice, whenever ~~he or she~~ the Chair considers it necessary to do so, if:
- (a) all the Board Members are notified of the Meeting either personally, by electronic mail, or by any other means available, and
 - (b) a majority of the Board Members agree to the Meeting by giving written consent to the Secretary personally before the beginning of the Meeting.

12. Public Meetings and Closed Meetings

- (1) Subject to Subsection 12(2), all the Board and Committee Meetings shall be open to the public.
- (2) The Board or one of its Committees may close a Meeting to the public to discuss:
- (a) the security of the property of the Board;
 - (b) personal matters about an identifiable individual, including a ONE Investment Board employee;
 - (c) a proposed or pending acquisition or disposition of land by the Board;
 - (d) labour relations or employee negotiations;
 - (e) litigation or potential litigation, including matters before an administrative tribunal, affecting the Board;
 - (f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
 - (g) education or training of the Members, provided that no Member discusses or otherwise deals with any matter in a way that materially advances the business or decision-making of the Board or Committee;
 - (h) a matter in respect of which the Board or any Committee may hold a closed Meeting under the Act;
 - (i) information explicitly supplied in confidence to the Board by Canada, a province or territory or a Crown agency of any of them;
 - (j) a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the Board, 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;

- (k) a trade secret or scientific, technical, commercial or financial information that belongs to the Board and has monetary value or potential monetary value; or
- (l) a position, plan, procedure, criterion or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the Board.

(3) The Board shall close a Meeting to the public to discuss:

- (a) a request under the *Municipal Freedom of Information and Protection of Privacy Act*, or
- (b) an ongoing investigation respecting the Board by the Ombudsman appointed under the *Ombudsman Act* or the Investigator appointed under subsection 239.2(1) of the Act.

(4) Meetings always begin and end in public

All Meetings shall begin and end in public.

(5) Motion details for closed Meetings

Before holding a closed Meeting, the Board shall pass a Motion to hold a closed Meeting.

The Motion shall state:

- (a) that the Meeting is a closed Meeting;
- (b) the general nature of the matter to be considered;
- (c) the specific provision of the Act under which each item is permitted to be considered in the closed Meeting; and
- (d) where the purpose is for education or training, that the Meeting is closed pursuant to section 239 (3.1) of the Act.

(6) When a closed Meeting becomes public

If the matter the Board is considering at a closed Meeting no longer falls into one of the categories set out in Subsection 12(2), the Meeting shall no longer be closed and shall continue in public.

(7) Voting and minutes in closed Meeting

The Members shall not vote in a closed Meeting and the Secretary shall not keep minutes except for:

- (a) a procedural matter; or
- (b) giving directions or instructions to an official of the Board ~~or her or his~~ or the official's designate.

All other actions taken in a closed Meeting shall be subsequently authorized by Motions and votes conducted in public at the same Meeting.

F. Board Agenda

13. (1) Agenda

The Secretary shall establish agenda deadlines and shall prepare, publish and distribute the agenda for regular Meetings of the Board, which shall include:

- (a) any declarations of interest pursuant to the *Municipal Conflict of Interest Act*;
- (b) confirmation of minutes (if available); and
- (c) agenda Items.

(2) Agenda order

Unless otherwise decided by the Board, the Board shall consider the items on the agenda in the order in which they are listed on the agenda.

(3) Changes to agenda

The Board, without debate, may by a majority vote, make any alteration to the order of the agenda but may not delete any item from the agenda.

(4) Delivery ~~to Members~~ of agenda

The Secretary shall make the agenda available to the public after delivery of the agenda to the Members.

(5) Notice given by publishing agenda

The published agenda for the Board Meeting shall constitute notice of all business included in that agenda subject to other notice provisions in this by-law and any applicable legislation.

14. (1) Deadlines and content of the Board agenda

If the Secretary receives any of the following materials by the agenda deadline and the matters to which they relate are within the Board's mandate, the Secretary shall place them on the agenda for the next regular Board Meeting:

- (a) communications from Members;
- (b) communications from a Participating Municipality;
- (c) reports from agents, including consultants and advisors appointed by the Board and/or ONE Investment officials; and
- (d) communications related to a matter on the agenda.

(2) Supplementary Agenda

The Secretary shall add any report or communication after the regular agenda deadline to form a supplementary agenda if the Secretary decides that it either relates to or supplements the regular agenda business.

15. Late new business reports or communications

(1) Subject to Subsection 15(2), if after the regular agenda deadline for the Board Meeting, the Secretary receives any of the following, the Secretary shall add them to the agenda for the next regular Board Meeting:

- (a) new business reports from the Board or ONE Investment officials; and
- (b) new business communications from a Member, a Committee or a Participating Municipality.

(2) By majority vote of the Board, the Secretary shall add to the agenda new business reports or communications the Secretary receives after the agenda deadline for the Board Meeting.

16. Members' options for presenting communications

(1) Members may present communications to the Board about:

- (a) any matter on the Meeting agenda; or
- (b) matters not on the Meeting agenda but within the Board's mandate.

(2) In submitting communications under clause (b) of Subsection 16(1), Members must comply with any applicable notice requirements and must meet agenda deadlines.

G. Quorum

17. Quorum

- (1) A quorum of the Board is a majority of its Members.
- (2) If no Quorum is present fifteen minutes after the time appointed for a Meeting, the Secretary shall call the roll and record the names of the Members present. The Meeting shall then be adjourned until the next scheduled day of Meeting, or the next regular Meeting, or a Special Meeting at the call of the Chair in accordance with Section 11.

18. Absence of Quorum during a Meeting

If a Quorum is lost and is not present during a Board or Committee Meeting for a period of more than fifteen consecutive minutes, the Secretary shall record the names of those Members present and the Meeting shall stand adjourned until the next scheduled day of Meeting, or the next regular Meeting, or a Special Meeting at the call of the Chair in accordance with Section 11, and the Meeting shall not continue on an informal basis.

H. Order and Decorum and Conduct of Members

19. Chair to maintain order

The Chair:

- (1) shall maintain order and preserve the decorum of the Meeting;
- (2) shall rule upon points of order and points of privilege without debate or comment;
- (3) shall rule upon all other procedural matters, acting on the advice of the Secretary where necessary;
- (4) shall determine which Member has the right to speak;
- (5) shall determine when all Members who wish to speak on a Motion have spoken and that the Members are ready to vote, and shall then put the Motion to a vote;
- (6) shall rule whether a Motion or proposed amendment is in order;
- (7) may call a Member to order; and
- (8) if considered necessary because of grave disorder, may adjourn or recess the Meeting for a specified time.

20. Improper conduct

The Chair has the right to expel, or exclude, from any Meeting, any person who disrupts the proceedings of the Meeting.

21. Members' responsibilities during a Meeting

Members are responsible for:

- (1) attending scheduled Meetings;
- (2) carefully considering and making decisions about Board business;
- (3) voting on Motions put to a vote;
- (4) respecting the rules of this by-law;
- (5) speaking respectfully at all times;
- (6) listening attentively, participating in a Meeting, and not interrupting the proceedings;
- (7) refraining from using any offensive, disrespectful or unparliamentary language about any Member, any member of the public, any Board or ONE Investment official, or the Board as a whole;
- (8) speaking only on the matter under debate or related Motions during debate; and
- (9) respecting the confidentiality of matters discussed in closed Meetings and not disclosing the subject or substance of those discussions, unless authorized to do so by the Board.

22. Removing and reinstating a disciplined Member

- (1) In addition to the right to remove any Member in accordance with section [2.13.2](#) of the Board's terms of reference, in the event that any Member persists in a breach of Section 21 after having been called to order by the Chair, the Chair has the right to not recognize that Member, except for the purpose of receiving an apology from the Member tendered at that Meeting or any subsequent Meeting.

I. Rules of Debate

23. (1) Order of speaking

The Chair shall maintain a list of Members who have requested to speak or to ask questions, and the Chair shall call on Members to speak or to ask questions in the order in which they appear on the list.

(2) Time Limit

No Member may speak for longer than five minutes on a question without the Chair's permission.

(3) Questioning not to be statements

Questions must be clear and concise and may not be used to make statements or assertions.

(4) Questioning of Members and Officials

Members may question only:

- (a) the Chair;
- (b) an official of the Board or ONE Investment;
- (c) the previous speaker, if that speaker has moved a Motion, for clarification of the Motion only; and
- (d) members of the public, for clarification purposes.

(5) Member not to ask the same question

The Chair may rule a question out of order if a Member has already asked substantially the same question in the same form.

(6) Every Member has a chance to speak before a second round

A Member may speak or ask questions only once until every Member who wishes to speak or ask questions has done so.

J. Points of Order and Privilege

24. Permitting statements by an Official of the Board when integrity questioned

When the Chair or a Member considers the integrity of an official of the Board or ONE Investment has been impugned or questioned by a Member, the Chair may

permit the official of the Board or ONE Investment to make a statement to the Meeting.

25. Point of Order or Privilege

(1) Member May Present

If the Chair agrees, a Member may present a Point of Order or a Point of Privilege at any time and must sit back down or remain in ~~his or her~~the Member's seat after doing so.

(2) No Debate or Amendment

The Board or a Committee shall not debate or amend a Point of Order or a Point of Privilege.

(3) Chair to Immediately Rule

(a) The Chair shall immediately rule on the Point of Order or the Point of Privilege and shall give reasons for the ruling.

(b) The Chair's ruling shall be deemed final unless it is appealed.

(4) When a Member may Appeal the Chair's Ruling

Immediately following the Chair's ruling, a Member may make a Motion to appeal that ruling, despite another Member having the floor.

(5) No Debate or Amendment on Motion to Appeal

Members shall not debate or amend a Motion to appeal.

(6) Steps Taken After Motion to Appeal

When a Member makes a Motion to appeal, the Chair:

(a) shall ask the Members, "Is the ruling of the Chair upheld?"; and

(b) shall immediately put the Motion to appeal to a vote.

The Board's decision is final if the Chair's decision is upheld.

(7) Chair's statement of authoritative rules is final

If the Chair states or reads a rule from this procedure by-law or legislation, the Chair has not made a ruling and no Member shall make a Motion to appeal.

K. Public Presentations at Board Meetings

26. (1) Any person may address the Board

Subject to Subsection 26(2), any person may address the Meeting on an item on the Board's agenda.

(2) Register to speak

Any person may address the Meeting on any agenda item by notifying the Secretary by 12:00 p.m. on the day before the Meeting. If other persons wish to speak to an item on the Board's agenda, the Board may hear from them without additional notice.

(3) Time allotted for speaking

Unless the Chair decides otherwise, a person may only address the Meeting for a maximum of five minutes.

L. Motions

27. General rules on making Motions

(1) Purpose of Motions

A Member may make a Motion that:

- (a)** affects the Meeting's procedures, as set out in this by-law; or
- (b)** proposes action on the matter that is currently before the Meeting for debate.

(2) Withdrawing a Motion

After a Member has made a Motion, the Member may only withdraw it with the consent of the Chair.

(3) No seconder required

A Motion does not require a seconder.

(4) Motions not in mandate of the Board

A Motion relating to a matter not within the jurisdiction of the Board is out of order.

(5) Motions and their order

(a) A Member may make any Motion listed in clause (b) of Subsection 27(5) at any time when the Member has the floor.

(b) The Board shall consider Motions in the following order:

- (1) Motion to amend the agenda;
- (2) Motion to adjourn;
- (3) Motion to recess;
- (4) Motion to end debate;
- (5) Motion to extend debate;
- (6) Motion to limit debate;
- (7) Motion to fix a time for a reconvened Meeting;
- (8) Motion to reopen or reconsider;
- (9) Motion to refer;
- (10) Motion to defer;
- (11) Motion to amend; and
- (12) Main motion.

(6) Procedural Motions voted on first

A procedural Motion shall take precedence over any other Motion and shall be put immediately to a vote following its debate.

28. Motion to adjourn

(1) When a Motion to adjourn is not in order

A Motion to adjourn a Board or Committee Meeting shall always be in order except:

- (a) when another Member is speaking;
- (b) when a vote has been called;
- (c) when the Members are voting; or
- (d) when a Member has indicated to the Chair ~~his or her~~ the Member's desire to speak on the matter before the Board.

(2) Motion to adjourn to be voted on immediately

The Members shall vote immediately on a Motion to adjourn and any amendments to that Motion, without debate.

(3) Motion to End Debate

- (a)** A Member who has the floor may make a Motion to end debate on the matter then under debate at any time during debate.
- (b)** A Motion to end debate:
 - (1)** is not debatable;
 - (2)** cannot be amended; and
 - (3)** is carried by a two-thirds vote of Members present.
- (c)** A Motion to end debate shall be put to a vote immediately.
- (d)** If a Motion to end debate passes, the matter before the Board, including the main Motion and any amendment, shall immediately be put to a vote.
- (e)** If a Motion to end debate fails to pass, the Member who made the Motion to end debate shall not speak again on the matter.

29. Motion to refer or defer - limited debate

The Members may debate a Motion to refer, or a Motion to defer, only on the desirability of referring or deferring and the terms of the referral or deferral.

30. Motion to refer or defer

- (1)** A Member who makes a Motion to refer shall include in the Motion:
 - (a)** the name of the Committee, body or official to whom the Motion is to be referred;
 - (b)** the subject matter or question to be investigated; and
 - (c)** the time period within which the matter will be reported back to the Board or Committee.
- (2)** A Member who makes a Motion to defer shall include in the Motion:
 - (a)** the time to which the matter is to be deferred, or a description of circumstances that cause the Motion to be brought back; and

(b) an explanation of the Motion's purpose.

31. Motion to consider matter previously deferred requires two-thirds vote

A Motion that the Board consider a matter which is solely within its jurisdiction and that has been previously deferred indefinitely or to a time or eventuality which has not yet been reached or occurred, shall be presented only if the Board decides in favour, by a two-thirds vote of the Members present and voting. Only the Board, and not a Committee, can vote on such a motion.

32. Reconsideration of matter previously decided by the Board

(1) Subject to Subsection 32(2), once a decision has been made at a Meeting, no Member may make a Motion that would change the decision within the twelve-month period following the decision.

(2) (a) A Member who voted with the prevailing side on a matter may make a Motion to reconsider the matter originally decided at the same Meeting, or at a subsequent Meeting at which the matter is to be reconsidered.

(b) A Motion to reconsider made under clause (a) of Subsection 32(2) requires the consent of the Board on a two-thirds vote of the Members present to pass. Only the Board, and not a Committee, can vote on this matter.

(3) A Motion to reconsider a matter:

(a) is not debatable; and

(b) may not be amended.

(4) If a Motion to reconsider a matter passes, all previous decisions on the matter remain in force, unless a majority of the Members present at the Meeting decides otherwise.

M. Votes

33. (1) (a) Members present must vote

Every Member present at a Meeting must vote on every matter put to a vote, except any Member who declares a conflict of interest and ~~then removes himself or herself~~abstains from the vote.

(b) Not voting is a negative vote

The Secretary shall record as voting in the negative any Member present at a Meeting who does not vote, except a Member who has declared a conflict of interest.

(2) Majority vote required for Motion to pass

Unless this by-law specifies otherwise, a Motion passes when a majority of Members present vote for it.

(3) Motion fails with tied votes

A Motion does not pass if the same number of Members vote for it as vote against it.

(4) Recorded vote

(a) A Member may request a recorded vote on any matter and must make the request immediately before or after the vote is taken.

(b) If the request for a recorded vote is made immediately after the vote is taken, the first vote is nullified and a second, recorded vote must be held.

(c) When a Member requests a recorded vote the Secretary shall record the name and vote of every Member on the matter.

34. Separate votes

(1) If a matter under consideration contains distinct proposals, a Member may request that Members vote on each proposal separately.

(2) If the Chair agrees that the matter contains distinct proposals, the Chair shall rule that Members vote on each proposal separately.

35. Order of voting

Unless the Chair decides otherwise, when a vote is taken the order of the vote shall be as follows:

(1) Motion to Refer;

(2) Motion to Defer;

(3) Motion to Receive for Information;

- (4) Amendments in the reverse order of presentation, dealing with an amendment to an amendment immediately before the amendment it proposes to amend; and
- (5) Motion to adopt or Motion to adopt as amended, if any amendments have carried

N. Disclosures of Pecuniary Interest

36. Member's Duty to Disclose a Pecuniary Interest

- (1) Where a Member, either on ~~his or her~~ the Member's own behalf or while acting for, by, with or through another person, including the Member's Spouse, Parent or Child, has any pecuniary interest, direct or indirect, in any matter and is present at the Meeting at which the matter is the subject of consideration, the Member shall, in accordance with the *Municipal Conflict of Interest Act*:
 - (a) prior to any consideration of the matter at the Meeting, disclose the Member's interest and the general nature thereof;
 - (b) not take part in the discussion of, or vote on any question in respect to the matter; and
 - (c) not attempt in any way, whether before, during or after the meeting, to influence the voting on the matter.
- (2) Members shall provide a written statement of the interest and its general nature to the Secretary either at the Meeting in which the interest is disclosed or as soon as possible thereafter.
- (3) Where a Meeting is closed, in addition to complying with the requirements of the *Municipal Conflict of Interest Act*, the Member shall forthwith leave the Meeting or the part of the Meeting during which the matter is under consideration.
- (4) Where the interest of the Member has not been disclosed by reason of the Member's absence from a particular Meeting, the Member shall disclose the Member's interest and otherwise comply at the first Meeting of the Board or Committee, as the case may be, attended by the Member after the particular Meeting.
- (5) The Secretary shall record in reasonable detail the particulars of any disclosure of pecuniary interest made by a Member, and that record shall appear in the Minutes or Record of that Meeting.

- (6) The Secretary shall maintain a registry of statements filed under Subsection 36(2) and records made under Subsection 36(5) of this by-law which shall be available for public inspection.

O. Committees of the Board

37. (1) The Chair may recommend the establishment of Committees. The~~The~~ Board may~~shall~~ establish Committees as necessary and assign duties to them.
- (2) The Chair may recommend the Members of Committees. The Board shall appoint the Committee Members~~-~~. The Chair shall be an *ex officio* Member of all the Board's Committees.
- (3) The Chair shall nominate the Chair and Vice-Chair of Committees. ~~The~~ Board shall appoint each Committee's Chair and Vice-Chair. The Chair of each Committee shall be a Member of the Board.
- (4) Committees may make recommendations to the Board on all matters relating to the duties assigned to them. Reports of all Committees shall be submitted to the Board for consideration at its next meeting, if feasible.

P. Minutes of Board Meetings

38. (1) **Secretary submits minutes to next regular Meeting**

The Secretary shall prepare the minutes of every Board Meeting for submission for confirmation or approval as amended, at the next Meeting of the Board, or as soon as is reasonably feasible, and after the Meeting adopts the minutes, the Chair shall sign them.

(2) **Publication of the Draft Minutes and Sending of Correspondence**

The Secretary may post the draft minutes on the Board's website as soon as possible after the Meeting and may prepare and send correspondence based on the draft minutes.

39. **Security of Records of Board and Committee Proceedings**

The Secretary shall maintain the records of the Board and Committee proceedings in a safe and convenient place connected with the Secretary's office.

Q. Waiving of By-law Provisions

40. Waiver of rules

- (1) Subject to Subsection 40(2), a Motion to waive, or not to follow a rule of procedure established by this by-law on a one-time basis requires a two-thirds vote of the Members present.

Rules that cannot be waived

- (2) The Board cannot waive the following rules:
 - (a) Meetings open to the public and closed meetings (Section 12);
 - (b) Quorum necessary for the Board and Committee Meetings (Section 17);
 - (c) Reconsidering decisions (Section 32);
 - (d) Two-thirds vote required to waive the rules (Section 40); and
 - (e) Amending or repealing this by-law (Section 41).

R. Amendments to By-law

41. Two-thirds vote required

- (1) A Motion to amend or repeal this by-law requires a two-thirds vote of the Members present to carry.

Notice to be given at previous Board Meeting

- (2) The Board shall only consider amendments or repeal of this by-law at a Meeting if notice of the proposed amendment or repeal was given at a previous regular or Special Meeting. (*amendment – By-law No. 2020-2, September 16, 2020*)

S. Effective Date

42. This by-law shall come into force on May 19, 2020.

Enacted and passed on May 19, 2020.

Bill Hughes

Chair

Denis Kelly

Secretary

Attachment 3

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~~that person's 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~~ the Member's 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~~the Member's 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 ~~themselves~~themselves or himself, or ~~of~~for any other person including, without limitation, ~~her or his~~the Member's 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~~the Member 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~~ the Member's 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~~ shall 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 ~~7~~ 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~~ the Member's 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~~ the Member's 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~~\$500, or if the total value of gifts and/or benefits received from any one source during the course of a calendar year exceeds ~~\$300~~\$500, 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~~ the Integrity Commissioner 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~~ the Integrity Commissioner 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 ~~\$500-750~~ or gifts and benefits worth in the aggregate in excess of ~~\$500-750~~ 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~~ the Chair's 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 sections [5, 5.1, and 5.2 ~~8\(1\)~~](#) 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 the Member's 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~~the Member’s response is satisfactory, or
 - (ii) advise the Member that ~~his or her~~the Member’s 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~~the discretion of the Integrity Commissioner, 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~~ the sole discretion of the Integrity Commissioner, 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 the Member~~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 the Member~~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~~ the sole and absolute discretion of the Integrity Commissioner, 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 of the Integrity Commissioner, 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 of the Integrity Commissioner, 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 ~~the Commissioner~~~~he or she~~ has concluded the investigation under Section 5(2), ~~he or she~~~~the Commissioner~~ 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~~~~the Commissioner~~ 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~~~~the~~ decision of the Integrity Commissioner 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 of the Integrity Commissioner, 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))

) _____
(Signature)

A Commissioner for taking affidavits etc.

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))
_____) _____

(Signature)

A Commissioner for taking affidavits etc.

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

To: ONE Joint Investment Board
From: Jason Hagan, Program Manager
Date: November 29, 2023
Re: Strategic Plan - Q3 2023 Progress
Report: ONE JIB 2023-070

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 aside from the New Products Committee Outcomes Framework, which is being paused until the OCIO offering is established.

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

ONE JIB 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 Q3 2023 all initiatives are on track, aside from the New Products Committee Outcomes Framework, which is being paused until the OCIO offering is established in 2024.

The Q3 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.

ATTACHMENTS

Attachment 1: Q3 2023 Strategic Reporting Tool

Drafted by: Jason Hagan, LAS Program Manager

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

Attachment 1

Q3 2023 Strategic Reporting Tool for ONE JIB Futures List and Strategic Plan

Agenda	Topics	References by Color Coding	Notes
Board Governance & Administrative Matters	Board Competencies and Skills Matrix Review	On Track	
	Board Governance Self-Evaluation Survey	On Track	
	Annual Futures List	On Track	
Strategy and Policy	Municipal Insights	On Track	
	Quarterly Futures List Review	On Track	
	New Products Committee Outcomes Framework Review	Significant Change of Scope	Finalize after OCIO offering is established.
Investment Oversight	Municipal Reports:		
	Q3 Municipal Performance Reports	On Track	CIO has implemented approved changes related to HISA, government bonds and Muskoka and Aurora IP implementation. Aylmer is working through onboarding now with 2 more municipalities likely in mid-2024.
	Investment Plan Implementation Update	On Track	
	Investor Onboarding	On Track	
	IPS and MCQ Review and Investment Plan Approval	On Track	
	Fund Manager Reports:		
	Q3 Performance review	On Track	
	Fund Manager Presentation	On Track	
	Quarterly Compliance Reports	On Track	
	Annual Review of Fund Managers	On Track	



REPORT

To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investment Services, MFOA
Date: November 29, 2023
Re: Investment Plan and Municipal Client Questionnaire Templates
Report: ONE JIB 2023-O63

1. RECOMMENDATIONS

It is recommended that the Board:

1. Approve the Municipal Client Questionnaire Template in Attachment 1.
2. Approve the Investment Plan Template in Attachment 2

2. SUMMARY

Modest changes to the Municipal Client Questionnaire and more substantial changes to the Investment Plan templates are being proposed

As a result of the 2023 annual template review process, changes are being proposed to both the Municipal Client Questionnaire and Investment Plan templates. The proposed changes are based on feedback from ONE JIB members, Participating Municipalities, and ONE staff. The changes consider the practices of other Municipal Investment Boards and a legal review by the Board's Legal Counsel, WeirFoulds LLP.

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. The focus of this year's review was to identify revisions that would enable the Board to make decisions efficiently in an environment with more participating municipalities, including participating municipalities with large AUM.

The 2023 annual template review 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 can 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 resulted in revisions to both the Investment Plan template and the Municipal Client Questionnaire template

The 2023 annual review commenced in the first quarter and has been ongoing throughout the year. A number of consultation and best practice research initiatives were undertaken including a surveys and verbal feedback from Participating Municipalities and ONE JIB members, and advice from WeirFoulds LLP. A summary of the Participating Municipalities feedback was brought forward to ONE JIB at the September 6, 2023 meeting (**report 2023-O46**), and the ONE JIB survey feedback has been summarized in report **2023-O62**.

4. ANALYSIS

The proposed changes to the Municipal Client Questionnaire include the addition of four new questions and three adjustments to existing questions for greater clarity

The Municipal Client Questionnaire has been updated to reflect feedback from ONE JIB and the Participating Municipalities. ONE Investment staff recommends adding four new questions that will help Participating Municipalities to better characterize their long-term financial picture and MNRI. The new questions are as follows:

- *Question 6* – How sensitive is your municipality to recognizing investment gains and losses from portfolio adjustments and market fluctuations?
- *Question 10* – What assumptions or factors does your municipality include in the reserve cash flow projections? For example: inflation assumptions on capital projects, assumptions on future tax-based reserve contributions, forecasted development charge revenue.
- *Question 13* – To what extent has your municipal asset management plan been integrated into the capital budget process?
- *Question 19* – Have there been major changes in circumstances since the last MCO updates (if applicable) that you would feel would require a reallocation of funds for your Municipality? Please advise what has changed since the last MCO update.

Feedback from ONE JIB and the Participating Municipalities indicated that the following questions should be modified for clarity:

- *Question 4* – The Investment Objectives and Risk Tolerance table descriptions were modified to better reflect risk in all three categories.
- *Question 11 & 12* – This was previously a combined question and has been modified to allow for different answers for each forecast / plan.
- *Question 17* – The table has been modified to add sub-total lines.

The Investment Plan template has been streamlined to reduce overlap between policies and processes

The legislative requirements for an investment plan are minimal. The prescribed contents of an investment plan articulated in subsection 19 (2) of O Reg. 438/97 Part II are:

The investment plan shall deal with how the Investment Board or Joint Investment Board will invest each municipality's money and set out the Board's projections of the proportions of each municipality's portfolio of investments to be invested at the end of the year in each type of security selected by the Investment Board or Joint Investment Board and may include other requirements.

Any information removed from the Investment Plan template is currently provided via another source; whether that is the Municipal Investment Policy Statement, Municipal Client Questionnaire, Staff Report, ONE JIB Policy and resulting process, or the ONE Investment Website.

Overall, the Investment Plan will include any Long-Term Money that is controlled and managed by ONE JIB. *Table 1* summarizes the changes and the rationale for the change.

Table 1 - Summary of changes to Investment Plan Template

Information	IP Change	Location	Rationale
Glossary and Definitions	Reference only to where to find the information	ONE Investment website (public), updated as required	Reference or general material is better controlled in a central location as terminology may pertain to multiple documents.
Purpose of Plan	N/A	Investment Plan	
Responsibility for Plan	N/A	Investment Plan	
Investment Goals	Shortened to reference only municipal specific information General reference information removed	Investment Plan (specific info) ONE JIB Outcomes Framework Policy (general info)	Reference or general material, is better controlled in a central location as the information may pertain to multiple documents.
Comments by CIO	Section Removed	ONE Staff Report	Information contained in this section is currently included in the CIO Staff Report, thereby duplicating efforts. For streamlining purposes, as more municipalities join ONE JIB, it is more efficient to have the

Information	IP Change	Location	Rationale
			<p>information in a single location.</p> <p>Based on the ONE JIB survey four of the seven respondents identified that the most appropriate location for the information was not in the investment plan. Three of those responses identified that the Staff Report was the most appropriate location.</p>
Analysis of Economic Environment	Information Removed	Part of the annual ONE JIB Outcomes Framework Review	<p>The legislation requires that ONE JIB consider the current economic environment when developing an investment plan.</p> <p>The ONE JIB Outcomes Framework Policy includes an analysis of the economic environment. It also includes a mandatory annual review and provisions for interim reviews if required. Should economic conditions change in a way that might materially impact investment strategy, it would prompt a review of the Outcomes Framework.</p> <p>ONE JIB survey feedback was mixed on the appropriate placement of this information with four of the seven respondents identifying another location (not the Investment Plan).</p> <p>As any material change that would impact a single plan should have a cascading effect on the Outcomes Framework and therefore all plans. Staff is recommending that any ongoing economic analysis should be done at the Outcomes Framework level, and this section should be removed from the plan.</p>

Information	IP Change	Location	Rationale
Account Structure & Outcomes	These sections have been combined. General reference material has been removed Municipal Specific information and target weights remain.	Information on the Outcomes is in the Outcomes Framework Policy	Reference or general material, is better controlled in a central location as the information may pertain to multiple documents.
Legacy Investments / Strategic Investments	This section has been removed	Municipal Client Questionnaire	The majority of ONE JIB survey respondents supported the idea that the Investment Plan should only include Long-Term Money that the ONE JIB has management or control of. Any assets that are “ring-fenced” should not be in the Plan.
Applicable ONE JIB Policies	Streamlined to reference source documentation instead of repeating general reference material	Investment Plan	Reference or general material is better controlled in a central location as the information may pertain to multiple documents.
Implementation	Moved Transition Plan details to Appendix in Investment Plan	Investment Plan	If applicable, details on the specific municipal transition plan will be included as an Appendix to the Investment Plan

5. CONCLUSION

As per the parameters established by ONE JIB, the changes to the Investment Plan template and Municipal Client Questionnaire template, as presented in this report, strive to be user friendly for municipalities while increasing internal operational efficiency and minimizing redundancy. The documents maintain essential information pertaining to ONE-JIB decision making.

ATTACHMENTS

Attachment 1: Municipal Client Questionnaire Template (2023)

Attachment 2: Investment Plan Template (2023)

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



Municipal Client Questionnaire (MCQ)

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

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

- a. A significant change in your municipality’s financial circumstances, or
- b. A significant change in the amount of your municipality’s “money that it does not require immediately”

For changes between annual reviews, provide written notice of changes by using the mid-year MCQ update form on the last page of this document.

Section 1 – Client Information

Name of Municipality: _____

Address: _____

Treasurer Information

Name: _____

Phone Number: _____ Extension: _____

Email: _____

Primary Day to Day Contact Information*

Check if same information as Treasurer above

Name: _____

Phone Number: _____ Extension: _____

Email: _____

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

Municipal Client Questionnaire (MCQ)

Section 2 - Investment Knowledge and Experience

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 experience
- Strong knowledge and experience
- Advanced knowledge and extensive experience

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

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

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

Municipal Client Questionnaire (MCQ)

Section 3 – Investment Objectives and Risk Tolerance

This section of the MCQ asks about your Municipality’s **Money that it Does Not Require 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 over 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 possibly 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.

- In relation to MNRI, which of the following best reflects your 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*
Lower risk / return <input type="checkbox"/>	Capital preservation is the main objective. Willingness to accept lower returns to reduce the likelihood of losses.	Small chance of loss of capital over a 5-year period	Less than 5% decline
Moderate risk / return <input type="checkbox"/>	Balanced growth (combination of growth and income) is the main objective. Willingness to accept moderate level of risk to achieve moderate growth without excessive risk to capital.	Moderate chance of loss of capital over a 5-year period	5-15% decline
Higher risk / return <input type="checkbox"/>	Growth of capital is the main objective. Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns.	Higher risk of loss of capital 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.

- If applicable, is there any other information about your Municipality’s investment objectives and risk

Municipal Client Questionnaire (MCQ)

tolerance for its MNRI that is relevant to your Investment Policy Statement or Investment Plan?

6. How sensitive is your municipality to recognizing investment gains and losses from portfolio adjustments and market fluctuations?

Sections 4 and 5 of this MCQ below ask about your Municipality’s MNRI, cash flow and other financial assets that may be applicable. It is intended to assist ONE Investment in obtaining an understanding of your Municipality’s financial circumstances, including its cash flow needs.

Section 4 – Financial Information

7. Please provide your municipality’s **MNRI** (*see note below*) by reserve (or reserve categories) with expected investment time horizons. This information can be provided in the template provided, or in a separate document.

Note: MNRI can be determined by time, source of funds, purpose of funds, or such other means as your Municipality may decide is appropriate. It is defined for your municipality in the Investment Policy Statement approved by your Council. For example, the ‘less than 3 years’ column of MNRI in the template might not be applicable for all municipalities.

Information has been provided as an attachment to this MCQ

Summary of Money not Required Immediately for Investment Planning Purposes

Example

Reserve Name or Category	Brief Description or Purpose	Total MNRI Amount	Investment Horizon of MNRI			
			Less than 3 years	3 to 5 years	5 to 10 years	10+ years
Roads Mtnc Reserve	Ongoing Maintenance	\$8,000,000	\$1,500,000	\$1,500,000	\$3,500,000	\$3,500,000
Infrastructure Reserve	Road Lane Widening	\$5,000,000		\$1,000,000	\$4,000,000	

Reserve Name or Category	Brief Description or Purpose	Total MNRI Amount	Investment Horizon of MNRI			
			Less than 3 years	3 to 5 years	5 to 10 years	10+ years
Total MNRI						

8. Please provide your Municipality’s current **Cash Flow Projections for MNRI** by year. This information informs the ONE JIB about potential drawdowns /additions to MNRI that you anticipate in coming years. Supporting documentation may be provided as needed.

	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					

Other information or comments (if applicable)

9. Does the MNRI drawdown forecasts in Question 8 above reflect:

- Drawdowns of current reserve balances
- Drawdowns of current reserve balances inclusive of projected future budgetary contributions

10. What **assumptions or factors** does your municipality include in the reserve cash flow projections? For example: inflation assumptions on capital projects, assumptions on future tax-based reserve contributions, forecasted development charge revenue etc.

11. If your Municipality has completed a **capital budget forecast**, how many years does this forecast extend?

- Less than 3 years 3-5 Years 5-10 Years 10 years or more

12. If your Municipality has completed an **asset management plan**, how many years does this forecast extend?

- Less than 3 years 3-5 Years 5-10 Years 10 years or more

13. To what extent has your Municipal asset management plan been integrated into the capital budget process?

Funding/Expenditure Analysis

14. How does your Municipality manage unanticipated requests for funding? What is the probability that your municipality may unexpectedly need to draw down MNRI to fund unexpected budget shortfalls?

15. Is there a particular year(s) in your Capital Forecast or Asset Management Plan when your Municipality anticipates unusual or large capital expenditure(s)?

- Yes No

If yes, please explain the timing and nature of the expenditure(s)

16. Do you anticipate any decisions / factors within the **next 24 months** that could have a material impact on your MNRI forecasts – either positive or negative? (e.g., projects contingent on unsecured grants, potential significant changes to your debt financing strategy, significant acquisitions or disposals/divestments).

Yes No

If yes, please provide details

Section 5 – Portfolio Information

17. Please provide the breakdown of your MNRI, In-Kind securities and LDC securities by Investment type

Description	As of Date (DD/MM/YY)	Value*
Invested in ONE JIB Outcomes as of <i>Date</i> (A)		
Expected contributions (withdrawals) of MNRI and <i>Date</i> MNRI to be transferred / received (B)		
Total MNRI to be invested in ONE JIB Outcomes (A + B)		
In-Kind securities (Bonds, GICs, PPNs etc.) as of <i>Date</i> (C)		
Total Current MNRI, expected contributions to MNRI and In-Kind securities (A + B + C)		
LDC securities as of <i>Date</i> (D)		
Total Municipal MNRI, In-Kind securities and LDC securities (A + B + C + D)		

* The market value of In-Kind securities may change between the date control and management is given to ONE JIB and the date they mature after which the cash proceeds can be invested by ONE JIB.

Other information or comments (if applicable)

Section 6 – Existing Investments

18. Your Municipality may have given control and management of In-Kind securities and LDC securities to ONE JIB with its MNRI (*refer to Section 5 above*). If applicable, please identify below any details of In-Kind securities and LDC securities that your municipality may have. A template and sample have been provided on the next page for your reference, or you may attach a copy of your statement(s). If your Municipality has no such In-Kind securities/LDC securities *proceed to Section 7 of the MCQ*.



Municipal Client Questionnaire (MCQ)

The applicable information is provided as an attachment to the MCQ:

<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>Security/Investment</i>	<i>Type</i>	<i>Manager/Institution</i>	<i>Book Value</i>	<i>Market Value</i>	<i>Maturity Date (If applicable)</i>

Other information or comments (if applicable)

Section 7 – Other Information

19. If there have been major changes in circumstances since the last MCQ updates (if applicable) that you would feel would require a reallocation of MNRI for your Municipality. Please advise what has changed since the last MCQ update.

20. Please provide any additional information or context that you consider relevant to ONE JIB's understanding of your municipality's MNRI, In-Kind securities and LDC securities.

Section 8 – Investment Restrictions

21. Are your Municipality's investments subject to any prohibited investment or other similar restrictions that are not fully disclosed in your Municipal Investment Policy Statement?

Yes No



Municipal Client Questionnaire (MCQ)

If yes, please specify

Section 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)



Appendix 1 – Midyear MCQ Updates Form

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

Acknowledgement

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

Dated this _____ day of _____, 20_____

Name and Signature of Treasurer

Second Signature (if required)

Attachment 2

[NAME OF MUNICIPALITY]

Investment Plan

Date: **[INSERT DATE]**

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

Contents

	<u>Page</u>
1. DEFINITIONS.....	3
2. PURPOSE OF INVESTMENT PLAN	3
3. RESPONSIBILITY FOR PLAN.....	3
4. INVESTMENT GOALS AND OBJECTIVES	3
5. INVESTMENT PORTFOLIO	4
5.1 Asset Allocations.....	4
5.2 Account Structure.....	4
5.3 In-Kind Securities (in transition)	7
5.4 Other Accounts.....	7
6. APPLICABLE ONE JIB POLICIES.....	7
6.1 Environmental, Social and Governance (ESG) Investing	8
6.2 Securities Lending.....	8
6.3 Derivatives	8
6.4 Rebalancing	8
7. IMPLEMENTATION	9
7.1 Custodian	9
7.2 Transition Plan (including transitional investments).....	9
7.3 Accommodating Cashflow Needs	9

1. Definitions

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

2. Purpose of Investment Plan

As required under the prudent investor regime authorized by the *Municipal Act, 2001* (Act), and Ontario Regulation 438/97 (Regulation), this Investment Plan (*Plan*) establishes how ONE JIB will invest the Municipality's Long-Term Money as defined in section 5.2 of the Municipality's Investment Policy Statement (*IPS*) and the Municipality's investments that it determined would not be required immediately (In-Kind securities) and must therefore be given to ONE JIB on the Prudent Effective Date.

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

3. Responsibility for Plan

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

4. Investment Goals and Objectives

The Municipality's investment needs described in its IPS provide Council's guidance to ONE JIB in determining investment allocations. Further guidance from the MCQ and dialogue with the Treasurer, informs ONE JIB about the Municipality's current goals, objectives, circumstances and risk tolerance, and helps direct how investment allocations will be determined according to the Outcome Framework approved and annually reviewed by ONE JIB in accordance with the *ONE JIB Outcome Framework Policy*. The allocation of the Municipality's Long-Term Money in this Plan is consistent with the details as disclosed in the Municipality's IPS and MCQ.

[INSERT BRIEF SUMMARY OF IPS GOALS AND OBJECTIVES HERE]

[SAMPLE TEXT -

The Long-Term Money will be invested to generate returns for any or all of the following results:

- 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 the Municipality has an obligation for a specific project at a specific time.

While individually the Municipality's reserve and reserve funds require liquidity, collectively they provide the Municipality 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 Prudent Investment Program funds are designed to be highly liquid. Less liquid investments may become available through the program at a later date.

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 Long-Term Money must be communicated to ONE JIB formally as outlined in the *ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy*.

5.2 Account Structure

The amounts of Long-Term Money, as disclosed in the Municipality's updated MCQ have been allocated into investment Outcome categories as shown in *Table 1* below.

Table 1 - Investment Allocations by Outcomes Categories as of MONTH XX, 20XX

Outcome	Allocation (\$)	Allocation Weight (%)
Cash	0	0.0
Stable Returns	0	0.0
Asset Management Reserves	0	0.0
Contingency	0	0.0
Target Date 3-5 Years	0	0.0
Target Date 5-10 Years	0	0.0
Target Date 10+ Years	0	0.0
Overall	0	0.0

* The amounts in this table are representative of the information contained in the MCQ. The values are based on the market value of Long-Term Money on Month XX, 20XX. The Investment Plan will be implemented based on the allocation weights in Table 1.

Mixes of ONE Prudent Investment Program funds and products appropriate for the Municipality'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 described in the *ONE JIB Outcome Framework Policy*.

The target weight for each Outcome Investment Allocation are shown in Tables 2 to 8, and the Total Long-Term Money by Investment Allocation (as of MONTH XX, 20XX) is shown in Table 9 below.

Table 2 – Cash Outcome Investment Allocations

Allocation	Target Weight (%)
Fixed Income	100.0
ONE Canadian Government Bond Fund	
Total	100.0

Table 3 – Stable Return Outcome Investment Allocations

Allocation	Target Weight (%)
Equity	30.0
ONE Canadian Government Bond Fund	9.0
ONE Global Equity Fund	21.0
Fixed Income	70.0
ONE Canadian Government Bond Fund	19.0
ONE Canadian Corporate Bond Fund	9.0
ONE Global Bond Fund	42.0
Total	100.0

Table 4 – Contingency Outcome Investment Allocations

Allocation	Target Weight (%)
Equity	60.0
ONE Canadian Government Bond Fund	18.0
ONE Global Equity Fund	42.0
Fixed Income	40.0
ONE Canadian Government Bond Fund	6.0
ONE Canadian Corporate Bond Fund	6.0
ONE Global Bond Fund	28.0
Total	100.0

Table 5 – Asset Management Outcome Investment Allocations

Allocation	Target Weight (\$)
Equity	90.0
ONE Canadian Government Bond Fund	27.0
ONE Global Equity Fund	63.0
Fixed Income	10.0
ONE Canadian Government Bond Fund	1.5
ONE Canadian Corporate Bond Fund	1.5
ONE Global Bond Fund	7.0
Total	100.0

Table 6 – Target Date 3-5 Year Outcome Investment Allocations

Allocation	Target Weight (\$)
Equity	10.0
ONE Canadian Government Bond Fund	3.0
ONE Global Equity Fund	7.0
Fixed Income	90.0
ONE Canadian Government Bond Fund	30.5
ONE Canadian Corporate Bond Fund	10.5
ONE Global Bond Fund	49.0
Total	100.0

Table 7 – Target Date 5-10 Year Outcome Investment Allocations

Allocation	Target Weight (\$)
Equity	50.0
ONE Canadian Government Bond Fund	15.0
ONE Global Equity Fund	35.0
Fixed Income	50.0
ONE Canadian Government Bond Fund	7.5
ONE Canadian Corporate Bond Fund	7.5
ONE Global Bond Fund	35.0
Total	100.0

Table 8 – Target Date 10+ Year Outcome Investment Allocations

Allocation	Target Weight (\$)
Equity	75.0
ONE Canadian Government Bond Fund	22.5
ONE Global Equity Fund	52.5
Fixed Income	25.0
ONE Canadian Government Bond Fund	3.75
ONE Canadian Corporate Bond Fund	3.75

Allocation	Target Weight (\$)
ONE Global Bond Fund	17.5
Total	100.0

Table 9 – Total Long-Term Money by Investment Allocations as of MONTH XX, 20XX

Allocation	Allocation (\$)	Allocation Weight (%)
Equity	0	0.0
ONE Canadian Government Bond Fund	0	0.0
ONE Global Equity Fund	0	0.0
Fixed Income	0	0.0
ONE Canadian Government Bond Fund	0	0.0
ONE Canadian Corporate Bond Fund	0	0.0
ONE Global Bond Fund	0	0.0
Total	0	100.0

5.3 In-Kind Securities (in transition)

SAMPLE A – Does not apply

SAMPLE B - The Municipality's Long-Term Money includes Principal Protected Notes valued at approximately \$6M which are under the control and management of ONE JIB (refer to section 7.2 for more details on the transition plan). These investments are intended to be held until maturity; at which time the cash proceeds are to be invested in the Outcomes. In the event that these notes are not held until maturity the cash proceeds will be invested in the Target Date 3-5 Year Outcome, or as directed by the Treasurer at that time. These Principal Protected Notes are expected to mature in YYYY.

5.4 Other Accounts

The Municipality has no other accounts ONE JIB must consider.

6. Applicable ONE JIB Policies

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

- ONE JIB Outcome Framework Policy
- ONE Distribution Policy PI
- ONE Anti-Money Laundering Policy
- ONE Pricing Error Policy (LL & PI)

- ONE JIB Rebalancing Policy
- ONE Currency Hedging Policy PI
- ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy

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 be subject to securities lending if their policies permit such lending.

6.3 Derivatives

ONE JIB does not intend that derivative be used in the investment of Long-Term Money 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

This Plan's asset allocations will be monitored and rebalanced by ONE Investment in accordance with the *ONE JIB Rebalancing Policy*.

7. Implementation

7.1 Custodian

All investments under the control and management of ONE JIB, [except for Municipally-owned securities of Local Distribution Corporations] shall be held for safekeeping by ONE Investment's Custodian. [Additionally, In-Kind securities 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)

SAMPLE A – This section does not apply

SAMPLE B – In order to invest through ONE JIB, the Municipality will need to liquidate certain legal list investments which will be used to fund the contribution of Long-Term Money to ONE JIB on or shortly after the Prudent Effective Date. In-Kind securities (in transition) are also referenced in *section 5.3*. A transition plan has been prepared to guide the orderly transition of the Municipality's In-Kind securities into the ONE Prudent Investment Program. Please see *Appendix A* for details of the Municipality's transition plan.

7.3 Accommodating Cashflow Needs

a. Investment Income and Rebates

Income from investments will be automatically reinvested as per the *ONE Distribution Policy PI* and cashflow needs of the Municipality are expected to be financed with the sale of units of the investment pools. Any fee discounts that apply to the Municipality are intended to be reinvested into the *Contingency Outcome* or as otherwise directed by the Treasurer.

b. Anticipated mid-year cashflow requests

SAMPLE A - The Municipality anticipates a need to drawdown money in the third quarter of 2022 in preparation to retire maturing municipal debts. The Treasurer anticipates that approximately \$10 million will be drawn down from Long-Term Money at that time. It is recommended that such money be drawn down from the Target Date 3-5 Year Outcome as needed to facilitate this expected cashflow request

SAMPLE B - The Municipality has not disclosed any known mid year cashflow needs

c. Unanticipated mid-year cashflow requests

Upon receipt of an updated MCQ from the Municipality that involves a withdrawal of Long-Term Money, the Chief Investment Officer will process the request in accordance with the *ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy*.

To: ONE Joint Investment Board
From: Colin MacDonald, Manager of Policy, MFOA
Date: November 29, 2023
Re: Municipal Insights Update Q4, 2023
Report: ONE JIB 2023-073

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

The Province has announced a shift in plans with respect to regional reviews, moving away from the plan of using facilitators. Instead, the work has been referred to a Standing Committee of Provincial Parliament. As this work concludes, municipalities in two-tiered systems should have greater certainty and may become more interested in engaging in discussions on prudent investor standard; however, the review could introduce some complex realignment of services which could further occupy municipalities and have an impact on their MNRI.

Additionally, the Province has provided more clarity on exemptions and discounts to development-related charges through revised “affordable residential units” definitions. The addition of an income-based assessment to the definition has been well received by the sector, but there is still uncertainty with respect to the use of “Affordable Residential Units bulletins” that will provide the specific calculations of the qualifying metrics. While we are getting closer to certainty on the Bill 23 impacts through additional regulations, municipalities will still be developing their 2024 budgets with significant holes to fill and will require some tough decisions that may impact MNRI.

Lastly, the Provincial and Federal governments have agreed to participate in working group discussions with the City of Toronto around its financial state. Toronto is trying to address a financial forecast gap of \$46.5 billion over the next ten years. The Province’s willingness to engage in these discussions has many advocating for a similar review with the other 443 municipalities in Ontario. The last such review resulted in a ten-year plan that had a net financial benefit to municipalities, but that plan was completed in 2018.

3. BACKGROUND

The regional governance review of six two-tier municipal systems will be conducted by a

Standing Committee of Provincial Parliament in place of appointing regional facilitators

In June 2023 the Province passed Bill 112 to dissolve Peel Region as of January 1, 2025. Prior to this, on May 18, 2023, the Province 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 had said that facilitators would be appointed by September 11, 2023. On September 11, 2023, Minister Calandra announced that his office would be reviewing the decision to use facilitators. On September 13, 2023, Minister Calandra formally requested that the Standing Committee on Heritage, Infrastructure and Cultural Policy conduct the review in place of appointing facilitators. The Standing Committee announced that it would hold a hearing on the issue on November 6, 2023 in the City of Barrie within Simcoe County. The study is to focus on “governance structures and service delivery in these areas to ensure that they are providing effective and accountable government, particularly when it comes to getting more homes built.” Additionally, the Minister’s letter asked that the study address the following questions:

- Is two-tier government in these regions supporting or hindering the construction of new homes and the provision of local governance more specifically?
- Are there responsibilities and services that could be combined, amended or moved from one level of local government to another, or combined among existing local governments, to support the construction of new homes and the provision of effective local governance more generally?
- Is the municipal governance structure within each of these regions supporting the construction of new homes and the provision of effective local governance more generally?
- Could any changes to regional governance enhance local services and/or provide better value to taxpayers?

The Standing Committee has also announced that it intends to host meetings in the other regions.

The Province has provided updated draft definitions for “affordable residential units” with respect to development charge exemptions

On November 28, 2022, Bill 23, *The More Homes Built Faster Act, 2022* received royal assent. Bill 23 introduced changes to the *Development Charges Act, 1997* and the *Planning Act* that will affect municipal reserves. One significant component of Bill 23 that has yet to come into effect is the exemptions and discounts for affordable and attainable residential units. On September 28, 2023, the Province introduced Bill 134, *The Affordable Homes and Good Jobs Act, 2023* with new definitions for “affordable residential units.” The new definition adds an income-based approach on top of the market-rate approach, which should theoretically reduce the number of units to which the definition applies. The income-based approach for rentals looks at rental costs that is equal to 30% of income for households within the 60th percentile of gross annual incomes. A similar calculation will be used to set an affordable purchase price threshold for non-rental affordable housing. The full impact, however, will not be known until the release of the Minister’s “Affordable Residential Units bulletin,” which will contain the specific calculations. Municipalities still have concerns with respect to the administrative burden of an affordable unit exemption program, particularly with non-rental units. 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 of November 20, 2023, nine of 50 municipalities have met or exceeded their target, with three more “on track” to meet their target. As detailed in the Municipal Insights Report for Q3 2023, the Province indicated that as part of its assessment on keeping municipalities “whole,” it would conduct an audit of municipal finances in six municipalities to aid in its determination of the financial impact of Bill 23 on municipalities. No updates on the audits are expected until the end of 2023.

The Province also announced the Building Faster Fund on August 21, 2023. The fund is a \$400 million annual commitment over the next three years. Municipalities who meet 80% of their target will receive some funding, and those who fail to meet the 80% threshold will be ineligible. The Province is measuring housing starts, whereas municipalities have asked that the issuances of housing permits be measured, as the start of the project is outside of their control.

The Province and the City of Toronto have announced a “New Deal” working group examining options for financial sustainability for the city, and the Federal Government has agreed to participate

On August 24, 2023, the City of Toronto released its long-term financial plan that demonstrated a growing gap between the services it provides and the revenue options it has at its disposal – the city estimates the gap to be \$46.5 billion over the next ten years. On September 18, 2023 the City and the Province announced a working group to engage in discussions about the financial pressures the city is facing and how the two governments can work together to put Toronto on a path toward long-term financial sustainability. Official details of the options under consideration are scarce, though the parameters of the working group say that any agreement between the province and the City should “avoid new taxes and fees.” Several media outlets have suggested that an upload of costs for maintaining the Don Valley and Gardiner Expressways were options being discussed. After the first meeting of the working group the Premier and the Mayor of Toronto jointly called on the Federal Government to participate in the discussions. The Federal Government subsequently agreed.

4. ANALYSIS

The Province has begun work on regional reviews, and upon its conclusion municipalities may show greater interest in the large municipal PI solution

The regional review is largely comprised of larger urban municipalities in Southern Ontario in two-tier structures. Many of the municipalities for whom the Large Municipal Offering is being developed are included in the review. The shift away from facilitators will likely lead to a broader, generalized analysis and recommendations with respect to two-tier governments. The focus of the review is geared heavily toward housing with economic efficiency being a lower order priority according to the Minister’s list of objectives. In the Q3 Municipal Insights report, it was noted that some of the Housing Supply Task Force recommendations could be implemented through a

regional review process, specifically the implementation of a water and wastewater utility model, whereby joint municipal services boards would be established and governed by a provincial regulator. The regional review process has begun, but there's no greater certainty on the timing of its conclusion. As it draws nearer its conclusion, it is possible that municipalities in or around the two-tier systems might have enough certainty to engage in discussions on the Prudent Investment Program.

Uncertainties related to the financial pressures caused by Bill 23 will affect 2024 municipal budgets and potentially MNRI

Many municipalities are preparing their 2024 budgets. The fiscal uncertainty caused by Bill 23 coupled with the pressure to meet housing targets and higher levels of inflation are likely to have an impact on municipal reserve time horizon forecasts. In addition to levy increases, municipalities may have to reduce service levels or draw on reserves to address shortfalls. Some municipal treasurers have indicated that they may have to draw on and/or divert planned transfers to longer lived reserve funds, like those intended for infrastructure renewal or replacement (i.e., asset management reserve funds).

The New Deal working group may signal an opportunity for other municipalities to engage the province in discussions on service delivery realignment

The Province has conducted extensive service delivery reviews and realignments in the past. Notably "Who Does What?" in the late 1990s and the Provincial Municipal Fiscal Service Delivery Review (PMFSDR) in the late 2000s brought together municipal and provincial stakeholders to examine the responsibilities of the municipalities in relation to their revenues. The latter resulted in a ten-year plan to upload some responsibilities to the Province and reduce significant unconditional grant programs to municipalities, to the net benefit of municipalities. The ten-year plan was completed in 2018. The announcement of a New Deal working group with the City of Toronto has led some to advocate for a similar working group arrangement for the 443 municipalities governed by the *Municipal Act, 2001*.

5. CONCLUSION

The Province is making progress on some areas that are creating financial uncertainty for municipalities. Despite this progress, 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 could shorten the time horizon of MNRI, particularly for municipalities who collect growth-related development charges or who belong to one of the two-tiered municipal structures under review.

Drafted by: Colin Macdonald, Manager of Policy, MFOA

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



REPORT

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: November 29, 2023
Re: Municipal Performance Reports Q3 2023
Report: ONE JIB 2023-O67

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

On November 9, 2023, ONE Investment distributed quarterly reporting packages for the third 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 were distributed to the Participating Municipalities within the expected six weeks of the quarter 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/CEO

QUARTERLY INVESTMENT REPORT

For The Period Ended September 30, 2023

Whitby Prudent Investor Portfolio

575 Rossland Rd. E.
Whitby, ON
L1N 2M8

Wong, Fuwing
Commissioner of Financial Services/Treasurer
wongf@whitby.ca
(905) 668-5803

ONE Investment

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

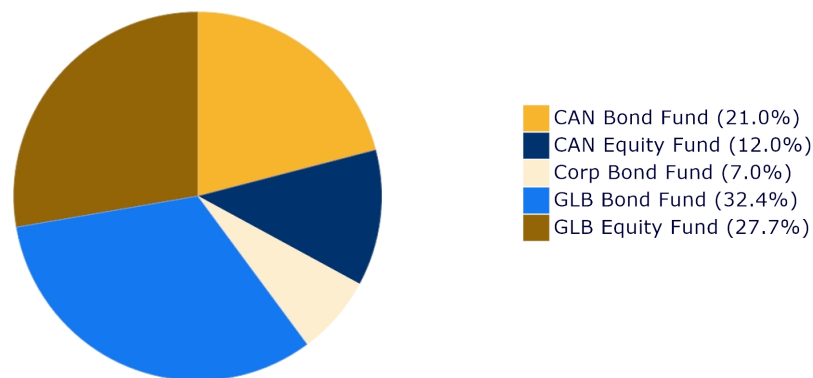
Relationship Manager

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

Whitby Prudent Investor Portfolio
Executive Summary for the Quarter Ended September 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	-1.0%	4.9%	9.8%	-0.2%	2.4%	-	2.9%	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	12,157,259.11	23,870,265.51	-	(4,637.10)	-	36,022,887.52
CAN Equity Fund	20,843,150.72	-	-	(280,773.53)	-	20,562,377.19
Corp Bond Fund	12,211,669.20	-	-	(258,758.59)	-	11,952,910.61
GLB Bond Fund	56,650,082.87	200,240.42	-	(1,089,913.35)	-	55,760,409.94
GLB Equity Fund	48,089,918.06	-	-	(469,978.12)	-	47,619,939.94
PI-HISA	23,726,056.24	-	24,036,339.55	-	310,283.31	-
Total	173,678,136.20	24,070,505.93	24,036,339.55	(2,104,060.69)	310,283.31	171,918,525.20

**Whitby Prudent Investor Portfolio
Performance History At
September 30, 2023**

Performance by Fund

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
ONE Canadian Equity Fund	-1.3	8.2	15.8	3.0	10.1	-	-	11.1	07/02/2020
ONE Global Equity Fund	-0.9	9.9	19.1	2.6	7.1	-	-	7.7	07/02/2020
ONE Canadian Corporate Bond Fund	-2.1	-0.0	0.5	-4.0	-3.4	-	-	-2.9	07/02/2020
ONE Canadian Government Bond Fund	-0.2	0.6	1.3	-1.8	-1.4	-	-	-1.1	07/02/2020
ONE Global Bond Fund	-1.9	0.6	3.9	-4.0	-1.7	-	-	-1.0	07/02/2020

Performance by Outcome

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
JIB1WHICONT	-1.3	5.9	12.0	0.2	4.1	-	-	4.8	07/02/2020
JIB2WHITD35	-1.0	2.1	4.8	-1.7	-0.0	-	-	0.4	07/02/2020
JIB3WHITD510	-1.4	5.0	10.6	-0.4	3.2	-	-	3.8	07/02/2020
JIB4WHIAMR	-1.1	8.5	16.6	2.1	7.1	-	-	7.8	07/02/2020
JIB5WHITD10P	-1.2	7.2	14.2	1.1	5.6	-	-	6.2	07/02/2020
JIBWHICASH	1.4	3.9	4.9	-	-	-	-	4.1	06/13/2022

QUARTERLY REVIEW

The equity markets were modestly weaker in the third quarter, after three consecutive quarters of positive returns. The ONE Canadian Equity Portfolio generated returns of -1.3% in the quarter leading to returns for the 12-month period ending September 30, 2023, of 15.8%. This strongly outperformed the broader Canadian equity markets. The softness in equity markets in the quarter may be explained by a number of factors including signs of deceleration in Canadian economic growth, further interest rate hikes by the Bank of Canada in the wake of persistent inflation pressures, and signs of increased uncertainty about the overall economic outlook.

In the quarter only two sectors of the Canadian market had positive returns, the most significant of which was the Energy sector, which was up over 10%, rising on the back of a \$20 per barrel increase in price of oil. The manager has always had a significant underweight exposure to this sector, which helps reduce the overall volatility of the portfolio. The portfolio's holdings in the energy sector were up over 19% in the quarter, strongly outperforming the broader sector due to good stock selection. This more than offset the affect of being 8% underweight to the second strongest sector of the market in the quarter.

The overall performance of the portfolio was aided by the positive contribution from stock selection in other sectors too. In the Information Technology sector, Celestica stood out. This holding was added to the portfolio in June with a 2.3% weight, and it rallied 73% in the third quarter. In the Industrials sector, SNC Lavalin, which represent 4% of the overall portfolio was up 30.5%. While the sector allocation choices by the manager collectively were a drag on portfolio performance, stock selection choice by the manager more than offset this, leading to portfolio outperformance vs the broader Canadian equity market.

QUARTERLY REVIEW

Global equity markets were modestly weaker in the quarter as investors took a more cautious stance towards equity markets after very strong returns in the first half of 2023. The ONE Global Equity Fund had returns of negative 0.9% while returns for the 12-month period ending September 30, 2023, remain strong at 19.1%. The market's sell-off toward the end of the quarter occurred amidst signs of a weakening global economy, further concerns surrounding the property sector in China, additional interest rate hikes in many developed economies, and a changing interest rate outlook that implies that interest rates will remain higher for a longer period of time.

After one of the most aggressive hiking cycles on record across most major economies, there has been increasing concerns for slowdown in economic activity. The shape of the yield curve and the leading economic indicators suggest that a recession may be on the horizon, but in the US, economic activity and strength in labour market have led many to believe that a soft landing for the US economy can be achieved. Both the US dollar and US equity markets outperformed most other equity markets in the quarter as a result.

During the quarter the Energy sector was the strongest segment of the global equity markets, up about 13% in the quarter, which the ONE Global Equity Fund did not benefit from as there is no exposure to this sector. The manager prefers to invest in companies that have a sustainable competitive advantage, attractive valuations and good business models, believing that this will lead to better returns, but prospects for firms in the energy sector are mostly tied to the trends in commodity prices, which are largely unpredictable.

QUARTERLY REVIEW

Global bond markets were weaker in third quarter as bond yields rose sharply around the globe, especially for intermediate and long-term bonds. Recent economic and inflation data led to expectations that the world's major central banks would not be lowering short-term interest rates anytime soon. Instead, major central banks in US and Europe raised short-term rates during the quarter as part of their ongoing efforts to contain inflation.

The performance of all ONE Investment's bond funds were weaker during the quarter as a result. Longer maturity bonds tended to have weaker performance leading to weaker performance for the ONE Canadian Corporate Bond Fund and ONE Global Bond Fund, which had returns of negative 2.1% and negative 1.9% respectively in the quarter. The ONE Canadian Government Bond Fund, which has a much shorter average maturity profile performed better, with returns of negative 0.2% in the quarter. All three bond funds had positive performance for the 12-month period ending September 30, 2023. The strongest was the ONE Global Bond Fund with returns of 3.9%. This fund invests in a much wider range of fixed income securities including high yield bonds, and BBB credit quality bonds which have performed well over the last 12 months.

Inflation continues to trend above central bank targets, and the interest rates rate hikes implemented by central banks to slow economic activity and reduce inflationary pressures have only been partially successful. It takes a considerable amount of time for the effects of interest rates to be fully reflected in economy activity making it very difficult to evaluate if further rate hikes are required. This dynamic has created uncertainty for the interest rate outlook.

Whitby Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of September 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
CAN Equity Fund	15,978.643	1,115.25	17,820,191.43	1,286.86	20,562,377.19	11.96%
GLB Equity Fund	40,797.067	1,055.35	43,055,533.51	1,167.23	47,619,939.94	27.70%
Corp Bond Fund	13,617.010	968.48	13,187,813.80	877.79	11,952,910.61	6.95%
CAN Bond Fund	38,432.477	949.00	36,472,528.88	937.30	36,022,887.52	20.95%
GLB Bond Fund	65,497.851	966.46	63,301,298.19	851.33	55,760,409.94	32.43%
					171,918,525.20	100.00%

**Whitby Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Whitby - Contingency Outcome
Account Number: 570050112**

**For the Quarter Ending
September 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	877.79	681,184.61	5.9%	(14,746.40)	0.00
CAN Equity Fund	1,618.89	1,084.36	1,755,464.24	1,286.86	2,083,294.98	18.1%	(28,446.82)	0.00
CAN Bond Fund	739.84	952.66	704,827.96	937.30	693,462.91	6.0%	(1,815.29)	0.00
GLB Bond Fund	3,731.76	918.72	3,428,447.65	851.33	3,176,967.18	27.7%	(62,299.51)	0.00
GLB Equity Fund	4,131.53	1,009.73	4,171,771.51	1,167.23	4,822,487.69	42.0%	(47,594.84)	0.00
			<u>10,776,872.04</u>		<u>11,457,397.37</u>	100.0%	<u>(154,902.86)</u>	<u>0.00</u>

**Whitby Prudent Investor Portfolio
Performance History
At September 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	-1.3	5.9	12.0	0.2	4.1	-	-	4.8	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 September 30, 2023**

**Account Name: Whitby - Target Date 3 to 5 Year Outcome
Account Number: 570050120**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	7,860.80	962.49	7,565,950.99	877.79	6,900,152.95	10.4%	(149,375.65)	0.00
CAN Equity Fund	1,556.52	1,059.32	1,648,871.54	1,286.86	2,003,038.28	3.0%	(27,350.93)	0.00
CAN Bond Fund	21,713.73	948.43	20,594,090.45	937.30	20,352,356.41	30.7%	(3,169.43)	0.00
GLB Bond Fund	37,841.15	956.20	36,183,999.37	851.33	32,215,384.94	48.7%	(627,961.89)	0.00
GLB Equity Fund	3,977.72	1,036.78	4,124,044.88	1,167.23	4,642,960.45	7.0%	(45,823.03)	0.00
			<u>70,116,957.23</u>		<u>66,113,893.03</u>	100.0%	<u>(853,680.93)</u>	<u>0.00</u>

**Whitby Prudent Investor Portfolio
Performance History
At September 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	-1.0	2.1	4.8	-1.7	-0.0	-	-	0.4	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 September 30, 2023**

**Account Name: Whitby - Target Date 5 to 10 Year Outcome
Account Number: 570050138**

**For the Quarter Ending
September 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	877.79	3,145,641.76	7.4%	(68,097.38)	0.00
CAN Equity Fund	4,956.77	1,022.16	5,066,639.64	1,286.86	6,378,709.28	15.1%	(87,099.49)	0.00
CAN Bond Fund	3,402.86	983.83	3,347,860.69	937.30	3,189,513.78	7.5%	(8,349.26)	0.00
GLB Bond Fund	17,181.28	992.91	17,059,619.28	851.33	14,626,978.56	34.7%	(286,831.29)	0.00
GLB Equity Fund	12,660.00	1,009.56	12,781,122.78	1,167.23	14,777,249.54	35.0%	(145,841.93)	0.00
			<u>41,806,458.62</u>		<u>42,118,092.92</u>	100.0%	<u>(596,219.35)</u>	<u>0.00</u>

**Whitby Prudent Investor Portfolio
Performance History
At September 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	5.0	10.6	-0.4	3.2	-	-	3.8	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 September 30, 2023**

**Account Name: Whitby - Asset Management Reserve Outcome
Account Number: 570050146**

**For the Quarter Ending
September 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	877.79	215,405.04	1.4%	(4,663.12)	0.00
CAN Equity Fund	3,058.75	1,207.96	3,694,868.99	1,286.86	3,936,208.73	27.1%	(53,747.83)	0.00
CAN Bond Fund	233.55	952.25	222,400.30	937.30	218,909.06	1.5%	(573.04)	0.00
GLB Bond Fund	1,178.96	928.74	1,094,956.19	851.33	1,003,692.22	6.9%	(19,682.14)	0.00
GLB Equity Fund	7,811.01	1,082.20	8,453,157.57	1,167.23	9,117,326.02	62.9%	(89,982.13)	0.00
			<u>13,691,094.08</u>		<u>14,491,541.07</u>	100.0%	(168,648.26)	0.00

**Whitby Prudent Investor Portfolio
Performance History
At September 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	8.5	16.6	2.1	7.1	-	-	7.8	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 September 30, 2023**

**Account Name: Whitby - Target Date 10 Year Plus Outcome
Account Number: 570050153**

**For the Quarter Ending
September 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	877.79	1,010,526.25	3.7%	(21,876.04)	0.00
CAN Equity Fund	4,787.69	1,181.01	5,654,347.02	1,286.86	6,161,125.92	22.6%	(84,128.46)	0.00
CAN Bond Fund	1,095.08	979.91	1,073,083.97	937.30	1,026,423.04	3.7%	(2,686.89)	0.00
GLB Bond Fund	5,564.67	994.53	5,534,275.70	851.33	4,737,387.04	17.4%	(93,138.52)	0.00
GLB Equity Fund	12,216.78	1,107.11	13,525,436.77	1,167.23	14,259,916.24	52.4%	(140,736.19)	0.00
			<u>26,915,718.33</u>		<u>27,195,378.49</u>	100.0%	<u>(342,566.10)</u>	<u>0.00</u>

**Whitby Prudent Investor Portfolio
Performance History
At September 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	7.2	14.2	1.1	5.6	-	-	6.2	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 September 30, 2023**

Account Name: Whitby - Cash Outcome
Account Number: 570050765

For the Quarter Ending
September 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Bond Fund	11,247.39	936.24	10,530,265.51	937.30	10,542,222.32	100.0%	11,956.81	0.00
			10,530,265.51		10,542,222.32	100.0%	11,956.81	0.00

**Whitby Prudent Investor Portfolio
Performance History
At September 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	3.9	4.9	-	-	-	-	4.1	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 September 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	09/27/2023	09/27/2023	14,248.48	13,340,000.00
Buy	GLB Bond Fund	09/27/2023	09/27/2023	195.67	166,074.04
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	46,811.48	46,811.48
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	60,945.10	60,945.10
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	62,380.74	62,380.74
Transfer Out	PI-HISA	09/28/2023	09/28/2023	13,506,074.04	13,506,074.04

Whitby Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 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	07/24/2023	07/24/2023	39.08	34,166.38

Whitby Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 30, 2023

TRANSACTION SUMMARY

Account Name: Whitby - Cash Outcome
Account Number: 570050765

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	09/27/2023	09/27/2023	11,247.39	10,530,265.51
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	43,998.15	43,998.15
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	47,511.51	47,511.51
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	48,636.33	48,636.33
Transfer Out	PI-HISA	09/28/2023	09/28/2023	10,530,265.51	10,530,265.51

**Whitby Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
September 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 September 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 September 30, 2023

Thunder Bay Prudent Investor Portfolio

500 Donald St. E., P.O. Box 80
Thunder Bay, ON
P7E 5K4

Greaves, Keri
City Treasurer
keri.greaves@thunderbay.ca
(807) 625-2230

ONE Investment

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

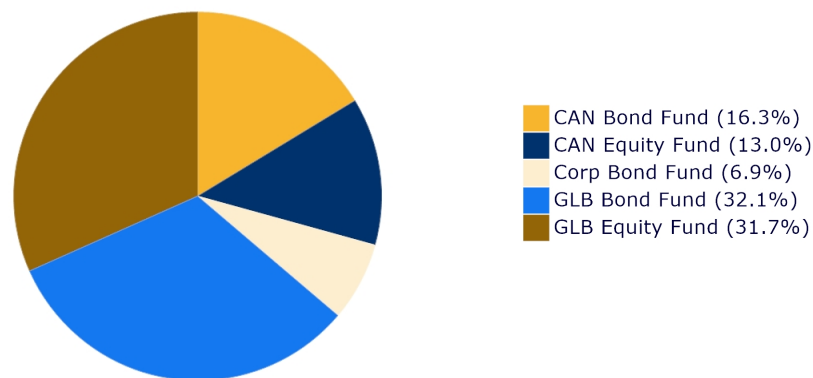
Relationship Manager

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

Thunder Bay Prudent Investor Portfolio
Executive Summary for the Quarter Ended September 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	-1.1%	4.6%	9.4%	-	-	-	0.6%	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	8,068,153.18	10,369,160.73	-	(9,290.85)	-	18,428,023.06
CAN Equity Fund	14,841,060.56	-	-	(199,920.67)	-	14,641,139.89
Corp Bond Fund	7,997,796.27	-	-	(169,468.94)	-	7,828,327.33
GLB Bond Fund	36,987,647.49	8,271.78	-	(711,584.15)	-	36,284,335.12
GLB Equity Fund	36,117,325.70	-	-	(352,971.15)	-	35,764,354.55
PI-HISA	10,231,158.87	-	10,369,160.73	-	138,001.86	-
Total	114,243,142.07	10,377,432.51	10,369,160.73	(1,443,235.76)	138,001.86	112,946,179.95

**Thunder Bay Prudent Investor Portfolio
Performance History At
September 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 Canadian Equity Fund	-1.3	8.2	15.8	-	-	-	-	0.9	04/01/2022
ONE Global Equity Fund	-0.9	9.9	19.1	-	-	-	-	3.9	04/01/2022
ONE Canadian Corporate Bond Fund	-2.1	-0.0	0.5	-	-	-	-	-2.1	04/01/2022
ONE Canadian Government Bond Fund	-0.2	0.6	1.3	-	-	-	-	-0.2	04/01/2022
ONE Global Bond Fund	-1.9	0.6	3.9	-	-	-	-	-2.5	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	-1.3	5.8	11.9	-	-	-	-	0.9	04/01/2022
JIB2THUTD35	-0.9	2.1	4.8	-	-	-	-	-0.4	04/01/2022
JIB3THUTD510	-1.3	4.9	10.3	-	-	-	-	0.4	04/01/2022
JIB4THUTD10P	-1.2	7.2	14.2	-	-	-	-	1.7	04/01/2022
JIBTHUCASH	1.4	3.9	4.9	-	-	-	-	3.8	04/04/2022

QUARTERLY REVIEW

The equity markets were modestly weaker in the third quarter, after three consecutive quarters of positive returns. The ONE Canadian Equity Portfolio generated returns of -1.3% in the quarter leading to returns for the 12-month period ending September 30, 2023, of 15.8%. This strongly outperformed the broader Canadian equity markets. The softness in equity markets in the quarter may be explained by a number of factors including signs of deceleration in Canadian economic growth, further interest rate hikes by the Bank of Canada in the wake of persistent inflation pressures, and signs of increased uncertainty about the overall economic outlook.

In the quarter only two sectors of the Canadian market had positive returns, the most significant of which was the Energy sector, which was up over 10%, rising on the back of a \$20 per barrel increase in price of oil. The manager has always had a significant underweight exposure to this sector, which helps reduce the overall volatility of the portfolio. The portfolio's holdings in the energy sector were up over 19% in the quarter, strongly outperforming the broader sector due to good stock selection. This more than offset the affect of being 8% underweight to the second strongest sector of the market in the quarter.

The overall performance of the portfolio was aided by the positive contribution from stock selection in other sectors too. In the Information Technology sector, Celestica stood out. This holding was added to the portfolio in June with a 2.3% weight, and it rallied 73% in the third quarter. In the Industrials sector, SNC Lavalin, which represent 4% of the overall portfolio was up 30.5%. While the sector allocation choices by the manager collectively were a drag on portfolio performance, stock selection choice by the manager more than offset this, leading to portfolio outperformance vs the broader Canadian equity market.

QUARTERLY REVIEW

Global equity markets were modestly weaker in the quarter as investors took a more cautious stance towards equity markets after very strong returns in the first half of 2023. The ONE Global Equity Fund had returns of negative 0.9% while returns for the 12-month period ending September 30, 2023, remain strong at 19.1%. The market's sell-off toward the end of the quarter occurred amidst signs of a weakening global economy, further concerns surrounding the property sector in China, additional interest rate hikes in many developed economies, and a changing interest rate outlook that implies that interest rates will remain higher for a longer period of time.

After one of the most aggressive hiking cycles on record across most major economies, there has been increasing concerns for slowdown in economic activity. The shape of the yield curve and the leading economic indicators suggest that a recession may be on the horizon, but in the US, economic activity and strength in labour market have led many to believe that a soft landing for the US economy can be achieved. Both the US dollar and US equity markets outperformed most other equity markets in the quarter as a result.

During the quarter the Energy sector was the strongest segment of the global equity markets, up about 13% in the quarter, which the ONE Global Equity Fund did not benefit from as there is no exposure to this sector. The manager prefers to invest in companies that have a sustainable competitive advantage, attractive valuations and good business models, believing that this will lead to better returns, but prospects for firms in the energy sector are mostly tied to the trends in commodity prices, which are largely unpredictable.

QUARTERLY REVIEW

Global bond markets were weaker in third quarter as bond yields rose sharply around the globe, especially for intermediate and long-term bonds. Recent economic and inflation data led to expectations that the world's major central banks would not be lowering short-term interest rates anytime soon. Instead, major central banks in US and Europe raised short-term rates during the quarter as part of their ongoing efforts to contain inflation.

The performance of all ONE Investment's bond funds were weaker during the quarter as a result. Longer maturity bonds tended to have weaker performance leading to weaker performance for the ONE Canadian Corporate Bond Fund and ONE Global Bond Fund, which had returns of negative 2.1% and negative 1.9% respectively in the quarter. The ONE Canadian Government Bond Fund, which has a much shorter average maturity profile performed better, with returns of negative 0.2% in the quarter. All three bond funds had positive performance for the 12-month period ending September 30, 2023. The strongest was the ONE Global Bond Fund with returns of 3.9%. This fund invests in a much wider range of fixed income securities including high yield bonds, and BBB credit quality bonds which have performed well over the last 12 months.

Inflation continues to trend above central bank targets, and the interest rates rate hikes implemented by central banks to slow economic activity and reduce inflationary pressures have only been partially successful. It takes a considerable amount of time for the effects of interest rates to be fully reflected in economy activity making it very difficult to evaluate if further rate hikes are required. This dynamic has created uncertainty for the interest rate outlook.

Thunder Bay Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of September 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
CAN Equity Fund	11,377.359	1,276.54	14,523,674.01	1,286.86	14,641,139.89	12.96%
GLB Equity Fund	30,640.122	1,113.61	34,121,208.05	1,167.23	35,764,354.55	31.66%
Corp Bond Fund	8,918.197	907.78	8,095,778.67	877.79	7,828,327.33	6.93%
CAN Bond Fund	19,660.683	938.44	18,450,410.73	937.30	18,428,023.06	16.32%
GLB Bond Fund	42,620.669	920.50	39,232,346.12	851.33	36,284,335.12	32.13%
					112,946,179.95	100.00%

Thunder Bay Prudent Investor Portfolio
Holdings by Account
At September 30, 2023

Account Name: Thunder Bay - Contingency Outcome
Account Number: 570050567

For the Quarter Ending
September 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	877.79	1,412,368.29	5.7%	(30,575.19)	0.00
CAN Equity Fund	3,445.46	1,276.54	4,398,279.51	1,286.86	4,433,852.80	17.9%	(60,543.02)	0.00
CAN Bond Fund	1,548.95	941.28	1,458,000.00	937.30	1,451,836.88	5.8%	(3,800.51)	0.00
GLB Bond Fund	7,711.32	920.36	7,097,240.00	851.33	6,564,900.37	26.5%	(128,793.66)	0.00
GLB Equity Fund	9,298.55	1,113.44	10,353,470.79	1,167.23	10,853,641.16	43.9%	(107,118.45)	0.00
			24,767,611.53		24,716,599.50	100.0%	(330,830.83)	0.00

Thunder Bay Prudent Investor Portfolio
Performance History
At September 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	-1.3	5.8	11.9	-	-	-	-	0.9	04/01/2022

% Calendar Year Returns

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

Thunder Bay Prudent Investor Portfolio
Holdings by Account
At September 30, 2023

Account Name: Thunder Bay - Target Date 3 to 5 Year Outcome
Account Number: 570050575

For the Quarter Ending
September 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	3,638.45	907.78	3,302,927.43	877.79	3,193,812.39	10.2%	(69,140.18)	0.00
CAN Equity Fund	742.02	1,276.54	947,228.92	1,286.86	954,889.54	3.0%	(13,038.75)	0.00
CAN Bond Fund	10,594.12	937.90	9,936,307.64	937.30	9,929,909.26	31.8%	(1,054.80)	0.00
GLB Bond Fund	17,377.58	920.53	15,996,594.57	851.33	14,794,093.31	47.4%	(290,108.37)	0.00
GLB Equity Fund	1,996.50	1,113.68	2,223,467.74	1,167.23	2,330,393.26	7.4%	(22,999.48)	0.00
			32,406,526.30		31,203,097.76	100.0%	(396,341.58)	0.00

Thunder Bay Prudent Investor Portfolio
Performance History
At September 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	2.1	4.8	-	-	-	-	-0.4	04/01/2022

% Calendar Year Returns

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

Thunder Bay Prudent Investor Portfolio
Holdings by Account
At September 30, 2023

Account Name: Thunder Bay - Target Date 5 to 10 Year Outcome
Account Number: 570050583

For the Quarter Ending
September 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	877.79	2,622,762.65	7.2%	(56,778.01)	0.00
CAN Equity Fund	4,265.47	1,276.54	5,445,057.97	1,286.86	5,489,097.32	15.1%	(74,952.09)	0.00
CAN Bond Fund	2,876.39	941.28	2,707,500.00	937.30	2,696,054.53	7.4%	(7,057.52)	0.00
GLB Bond Fund	14,270.49	920.53	13,136,420.91	851.33	12,148,925.07	33.4%	(238,237.30)	0.00
GLB Equity Fund	11,476.69	1,113.68	12,781,399.01	1,167.23	13,396,048.27	36.8%	(132,210.37)	0.00
			36,782,745.50		36,352,887.84	100.0%	(509,235.29)	0.00

Thunder Bay Prudent Investor Portfolio
Performance History
At September 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	-1.3	4.9	10.3	-	-	-	-	0.4	04/01/2022

% Calendar Year Returns

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

**Thunder Bay Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Thunder Bay - Target Date 10 Year Plus Outcome
Account Number: 570050591**

**For the Quarter Ending
September 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	877.79	599,384.00	3.5%	(12,975.56)	0.00
CAN Equity Fund	2,924.39	1,276.54	3,733,107.61	1,286.86	3,763,300.23	22.2%	(51,386.81)	0.00
CAN Bond Fund	657.34	941.28	618,750.00	937.30	616,134.45	3.6%	(1,612.87)	0.00
GLB Bond Fund	3,261.26	920.53	3,002,090.64	851.33	2,776,416.37	16.3%	(54,444.82)	0.00
GLB Equity Fund	7,868.37	1,113.68	8,762,870.51	1,167.23	9,184,271.86	54.2%	(90,642.85)	0.00
			16,736,681.16		16,939,506.91	100.0%	(211,062.91)	0.00

**Thunder Bay Prudent Investor Portfolio
Performance History
At September 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	7.2	14.2	-	-	-	-	1.7	04/01/2022

% Calendar Year Returns

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

**Thunder Bay Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Thunder Bay - Cash Outcome
Account Number: 570050799**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Bond Fund	3,983.86	936.24	3,729,853.09	937.30	3,734,087.94	100.0%	4,234.85	0.00
			<u>3,729,853.09</u>		<u>3,734,087.94</u>	100.0%	4,234.85	0.00

**Thunder Bay Prudent Investor Portfolio
Performance History
At September 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	3.9	4.9	-	-	-	-	3.8	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 September 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	07/24/2023	07/24/2023	9.46	8,271.78

Thunder Bay Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 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)
Buy	CAN Bond Fund	09/27/2023	09/27/2023	7,091.45	6,639,307.64
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	27,740.73	27,740.73
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	29,955.89	29,955.89
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	30,665.09	30,665.09
Transfer Out	PI-HISA	09/28/2023	09/28/2023	6,639,307.64	6,639,307.64

Thunder Bay Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 30, 2023

TRANSACTION SUMMARY

Account Name: Thunder Bay - Cash Outcome
Account Number: 570050799

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	09/27/2023	09/27/2023	3,983.86	3,729,853.09
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	15,584.28	15,584.28
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	16,828.73	16,828.73
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	17,227.14	17,227.14
Transfer Out	PI-HISA	09/28/2023	09/28/2023	3,729,853.09	3,729,853.09

**Thunder Bay Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
September 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 September 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 September 30, 2023

Quinte West Prudent Investor Portfolio

7 Creswell Dr., P O Box 490
Trenton, ON
K8V 5R6

DenOuden, Caleb
Director of Finance/Treasurer
calebd@quintewest.ca
6133922841x4580

ONE Investment

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

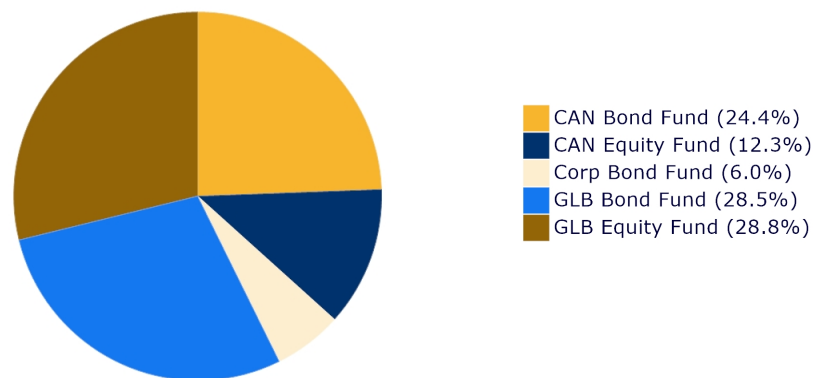
Relationship Manager

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

Quinte West Prudent Investor Portfolio
Executive Summary for the Quarter Ended September 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%	4.6%	9.0%	-	-	-	-0.9%	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	2,086,676.64	5,963,460.75	-	1,323.27	-	8,051,460.66
CAN Equity Fund	4,095,700.83	-	-	(55,172.29)	-	4,040,528.54
Corp Bond Fund	2,033,128.88	-	-	(43,080.88)	-	1,990,048.00
GLB Bond Fund	9,462,971.85	107,288.10	-	(181,669.60)	-	9,388,590.35
GLB Equity Fund	9,602,854.95	-	-	(93,847.78)	-	9,509,007.17
PI-HISA	5,989,954.01	-	6,070,748.85	-	80,794.84	-
Total	33,271,287.16	6,070,748.85	6,070,748.85	(372,447.28)	80,794.84	32,979,634.72

**Quinte West Prudent Investor Portfolio
Performance History At
September 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 Canadian Equity Fund	-1.3	8.2	15.8	-	-	-	-	-0.0	01/07/2022
ONE Global Equity Fund	-0.9	9.9	19.1	-	-	-	-	0.4	01/07/2022
ONE Canadian Corporate Bond Fund	-2.1	-0.0	0.5	-	-	-	-	-4.2	01/07/2022
ONE Canadian Government Bond Fund	-0.2	0.6	1.3	-	-	-	-	-1.6	01/07/2022
ONE Global Bond Fund	-1.9	0.6	3.9	-	-	-	-	-4.2	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	1.4	3.9	4.9	-	-	-	-	3.4	01/07/2022
JIB1QUICONT	-1.3	5.8	11.8	-	-	-	-	-1.3	01/07/2022
JIB2QUITD35	-0.9	2.1	4.8	-	-	-	-	-1.9	01/07/2022
JIB3QUITD510	-1.3	4.9	10.3	-	-	-	-	-1.7	01/07/2022
JIB4QUITD10P	-1.2	7.1	14.1	-	-	-	-	-0.7	01/07/2022

QUARTERLY REVIEW

The equity markets were modestly weaker in the third quarter, after three consecutive quarters of positive returns. The ONE Canadian Equity Portfolio generated returns of -1.3% in the quarter leading to returns for the 12-month period ending September 30, 2023, of 15.8%. This strongly outperformed the broader Canadian equity markets. The softness in equity markets in the quarter may be explained by a number of factors including signs of deceleration in Canadian economic growth, further interest rate hikes by the Bank of Canada in the wake of persistent inflation pressures, and signs of increased uncertainty about the overall economic outlook.

In the quarter only two sectors of the Canadian market had positive returns, the most significant of which was the Energy sector, which was up over 10%, rising on the back of a \$20 per barrel increase in price of oil. The manager has always had a significant underweight exposure to this sector, which helps reduce the overall volatility of the portfolio. The portfolio's holdings in the energy sector were up over 19% in the quarter, strongly outperforming the broader sector due to good stock selection. This more than offset the affect of being 8% underweight to the second strongest sector of the market in the quarter.

The overall performance of the portfolio was aided by the positive contribution from stock selection in other sectors too. In the Information Technology sector, Celestica stood out. This holding was added to the portfolio in June with a 2.3% weight, and it rallied 73% in the third quarter. In the Industrials sector, SNC Lavalin, which represent 4% of the overall portfolio was up 30.5%. While the sector allocation choices by the manager collectively were a drag on portfolio performance, stock selection choice by the manager more than offset this, leading to portfolio outperformance vs the broader Canadian equity market.

QUARTERLY REVIEW

Global equity markets were modestly weaker in the quarter as investors took a more cautious stance towards equity markets after very strong returns in the first half of 2023. The ONE Global Equity Fund had returns of negative 0.9% while returns for the 12-month period ending September 30, 2023, remain strong at 19.1%. The market's sell-off toward the end of the quarter occurred amidst signs of a weakening global economy, further concerns surrounding the property sector in China, additional interest rate hikes in many developed economies, and a changing interest rate outlook that implies that interest rates will remain higher for a longer period of time.

After one of the most aggressive hiking cycles on record across most major economies, there has been increasing concerns for slowdown in economic activity. The shape of the yield curve and the leading economic indicators suggest that a recession may be on the horizon, but in the US, economic activity and strength in labour market have led many to believe that a soft landing for the US economy can be achieved. Both the US dollar and US equity markets outperformed most other equity markets in the quarter as a result.

During the quarter the Energy sector was the strongest segment of the global equity markets, up about 13% in the quarter, which the ONE Global Equity Fund did not benefit from as there is no exposure to this sector. The manager prefers to invest in companies that have a sustainable competitive advantage, attractive valuations and good business models, believing that this will lead to better returns, but prospects for firms in the energy sector are mostly tied to the trends in commodity prices, which are largely unpredictable.

QUARTERLY REVIEW

Global bond markets were weaker in third quarter as bond yields rose sharply around the globe, especially for intermediate and long-term bonds. Recent economic and inflation data led to expectations that the world's major central banks would not be lowering short-term interest rates anytime soon. Instead, major central banks in US and Europe raised short-term rates during the quarter as part of their ongoing efforts to contain inflation.

The performance of all ONE Investment's bond funds were weaker during the quarter as a result. Longer maturity bonds tended to have weaker performance leading to weaker performance for the ONE Canadian Corporate Bond Fund and ONE Global Bond Fund, which had returns of negative 2.1% and negative 1.9% respectively in the quarter. The ONE Canadian Government Bond Fund, which has a much shorter average maturity profile performed better, with returns of negative 0.2% in the quarter. All three bond funds had positive performance for the 12-month period ending September 30, 2023. The strongest was the ONE Global Bond Fund with returns of 3.9%. This fund invests in a much wider range of fixed income securities including high yield bonds, and BBB credit quality bonds which have performed well over the last 12 months.

Inflation continues to trend above central bank targets, and the interest rates rate hikes implemented by central banks to slow economic activity and reduce inflationary pressures have only been partially successful. It takes a considerable amount of time for the effects of interest rates to be fully reflected in economy activity making it very difficult to evaluate if further rate hikes are required. This dynamic has created uncertainty for the interest rate outlook.

Quinte West Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of September 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
CAN Equity Fund	3,139.820	1,294.73	4,065,225.69	1,286.86	4,040,528.54	12.25%
GLB Equity Fund	8,146.579	1,170.77	9,537,819.42	1,167.23	9,509,007.17	28.83%
Corp Bond Fund	2,267.105	947.04	2,147,043.35	877.79	1,990,048.00	6.03%
CAN Bond Fund	8,590.027	943.74	8,106,810.75	937.30	8,051,460.66	24.41%
GLB Bond Fund	11,028.120	951.44	10,492,640.48	851.33	9,388,590.35	28.47%
					32,979,634.72	100.00%

**Quinte West Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Quinte West - Cash Outcome
Account Number: 570050781**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Bond Fund	5,008.82	936.24	4,689,460.75	937.30	4,694,785.39	100.0%	5,324.64	0.00
			<u>4,689,460.75</u>		<u>4,694,785.39</u>	100.0%	<u>5,324.64</u>	<u>0.00</u>

**Quinte West Prudent Investor Portfolio
Performance History
At September 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	3.9	4.9	-	-	-	-	3.4	01/07/2022

% Calendar Year Returns

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

**Quinte West Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Quinte West - Contingency Outcome
Account Number: 570050484**

**For the Quarter Ending
September 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	877.79	222,833.80	5.7%	(4,823.94)	0.00
CAN Equity Fund	559.14	1,294.73	723,940.17	1,286.86	719,542.28	18.4%	(9,825.15)	0.00
CAN Bond Fund	248.63	965.28	240,000.00	937.30	233,043.59	5.9%	(610.05)	0.00
GLB Bond Fund	1,220.71	952.63	1,162,891.99	851.33	1,039,229.36	26.5%	(20,379.02)	0.00
GLB Equity Fund	1,450.75	1,170.77	1,698,506.09	1,167.23	1,693,374.75	43.3%	(16,712.52)	0.00
			<u>4,065,751.81</u>		<u>3,908,023.78</u>	100.0%	(52,350.68)	0.00

**Quinte West Prudent Investor Portfolio
Performance History
At September 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	-1.3	5.8	11.8	-	-	-	-	-1.3	01/07/2022

% Calendar Year Returns

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

**Quinte West Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Quinte West - Target Date 3 to 5 Year Outcome
Account Number: 570050492**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	724.12	947.04	685,779.68	877.79	635,634.20	10.0%	(13,760.31)	0.00
CAN Equity Fund	151.90	1,294.73	196,670.41	1,286.86	195,474.99	3.1%	(2,669.16)	0.00
CAN Bond Fund	2,069.98	946.19	1,958,600.00	937.30	1,940,204.71	30.7%	(293.44)	0.00
GLB Bond Fund	3,608.48	948.99	3,424,437.54	851.33	3,072,020.09	48.7%	(57,803.29)	0.00
GLB Equity Fund	394.12	1,170.77	461,427.49	1,167.23	460,033.52	7.3%	(4,540.23)	0.00
			<u>6,726,915.12</u>		<u>6,303,367.51</u>	100.0%	(79,066.43)	0.00

**Quinte West Prudent Investor Portfolio
Performance History
At September 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	2.1	4.8	-	-	-	-	-1.9	01/07/2022

% Calendar Year Returns

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

**Quinte West Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Quinte West - Target Date 5 to 10 Year Outcome
Account Number: 570050500**

**For the Quarter Ending
September 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	877.79	971,417.96	7.1%	(21,029.42)	0.00
CAN Equity Fund	1,625.00	1,294.73	2,103,951.12	1,286.86	2,091,169.32	15.4%	(28,554.33)	0.00
CAN Bond Fund	1,083.88	965.28	1,046,250.00	937.30	1,015,926.18	7.5%	(2,659.41)	0.00
GLB Bond Fund	5,321.53	952.63	5,069,482.32	851.33	4,530,394.21	33.4%	(88,839.86)	0.00
GLB Equity Fund	4,216.25	1,170.77	4,936,283.34	1,167.23	4,921,372.70	36.3%	(48,570.78)	0.00
			<u>14,204,019.64</u>		<u>13,530,280.37</u>	100.0%	(189,653.80)	0.00

**Quinte West Prudent Investor Portfolio
Performance History
At September 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	-1.3	4.9	10.3	-	-	-	-	-1.7	01/07/2022

% Calendar Year Returns

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

**Quinte West Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Quinte West - Target Date 10 Year Plus Outcome
Account Number: 570050518**

**For the Quarter Ending
September 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	877.79	160,162.04	3.5%	(3,467.21)	0.00
CAN Equity Fund	803.76	1,294.73	1,040,663.99	1,286.86	1,034,341.95	22.7%	(14,123.65)	0.00
CAN Bond Fund	178.70	965.27	172,500.00	937.30	167,500.79	3.6%	(438.47)	0.00
GLB Bond Fund	877.38	952.63	835,828.63	851.33	746,946.69	16.4%	(14,647.43)	0.00
GLB Equity Fund	2,085.45	1,170.77	2,441,602.50	1,167.23	2,434,226.20	53.5%	(24,024.25)	0.00
			<u>4,663,392.37</u>		<u>4,543,177.67</u>	100.0%	(56,701.01)	0.00

**Quinte West Prudent Investor Portfolio
Performance History
At September 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	7.1	14.1	-	-	-	-	-0.7	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 September 30, 2023

TRANSACTION SUMMARY

Account Name: Quinte West - Cash Outcome

Account Number: 570050781

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	09/27/2023	09/27/2023	5,008.82	4,689,460.75
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	19,593.77	19,593.77
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	21,158.38	21,158.38
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	21,659.30	21,659.30
Transfer Out	PI-HISA	09/28/2023	09/28/2023	4,689,460.75	4,689,460.75

Quinte West Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 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)
Buy	CAN Bond Fund	09/27/2023	09/27/2023	1,360.76	1,274,000.00
Buy	GLB Bond Fund	09/27/2023	09/27/2023	126.40	107,288.10
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	5,771.38	5,771.38
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	6,232.23	6,232.23
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	6,379.78	6,379.78
Transfer Out	PI-HISA	09/28/2023	09/28/2023	1,381,288.10	1,381,288.10

**Quinte West Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
September 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 September 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 September 30, 2023

Neebing Prudent Investor Portfolio

4766 Highway 61
Neebing, ON
P7L 0B5

Kromm, Erika
Clerk/Treasurer
clerk@neebing.org
(807) 474-5331

ONE Investment

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

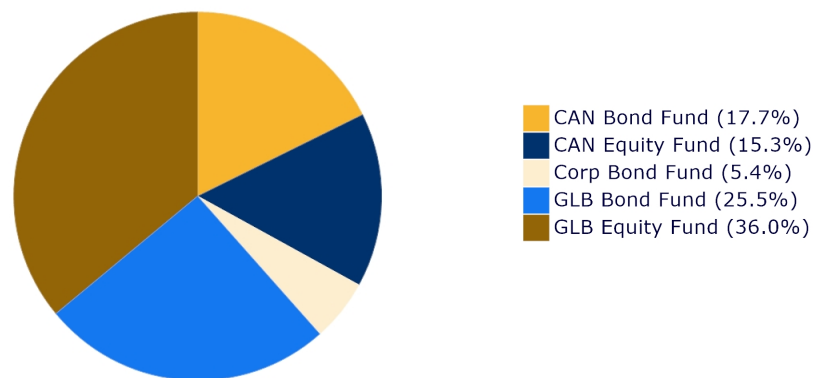
Relationship Manager

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

Needing Prudent Investor Portfolio
Executive Summary for the Quarter Ended September 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	-1.0%	5.3%	10.5%	-	-	-	-0.7%	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	139,874.36	297,890.82	-	(26.72)	-	437,738.46
CAN Equity Fund	383,596.11	-	-	(5,167.34)	-	378,428.77
Corp Bond Fund	137,569.28	-	-	(2,915.02)	-	134,654.26
GLB Bond Fund	644,303.80	-	-	(12,391.63)	-	631,912.17
GLB Equity Fund	899,323.72	-	-	(8,789.00)	-	890,534.72
PI-HISA	293,926.23	-	297,890.82	-	3,964.59	-
Total	2,498,593.50	297,890.82	297,890.82	(29,289.71)	3,964.59	2,473,268.38

**Needing Prudent Investor Portfolio
Performance History At
September 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 Canadian Equity Fund	-1.3	8.2	15.8	-	-	-	-	-0.0	01/07/2022
ONE Global Equity Fund	-0.9	9.9	19.1	-	-	-	-	0.4	01/07/2022
ONE Canadian Corporate Bond Fund	-2.1	-0.0	0.5	-	-	-	-	-4.2	01/07/2022
ONE Canadian Government Bond Fund	-0.2	0.6	1.3	-	-	-	-	-1.6	01/07/2022
ONE Global Bond Fund	-1.9	0.6	3.9	-	-	-	-	-4.2	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	4.0	5.0	-	-	-	-	3.5	01/07/2022
JIB1NEECONT	-1.3	5.8	11.8	-	-	-	-	-1.3	01/07/2022
JIB2NEETD35	-1.0	2.1	4.8	-	-	-	-	-1.9	01/07/2022
JIB3NEETD510	-1.3	4.9	10.3	-	-	-	-	-1.7	01/07/2022
JIB4NEETD10P	-1.2	7.1	14.1	-	-	-	-	-0.7	01/07/2022

QUARTERLY REVIEW

The equity markets were modestly weaker in the third quarter, after three consecutive quarters of positive returns. The ONE Canadian Equity Portfolio generated returns of -1.3% in the quarter leading to returns for the 12-month period ending September 30, 2023, of 15.8%. This strongly outperformed the broader Canadian equity markets. The softness in equity markets in the quarter may be explained by a number of factors including signs of deceleration in Canadian economic growth, further interest rate hikes by the Bank of Canada in the wake of persistent inflation pressures, and signs of increased uncertainty about the overall economic outlook.

In the quarter only two sectors of the Canadian market had positive returns, the most significant of which was the Energy sector, which was up over 10%, rising on the back of a \$20 per barrel increase in price of oil. The manager has always had a significant underweight exposure to this sector, which helps reduce the overall volatility of the portfolio. The portfolio's holdings in the energy sector were up over 19% in the quarter, strongly outperforming the broader sector due to good stock selection. This more than offset the affect of being 8% underweight to the second strongest sector of the market in the quarter.

The overall performance of the portfolio was aided by the positive contribution from stock selection in other sectors too. In the Information Technology sector, Celestica stood out. This holding was added to the portfolio in June with a 2.3% weight, and it rallied 73% in the third quarter. In the Industrials sector, SNC Lavalin, which represent 4% of the overall portfolio was up 30.5%. While the sector allocation choices by the manager collectively were a drag on portfolio performance, stock selection choice by the manager more than offset this, leading to portfolio outperformance vs the broader Canadian equity market.

QUARTERLY REVIEW

Global equity markets were modestly weaker in the quarter as investors took a more cautious stance towards equity markets after very strong returns in the first half of 2023. The ONE Global Equity Fund had returns of negative 0.9% while returns for the 12-month period ending September 30, 2023, remain strong at 19.1%. The market's sell-off toward the end of the quarter occurred amidst signs of a weakening global economy, further concerns surrounding the property sector in China, additional interest rate hikes in many developed economies, and a changing interest rate outlook that implies that interest rates will remain higher for a longer period of time.

After one of the most aggressive hiking cycles on record across most major economies, there has been increasing concerns for slowdown in economic activity. The shape of the yield curve and the leading economic indicators suggest that a recession may be on the horizon, but in the US, economic activity and strength in labour market have led many to believe that a soft landing for the US economy can be achieved. Both the US dollar and US equity markets outperformed most other equity markets in the quarter as a result.

During the quarter the Energy sector was the strongest segment of the global equity markets, up about 13% in the quarter, which the ONE Global Equity Fund did not benefit from as there is no exposure to this sector. The manager prefers to invest in companies that have a sustainable competitive advantage, attractive valuations and good business models, believing that this will lead to better returns, but prospects for firms in the energy sector are mostly tied to the trends in commodity prices, which are largely unpredictable.

QUARTERLY REVIEW

Global bond markets were weaker in third quarter as bond yields rose sharply around the globe, especially for intermediate and long-term bonds. Recent economic and inflation data led to expectations that the world's major central banks would not be lowering short-term interest rates anytime soon. Instead, major central banks in US and Europe raised short-term rates during the quarter as part of their ongoing efforts to contain inflation.

The performance of all ONE Investment's bond funds were weaker during the quarter as a result. Longer maturity bonds tended to have weaker performance leading to weaker performance for the ONE Canadian Corporate Bond Fund and ONE Global Bond Fund, which had returns of negative 2.1% and negative 1.9% respectively in the quarter. The ONE Canadian Government Bond Fund, which has a much shorter average maturity profile performed better, with returns of negative 0.2% in the quarter. All three bond funds had positive performance for the 12-month period ending September 30, 2023. The strongest was the ONE Global Bond Fund with returns of 3.9%. This fund invests in a much wider range of fixed income securities including high yield bonds, and BBB credit quality bonds which have performed well over the last 12 months.

Inflation continues to trend above central bank targets, and the interest rates rate hikes implemented by central banks to slow economic activity and reduce inflationary pressures have only been partially successful. It takes a considerable amount of time for the effects of interest rates to be fully reflected in economy activity making it very difficult to evaluate if further rate hikes are required. This dynamic has created uncertainty for the interest rate outlook.

**Needing Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of September 30, 2023**

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
CAN Equity Fund	294.070	1,293.32	380,329.21	1,286.86	378,428.77	15.30%
GLB Equity Fund	762.941	1,169.46	892,230.63	1,167.23	890,534.72	36.01%
Corp Bond Fund	153.401	938.73	144,002.65	877.79	134,654.26	5.44%
CAN Bond Fund	467.019	944.48	441,090.82	937.30	437,738.46	17.70%
GLB Bond Fund	742.263	935.00	694,017.05	851.33	631,912.17	25.55%
					2,473,268.38	100.00%

**Neebing Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

Account Name: Neebing - Cash Outcome
Account Number: 570050773

For the Quarter Ending
September 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Bond Fund	222.20	936.23	208,038.74	937.30	208,275.35	100.0%	236.61	0.00
			<u>208,038.74</u>		<u>208,275.35</u>	100.0%	236.61	0.00

**Neebing Prudent Investor Portfolio
Performance History
At September 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	4.0	5.0	-	-	-	-	3.5	01/07/2022

% Calendar Year Returns

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

**Neebing Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Neebing - Contingency Outcome
Account Number: 570050443**

**For the Quarter Ending
September 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	877.79	20,054.93	5.7%	(434.15)	0.00
CAN Equity Fund	50.32	1,294.72	65,154.62	1,286.86	64,758.97	18.4%	(884.27)	0.00
CAN Bond Fund	22.37	965.27	21,600.00	937.30	20,974.04	5.9%	(54.90)	0.00
GLB Bond Fund	109.86	952.63	104,660.26	851.33	93,530.73	26.5%	(1,834.11)	0.00
GLB Equity Fund	130.56	1,170.77	152,865.55	1,167.23	152,404.10	43.3%	(1,504.13)	0.00
			<u>365,917.65</u>		<u>351,722.77</u>	100.0%	(4,711.56)	0.00

**Neebing Prudent Investor Portfolio
Performance History
At September 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	-1.3	5.8	11.8	-	-	-	-	-1.3	01/07/2022

% Calendar Year Returns

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

**Neebing Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Neebing - Target Date 3 to 5 Year Outcome
Account Number: 570050450**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	51.22	922.18	47,236.19	877.79	44,962.29	10.2%	(973.35)	0.00
CAN Equity Fund	10.77	1,256.41	13,532.84	1,286.86	13,860.84	3.1%	(189.26)	0.00
CAN Bond Fund	144.73	942.75	136,452.08	937.30	135,662.47	30.7%	(17.79)	0.00
GLB Bond Fund	250.92	900.47	225,953.03	851.33	213,622.16	48.4%	(4,189.08)	0.00
GLB Equity Fund	27.89	1,134.88	31,654.21	1,167.23	32,556.64	7.3%	(321.31)	0.00
			<u>454,828.35</u>		<u>440,664.40</u>	100.0%	(5,690.79)	0.00

**Neebing Prudent Investor Portfolio
Performance History
At September 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	-1.0	2.1	4.8	-	-	-	-	-1.9	01/07/2022

% Calendar Year Returns

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

**Neebing Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Neebing - Target Date 5 to 10 Year Outcome
Account Number: 570050468**

**For the Quarter Ending
September 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	877.79	34,818.52	7.1%	(753.76)	0.00
CAN Equity Fund	58.24	1,294.73	75,410.44	1,286.86	74,952.24	15.4%	(1,023.45)	0.00
CAN Bond Fund	38.84	965.27	37,500.00	937.30	36,413.30	7.5%	(95.32)	0.00
GLB Bond Fund	190.73	952.63	181,701.88	851.33	162,379.64	33.4%	(3,184.22)	0.00
GLB Equity Fund	151.12	1,170.76	176,927.72	1,167.23	176,394.37	36.3%	(1,740.90)	0.00
			<u>509,104.66</u>		<u>484,958.07</u>	100.0%	(6,797.65)	0.00

**Neebing Prudent Investor Portfolio
Performance History
At September 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	-1.3	4.9	10.3	-	-	-	-	-1.7	01/07/2022

% Calendar Year Returns

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

**Neebing Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Neebing - Target Date 10 Year Plus Outcome
Account Number: 570050476**

**For the Quarter Ending
September 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	877.79	34,818.52	3.5%	(753.76)	0.00
CAN Equity Fund	174.73	1,294.73	226,231.31	1,286.86	224,856.72	22.7%	(3,070.36)	0.00
CAN Bond Fund	38.84	965.27	37,500.00	937.30	36,413.30	3.6%	(95.32)	0.00
GLB Bond Fund	190.73	952.63	181,701.88	851.33	162,379.64	16.4%	(3,184.22)	0.00
GLB Equity Fund	453.36	1,170.77	530,783.15	1,167.23	529,179.61	53.5%	(5,222.66)	0.00
			<u>1,013,780.96</u>		<u>987,647.79</u>	100.0%	(12,326.32)	0.00

**Neebing Prudent Investor Portfolio
Performance History
At September 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	7.1	14.1	-	-	-	-	-0.7	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 September 30, 2023

TRANSACTION SUMMARY

Account Name: Neebing - Cash Outcome
Account Number: 570050773

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	09/27/2023	09/27/2023	222.20	208,038.74
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	869.24	869.24
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	938.65	938.65
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	960.87	960.87
Transfer Out	PI-HISA	09/28/2023	09/28/2023	208,038.74	208,038.74

Neebing Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 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)
Buy	CAN Bond Fund	09/27/2023	09/27/2023	95.97	89,852.08
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	375.43	375.43
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	405.40	405.40
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	415.00	415.00
Transfer Out	PI-HISA	09/28/2023	09/28/2023	89,852.08	89,852.08

**Needing Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
September 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 September 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 September 30, 2023

Muskoka Prudent Investor Portfolio

70 Pine St.
Bracebridge, ON
P1L 1N3

Bhatia, Vineet
Director, Tax Policy and Long Term Financial Planning
vineet.bhatia@muskoka.on.ca
(705) 645-2100 x4222

ONE Investment

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

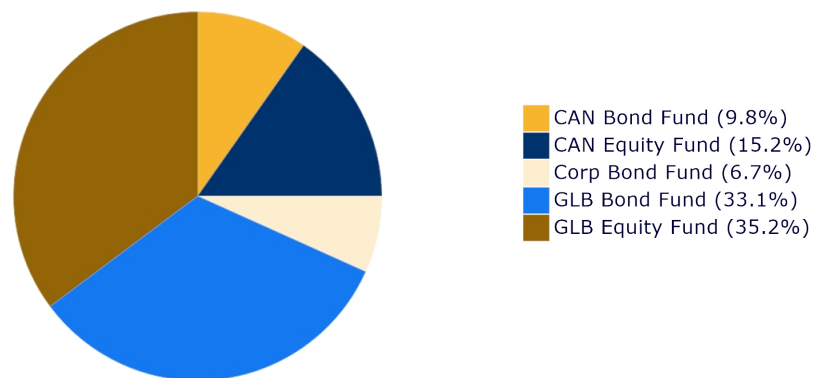
Relationship Manager

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

Muskoka Prudent Investor Portfolio
Executive Summary for the Quarter Ended September 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	-1.3%	5.2%	10.8%	0.6%	3.0%	-	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	9,427,316.06	4,302,139.45	-	(19,729.17)	-	13,709,726.34
CAN Equity Fund	24,459,047.91	21,336.10	2,737,000.00	(354,053.66)	-	21,389,330.35
Corp Bond Fund	9,224,826.43	382,000.00	-	(194,022.01)	-	9,412,804.42
GLB Bond Fund	45,613,397.57	1,731,530.46	60,000.00	(873,078.82)	-	46,411,849.21
GLB Equity Fund	55,416,428.67	50,000.00	5,469,767.00	(573,623.00)	-	49,423,038.67
PI-HISA	3,639,615.99	-	3,688,708.55	-	49,092.56	-
Total	147,780,632.63	6,487,006.01	11,955,475.55	(2,014,506.66)	49,092.56	140,346,748.99

**Muskoka Prudent Investor Portfolio
Performance History At
September 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 Canadian Equity Fund	-1.3	8.2	15.8	3.0	10.1	-	-	11.1	07/02/2020
ONE Global Equity Fund	-0.9	9.9	19.1	2.6	7.1	-	-	7.7	07/02/2020
ONE Canadian Corporate Bond Fund	-2.1	-0.0	0.5	-4.0	-3.4	-	-	-2.9	07/02/2020
ONE Canadian Government Bond Fund	-0.2	0.6	1.3	-1.8	-1.4	-	-	-1.1	07/02/2020
ONE Global Bond Fund	-1.9	0.6	3.9	-4.0	-1.7	-	-	-1.0	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	-1.3	5.9	12.0	0.1	4.1	-	-	4.8	07/02/2020
JIB2MUSTD35	-0.9	2.1	4.9	-1.6	-0.0	-	-	0.4	07/02/2020
JIB3MUSTD510	-1.4	5.1	10.6	-0.4	3.2	-	-	3.8	07/02/2020
JIBMUSCASH	1.4	3.9	4.9	9.5	6.4	-	-	5.9	07/02/2020
JIB4MUSTD10P	-1.2	7.2	14.3	-	-	-	-	10.4	07/04/2022

QUARTERLY REVIEW

The equity markets were modestly weaker in the third quarter, after three consecutive quarters of positive returns. The ONE Canadian Equity Portfolio generated returns of -1.3% in the quarter leading to returns for the 12-month period ending September 30, 2023, of 15.8%. This strongly outperformed the broader Canadian equity markets. The softness in equity markets in the quarter may be explained by a number of factors including signs of deceleration in Canadian economic growth, further interest rate hikes by the Bank of Canada in the wake of persistent inflation pressures, and signs of increased uncertainty about the overall economic outlook.

In the quarter only two sectors of the Canadian market had positive returns, the most significant of which was the Energy sector, which was up over 10%, rising on the back of a \$20 per barrel increase in price of oil. The manager has always had a significant underweight exposure to this sector, which helps reduce the overall volatility of the portfolio. The portfolio's holdings in the energy sector were up over 19% in the quarter, strongly outperforming the broader sector due to good stock selection. This more than offset the affect of being 8% underweight to the second strongest sector of the market in the quarter.

The overall performance of the portfolio was aided by the positive contribution from stock selection in other sectors too. In the Information Technology sector, Celestica stood out. This holding was added to the portfolio in June with a 2.3% weight, and it rallied 73% in the third quarter. In the Industrials sector, SNC Lavalin, which represent 4% of the overall portfolio was up 30.5%. While the sector allocation choices by the manager collectively were a drag on portfolio performance, stock selection choice by the manager more than offset this, leading to portfolio outperformance vs the broader Canadian equity market.

QUARTERLY REVIEW

Global equity markets were modestly weaker in the quarter as investors took a more cautious stance towards equity markets after very strong returns in the first half of 2023. The ONE Global Equity Fund had returns of negative 0.9% while returns for the 12-month period ending September 30, 2023, remain strong at 19.1%. The market's sell-off toward the end of the quarter occurred amidst signs of a weakening global economy, further concerns surrounding the property sector in China, additional interest rate hikes in many developed economies, and a changing interest rate outlook that implies that interest rates will remain higher for a longer period of time.

After one of the most aggressive hiking cycles on record across most major economies, there has been increasing concerns for slowdown in economic activity. The shape of the yield curve and the leading economic indicators suggest that a recession may be on the horizon, but in the US, economic activity and strength in labour market have led many to believe that a soft landing for the US economy can be achieved. Both the US dollar and US equity markets outperformed most other equity markets in the quarter as a result.

During the quarter the Energy sector was the strongest segment of the global equity markets, up about 13% in the quarter, which the ONE Global Equity Fund did not benefit from as there is no exposure to this sector. The manager prefers to invest in companies that have a sustainable competitive advantage, attractive valuations and good business models, believing that this will lead to better returns, but prospects for firms in the energy sector are mostly tied to the trends in commodity prices, which are largely unpredictable.

QUARTERLY REVIEW

Global bond markets were weaker in third quarter as bond yields rose sharply around the globe, especially for intermediate and long-term bonds. Recent economic and inflation data led to expectations that the world's major central banks would not be lowering short-term interest rates anytime soon. Instead, major central banks in US and Europe raised short-term rates during the quarter as part of their ongoing efforts to contain inflation.

The performance of all ONE Investment's bond funds were weaker during the quarter as a result. Longer maturity bonds tended to have weaker performance leading to weaker performance for the ONE Canadian Corporate Bond Fund and ONE Global Bond Fund, which had returns of negative 2.1% and negative 1.9% respectively in the quarter. The ONE Canadian Government Bond Fund, which has a much shorter average maturity profile performed better, with returns of negative 0.2% in the quarter. All three bond funds had positive performance for the 12-month period ending September 30, 2023. The strongest was the ONE Global Bond Fund with returns of 3.9%. This fund invests in a much wider range of fixed income securities including high yield bonds, and BBB credit quality bonds which have performed well over the last 12 months.

Inflation continues to trend above central bank targets, and the interest rates rate hikes implemented by central banks to slow economic activity and reduce inflationary pressures have only been partially successful. It takes a considerable amount of time for the effects of interest rates to be fully reflected in economy activity making it very difficult to evaluate if further rate hikes are required. This dynamic has created uncertainty for the interest rate outlook.

Muskoka Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of September 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
CAN Equity Fund	16,621.253	1,081.13	17,969,851.08	1,286.86	21,389,330.35	15.24%
GLB Equity Fund	42,341.822	1,027.35	43,500,020.56	1,167.23	49,423,038.67	35.21%
Corp Bond Fund	10,723.267	973.72	10,441,548.35	877.79	9,412,804.42	6.71%
CAN Bond Fund	14,626.777	964.84	14,112,514.86	937.30	13,709,726.34	9.77%
GLB Bond Fund	54,516.751	974.00	53,099,640.61	851.33	46,411,849.21	33.07%
					140,346,748.99	100.00%

**Muskoka Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Muskoka - Contingency Outcome
Account Number: 570050088**

**For the Quarter Ending
September 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	877.79	1,073,702.74	5.7%	(23,243.70)	0.00
CAN Equity Fund	2,684.36	1,219.87	3,274,594.29	1,286.86	3,454,418.86	18.5%	(52,875.51)	0.00
CAN Bond Fund	1,207.79	979.18	1,182,653.80	937.30	1,132,072.11	6.0%	(2,963.45)	0.00
GLB Bond Fund	5,933.43	998.16	5,922,537.87	851.33	5,051,321.64	27.1%	(99,055.12)	0.00
GLB Equity Fund	6,787.15	1,129.60	7,666,821.80	1,167.23	7,922,238.72	42.5%	(88,108.10)	0.00
			<u>19,243,057.65</u>		<u>18,633,754.07</u>	100.0%	(266,245.88)	0.00

**Muskoka Prudent Investor Portfolio
Performance History
At September 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	-1.3	5.9	12.0	0.1	4.1	-	-	4.8	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 September 30, 2023**

**Account Name: Muskoka - Target Date 3 to 5 Year Outcome
Account Number: 570050096**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	2,320.08	971.00	2,252,809.60	877.79	2,036,556.96	10.5%	(34,339.77)	0.00
CAN Equity Fund	436.56	1,031.86	450,471.09	1,286.86	561,794.35	2.9%	(7,184.00)	0.00
CAN Bond Fund	6,354.80	950.21	6,038,423.81	937.30	5,956,377.82	30.7%	262.37	0.00
GLB Bond Fund	11,151.20	966.08	10,773,047.69	851.33	9,493,376.54	48.9%	(147,753.66)	0.00
GLB Equity Fund	1,140.00	1,015.26	1,157,407.59	1,167.23	1,330,655.14	6.8%	(12,341.15)	0.00
			<u>20,672,159.78</u>		<u>19,378,760.81</u>	100.0%	(201,356.21)	0.00

**Muskoka Prudent Investor Portfolio
Performance History
At September 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	2.1	4.9	-1.6	-0.0	-	-	0.4	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 September 30, 2023**

**Account Name: Muskoka - Target Date 5 to 10 Year Outcome
Account Number: 570050104**

**For the Quarter Ending
September 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	877.79	5,362,212.03	6.9%	(116,082.06)	0.00
CAN Equity Fund	9,252.51	1,022.16	9,457,589.10	1,286.86	11,906,749.74	15.3%	(196,823.00)	0.00
CAN Bond Fund	5,969.68	983.85	5,873,297.80	937.30	5,595,401.70	7.2%	(14,647.21)	0.00
GLB Bond Fund	32,267.83	988.82	31,907,351.65	851.33	27,470,639.83	35.3%	(538,692.20)	0.00
GLB Equity Fund	23,382.83	1,009.56	23,606,543.58	1,167.23	27,293,361.62	35.1%	(305,389.61)	0.00
			<u>76,898,325.82</u>		<u>77,628,364.92</u>	100.0%	<u>(1,171,634.08)</u>	<u>0.00</u>

**Muskoka Prudent Investor Portfolio
Performance History
At September 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	5.1	10.6	-0.4	3.2	-	-	3.8	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 September 30, 2023**

**Account Name: Muskoka - Cash Outcome
Account Number: 570050757**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Bond Fund	86.66	936.24	81,139.45	937.30	81,231.39	100.0%	91.94	0.00
			<u>81,139.45</u>		<u>81,231.39</u>	100.0%	91.94	0.00

**Muskoka Prudent Investor Portfolio
Performance History
At September 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	3.9	4.9	9.5	6.4	-	-	5.9	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 September 30, 2023**

**Account Name: Muskoka - Target Date 10 Year Plus Outcome
Account Number: 570050625**

**For the Quarter Ending
September 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	877.79	940,332.69	3.8%	(20,356.48)	0.00
CAN Equity Fund	4,247.81	1,126.97	4,787,196.60	1,286.86	5,466,367.40	22.2%	(97,171.15)	0.00
CAN Bond Fund	1,007.83	929.71	937,000.00	937.30	944,643.32	3.8%	(2,472.82)	0.00
GLB Bond Fund	5,164.27	870.73	4,496,703.40	851.33	4,396,511.20	17.8%	(87,577.84)	0.00
GLB Equity Fund	11,031.82	1,003.39	11,069,247.59	1,167.23	12,876,783.19	52.2%	(167,784.14)	0.00
			<u>22,228,892.76</u>		<u>24,624,637.80</u>	100.0%	<u>(375,362.43)</u>	<u>0.00</u>

**Muskoka Prudent Investor Portfolio
Performance History
At September 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	7.2	14.3	-	-	-	-	10.4	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 September 30, 2023

TRANSACTION SUMMARY

Account Name: Muskoka - Contingency Outcome
Account Number: 570050088

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Sell	CAN Equity Fund	09/27/2023	09/27/2023	196.02	250,000.00
Sell	GLB Equity Fund	09/27/2023	09/27/2023	539.75	626,324.00

Muskoka Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 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	CAN Bond Fund	09/27/2023	09/27/2023	4,508.45	4,221,000.00
Buy	Corp Bond Fund	09/27/2023	09/27/2023	436.83	382,000.00
Buy	GLB Bond Fund	07/24/2023	07/24/2023	36.06	31,530.46
Buy	GLB Bond Fund	09/27/2023	09/27/2023	2,002.97	1,700,000.00
Buy	CAN Equity Fund	09/27/2023	09/27/2023	16.73	21,336.10
Buy	GLB Equity Fund	09/27/2023	09/27/2023	43.08	50,000.00
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	15,253.41	15,253.41
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	16,471.43	16,471.43
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	16,861.38	16,861.38
Transfer Out	PI-HISA	09/28/2023	09/28/2023	3,650,663.10	3,650,663.10

Muskoka Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 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)
Sell	CAN Equity Fund	09/27/2023	09/27/2023	1,176.16	1,500,000.00
Sell	GLB Equity Fund	09/27/2023	09/27/2023	1,560.94	1,811,291.45
Sell	GLB Equity Fund	09/27/2023	09/27/2023	398.86	462,828.55

Muskoka Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 30, 2023

TRANSACTION SUMMARY

Account Name: Muskoka - Cash Outcome
Account Number: 570050757

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	09/27/2023	09/27/2023	86.66	81,139.45
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	158.96	158.96
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	171.66	171.66
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	175.72	175.72
Transfer Out	PI-HISA	09/28/2023	09/28/2023	38,045.45	38,045.45

Muskoka Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 30, 2023

TRANSACTION SUMMARY

Account Name: Muskoka - Target Date 10 Year Plus Outcome
Account Number: 570050625

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Sell	GLB Bond Fund	09/27/2023	09/27/2023	70.69	60,000.00
Sell	CAN Equity Fund	09/27/2023	09/27/2023	773.91	987,000.00
Sell	GLB Equity Fund	09/27/2023	09/27/2023	2,214.21	2,569,323.00

**Muskoka Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
September 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 September 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 September 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	99.634	46,745.59 ⁽⁴⁾	2.5
Total Cash and Equivalents				51,257.80		46,745.59	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	99.196	213,538.59 ⁽⁴⁾	11.5
DISTRICT MUN OF MUSKOKA BEO 5% 5MAY26	SEG	105,000	112.991	118,641.00	100.011	107,140.32 ⁽⁴⁾	5.8
DISTRICT MUN OF MUSKOKA BEO 5.05% 5MAY27	SEG	295,000	112.065	330,590.50	99.721	300,217.58 ⁽⁴⁾	16.2
DISTRICT MUN OF MUSKOKA BEO 5.05% 5MAY28	SEG	360,000	109.856	395,482.00	101.015	371,025.62 ⁽⁴⁾	20.0
DISTRICT MUN OF MUSKOKA BEO 5.1% 5MAY29	SEG	400,000	104.270	417,080.00	101.436	414,015.78 ⁽⁴⁾	22.3
DISTRICT MUN OF MUSKOKA BEO 5.1% 5MAY30	SEG	137,000	116.369	159,425.00	101.284	141,592.16 ⁽⁴⁾	7.6
DISTRICT MUN OF MUSKOKA ONT 2.95% 27NOV30	SEG	100,000	98.240	98,240.00	87.099	88,117.36 ⁽⁴⁾	4.7
DISTRICT MUN OF MUSKOKA ONT 3% 27NOV31	SEG	100,000	98.120	98,120.00	86.883	87,918.62 ⁽⁴⁾	4.7
DISTRICT MUN OF MUSKOKA ONT 3.05% 27NOV32	SEG	100,000	98.010	98,010.00	85.831	86,883.88 ⁽⁴⁾	4.7
Total Fixed Income Securities and Fixed Income Funds				1,953,280.00		1,810,449.91	97.5
Total Account Value - CAD Cash				2,004,537.80		1,857,195.50	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 September 30, 2023

Kenora General Account - Prudent Investor Portfolio

1 Main Street South
Kenora, ON
P9N 3X2

Marsh, Ryan
Director of Finance/City Treasurer
rymarsh@kenora.ca
(807)-467-2013

ONE Investment

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

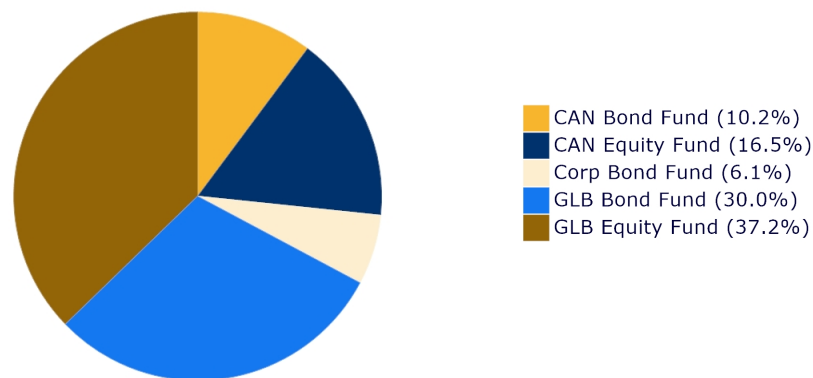
Relationship Manager

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

Kenora General Account - Prudent Investor Portfolio
Executive Summary for the Quarter Ended September 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	-1.2%	5.2%	10.7%	-0.1%	3.4%	-	4.0%	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	1,234,059.63	741,000.00	-	(2,380.17)	-	1,972,679.46
CAN Equity Fund	3,228,546.91	-	-	(43,491.05)	-	3,185,055.86
Corp Bond Fund	1,209,893.31	1,901.00	-	(25,662.14)	-	1,186,132.17
GLB Bond Fund	5,907,207.15	8,757.13	-	(113,584.02)	-	5,802,380.26
GLB Equity Fund	7,275,526.92	-	-	(71,103.01)	-	7,204,423.91
PI-HISA	739,778.70	-	749,757.13	-	9,978.43	-
Total	19,595,012.62	751,658.13	749,757.13	(256,220.39)	9,978.43	19,350,671.66

**Kenora General Account - Prudent Investor Portfolio
Performance History At
September 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 Canadian Equity Fund	-1.3	8.2	15.8	3.0	10.1	-	-	11.1	07/02/2020
ONE Global Equity Fund	-0.9	9.9	19.1	2.6	7.1	-	-	7.7	07/02/2020
ONE Canadian Corporate Bond Fund	-2.1	-0.0	0.5	-4.0	-3.4	-	-	-2.9	07/02/2020
ONE Canadian Government Bond Fund	-0.2	0.6	1.3	-1.8	-1.4	-	-	-1.1	07/02/2020
ONE Global Bond Fund	-1.9	0.6	3.9	-4.0	-1.7	-	-	-1.0	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	-1.3	6.0	12.1	0.2	4.2	-	-	4.8	07/02/2020
JIB3KENTD35	-1.0	2.1	4.7	-1.7	-0.0	-	-	0.4	07/02/2020

QUARTERLY REVIEW

The equity markets were modestly weaker in the third quarter, after three consecutive quarters of positive returns. The ONE Canadian Equity Portfolio generated returns of -1.3% in the quarter leading to returns for the 12-month period ending September 30, 2023, of 15.8%. This strongly outperformed the broader Canadian equity markets. The softness in equity markets in the quarter may be explained by a number of factors including signs of deceleration in Canadian economic growth, further interest rate hikes by the Bank of Canada in the wake of persistent inflation pressures, and signs of increased uncertainty about the overall economic outlook.

In the quarter only two sectors of the Canadian market had positive returns, the most significant of which was the Energy sector, which was up over 10%, rising on the back of a \$20 per barrel increase in price of oil. The manager has always had a significant underweight exposure to this sector, which helps reduce the overall volatility of the portfolio. The portfolio's holdings in the energy sector were up over 19% in the quarter, strongly outperforming the broader sector due to good stock selection. This more than offset the affect of being 8% underweight to the second strongest sector of the market in the quarter.

The overall performance of the portfolio was aided by the positive contribution from stock selection in other sectors too. In the Information Technology sector, Celestica stood out. This holding was added to the portfolio in June with a 2.3% weight, and it rallied 73% in the third quarter. In the Industrials sector, SNC Lavalin, which represent 4% of the overall portfolio was up 30.5%. While the sector allocation choices by the manager collectively were a drag on portfolio performance, stock selection choice by the manager more than offset this, leading to portfolio outperformance vs the broader Canadian equity market.

QUARTERLY REVIEW

Global equity markets were modestly weaker in the quarter as investors took a more cautious stance towards equity markets after very strong returns in the first half of 2023. The ONE Global Equity Fund had returns of negative 0.9% while returns for the 12-month period ending September 30, 2023, remain strong at 19.1%. The market's sell-off toward the end of the quarter occurred amidst signs of a weakening global economy, further concerns surrounding the property sector in China, additional interest rate hikes in many developed economies, and a changing interest rate outlook that implies that interest rates will remain higher for a longer period of time.

After one of the most aggressive hiking cycles on record across most major economies, there has been increasing concerns for slowdown in economic activity. The shape of the yield curve and the leading economic indicators suggest that a recession may be on the horizon, but in the US, economic activity and strength in labour market have led many to believe that a soft landing for the US economy can be achieved. Both the US dollar and US equity markets outperformed most other equity markets in the quarter as a result.

During the quarter the Energy sector was the strongest segment of the global equity markets, up about 13% in the quarter, which the ONE Global Equity Fund did not benefit from as there is no exposure to this sector. The manager prefers to invest in companies that have a sustainable competitive advantage, attractive valuations and good business models, believing that this will lead to better returns, but prospects for firms in the energy sector are mostly tied to the trends in commodity prices, which are largely unpredictable.

QUARTERLY REVIEW

Global bond markets were weaker in third quarter as bond yields rose sharply around the globe, especially for intermediate and long-term bonds. Recent economic and inflation data led to expectations that the world's major central banks would not be lowering short-term interest rates anytime soon. Instead, major central banks in US and Europe raised short-term rates during the quarter as part of their ongoing efforts to contain inflation.

The performance of all ONE Investment's bond funds were weaker during the quarter as a result. Longer maturity bonds tended to have weaker performance leading to weaker performance for the ONE Canadian Corporate Bond Fund and ONE Global Bond Fund, which had returns of negative 2.1% and negative 1.9% respectively in the quarter. The ONE Canadian Government Bond Fund, which has a much shorter average maturity profile performed better, with returns of negative 0.2% in the quarter. All three bond funds had positive performance for the 12-month period ending September 30, 2023. The strongest was the ONE Global Bond Fund with returns of 3.9%. This fund invests in a much wider range of fixed income securities including high yield bonds, and BBB credit quality bonds which have performed well over the last 12 months.

Inflation continues to trend above central bank targets, and the interest rates rate hikes implemented by central banks to slow economic activity and reduce inflationary pressures have only been partially successful. It takes a considerable amount of time for the effects of interest rates to be fully reflected in economy activity making it very difficult to evaluate if further rate hikes are required. This dynamic has created uncertainty for the interest rate outlook.

Kenora General Account - Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of September 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
CAN Equity Fund	2,475.048	1,022.91	2,531,769.50	1,286.86	3,185,055.86	16.46%
GLB Equity Fund	6,172.191	1,010.04	6,234,169.18	1,167.23	7,204,423.91	37.23%
Corp Bond Fund	1,351.267	986.02	1,332,383.04	877.79	1,186,132.17	6.13%
CAN Bond Fund	2,104.633	964.68	2,030,317.46	937.30	1,972,679.46	10.19%
GLB Bond Fund	6,815.650	983.89	6,705,903.03	851.33	5,802,380.26	29.99%
					19,350,671.66	100.00%

Kenora General Account - Prudent Investor Portfolio
Holdings by Account
At September 30, 2023

Account Name: Kenora - Contingency Outcome
Account Number: 570050161

For the Quarter Ending
September 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	877.79	810,822.29	5.1%	(17,552.82)	0.00
CAN Equity Fund	2,388.58	1,022.16	2,441,527.17	1,286.86	3,073,790.83	19.5%	(41,971.75)	0.00
CAN Bond Fund	907.75	983.74	892,992.07	937.30	850,837.07	5.4%	(2,227.26)	0.00
GLB Bond Fund	4,740.27	987.57	4,681,394.56	851.33	4,035,545.62	25.6%	(79,136.01)	0.00
GLB Equity Fund	5,941.14	1,009.56	5,997,987.58	1,167.23	6,934,740.27	44.1%	(68,441.41)	0.00
			<u>14,928,980.82</u>		<u>15,705,736.08</u>	100.0%	(209,329.25)	0.00

Kenora General Account - Prudent Investor Portfolio
Performance History
At September 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	-1.3	6.0	12.1	0.2	4.2	-	-	4.8	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 September 30, 2023

Account Name: Kenora - Target Date 3 to 5 Year Outcome
Account Number: 570050187

For the Quarter Ending
September 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	427.56	976.00	417,303.60	877.79	375,309.88	10.3%	(8,109.32)	0.00
CAN Equity Fund	86.46	1,043.72	90,242.33	1,286.86	111,265.03	3.0%	(1,519.30)	0.00
CAN Bond Fund	1,196.88	950.23	1,137,325.39	937.30	1,121,842.39	30.7%	(152.91)	0.00
GLB Bond Fund	2,075.37	975.48	2,024,508.47	851.33	1,766,834.64	48.4%	(34,448.01)	0.00
GLB Equity Fund	231.04	1,022.23	236,181.60	1,167.23	269,683.64	7.4%	(2,661.60)	0.00
			<u>3,905,561.39</u>		<u>3,644,935.58</u>	100.0%	(46,891.14)	0.00

Kenora General Account - Prudent Investor Portfolio
Performance History
At September 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	-1.0	2.1	4.7	-1.7	-0.0	-	-	0.4	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 September 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	09/27/2023	09/27/2023	791.46	741,000.00
Buy	Corp Bond Fund	07/24/2023	07/24/2023	2.13	1,901.00
Buy	GLB Bond Fund	09/27/2023	09/27/2023	10.31	8,757.13
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	3,132.68	3,132.68
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	3,382.83	3,382.83
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	3,462.92	3,462.92
Transfer Out	PI-HISA	09/28/2023	09/28/2023	749,757.13	749,757.13

Kenora General Account - Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
September 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 September 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 September 30, 2023

Kenora CPTF - Prudent Investor Portfolio

1 Main Street South
Kenora, ON
P9N 3X2

Marsh, Ryan
Director of Finance/City Treasurer
rymarsh@kenora.ca
(807)-467-2013

ONE Investment

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

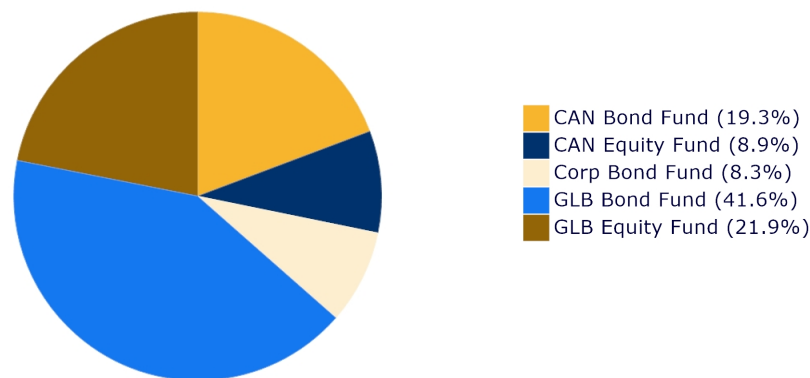
Relationship Manager

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

Kenora CPTF - Prudent Investor Portfolio
Executive Summary for the Quarter Ended September 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	-1.1%	3.5%	7.6%	-1.1%	1.6%	-	2.1%	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	3,191,865.52	4,055,000.00	-	(3,729.61)	-	7,243,135.91
CAN Equity Fund	3,403,418.58	-	-	(45,846.71)	-	3,357,571.87
Corp Bond Fund	3,108,225.80	66,027.29	-	(65,611.16)	-	3,108,641.93
GLB Bond Fund	15,202,277.56	752,620.72	-	(308,603.86)	-	15,646,294.42
GLB Equity Fund	8,307,068.53	-	-	(81,184.18)	-	8,225,884.35
PI-HISA	4,066,181.06	-	4,121,027.29	-	54,846.23	-
Total	37,279,037.05	4,873,648.01	4,121,027.29	(504,975.52)	54,846.23	37,581,528.48

Kenora CPTF - Prudent Investor Portfolio
Performance History At
September 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 Canadian Equity Fund	-1.3	8.2	15.8	3.0	10.1	-	-	11.1	07/02/2020
ONE Global Equity Fund	-0.9	9.9	19.1	2.6	7.1	-	-	7.7	07/02/2020
ONE Canadian Corporate Bond Fund	-2.1	-0.0	0.5	-4.0	-3.4	-	-	-2.9	07/02/2020
ONE Canadian Government Bond Fund	-0.2	0.6	1.3	-1.8	-1.4	-	-	-1.1	07/02/2020
ONE Global Bond Fund	-1.9	0.6	3.9	-4.0	-1.7	-	-	-1.0	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	-1.1	3.5	7.6	-1.1	1.6	-	-	2.1	07/02/2020

QUARTERLY REVIEW

The equity markets were modestly weaker in the third quarter, after three consecutive quarters of positive returns. The ONE Canadian Equity Portfolio generated returns of -1.3% in the quarter leading to returns for the 12-month period ending September 30, 2023, of 15.8%. This strongly outperformed the broader Canadian equity markets. The softness in equity markets in the quarter may be explained by a number of factors including signs of deceleration in Canadian economic growth, further interest rate hikes by the Bank of Canada in the wake of persistent inflation pressures, and signs of increased uncertainty about the overall economic outlook.

In the quarter only two sectors of the Canadian market had positive returns, the most significant of which was the Energy sector, which was up over 10%, rising on the back of a \$20 per barrel increase in price of oil. The manager has always had a significant underweight exposure to this sector, which helps reduce the overall volatility of the portfolio. The portfolio's holdings in the energy sector were up over 19% in the quarter, strongly outperforming the broader sector due to good stock selection. This more than offset the affect of being 8% underweight to the second strongest sector of the market in the quarter.

The overall performance of the portfolio was aided by the positive contribution from stock selection in other sectors too. In the Information Technology sector, Celestica stood out. This holding was added to the portfolio in June with a 2.3% weight, and it rallied 73% in the third quarter. In the Industrials sector, SNC Lavalin, which represent 4% of the overall portfolio was up 30.5%. While the sector allocation choices by the manager collectively were a drag on portfolio performance, stock selection choice by the manager more than offset this, leading to portfolio outperformance vs the broader Canadian equity market.

QUARTERLY REVIEW

Global equity markets were modestly weaker in the quarter as investors took a more cautious stance towards equity markets after very strong returns in the first half of 2023. The ONE Global Equity Fund had returns of negative 0.9% while returns for the 12-month period ending September 30, 2023, remain strong at 19.1%. The market's sell-off toward the end of the quarter occurred amidst signs of a weakening global economy, further concerns surrounding the property sector in China, additional interest rate hikes in many developed economies, and a changing interest rate outlook that implies that interest rates will remain higher for a longer period of time.

After one of the most aggressive hiking cycles on record across most major economies, there has been increasing concerns for slowdown in economic activity. The shape of the yield curve and the leading economic indicators suggest that a recession may be on the horizon, but in the US, economic activity and strength in labour market have led many to believe that a soft landing for the US economy can be achieved. Both the US dollar and US equity markets outperformed most other equity markets in the quarter as a result.

During the quarter the Energy sector was the strongest segment of the global equity markets, up about 13% in the quarter, which the ONE Global Equity Fund did not benefit from as there is no exposure to this sector. The manager prefers to invest in companies that have a sustainable competitive advantage, attractive valuations and good business models, believing that this will lead to better returns, but prospects for firms in the energy sector are mostly tied to the trends in commodity prices, which are largely unpredictable.

QUARTERLY REVIEW

Global bond markets were weaker in third quarter as bond yields rose sharply around the globe, especially for intermediate and long-term bonds. Recent economic and inflation data led to expectations that the world's major central banks would not be lowering short-term interest rates anytime soon. Instead, major central banks in US and Europe raised short-term rates during the quarter as part of their ongoing efforts to contain inflation.

The performance of all ONE Investment's bond funds were weaker during the quarter as a result. Longer maturity bonds tended to have weaker performance leading to weaker performance for the ONE Canadian Corporate Bond Fund and ONE Global Bond Fund, which had returns of negative 2.1% and negative 1.9% respectively in the quarter. The ONE Canadian Government Bond Fund, which has a much shorter average maturity profile performed better, with returns of negative 0.2% in the quarter. All three bond funds had positive performance for the 12-month period ending September 30, 2023. The strongest was the ONE Global Bond Fund with returns of 3.9%. This fund invests in a much wider range of fixed income securities including high yield bonds, and BBB credit quality bonds which have performed well over the last 12 months.

Inflation continues to trend above central bank targets, and the interest rates rate hikes implemented by central banks to slow economic activity and reduce inflationary pressures have only been partially successful. It takes a considerable amount of time for the effects of interest rates to be fully reflected in economy activity making it very difficult to evaluate if further rate hikes are required. This dynamic has created uncertainty for the interest rate outlook.

Kenora CPTF - Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of September 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
CAN Equity Fund	2,609.107	1,075.57	2,806,299.94	1,286.86	3,357,571.87	8.93%
GLB Equity Fund	7,047.299	1,060.57	7,474,192.33	1,167.23	8,225,884.35	21.89%
Corp Bond Fund	3,541.431	981.28	3,475,142.33	877.79	3,108,641.93	8.27%
CAN Bond Fund	7,727.633	956.03	7,387,877.96	937.30	7,243,135.91	19.27%
GLB Bond Fund	18,378.607	985.95	18,120,467.78	851.33	15,646,294.42	41.63%
					37,581,528.48	100.00%

**Kenora CPTF - Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Kenora - Stable Return Outcome
Account Number: 570050179**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	3,541.43	981.28	3,475,142.33	877.79	3,108,641.93	8.2%	(65,611.16)	0.00
CAN Equity Fund	2,609.10	1,075.57	2,806,299.94	1,286.86	3,357,571.87	8.9%	(45,846.71)	0.00
CAN Bond Fund	7,727.63	956.03	7,387,877.96	937.30	7,243,135.91	19.2%	(3,729.61)	0.00
GLB Bond Fund	18,378.60	985.95	18,120,467.78	851.33	15,646,294.42	41.6%	(308,603.86)	0.00
GLB Equity Fund	7,047.29	1,060.57	7,474,192.33	1,167.23	8,225,884.35	21.8%	(81,184.18)	0.00
			<u>39,263,980.34</u>		<u>37,581,528.48</u>	100.0%	<u>(504,975.52)</u>	<u>0.00</u>

**Kenora CPTF - Prudent Investor Portfolio
Performance History
At September 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	3.5	7.6	-1.1	1.6	-	-	2.1	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 September 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	CAN Bond Fund	09/27/2023	09/27/2023	4,331.15	4,055,000.00
Buy	Corp Bond Fund	09/27/2023	09/27/2023	75.50	66,027.29
Buy	GLB Bond Fund	07/14/2023	07/14/2023	526.01	460,000.00
Buy	GLB Bond Fund	07/24/2023	07/24/2023	4.14	3,620.72
Buy	GLB Bond Fund	09/11/2023	09/11/2023	334.84	289,000.00
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	17,218.71	17,218.71
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	18,593.66	18,593.66
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	19,033.86	19,033.86
Transfer Out	PI-HISA	09/28/2023	09/28/2023	4,121,027.29	4,121,027.29

**Kenora CPTF - Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
September 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 September 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 September 30, 2023

Identifier	Description	Maturity	Price	Quantity	Market Value
CA064151WY58	BANK N S HALIFAX 2.29 28JUN24	2024-06-28	97.703	387,000.00	378,110.61
CA13509PHJ53	CANADA HSG TR NO 1 1.8 15DEC24 144A	2024-12-15	96.114	80,000.00	76,891.20
CA13509PHN65	CANADA HSG TR NO 0.95 15JUN25 144A	2025-06-15	93.360	89,000.00	83,090.40
CA614852NP21	MONTREAL QUE 3.5 01SEP24	2024-09-01	98.420	66,000.00	64,957.20
CA626209JP62	MUNICIPAL FIN AUTH BRI 2.95 14OCT24	2024-10-14	97.749	93,000.00	90,906.57
CA62620DAJ06	MUNICIPAL FIN AUTH BRI 2.15 03JUN24	2024-06-03	98.023	110,000.00	107,825.30
CA62957ZGE93	NHA MTG-BACKED 97514581 1.9 01JUL24	2024-07-01	97.671	48,000.00	26,152.57
CA68333ZAF41	ONTARIO PROV MED TERM P 2.3 08SEP24	2024-09-08	97.397	106,000.00	103,240.82
CA68333ZAK36	ONTARIO PROV MED TERM 1.75 08SEP25	2025-09-08	93.937	140,000.00	131,511.80
CA69363TAH55	PSP CAP INC 3.29 04APR24	2024-04-04	99.057	529,000.00	524,011.53
CA748148RY18	QUEBEC PROV CDA 2.25 22FEB24	2024-02-22	98.863	212,000.00	209,589.56
CA803854JW90	SASKATCHEWAN PROV CDA 3.2 03JUN24	2024-06-03	98.725	82,000.00	80,954.50
CA891145T792	TORONTO DOMINION BK O 3.226 24JUL24	2024-07-24	98.204	88,000.00	86,419.52
CA891288DJ86	TORONTO ONT CDA 3.4 21MAY24	2024-05-21	98.890	52,000.00	51,422.80
Total Bonds=					2,015,084.38
Cash =					320.99

City Of Kenora - CPTF Securities

Pledged to ONE JIB

As At September 30, 2023

Identifier	Description	Maturity	Price	Quantity	Market Value
CA064151WY58	BANK N S HALIFAX 2.29 28JUN24	2024-06-28	97.703	387,000.00	378,110.61
CA13509PHJ53	CANADA HSG TR NO 1 1.8 15DEC24 144A	2024-12-15	96.114	80,000.00	76,891.20
CA13509PHN65	CANADA HSG TR NO 0.95 15JUN25 144A	2025-06-15	93.360	89,000.00	83,090.40
CA614852NP21	MONTREAL QUE 3.5 01SEP24	2024-09-01	98.420	66,000.00	64,957.20
CA626209JP62	MUNICIPAL FIN AUTH BRI 2.95 14OCT24	2024-10-14	97.749	93,000.00	90,906.57
CA62620DAJ06	MUNICIPAL FIN AUTH BRI 2.15 03JUN24	2024-06-03	98.023	110,000.00	107,825.30
CA62957ZGE93	NHA MTG-BACKED 97514581 1.9 01JUL24	2024-07-01	97.671	48,000.00	26,152.57
CA68333ZAF41	ONTARIO PROV MED TERM P 2.3 08SEP24	2024-09-08	97.397	106,000.00	103,240.82
CA68333ZAK36	ONTARIO PROV MED TERM 1.75 08SEP25	2025-09-08	93.937	140,000.00	131,511.80
CA69363TAH55	PSP CAP INC 3.29 04APR24	2024-04-04	99.057	529,000.00	524,011.53
CA748148RY18	QUEBEC PROV CDA 2.25 22FEB24	2024-02-22	98.863	212,000.00	209,589.56
CA803854JW90	SASKATCHEWAN PROV CDA 3.2 03JUN24	2024-06-03	98.725	82,000.00	80,954.50
CA891145T792	TORONTO DOMINION BK O 3.226 24JUL24	2024-07-24	98.204	88,000.00	86,419.52
CA891288DJ86	TORONTO ONT CDA 3.4 21MAY24	2024-05-21	98.890	52,000.00	51,422.80
Total Bonds=					2,015,084.38
Cash =					320.99

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 September 30, 2023

Innisfil Prudent Investor Portfolio

2101 Innisfil Beach Rd.
Innisfil, ON
L9S 1A1

Webb, Audrey
Treasurer
awebb@innisfil.ca
(705) 436-3740 x2302

ONE Investment

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

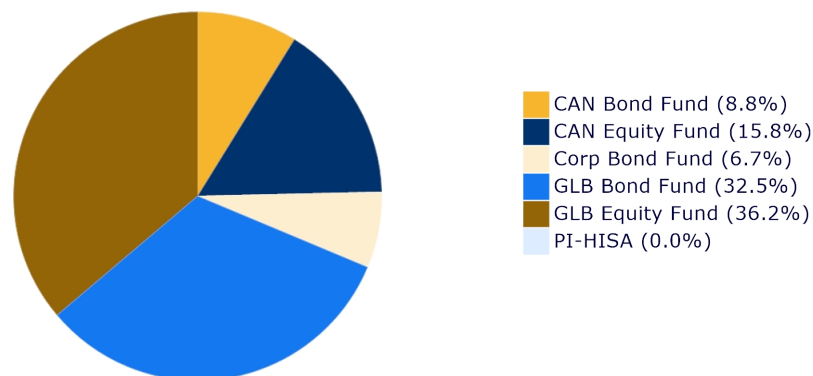
Relationship Manager

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

Innisfil Prudent Investor Portfolio
Executive Summary for the Quarter Ended September 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	-1.3%	5.3%	11.1%	-0.2%	3.9%	-	4.5%	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	3,298,680.16	1,000,000.00	-	(7,476.96)	-	4,291,203.20
CAN Equity Fund	7,801,180.32	-	-	(105,087.99)	-	7,696,092.33
Corp Bond Fund	3,308,285.57	-	-	(70,100.76)	-	3,238,184.81
GLB Bond Fund	16,134,845.09	4,533.90	-	(310,433.02)	-	15,828,945.97
GLB Equity Fund	17,776,143.74	-	-	(173,724.54)	-	17,602,419.20
PI-HISA	1,000,256.37	-	1,000,000.00	-	3.46	259.83
Total	49,319,391.25	1,004,533.90	1,000,000.00	(666,823.27)	3.46	48,657,105.34

**Innisfil Prudent Investor Portfolio
Performance History At
September 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	0.0	2.4	3.4	2.3	1.7	-	-	1.6	07/02/2020
ONE Canadian Equity Fund	-1.3	8.2	15.8	3.0	10.1	-	-	11.1	07/02/2020
ONE Global Equity Fund	-0.9	9.9	19.1	2.6	7.1	-	-	7.7	07/02/2020
ONE Canadian Corporate Bond Fund	-2.1	-0.0	0.5	-4.0	-3.4	-	-	-2.9	07/02/2020
ONE Canadian Government Bond Fund	-0.2	0.6	1.3	-1.8	-1.4	-	-	-1.1	07/02/2020
ONE Global Bond Fund	-1.9	0.6	3.9	-4.0	-1.7	-	-	-1.0	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	-1.3	6.0	12.1	0.2	4.2	-	-	4.8	07/02/2020
JIBINNCASH	1.3	3.8	4.8	3.0	2.2	-	-	2.1	08/06/2020
JIB2INNTD510	-1.3	5.0	10.5	-0.4	-	-	-	-0.9	08/04/2021
JIB3INNTD35	-1.2	-	-	-	-	-	-	-1.2	06/20/2023

QUARTERLY REVIEW

The equity markets were modestly weaker in the third quarter, after three consecutive quarters of positive returns. The ONE Canadian Equity Portfolio generated returns of -1.3% in the quarter leading to returns for the 12-month period ending September 30, 2023, of 15.8%. This strongly outperformed the broader Canadian equity markets. The softness in equity markets in the quarter may be explained by a number of factors including signs of deceleration in Canadian economic growth, further interest rate hikes by the Bank of Canada in the wake of persistent inflation pressures, and signs of increased uncertainty about the overall economic outlook.

In the quarter only two sectors of the Canadian market had positive returns, the most significant of which was the Energy sector, which was up over 10%, rising on the back of a \$20 per barrel increase in price of oil. The manager has always had a significant underweight exposure to this sector, which helps reduce the overall volatility of the portfolio. The portfolio's holdings in the energy sector were up over 19% in the quarter, strongly outperforming the broader sector due to good stock selection. This more than offset the affect of being 8% underweight to the second strongest sector of the market in the quarter.

The overall performance of the portfolio was aided by the positive contribution from stock selection in other sectors too. In the Information Technology sector, Celestica stood out. This holding was added to the portfolio in June with a 2.3% weight, and it rallied 73% in the third quarter. In the Industrials sector, SNC Lavalin, which represent 4% of the overall portfolio was up 30.5%. While the sector allocation choices by the manager collectively were a drag on portfolio performance, stock selection choice by the manager more than offset this, leading to portfolio outperformance vs the broader Canadian equity market.

QUARTERLY REVIEW

Global equity markets were modestly weaker in the quarter as investors took a more cautious stance towards equity markets after very strong returns in the first half of 2023. The ONE Global Equity Fund had returns of negative 0.9% while returns for the 12-month period ending September 30, 2023, remain strong at 19.1%. The market's sell-off toward the end of the quarter occurred amidst signs of a weakening global economy, further concerns surrounding the property sector in China, additional interest rate hikes in many developed economies, and a changing interest rate outlook that implies that interest rates will remain higher for a longer period of time.

After one of the most aggressive hiking cycles on record across most major economies, there has been increasing concerns for slowdown in economic activity. The shape of the yield curve and the leading economic indicators suggest that a recession may be on the horizon, but in the US, economic activity and strength in labour market have led many to believe that a soft landing for the US economy can be achieved. Both the US dollar and US equity markets outperformed most other equity markets in the quarter as a result.

During the quarter the Energy sector was the strongest segment of the global equity markets, up about 13% in the quarter, which the ONE Global Equity Fund did not benefit from as there is no exposure to this sector. The manager prefers to invest in companies that have a sustainable competitive advantage, attractive valuations and good business models, believing that this will lead to better returns, but prospects for firms in the energy sector are mostly tied to the trends in commodity prices, which are largely unpredictable.

QUARTERLY REVIEW

Global bond markets were weaker in third quarter as bond yields rose sharply around the globe, especially for intermediate and long-term bonds. Recent economic and inflation data led to expectations that the world's major central banks would not be lowering short-term interest rates anytime soon. Instead, major central banks in US and Europe raised short-term rates during the quarter as part of their ongoing efforts to contain inflation.

The performance of all ONE Investment's bond funds were weaker during the quarter as a result. Longer maturity bonds tended to have weaker performance leading to weaker performance for the ONE Canadian Corporate Bond Fund and ONE Global Bond Fund, which had returns of negative 2.1% and negative 1.9% respectively in the quarter. The ONE Canadian Government Bond Fund, which has a much shorter average maturity profile performed better, with returns of negative 0.2% in the quarter. All three bond funds had positive performance for the 12-month period ending September 30, 2023. The strongest was the ONE Global Bond Fund with returns of 3.9%. This fund invests in a much wider range of fixed income securities including high yield bonds, and BBB credit quality bonds which have performed well over the last 12 months.

Inflation continues to trend above central bank targets, and the interest rates rate hikes implemented by central banks to slow economic activity and reduce inflationary pressures have only been partially successful. It takes a considerable amount of time for the effects of interest rates to be fully reflected in economy activity making it very difficult to evaluate if further rate hikes are required. This dynamic has created uncertainty for the interest rate outlook.

Innisfil Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of September 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	259.830	1.00	259.83	1.00	259.83	0.00%
CAN Equity Fund	5,980.491	1,121.77	6,708,794.74	1,286.86	7,696,092.33	15.82%
GLB Equity Fund	15,080.386	1,046.03	15,774,559.29	1,167.23	17,602,419.20	36.18%
Corp Bond Fund	3,689.009	931.26	3,435,435.58	877.79	3,238,184.81	6.66%
CAN Bond Fund	4,578.244	952.23	4,359,564.41	937.30	4,291,203.20	8.82%
GLB Bond Fund	18,593.155	930.34	17,297,958.77	851.33	15,828,945.97	32.53%
					48,657,105.34	100.00%

**Innisfil Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Innisfil - Contingency Outcome
Account Number: 570050070**

**For the Quarter Ending
September 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	877.79	904,747.86	5.1%	(19,586.13)	0.00
CAN Equity Fund	2,650.67	1,022.16	2,709,426.06	1,286.86	3,411,065.62	19.4%	(46,577.15)	0.00
CAN Bond Fund	1,007.91	983.76	991,554.66	937.30	944,722.99	5.3%	(2,473.03)	0.00
GLB Bond Fund	5,307.66	987.54	5,241,576.42	851.33	4,518,584.53	25.7%	(88,639.73)	0.00
GLB Equity Fund	6,647.04	1,009.56	6,710,634.07	1,167.23	7,758,686.32	44.2%	(76,573.23)	0.00
			<u>16,674,041.07</u>		<u>17,537,807.32</u>	100.0%	<u>(233,849.27)</u>	<u>0.00</u>

**Innisfil Prudent Investor Portfolio
Performance History
At September 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	-1.3	6.0	12.1	0.2	4.2	-	-	4.8	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 September 30, 2023**

**Account Name: Innisfil - Cash Outcome
Account Number: 570050740**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	259.83	1.00	259.83	1.00	259.83	100.0%	0.00	3.46
			<u>259.83</u>		<u>259.83</u>	100.0%	0.00	3.46

**Innisfil Prudent Investor Portfolio
Performance History
At September 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	1.3	3.8	4.8	3.0	2.2	-	-	2.1	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 September 30, 2023**

**Account Name: Innisfil - Target Date 5 to 10 Year Outcome
Account Number: 570050385**

**For the Quarter Ending
September 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	877.79	1,817,536.29	6.9%	(39,346.33)	0.00
CAN Equity Fund	3,212.34	1,198.30	3,849,368.68	1,286.86	4,133,853.38	15.7%	(56,446.61)	0.00
CAN Bond Fund	1,943.01	948.53	1,843,009.75	937.30	1,821,189.68	6.9%	(4,767.37)	0.00
GLB Bond Fund	10,467.66	917.71	9,606,382.35	851.33	8,911,456.28	34.0%	(174,751.37)	0.00
GLB Equity Fund	8,133.57	1,071.35	8,713,925.22	1,167.23	9,493,831.89	36.2%	(93,698.01)	0.00
			<u>25,902,271.72</u>		<u>26,177,867.52</u>	100.0%	(369,009.69)	0.00

**Innisfil Prudent Investor Portfolio
Performance History
At September 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	-1.3	5.0	10.5	-0.4	-	-	-	-0.9	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 September 30, 2023**

**Account Name: Innisfil - Target Date 3 to 5 Year Outcome
Account Number: 570050666**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	587.72	893.27	525,000.00	877.79	515,900.66	10.4%	(11,168.30)	0.00
CAN Equity Fund	117.47	1,276.87	150,000.00	1,286.86	151,173.33	3.0%	(2,064.23)	0.00
CAN Bond Fund	1,627.31	937.12	1,525,000.00	937.30	1,525,290.53	30.8%	(236.56)	0.00
GLB Bond Fund	2,817.82	869.46	2,450,000.00	851.33	2,398,905.16	48.5%	(47,041.92)	0.00
GLB Equity Fund	299.76	1,167.56	350,000.00	1,167.23	349,900.99	7.0%	(3,453.30)	0.00
			<u>5,000,000.00</u>		<u>4,941,170.67</u>	100.0%	(63,964.31)	0.00

**Innisfil Prudent Investor Portfolio
Performance History
At September 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	-	-	-	-	-	-	-1.2	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 September 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	07/24/2023	07/24/2023	5.18	4,533.90

Innisfil Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 30, 2023

TRANSACTION SUMMARY

Account Name: Innisfil - Cash Outcome
Account Number: 570050740

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	1.09	1.09
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	1.17	1.17
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	1.20	1.20

Innisfil Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 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	09/27/2023	09/27/2023	1,068.10	1,000,000.00
Transfer Out	PI-HISA	09/28/2023	09/28/2023	1,000,000.00	1,000,000.00

**Innisfil Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
September 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 September 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 September 30, 2023

Huntsville Prudent Investor Portfolio

37 Main St. East
Huntsville, ON
P1H 1A1

McKenzie, Julia
Director of Finance/Treasurer
julia.mckenzie@huntsville.ca
(705) 789-1751 x2251

ONE Investment

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

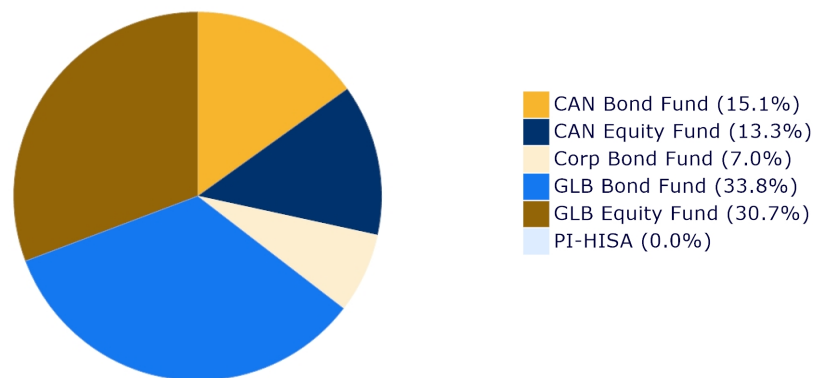
Relationship Manager

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

Huntsville Prudent Investor Portfolio
Executive Summary for the Quarter Ended September 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	-1.1%	4.5%	9.3%	-0.4%	2.1%	-	2.5%	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	717,518.49	747,000.00	-	(1,025.30)	-	1,463,493.19
CAN Equity Fund	1,304,524.20	-	-	(17,572.96)	-	1,286,951.24
Corp Bond Fund	694,844.99	-	-	(14,723.38)	-	680,121.61
GLB Bond Fund	3,272,599.77	66,751.33	-	(62,762.77)	-	3,276,588.33
GLB Equity Fund	3,005,155.81	-	-	(29,369.08)	-	2,975,786.73
PI-HISA	802,041.25	-	812,856.77	-	10,818.24	2.72
Total	9,796,684.51	813,751.33	812,856.77	(125,453.49)	10,818.24	9,682,943.82

**Huntsville Prudent Investor Portfolio
Performance History At
September 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	3.8	4.8	3.0	2.2	-	-	2.1	07/02/2020
ONE Canadian Equity Fund	-1.3	8.2	15.8	3.0	10.1	-	-	11.1	07/02/2020
ONE Global Equity Fund	-0.9	9.9	19.1	2.6	7.1	-	-	7.7	07/02/2020
ONE Canadian Corporate Bond Fund	-2.1	-0.0	0.5	-4.0	-3.4	-	-	-2.9	07/02/2020
ONE Canadian Government Bond Fund	-0.2	0.6	1.3	-1.8	-1.4	-	-	-1.1	07/02/2020
ONE Global Bond Fund	-1.9	0.6	3.9	-4.0	-1.7	-	-	-1.0	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	-1.3	5.9	12.0	0.1	4.1	-	-	4.8	07/02/2020
JIB2HNTTD35	-0.9	2.1	4.9	-1.6	-0.0	-	-	0.4	07/02/2020
JIB3HNTTD10P	-1.2	7.3	14.4	1.2	5.7	-	-	6.3	07/02/2020
JIBHNTCASH	1.1	3.4	4.6	9.3	11.7	-	-	10.8	07/02/2020
JIB4HNTTD510	-1.3	5.0	10.5	-0.4	-	-	-	-0.9	08/04/2021

QUARTERLY REVIEW

The equity markets were modestly weaker in the third quarter, after three consecutive quarters of positive returns. The ONE Canadian Equity Portfolio generated returns of -1.3% in the quarter leading to returns for the 12-month period ending September 30, 2023, of 15.8%. This strongly outperformed the broader Canadian equity markets. The softness in equity markets in the quarter may be explained by a number of factors including signs of deceleration in Canadian economic growth, further interest rate hikes by the Bank of Canada in the wake of persistent inflation pressures, and signs of increased uncertainty about the overall economic outlook.

In the quarter only two sectors of the Canadian market had positive returns, the most significant of which was the Energy sector, which was up over 10%, rising on the back of a \$20 per barrel increase in price of oil. The manager has always had a significant underweight exposure to this sector, which helps reduce the overall volatility of the portfolio. The portfolio's holdings in the energy sector were up over 19% in the quarter, strongly outperforming the broader sector due to good stock selection. This more than offset the affect of being 8% underweight to the second strongest sector of the market in the quarter.

The overall performance of the portfolio was aided by the positive contribution from stock selection in other sectors too. In the Information Technology sector, Celestica stood out. This holding was added to the portfolio in June with a 2.3% weight, and it rallied 73% in the third quarter. In the Industrials sector, SNC Lavalin, which represent 4% of the overall portfolio was up 30.5%. While the sector allocation choices by the manager collectively were a drag on portfolio performance, stock selection choice by the manager more than offset this, leading to portfolio outperformance vs the broader Canadian equity market.

QUARTERLY REVIEW

Global equity markets were modestly weaker in the quarter as investors took a more cautious stance towards equity markets after very strong returns in the first half of 2023. The ONE Global Equity Fund had returns of negative 0.9% while returns for the 12-month period ending September 30, 2023, remain strong at 19.1%. The market's sell-off toward the end of the quarter occurred amidst signs of a weakening global economy, further concerns surrounding the property sector in China, additional interest rate hikes in many developed economies, and a changing interest rate outlook that implies that interest rates will remain higher for a longer period of time.

After one of the most aggressive hiking cycles on record across most major economies, there has been increasing concerns for slowdown in economic activity. The shape of the yield curve and the leading economic indicators suggest that a recession may be on the horizon, but in the US, economic activity and strength in labour market have led many to believe that a soft landing for the US economy can be achieved. Both the US dollar and US equity markets outperformed most other equity markets in the quarter as a result.

During the quarter the Energy sector was the strongest segment of the global equity markets, up about 13% in the quarter, which the ONE Global Equity Fund did not benefit from as there is no exposure to this sector. The manager prefers to invest in companies that have a sustainable competitive advantage, attractive valuations and good business models, believing that this will lead to better returns, but prospects for firms in the energy sector are mostly tied to the trends in commodity prices, which are largely unpredictable.

QUARTERLY REVIEW

Global bond markets were weaker in third quarter as bond yields rose sharply around the globe, especially for intermediate and long-term bonds. Recent economic and inflation data led to expectations that the world's major central banks would not be lowering short-term interest rates anytime soon. Instead, major central banks in US and Europe raised short-term rates during the quarter as part of their ongoing efforts to contain inflation.

The performance of all ONE Investment's bond funds were weaker during the quarter as a result. Longer maturity bonds tended to have weaker performance leading to weaker performance for the ONE Canadian Corporate Bond Fund and ONE Global Bond Fund, which had returns of negative 2.1% and negative 1.9% respectively in the quarter. The ONE Canadian Government Bond Fund, which has a much shorter average maturity profile performed better, with returns of negative 0.2% in the quarter. All three bond funds had positive performance for the 12-month period ending September 30, 2023. The strongest was the ONE Global Bond Fund with returns of 3.9%. This fund invests in a much wider range of fixed income securities including high yield bonds, and BBB credit quality bonds which have performed well over the last 12 months.

Inflation continues to trend above central bank targets, and the interest rates rate hikes implemented by central banks to slow economic activity and reduce inflationary pressures have only been partially successful. It takes a considerable amount of time for the effects of interest rates to be fully reflected in economy activity making it very difficult to evaluate if further rate hikes are required. This dynamic has created uncertainty for the interest rate outlook.

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

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	2.720	1.00	2.72	1.00	2.72	0.00%
CAN Equity Fund	1,000.066	1,074.19	1,074,270.42	1,286.86	1,286,951.24	13.29%
GLB Equity Fund	2,549.423	1,041.04	2,654,066.60	1,167.23	2,975,786.73	30.73%
Corp Bond Fund	774.809	984.37	762,704.31	877.79	680,121.61	7.02%
CAN Bond Fund	1,561.387	958.29	1,496,273.82	937.30	1,463,493.19	15.11%
GLB Bond Fund	3,848.779	992.51	3,819,982.96	851.33	3,276,588.33	33.84%
					9,682,943.82	100.00%

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

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

**For the Quarter Ending
September 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	877.79	207,983.30	5.4%	(4,502.46)	0.00
CAN Equity Fund	557.98	1,037.31	578,806.50	1,286.86	718,054.67	18.9%	(9,804.83)	0.00
CAN Bond Fund	233.79	982.87	229,785.69	937.30	219,132.14	5.7%	(573.63)	0.00
GLB Bond Fund	1,151.16	993.86	1,144,097.25	851.33	980,020.93	25.8%	(19,217.96)	0.00
GLB Equity Fund	1,427.96	1,016.22	1,451,124.51	1,167.23	1,666,773.37	43.9%	(16,449.97)	0.00
			<u>3,638,005.04</u>		<u>3,791,964.41</u>	100.0%	(50,548.85)	0.00

**Huntsville Prudent Investor Portfolio
Performance History
At September 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	-1.3	5.9	12.0	0.1	4.1	-	-	4.8	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 September 30, 2023**

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

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	416.59	983.57	409,753.92	877.79	365,684.89	9.9%	(7,916.40)	0.00
CAN Equity Fund	92.64	1,107.16	102,577.64	1,286.86	119,226.88	3.2%	(1,628.01)	0.00
CAN Bond Fund	1,208.51	951.44	1,149,835.33	937.30	1,132,741.35	30.7%	(159.48)	0.00
GLB Bond Fund	2,095.45	990.67	2,075,925.83	851.33	1,783,931.09	48.4%	(33,485.57)	0.00
GLB Equity Fund	238.25	1,073.76	255,830.27	1,167.23	278,101.77	7.5%	(2,744.68)	0.00
			<u>3,993,922.99</u>		<u>3,679,685.98</u>	100.0%	(45,934.14)	0.00

**Huntsville Prudent Investor Portfolio
Performance History
At September 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	2.1	4.9	-1.6	-0.0	-	-	0.4	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 September 30, 2023**

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

**For the Quarter Ending
September 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	877.79	38,203.29	3.1%	(827.03)	0.00
CAN Equity Fund	227.31	1,022.16	232,352.58	1,286.86	292,524.01	23.7%	(3,994.34)	0.00
CAN Bond Fund	42.24	983.70	41,551.83	937.30	39,591.69	3.2%	(103.64)	0.00
GLB Bond Fund	224.67	989.59	222,335.76	851.33	191,271.29	15.5%	(3,757.35)	0.00
GLB Equity Fund	573.44	1,009.63	578,972.75	1,167.23	669,347.54	54.3%	(6,606.03)	0.00
			<u>1,118,324.29</u>		<u>1,230,937.82</u>	100.0%	<u>(15,288.39)</u>	<u>0.00</u>

**Huntsville Prudent Investor Portfolio
Performance History
At September 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	7.3	14.4	1.2	5.7	-	-	6.3	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 September 30, 2023**

**Account Name: Huntsville - Cash Outcome
Account Number: 570050732**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	2.72	1.00	2.72	1.00	2.72	100.0%	0.00	0.03
			<u>2.72</u>		<u>2.72</u>	100.0%	0.00	0.03

**Huntsville Prudent Investor Portfolio
Performance History
At September 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	3.4	4.6	9.3	11.7	-	-	10.8	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 September 30, 2023**

**Account Name: Huntsville - Target Date 5 to 10 Year Outcome
Account Number: 570050377**

**For the Quarter Ending
September 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	877.79	68,250.13	6.9%	(1,477.49)	0.00
CAN Equity Fund	122.11	1,314.61	160,533.70	1,286.86	157,145.68	16.0%	(2,145.78)	0.00
CAN Bond Fund	76.84	977.29	75,100.97	937.30	72,028.01	7.3%	(188.55)	0.00
GLB Bond Fund	377.48	1,000.36	377,624.12	851.33	321,365.02	32.7%	(6,301.89)	0.00
GLB Equity Fund	309.76	1,188.46	368,139.07	1,167.23	361,564.05	36.8%	(3,568.40)	0.00
			<u>1,057,045.79</u>		<u>980,352.89</u>	100.0%	(13,682.11)	0.00

**Huntsville Prudent Investor Portfolio
Performance History
At September 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	-1.3	5.0	10.5	-0.4	-	-	-	-0.9	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 September 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)
Buy	CAN Bond Fund	09/27/2023	09/27/2023	797.87	747,000.00
Buy	GLB Bond Fund	09/27/2023	09/27/2023	77.59	65,856.77
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	3,396.32	3,396.32
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	3,667.53	3,667.53
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	3,754.36	3,754.36
Transfer Out	PI-HISA	09/28/2023	09/28/2023	812,856.77	812,856.77

Huntsville Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 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	07/24/2023	07/24/2023	1.02	894.56

Huntsville Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 30, 2023

TRANSACTION SUMMARY

Account Name: Huntsville - Cash Outcome
Account Number: 570050732

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	0.01	0.01
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	0.01	0.01
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	0.01	0.01

**Huntsville Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
September 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 September 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 September 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

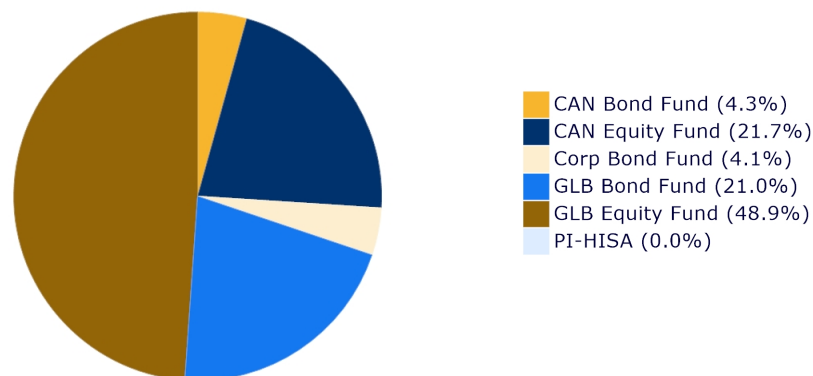
Relationship Manager

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

Bracebridge Prudent Investor Portfolio
Executive Summary for the Quarter Ended September 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	-1.2%	6.6%	13.3%	0.7%	4.9%	-	5.6%	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	289,357.73	-	-	(755.48)	-	288,602.25
CAN Equity Fund	1,476,331.73	-	-	(19,887.34)	-	1,456,444.39
Corp Bond Fund	282,662.67	672.97	-	(5,998.82)	-	277,336.82
GLB Bond Fund	1,432,824.10	-	-	(27,556.92)	-	1,405,267.18
GLB Equity Fund	3,311,264.25	-	-	(32,360.66)	-	3,278,903.59
PI-HISA	57.81	-	-	-	0.77	58.58
Total	6,792,498.29	672.97	0.00	(86,559.22)	0.77	6,706,612.81

**Bracebridge Prudent Investor Portfolio
Performance History At
September 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	3.8	4.7	3.0	2.1	-	-	2.0	07/02/2020
ONE Canadian Equity Fund	-1.3	8.2	15.8	3.0	10.1	-	-	11.1	07/02/2020
ONE Global Equity Fund	-0.9	9.9	19.1	2.6	7.1	-	-	7.7	07/02/2020
ONE Canadian Corporate Bond Fund	-2.1	-0.0	0.5	-4.0	-3.4	-	-	-2.9	07/02/2020
ONE Canadian Government Bond Fund	-0.2	0.6	1.3	-1.8	-1.4	-	-	-1.1	07/02/2020
ONE Global Bond Fund	-1.9	0.6	3.9	-4.0	-1.7	-	-	-1.0	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	-1.3	6.0	12.1	0.2	4.2	-	-	4.8	07/02/2020
JIB2BRBTD10P	-1.2	7.3	14.4	1.2	5.6	-	-	6.3	07/02/2020
JIBBRBCASH	1.3	3.8	4.7	3.0	2.1	-	-	2.1	08/06/2020

QUARTERLY REVIEW

The equity markets were modestly weaker in the third quarter, after three consecutive quarters of positive returns. The ONE Canadian Equity Portfolio generated returns of -1.3% in the quarter leading to returns for the 12-month period ending September 30, 2023, of 15.8%. This strongly outperformed the broader Canadian equity markets. The softness in equity markets in the quarter may be explained by a number of factors including signs of deceleration in Canadian economic growth, further interest rate hikes by the Bank of Canada in the wake of persistent inflation pressures, and signs of increased uncertainty about the overall economic outlook.

In the quarter only two sectors of the Canadian market had positive returns, the most significant of which was the Energy sector, which was up over 10%, rising on the back of a \$20 per barrel increase in price of oil. The manager has always had a significant underweight exposure to this sector, which helps reduce the overall volatility of the portfolio. The portfolio's holdings in the energy sector were up over 19% in the quarter, strongly outperforming the broader sector due to good stock selection. This more than offset the affect of being 8% underweight to the second strongest sector of the market in the quarter.

The overall performance of the portfolio was aided by the positive contribution from stock selection in other sectors too. In the Information Technology sector, Celestica stood out. This holding was added to the portfolio in June with a 2.3% weight, and it rallied 73% in the third quarter. In the Industrials sector, SNC Lavalin, which represent 4% of the overall portfolio was up 30.5%. While the sector allocation choices by the manager collectively were a drag on portfolio performance, stock selection choice by the manager more than offset this, leading to portfolio outperformance vs the broader Canadian equity market.

QUARTERLY REVIEW

Global equity markets were modestly weaker in the quarter as investors took a more cautious stance towards equity markets after very strong returns in the first half of 2023. The ONE Global Equity Fund had returns of negative 0.9% while returns for the 12-month period ending September 30, 2023, remain strong at 19.1%. The market's sell-off toward the end of the quarter occurred amidst signs of a weakening global economy, further concerns surrounding the property sector in China, additional interest rate hikes in many developed economies, and a changing interest rate outlook that implies that interest rates will remain higher for a longer period of time.

After one of the most aggressive hiking cycles on record across most major economies, there has been increasing concerns for slowdown in economic activity. The shape of the yield curve and the leading economic indicators suggest that a recession may be on the horizon, but in the US, economic activity and strength in labour market have led many to believe that a soft landing for the US economy can be achieved. Both the US dollar and US equity markets outperformed most other equity markets in the quarter as a result.

During the quarter the Energy sector was the strongest segment of the global equity markets, up about 13% in the quarter, which the ONE Global Equity Fund did not benefit from as there is no exposure to this sector. The manager prefers to invest in companies that have a sustainable competitive advantage, attractive valuations and good business models, believing that this will lead to better returns, but prospects for firms in the energy sector are mostly tied to the trends in commodity prices, which are largely unpredictable.

QUARTERLY REVIEW

Global bond markets were weaker in third quarter as bond yields rose sharply around the globe, especially for intermediate and long-term bonds. Recent economic and inflation data led to expectations that the world's major central banks would not be lowering short-term interest rates anytime soon. Instead, major central banks in US and Europe raised short-term rates during the quarter as part of their ongoing efforts to contain inflation.

The performance of all ONE Investment's bond funds were weaker during the quarter as a result. Longer maturity bonds tended to have weaker performance leading to weaker performance for the ONE Canadian Corporate Bond Fund and ONE Global Bond Fund, which had returns of negative 2.1% and negative 1.9% respectively in the quarter. The ONE Canadian Government Bond Fund, which has a much shorter average maturity profile performed better, with returns of negative 0.2% in the quarter. All three bond funds had positive performance for the 12-month period ending September 30, 2023. The strongest was the ONE Global Bond Fund with returns of 3.9%. This fund invests in a much wider range of fixed income securities including high yield bonds, and BBB credit quality bonds which have performed well over the last 12 months.

Inflation continues to trend above central bank targets, and the interest rates rate hikes implemented by central banks to slow economic activity and reduce inflationary pressures have only been partially successful. It takes a considerable amount of time for the effects of interest rates to be fully reflected in economy activity making it very difficult to evaluate if further rate hikes are required. This dynamic has created uncertainty for the interest rate outlook.

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

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	58.580	1.00	58.58	1.00	58.58	0.00%
CAN Equity Fund	1,131.776	1,022.16	1,156,860.78	1,286.86	1,456,444.39	21.72%
GLB Equity Fund	2,809.110	1,009.58	2,836,026.32	1,167.23	3,278,903.59	48.89%
Corp Bond Fund	315.948	990.18	312,846.32	877.79	277,336.82	4.14%
CAN Bond Fund	307.907	983.70	302,890.23	937.30	288,602.25	4.30%
GLB Bond Fund	1,650.669	985.59	1,626,894.91	851.33	1,405,267.18	20.95%
					6,706,612.81	100.00%

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

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

**For the Quarter Ending
September 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	877.79	166,738.46	5.1%	(3,609.58)	0.00
CAN Equity Fund	487.63	1,022.16	498,440.29	1,286.86	627,518.47	19.4%	(8,568.59)	0.00
CAN Bond Fund	185.69	983.75	182,677.70	937.30	174,051.60	5.4%	(455.62)	0.00
GLB Bond Fund	972.67	987.72	960,727.15	851.33	828,065.00	25.7%	(16,238.14)	0.00
GLB Equity Fund	1,219.01	1,009.56	1,230,672.51	1,167.23	1,422,876.38	44.2%	(14,042.87)	0.00
			<u>3,060,680.97</u>		<u>3,219,249.91</u>	100.0%	(42,914.80)	0.00

**Bracebridge Prudent Investor Portfolio
Performance History
At September 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	-1.3	6.0	12.1	0.2	4.2	-	-	4.8	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 September 30, 2023**

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

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	125.99	989.57	124,683.00	877.79	110,598.36	3.1%	(2,389.24)	0.00
CAN Equity Fund	644.14	1,022.16	658,420.49	1,286.86	828,925.92	23.7%	(11,318.75)	0.00
CAN Bond Fund	122.21	983.63	120,212.53	937.30	114,550.65	3.2%	(299.86)	0.00
GLB Bond Fund	677.99	982.54	666,167.76	851.33	577,202.18	16.5%	(11,318.78)	0.00
GLB Equity Fund	1,590.10	1,009.59	1,605,353.81	1,167.23	1,856,027.21	53.2%	(18,317.79)	0.00
			<u>3,174,837.59</u>		<u>3,487,304.32</u>	100.0%	(43,644.42)	0.00

**Bracebridge Prudent Investor Portfolio
Performance History
At September 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	7.3	14.4	1.2	5.6	-	-	6.3	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 September 30, 2023**

**Account Name: Bracebridge - Cash Outcome
Account Number: 570050724**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	58.58	1.00	58.58	1.00	58.58	100.0%	0.00	0.77
			<u>58.58</u>		<u>58.58</u>	100.0%	0.00	0.77

**Bracebridge Prudent Investor Portfolio
Performance History
At September 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	1.3	3.8	4.7	3.0	2.1	-	-	2.1	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 September 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	Corp Bond Fund	07/24/2023	07/24/2023	0.75	672.97

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

TRANSACTION SUMMARY

Account Name: Bracebridge - Cash Outcome
Account Number: 570050724

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest Income	PI-HISA	07/06/2023	07/06/2023	0.24	0.24
Reinvested Interest Income	PI-HISA	08/03/2023	08/03/2023	0.26	0.26
Reinvested Interest Income	PI-HISA	09/06/2023	09/06/2023	0.27	0.27

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

Aurora Prudent Investor Portfolio

100 John West Way, Box 1000
Aurora, ON
L4G 6J1

Wainwright-Van Kessel, Rachel
Director, Finance/Treasurer
rvankessel@aurora.ca
(905) 727-1375 x4772

ONE Investment

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

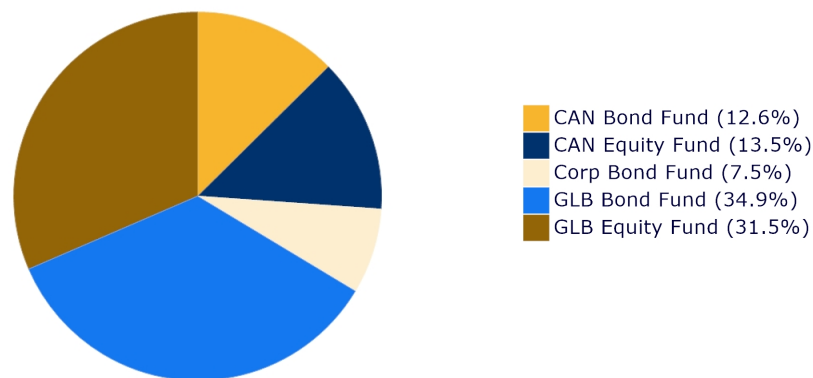
Relationship Manager

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

Aurora Prudent Investor Portfolio
Executive Summary for the Quarter Ended September 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	-	-	-	-	-	-	0.4%	09/27/2023

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	-	5,407,000.00	-	6,140.25	-	5,413,140.25
CAN Equity Fund	-	5,766,000.00	-	52,172.19	-	5,818,172.19
Corp Bond Fund	-	3,207,000.00	-	12,146.36	-	3,219,146.36
GLB Bond Fund	-	14,966,000.00	-	45,710.77	-	15,011,710.77
GLB Equity Fund	-	13,454,000.00	-	79,543.23	-	13,533,543.23
Total	0.00	42,800,000.00	0.00	195,712.80	0.00	42,995,712.80

**Aurora Prudent Investor Portfolio
Performance History At
September 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 Canadian Equity Fund	-	-	-	-	-	-	-	0.9	09/27/2023
ONE Global Equity Fund	-	-	-	-	-	-	-	0.5	09/27/2023
ONE Canadian Corporate Bond Fund	-	-	-	-	-	-	-	0.3	09/27/2023
ONE Canadian Government Bond Fund	-	-	-	-	-	-	-	0.1	09/27/2023
ONE Global Bond Fund	-	-	-	-	-	-	-	0.3	09/27/2023

Performance by Outcome

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
JIB1AURCONT	-	-	-	-	-	-	-	0.5	09/27/2023
JIB2AURTD35	-	-	-	-	-	-	-	0.2	09/27/2023
JIB3AURTD510	-	-	-	-	-	-	-	0.4	09/27/2023
JIB4AURTD10P	-	-	-	-	-	-	-	0.5	09/27/2023

QUARTERLY REVIEW

The equity markets were modestly weaker in the third quarter, after three consecutive quarters of positive returns. The ONE Canadian Equity Portfolio generated returns of -1.3% in the quarter leading to returns for the 12-month period ending September 30, 2023, of 15.8%. This strongly outperformed the broader Canadian equity markets. The softness in equity markets in the quarter may be explained by a number of factors including signs of deceleration in Canadian economic growth, further interest rate hikes by the Bank of Canada in the wake of persistent inflation pressures, and signs of increased uncertainty about the overall economic outlook.

In the quarter only two sectors of the Canadian market had positive returns, the most significant of which was the Energy sector, which was up over 10%, rising on the back of a \$20 per barrel increase in price of oil. The manager has always had a significant underweight exposure to this sector, which helps reduce the overall volatility of the portfolio. The portfolio's holdings in the energy sector were up over 19% in the quarter, strongly outperforming the broader sector due to good stock selection. This more than offset the affect of being 8% underweight to the second strongest sector of the market in the quarter.

The overall performance of the portfolio was aided by the positive contribution from stock selection in other sectors too. In the Information Technology sector, Celestica stood out. This holding was added to the portfolio in June with a 2.3% weight, and it rallied 73% in the third quarter. In the Industrials sector, SNC Lavalin, which represent 4% of the overall portfolio was up 30.5%. While the sector allocation choices by the manager collectively were a drag on portfolio performance, stock selection choice by the manager more than offset this, leading to portfolio outperformance vs the broader Canadian equity market.

QUARTERLY REVIEW

Global equity markets were modestly weaker in the quarter as investors took a more cautious stance towards equity markets after very strong returns in the first half of 2023. The ONE Global Equity Fund had returns of negative 0.9% while returns for the 12-month period ending September 30, 2023, remain strong at 19.1%. The market's sell-off toward the end of the quarter occurred amidst signs of a weakening global economy, further concerns surrounding the property sector in China, additional interest rate hikes in many developed economies, and a changing interest rate outlook that implies that interest rates will remain higher for a longer period of time.

After one of the most aggressive hiking cycles on record across most major economies, there has been increasing concerns for slowdown in economic activity. The shape of the yield curve and the leading economic indicators suggest that a recession may be on the horizon, but in the US, economic activity and strength in labour market have led many to believe that a soft landing for the US economy can be achieved. Both the US dollar and US equity markets outperformed most other equity markets in the quarter as a result.

During the quarter the Energy sector was the strongest segment of the global equity markets, up about 13% in the quarter, which the ONE Global Equity Fund did not benefit from as there is no exposure to this sector. The manager prefers to invest in companies that have a sustainable competitive advantage, attractive valuations and good business models, believing that this will lead to better returns, but prospects for firms in the energy sector are mostly tied to the trends in commodity prices, which are largely unpredictable.

QUARTERLY REVIEW

Global bond markets were weaker in third quarter as bond yields rose sharply around the globe, especially for intermediate and long-term bonds. Recent economic and inflation data led to expectations that the world's major central banks would not be lowering short-term interest rates anytime soon. Instead, major central banks in US and Europe raised short-term rates during the quarter as part of their ongoing efforts to contain inflation.

The performance of all ONE Investment's bond funds were weaker during the quarter as a result. Longer maturity bonds tended to have weaker performance leading to weaker performance for the ONE Canadian Corporate Bond Fund and ONE Global Bond Fund, which had returns of negative 2.1% and negative 1.9% respectively in the quarter. The ONE Canadian Government Bond Fund, which has a much shorter average maturity profile performed better, with returns of negative 0.2% in the quarter. All three bond funds had positive performance for the 12-month period ending September 30, 2023. The strongest was the ONE Global Bond Fund with returns of 3.9%. This fund invests in a much wider range of fixed income securities including high yield bonds, and BBB credit quality bonds which have performed well over the last 12 months.

Inflation continues to trend above central bank targets, and the interest rates rate hikes implemented by central banks to slow economic activity and reduce inflationary pressures have only been partially successful. It takes a considerable amount of time for the effects of interest rates to be fully reflected in economy activity making it very difficult to evaluate if further rate hikes are required. This dynamic has created uncertainty for the interest rate outlook.

Aurora Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of September 30, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
CAN Equity Fund	4,521.194	1,275.32	5,766,000.00	1,286.86	5,818,172.19	13.53%
GLB Equity Fund	11,594.489	1,160.37	13,454,000.00	1,167.23	13,533,543.23	31.48%
Corp Bond Fund	3,667.320	874.48	3,207,000.00	877.79	3,219,146.36	7.49%
CAN Bond Fund	5,775.228	936.24	5,407,000.00	937.30	5,413,140.25	12.59%
GLB Bond Fund	17,633.206	848.73	14,966,000.00	851.33	15,011,710.77	34.91%
					42,995,712.80	100.00%

**Aurora Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Aurora - Contingency Outcome
Account Number: 570050682**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	905.68	874.48	792,000.00	877.79	795,000.08	5.9%	3,000.08	0.00
CAN Equity Fund	1,863.05	1,275.32	2,376,000.00	1,286.86	2,397,498.83	18.0%	21,498.83	0.00
CAN Bond Fund	845.93	936.23	792,000.00	937.30	792,899.54	5.9%	899.54	0.00
GLB Bond Fund	4,354.69	848.73	3,696,000.00	851.33	3,707,289.07	27.9%	11,289.07	0.00
GLB Equity Fund	4,777.75	1,160.37	5,544,000.00	1,167.23	5,576,777.57	42.0%	32,777.57	0.00
			<u>13,200,000.00</u>		<u>13,269,465.09</u>	100.0%	69,465.09	0.00

**Aurora Prudent Investor Portfolio
Performance History
At September 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	-	-	-	-	-	-	-	0.5	09/27/2023

% Calendar Year Returns

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

Aurora Prudent Investor Portfolio
Holdings by Account
At September 30, 2023

Account Name: Aurora - Target Date 3 to 5 Year Outcome
Account Number: 570050690

For the Quarter Ending
September 30, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	1,320.78	874.48	1,155,000.00	877.79	1,159,374.42	10.5%	4,374.42	0.00
CAN Equity Fund	258.75	1,275.32	330,000.00	1,286.86	332,985.66	3.0%	2,985.66	0.00
CAN Bond Fund	3,583.48	936.24	3,355,000.00	937.30	3,358,809.50	30.4%	3,809.50	0.00
GLB Bond Fund	6,350.59	848.73	5,390,000.00	851.33	5,406,462.40	49.0%	16,462.40	0.00
GLB Equity Fund	663.57	1,160.37	770,000.00	1,167.23	774,551.99	7.0%	4,551.99	0.00
			11,000,000.00		11,032,183.97	100.0%	32,183.97	0.00

Aurora Prudent Investor Portfolio
Performance History
At September 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	-	-	-	-	-	-	-	0.2	09/27/2023

% Calendar Year Returns

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

**Aurora Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Aurora - Target Date 5 to 10 Year Outcome
Account Number: 570050708**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	1,286.47	874.48	1,125,000.00	877.79	1,129,260.87	7.4%	4,260.87	0.00
CAN Equity Fund	1,764.25	1,275.32	2,250,000.00	1,286.86	2,270,359.02	15.0%	20,359.02	0.00
CAN Bond Fund	1,201.61	936.24	1,125,000.00	937.30	1,126,277.70	7.4%	1,277.70	0.00
GLB Bond Fund	6,185.64	848.73	5,250,000.00	851.33	5,266,035.21	34.9%	16,035.21	0.00
GLB Equity Fund	4,524.38	1,160.37	5,250,000.00	1,167.23	5,281,039.98	35.0%	31,039.98	0.00
			15,000,000.00		15,072,972.78	100.0%	72,972.78	0.00

**Aurora Prudent Investor Portfolio
Performance History
At September 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	-	-	-	-	-	-	-	0.4	09/27/2023

% Calendar Year Returns

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

**Aurora Prudent Investor Portfolio
Holdings by Account
At September 30, 2023**

**Account Name: Aurora - Target Date 10 Year Plus Outcome
Account Number: 570050716**

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

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	154.37	874.48	135,000.00	877.79	135,510.99	3.7%	510.99	0.00
CAN Equity Fund	635.13	1,275.32	810,000.00	1,286.86	817,328.68	22.5%	7,328.68	0.00
CAN Bond Fund	144.19	936.23	135,000.00	937.30	135,153.51	3.7%	153.51	0.00
GLB Bond Fund	742.27	848.73	630,000.00	851.33	631,924.09	17.4%	1,924.09	0.00
GLB Equity Fund	1,628.77	1,160.37	1,890,000.00	1,167.23	1,901,173.69	52.5%	11,173.69	0.00
			<u>3,600,000.00</u>		<u>3,621,090.96</u>	100.0%	21,090.96	0.00

**Aurora Prudent Investor Portfolio
Performance History
At September 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	-	-	-	-	-	-	-	0.5	09/27/2023

% Calendar Year Returns

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

Aurora Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 30, 2023

TRANSACTION SUMMARY

Account Name: Aurora - Contingency Outcome
Account Number: 570050682

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	09/27/2023	09/27/2023	845.93	792,000.00
Buy	Corp Bond Fund	09/27/2023	09/27/2023	905.68	792,000.00
Buy	GLB Bond Fund	09/27/2023	09/27/2023	4,354.69	3,696,000.00
Buy	CAN Equity Fund	09/27/2023	09/27/2023	1,863.05	2,376,000.00
Buy	GLB Equity Fund	09/27/2023	09/27/2023	4,777.75	5,544,000.00

Aurora Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 30, 2023

TRANSACTION SUMMARY

Account Name: Aurora - Target Date 3 to 5 Year Outcome
Account Number: 570050690

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	09/27/2023	09/27/2023	3,583.48	3,355,000.00
Buy	Corp Bond Fund	09/27/2023	09/27/2023	1,320.78	1,155,000.00
Buy	GLB Bond Fund	09/27/2023	09/27/2023	6,350.59	5,390,000.00
Buy	CAN Equity Fund	09/27/2023	09/27/2023	258.75	330,000.00
Buy	GLB Equity Fund	09/27/2023	09/27/2023	663.57	770,000.00

Aurora Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 30, 2023

TRANSACTION SUMMARY

Account Name: Aurora - Target Date 5 to 10 Year Outcome
Account Number: 570050708

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	09/27/2023	09/27/2023	1,201.61	1,125,000.00
Buy	Corp Bond Fund	09/27/2023	09/27/2023	1,286.47	1,125,000.00
Buy	GLB Bond Fund	09/27/2023	09/27/2023	6,185.64	5,250,000.00
Buy	CAN Equity Fund	09/27/2023	09/27/2023	1,764.25	2,250,000.00
Buy	GLB Equity Fund	09/27/2023	09/27/2023	4,524.38	5,250,000.00

Aurora Prudent Investor Portfolio
Transaction Summary for the Quarter Ended September 30, 2023

TRANSACTION SUMMARY

Account Name: Aurora - Target Date 10 Year Plus Outcome
Account Number: 570050716

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	09/27/2023	09/27/2023	144.19	135,000.00
Buy	Corp Bond Fund	09/27/2023	09/27/2023	154.37	135,000.00
Buy	GLB Bond Fund	09/27/2023	09/27/2023	742.27	630,000.00
Buy	CAN Equity Fund	09/27/2023	09/27/2023	635.13	810,000.00
Buy	GLB Equity Fund	09/27/2023	09/27/2023	1,628.77	1,890,000.00

**Aurora Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
September 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 September 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.



REPORT

To: ONE Joint Investment Board
From: Evelyn Foo, Chief Compliance Officer, ONE Investment
Date: November 29, 2023
Re: Compliance Reports Asset Classes and Target Weight Allocations Q3 2023
Report: ONE JIB 2023-072

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 September 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 were brought within the expected tolerance bands through rebalancing at the end of October

Allocation weights for each Participating Municipality for some categories were greater than their intended target weights and above the expected tolerance bands. As a result, rebalancing was performed as of October 30, 2023.

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 1



ONE Investment
Portfolio Asset Mix
 As of September 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	63.77
	Fixed Income Funds	35.00	45.00	40.00	36.23
570050039	Bracebridge - Target Date 10 Year Plus				
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	77.05
	Fixed Income Funds	21.00	29.00	25.00	22.95
570050047	Huntsville - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	62.96
	Fixed Income Funds	35.00	45.00	40.00	37.04
570050054	Huntsville - Target Date 3 to 5 Year Out				
	Target Date 3-5 Year Outcome				
	Equity Funds	8.00	12.00	10.00	13.90 *
	Fixed Income Funds	88.00	92.00	90.00	86.10 *
570050062	Huntsville - Target Date 10 Year Plus O				
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	78.19
	Fixed Income Funds	21.00	29.00	25.00	21.81
570050070	Innisfil - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	63.76
	Fixed Income Funds	35.00	45.00	40.00	36.24
570050088	Muskoka - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	62.89
	Fixed Income Funds	35.00	45.00	40.00	37.10
570050096	Muskoka - Target Date 3 to 5 Year Outc				
	Target Date 3-5 Year Outcome				
	Equity Funds	8.00	12.00	10.00	14.05 *
	Fixed Income Funds	88.00	92.00	90.00	85.96 *
570050104	Muskoka - Target Date 5 to 10 Year Out				
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	52.89
	Fixed Income Funds	45.00	55.00	50.00	47.12
570050112	Whitby - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	60.35
	Fixed Income Funds	35.00	45.00	40.00	39.66

Account	Asset Class	Asset Mix Limits			Portfolio	
		Min	Max	Target		
570050120	Whitby - Target Date 3 to 5 Year Outco					
	Target Date 3-5 Year Outcome					
	Equity Funds	8.00	12.00	10.00	12.67	*
	Fixed Income Funds	88.00	92.00	90.00	87.32	*
570050138	Whitby - Target Date 5 to 10 Year Outc					
	Target Date 5-10 Year Outcome					
	Equity Funds	45.00	55.00	50.00	50.31	
	Fixed Income Funds	45.00	55.00	50.00	49.69	
570050146	Whitby - Asset Management Reserve O					
	Asset Management Reserves					
	Equity Funds	88.00	92.00	90.00	90.10	
	Fixed Income Funds	8.00	12.00	10.00	9.89	
570050153	Whitby - Target Date 10 Year Plus Outc					
	Target Date 10+ Year Outcome					
	Equity Funds	71.00	79.00	75.00	75.15	
	Fixed Income Funds	21.00	29.00	25.00	24.85	
570050161	Kenora - Contingency Outcome					
	Contingency Outcome					
	Equity Funds	55.00	65.00	60.00	63.80	
	Fixed Income Funds	35.00	45.00	40.00	36.21	
570050179	Kenora - Stable Return Outcome					
	Stable Return Outcome					
	Equity Funds	26.00	34.00	30.00	34.70	*
	Fixed Income Funds	66.00	74.00	70.00	65.31	*
570050187	Kenora - Target Date 3 to 5 Year Outco					
	Target Date 3-5 Year Outcome					
	Equity Funds	8.00	12.00	10.00	13.20	*
	Fixed Income Funds	88.00	92.00	90.00	86.81	*
570050377	Huntsville - Target Date 5 to 10 Year O					
	Target Date 5-10 Year Outcome					
	Equity Funds	45.00	55.00	50.00	52.98	
	Fixed Income Funds	45.00	55.00	50.00	47.01	
570050385	Innisfil - Target Date 5 to 10 Year Outc					
	Target Date 5-10 Year Outcome					
	Equity Funds	45.00	55.00	50.00	52.14	
	Fixed Income Funds	45.00	55.00	50.00	47.86	
570050443	Neebing - Contingency Outcome					
	Contingency Outcome					
	Equity Funds	55.00	65.00	60.00	61.82	
	Fixed Income Funds	35.00	45.00	40.00	38.18	

Account	Asset Class	Asset Mix Limits			Portfolio	
		Min	Max	Target		
570050450	Neebing - Target Date 3 to 5 Year Out					
	Target Date 3-5 Year Outcome					
	Equity Funds	8.00	12.00	10.00	13.27	*
	Fixed Income Funds	88.00	92.00	90.00	86.73	*
570050468	Neebing - Target Date 5 to 10 Year Out					
	Target Date 5-10 Year Outcome					
	Equity Funds	45.00	55.00	50.00	51.91	
	Fixed Income Funds	45.00	55.00	50.00	48.09	
570050476	Neebing - Target Date 10 Year Plus Out					
	Target Date 10+ Year Outcome					
	Equity Funds	71.00	79.00	75.00	76.41	
	Fixed Income Funds	21.00	29.00	25.00	23.60	
570050484	Quinte West - Contingency Outcome					
	Contingency Outcome					
	Equity Funds	55.00	65.00	60.00	61.82	
	Fixed Income Funds	35.00	45.00	40.00	38.19	
570050492	Quinte West - Target Date 3 to 5 Year O					
	Target Date 3-5 Year Outcome					
	Equity Funds	8.00	12.00	10.00	13.35	*
	Fixed Income Funds	88.00	92.00	90.00	86.64	*
570050500	Quinte West - Target Date 5 to 10 Year					
	Target Date 5-10 Year Outcome					
	Equity Funds	45.00	55.00	50.00	51.91	
	Fixed Income Funds	45.00	55.00	50.00	48.09	
570050518	Quinte West - Target Date 10 Year Plus					
	Target Date 10+ Year Outcome					
	Equity Funds	71.00	79.00	75.00	76.41	
	Fixed Income Funds	21.00	29.00	25.00	23.60	
570050567	Thunder Bay - Contingency Outcome					
	Contingency Outcome					
	Equity Funds	55.00	65.00	60.00	61.92	
	Fixed Income Funds	35.00	45.00	40.00	38.08	
570050575	Thunder Bay - Target Date 3 to 5 Year					
	Target Date 3-5 Year Outcome					
	Equity Funds	8.00	12.00	10.00	13.42	*
	Fixed Income Funds	88.00	92.00	90.00	86.59	*
570050583	Thunder Bay - Target Date 5 to 10 Year					
	Target Date 5-10 Year Outcome					
	Equity Funds	45.00	55.00	50.00	52.02	
	Fixed Income Funds	45.00	55.00	50.00	47.97	

Account	Asset Class	Asset Mix Limits			Portfolio	
		Min	Max	Target		
570050591	Thunder Bay - Target Date 10 Year Plus					
	Target Date 10+ Year Outcome					
	Equity Funds	71.00	79.00	75.00	76.50	
	Fixed Income Funds	21.00	29.00	25.00	23.51	
570050625	Muskoka - Target Date 10 Year Plus Ou					
	Target Date 10+ Year Outcome					
	Equity Funds	71.00	79.00	75.00	77.62	
	Fixed Income Funds	21.00	29.00	25.00	22.38	
570050666	Innisfil - Target Date 3 to 5 Year Outco					
	Target Date 3-5 Year Outcome					
	Equity Funds	8.00	12.00	10.00	12.75	*
	Fixed Income Funds	88.00	92.00	90.00	87.25	*
570050724	Bracebridge - Cash Outcome					
	Cash Outcome					
	Fixed Income Funds	100.00	100.00	100.00	0.00	*
570050732	Huntsville - Cash Outcome					
	Cash Outcome					
	Fixed Income Funds	100.00	100.00	100.00	0.00	*
570050740	Innisfil - Cash Outcome					
	Cash Outcome					
	Fixed Income Funds	100.00	100.00	100.00	0.00	*
570050757	Muskoka - Cash Outcome					
	Cash Outcome					
	Fixed Income Funds	100.00	100.00	100.00	0.00	*
570050765	Whitby - Cash Outcome					
	Cash Outcome					
	Fixed Income Funds	100.00	100.00	100.00	0.00	*
570050773	Neebing - Cash Outcome					
	Cash Outcome					
	Fixed Income Funds	100.00	100.00	100.00	0.00	*
570050781	Quinte West - Cash Outcome					
	Cash Outcome					
	Fixed Income Funds	100.00	100.00	100.00	0.00	*
570050799	Thunder Bay - Cash Outcome					
	Cash Outcome					
	Fixed Income Funds	100.00	100.00	100.00	0.00	*

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	9/30/2023	ONE Canadian Equity Fund	19.49269	18	na	na
Bracebridge - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	44.199	42	na	(2.20)
Bracebridge - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	5.17942	6	0.82	na
Bracebridge - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	5.40659	6	na	na
Bracebridge - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	25.7223	28	na	2.28
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	23.76982	22.5	na	na
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	53.2224	52.5	na	na
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	3.17146	3.75	0.58	na
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	3.28479	3.75	0.47	na
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	16.55153	17.5	na	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	18.93622	18	na	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	43.95541	42	na	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	5.48484	6	na	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	5.77886	6	na	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	25.84468	28	na	2.16
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	3.24014	3	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	7.55776	7	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	9.93794	10.5	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	30.78364	30.5	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	48.48053	49	na	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	23.76432	22.5	na	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	54.37704	52.5	na	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	3.10359	3.75	0.65	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	3.21638	3.75	0.53	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	15.53866	17.5	1.96	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	16.0295	15	na	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	36.88101	35	na	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	6.96179	7.5	na	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	7.34715	7.5	na	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	32.78054	35	na	2.22
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	19.44978	18	na	na
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	44.23977	42	na	(2.24)
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	5.15884	6	0.84	na
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	5.38678	6	0.61	na
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	25.76482	28	na	2.24
Innisfil - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	3.05946	3	na	na
Innisfil - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	7.08134	7	na	na
Innisfil - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	10.44086	10.5	na	na
Innisfil - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	30.86901	30.5	na	na
Innisfil - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	48.54933	49	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	15.79141	15	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	36.26664	35	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	6.94303	7.5	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	6.95698	7.5	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	34.04195	35	na	na
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	19.57114	18	na	na
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	44.15419	42	na	(2.15)
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	5.16259	6	0.84	na
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	5.41737	6	na	na
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	25.69472	28	na	2.31
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	8.9341	9	na	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	21.8881	21	na	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	8.27173	9	na	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	19.27313	19	na	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	41.63294	42	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	3.05259	3	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	7.39886	7	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	10.29675	10.5	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	30.77811	30.5	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	48.47369	49	na	na
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	18.5385	18	na	na
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	42.51553	42	na	na
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	5.76214	6	na	na
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	6.07538	6	na	na
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	27.10845	28	na	na

account	as_of	security	Current Weight	Target Weight	10% from Target	2% drift from target
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	15.09948	15	na	na
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	36.85003	35	na	na
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	7.21473	7.5	na	na
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	7.41634	7.5	na	na
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	33.41942	35	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	22.21611	22.5	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	54.21806	52.5	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	5.53838	3.75	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	3.63726	3.75	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	16.39018	17.5	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	18.18297	18	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	42.0906	42	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	5.94537	6	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	6.05253	6	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	27.27852	28	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	3.02968	3	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	7.02267	7	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	10.43677	10.5	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	30.78	30.5	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	48.73	49	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	15.14	15	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	35.09	35	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	7.47	7.5	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	7.57	7.5	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	34.73	35	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	9/30/2023	ONE Canadian Equity Fund	27.16	27	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	9/30/2023	ONE Global Equity Fund	62.91	63	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	1.49	1.5	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	1.51	1.5	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	9/30/2023	ONE Global Bond Fund	6.93	7	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	22.66	22.5	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	52.44	52.5	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	3.72	3.75	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	3.77	3.75	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	17.42	17.5	na	na
Aurora - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	18.07	18	na	na
Aurora - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	42.03	42	na	na
Aurora - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	5.99	6	na	na
Aurora - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	5.98	6	na	na
Aurora - Contingency Outcome vs. Contingency Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	27.94	28	na	na
Aurora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	3.02	3	na	na
Aurora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	7.02	7	na	na
Aurora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	10.51	10.5	na	na
Aurora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	30.45	30.5	na	na
Aurora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	49.01	49	na	na
Aurora - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	15.06	15	na	na
Aurora - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	35.04	35	na	na
Aurora - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	7.49	7.5	na	na
Aurora - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	7.47	7.5	na	na
Aurora - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	34.94	35	na	na
Aurora - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Equity Fund	22.57	22.5	na	na
Aurora - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Global Equity Fund	52.50	52.5	na	na
Aurora - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Corporate Bond Fund	3.74	3.75	na	na
Aurora - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	3.73	3.75	na	na
Aurora - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	9/30/2023	ONE Global Bond Fund	17.45	17.5	na	na
Muskoka - Cash Outcome vs. Cash Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	100.00	100	na	na
Innisfil - Cash Outcome vs. Cash Outcome Asset Mix	9/30/2023	One High Interest Savings Account	100.00	0	(100.00)	(100.00)
Innisfil - Cash Outcome vs. Cash Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	-	100	100.00	100.00
Huntsville - Cash Outcome vs. Cash Outcome Asset Mix	9/30/2023	One High Interest Savings Account	100.00	0	(100.00)	(100.00)
Huntsville - Cash Outcome vs. Cash Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	-	100	100.00	100.00
Bracebridge - Cash Outcome vs. Cash Outcome Asset Mix	9/30/2023	One High Interest Savings Account	100.00	0	(100.00)	(100.00)
Bracebridge - Cash Outcome vs. Cash Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	-	100	100.00	100.00
Neebing - Cash Outcome vs. Cash Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	100.00	100	na	na
Quinte West - Cash Outcome vs. Cash Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	100.00	100	na	na
Thunder Bay - Cash Outcome vs. Cash Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	100.00	100	na	na
Whitby - Cash Outcome vs. Cash Outcome Asset Mix	9/30/2023	ONE Canadian Government Bond Fund	100.00	100	na	na

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: November 29, 2023
Re: Investment Plan Implementation Update - Q3 2023
Report: ONE JIB 2023-069

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

Investment Plans for three municipalities were approved at the September 6, 2023, ONE JIB meeting. They included:

- An initial Investment Plan for the Town of Aurora, which became ONE JIB's newest Participating Municipality with an initial MNRI contribution of \$42.8 million.
- Muskoka's Investment Plan, which reduced its MNRI by \$5.5 million and involved a reallocation of MNRI across the investment outcomes to reflect a slightly shorter investment horizon.
- Bracebridge's Investment Plan, which resulted in no changes in investment allocations.

This report will discuss the implementation of trades related to the recently approved Investment Plans for Aurora, Muskoka and Bracebridge.

ONE Investment staff implemented the necessary changes to replace HISA with the Canadian Government Bond Fund and modify the mandate of the ONE Canadian Government Bond Fund to reduce its interest rate sensitivity and remove corporate credit exposure. The implementation of the Investment Plans was coordinated with the changes to HISA and the Canadian Government Bond Fund to minimize transactions.

3. BACKGROUND

Bracebridge's Investment Plan update did not require any trades to implement

Bracebridge did not contribute or withdraw MNRI as part of its annual Investment Plan review. As the investment horizon of reserves was largely unchanged and circumstances were broadly similar, no changes to Bracebridge's Investment Plan were required. As a result, Bracebridge's

Investment Plan did not require any trading to implement.

Aurora joined ONE JIB as a Participating Municipality in September and contributed \$42.8 million in MNRI, which was allocated across four investment outcomes.

Aurora's contribution of \$42.8 million of MNRI was allocated in accordance with the Investment Plan, with the bulk of MNRI allocated to the Target Date 5-10 Year Outcome and Contingency Outcome, as shown in Table 1. Aurora's Legal List HISA account was drawn down to fund the purchase of units of ONE Investment pooled funds.

Table 1 – Initial Allocation of Aurora's MNRI

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%
Total	\$ 42,800,000	100.0%

Muskoka's Investment Plan reduced MNRI by \$5.5 million, and slightly shortened its investment horizon

The update to Muskoka's Investment Plan reflected changes in cashflow forecasts associated with municipal reserves. Collectively, this led to a modestly shorter investment horizon. Additionally, Muskoka withdrew \$5.5 million of MNRI as part of the Investment Plan update. MNRI was reallocated across the investment outcomes, as shown in Table 2.

Table 2 – Changes in Muskoka's Investment Plan

Outcome	Allocations (June 30, 2023)	Plan Changes	Allocations after withdrawal
Cash	\$ 37,539	+ 43,094	\$ 80,633
Contingency	19,776,324	- 876,324	18,900,000
Target Date 3-5 Years	16,776,327	+ 2,723,673	19,500,000
Target Date 5-10 Years	82,574,119	- 3,774,119	78,800,000
Target Date 10+ Years	28,616,323	- 3,616,323	25,000,000
Total \$	\$ 147,780,633	- 5,500,000	\$ 142,280,633

HISA balances held in allocations of Participating Municipalities have been transitioned into the ONE Canadian Government Bond Fund

To implement the decisions of ONE JIB, allocations to HISA have been removed from Prudent Investment Offering client accounts, with the proceeds being redeployed into the ONE Canadian Government Bond Fund. Allocation ranges, compliance rules, and the ONE JIB Outcomes Framework have been modified to accommodate this change. More detail on the decision history

related to this change is available via the following hyperlinks:

Link 1: [September 6, 2023 - ONE HISA and ONE Canadian Government Bond Fund Implementation Update](#)

Link 2: [September 6, 2023 - Allocations and Benchmarks for Outcome Framework - Update](#)

4. ANALYSIS

The transition of HISA balances into the ONE Canadian Government Bond Fund occurred at the end of September, with the new investment guidelines for ONE Canadian Government Bond Fund effective at the start of the third quarter

All HISA balances were redeployed into the ONE Canadian Government Bond Fund on September 29, 2023, the last trading day of the quarter. These balances were held by the manager (MFS) in Canadian Treasury bonds while the mandate was being reoriented. In early October, the manager initiated trades in the pooled fund to eliminate corporate credit exposure and reduce the maturity profile of the fund, in line with the revised investment guidelines. MFS's compliance team confirmed on October 6, 2023, that the ONE Canadian Government Bond Fund transition to the new guidelines had been completed. Changes in blended benchmarks for the ONE Canadian Government Bond Fund and the investment outcome allocations were designed to occur at the end of the third quarter.

All transactions were implemented at the end of the third quarter to coordinate the Investment Plan implementation with the HISA/ONE Canadian Government Bond Fund transition

The Investment Plans approved at the September 6, 2023, ONE JIB meeting were implemented at the same time as the HISA transition. This means that the trading to implement the updated Investment Plans reflected allocations in the Outcomes Framework that became effective on October 1, 2023. This also allowed trading for the Investment Plan updates to coincide with the HISA to ONE Canadian Government Bond transition, so trading activities could be coordinated.

As HISA accounts pay interest in arrears, special measures were required to allocate accrued interest that was paid into HISA accounts in October

The payment of interest in arrears for HISA accounts created a nuance that complicated the liquidation of HISA accounts. While balances in client Prudent Investment Offering HISA accounts had a zero balance at the end of September, interest for the month of September was paid in early October. These residual interest accounts were manually allocated into investment Outcomes at the start of November. These special arrangements were initiated to ensure that HISA balances were fully removed from client accounts while ensuring that Participating Municipalities received their accrued HISA interest for the month of September. Due to the small size of Bracebridge's HISA balance, cash will be remitted directly to the client.

All transactions to implement Investment Plans were implemented seamlessly

Trading to implement Aurora's initial Prudent Investor allocations was straight-forward with 20 purchase transactions in ONE Investment's pooled funds. Money was drawn directly from Aurora's Legal List HISA account to settle the transactions.

The trade implementation for Muskoka was more nuanced, as movements of HISA balances were involved and there was movement between outcomes. Implementing Muskoka's trades involved 13 pooled fund transactions and several HISA transactions.

No trading was required to implement Bracebridge's updated Investment Plan.

The bulk of Muskoka's drawdown was funded from HISA balances that were eliminated from its investment outcomes

Investment Plan implementation took place at the end of September, coinciding with the timing of a transition of Prudent Investor HISA balances into the ONE Canadian Government Bond Fund. Transactions were initiated to move HISA balances held in outcomes to the ONE Canadian Government Bond Fund. These transactions affected the HISA balances of all participating municipalities. For Muskoka, these movements of HISA balances were conducted in concert with the above-noted plan changes. Muskoka's \$5.5 million drawdown was funded from two sources, as shown in Table 3.

Table 3 – Source of funds for Muskoka's Drawdown of MNRI

Raised from sale of pooled funds	\$ 1,811,291
HISA balances held in Muskoka's Outcomes	3,688,709
Amount raised from MNRI and remitted to Muskoka	\$ 5,500,000

Investment Plan implementation trades partially or fully rebalanced all of Muskoka's investment outcomes back to their target allocation weights

As trades occurred in each of Muskoka's investment outcomes, they all were nudged towards target weights. These transactions helped to rebalance all the outcomes towards their asset allocation target weight, but in some outcomes, the trade size was not sufficiently large to fully rebalance the outcomes. The most significant allocation misweights were diminished in every outcome as a result of the trade implementation.

Aurora's Investment Plan involved a contribution of in-kind securities

The Treasurer at Aurora coordinated with two investment brokers to liquidate long-term securities in September, with the understanding that any long-term securities not liquidated by the end of September 2023 would be deemed in-kind contributions of MNRI. These securities would continue to be held with the brokers, but management and control would be with ONE JIB. As securities mature over time, proceeds would be reinvested into the ONE Investment pooled funds. The securities deemed in-kind contributions are summarized in Table 4 below.

Table 4– Aurora’s In-Kind contribution of securities

Account	Bond Description	Expected Maturity (last call date if market value less than book value)	Book Value (\$)	Market Value September 29, 2023 (\$)
CIBC Wood Gundy	CDN IMPERIAL BK OF COMMERCE AUTO-EXT 2031 FIX CPN DEP NT 2% JUL 09 2025-JUL 09 2031 DUE: JUL 09 2025 2.000%	July - 2031	1,500,000.00	1,101,705.00
CIBC Wood Gundy	CDN IMPERIAL BK OF COMMERCE FXD 2022 FL TG 2030 1 0YR FXD TO CAPPED NTS DUE: AUG 31, 2030	August - 2031	1,000,000.00	846,160.00
CIBC Wood Gundy	CDN IMPERIAL BK OF COMMERCE CALL LINEAR ACCRUAL SENIOR NTS DUE: MAR 09 2031, CALL: MAR 09 2024	March - 2031	4,000,000.00	3,199,280.00
CIBC Wood Gundy	PRINCIPAL PROTECTED NOTES BNS CAN BANKS AC DEPOSIT S9 PP DSC MATURITY: MAY 05, 2031	May - 2031	1,000,000.00	771,700.00
CIBC Wood Gundy	PRINCIPAL PROTECTED NOTES NBC EXTENDIBLE STEP UP DEPOSIT NTS (2760), MATURITY: JUNE 03,2021	May - 2031	750,122.95	615,625.95
CIBC Wood Gundy	PRINCIPAL PROTECTED NOTES CDN IMPERIAL BK OF COMMERCE CDN BC AUTO DPNT DUE: MAY 27 2030	May - 2030	997,700.00	918,791.91
BMO Wealth Management	PRINCIPAL PROTECTED DEPOSIT NOTES BMO CANADIAN EQUITY 5379 (3071) 03/22/2030 - JHN3071 DSC	March - 2030	2,000,000.00	1,713,220.00
BMO Wealth Management	PRINCIPAL PROTECTED DEPOSIT NOTES BMO GROWTH S421 (3134) 06/24/2030 - JHN3134 DSC	June - 2030	750,000.00	687,517.50
BMO Wealth Management	PRINCIPAL PROTECTED DEPOSIT NOTES BMO S&P /TSX COMP LOW VOL S9 (1966) MAT: 04/05/2027 JHN1996 DSC	April - 2027	1,750,000.00	1,661,380.00
BMO Wealth Management	PRINCIPAL PROTECTED DEPOSIT NOTES CIBC AUTO CALL CDN IDX S1 (30030) 09/24/2029 DSC CBL30030	September - 2029	2,000,000.00	1,722,800.00
BMO Wealth Management	BMO EXT 08/24/2031 STEP UP NOTES 2%-2.5% 08/24/2022 08/24/2031 DUE: 08/24/2022 2.100%	August - 2031	500,000.00	388,600.00
BMO Wealth Management	NATIONAL BANK OF CDA GIC COMPOUND-ANNUAL DUE: 04/08/2026 2.800%	April - 2026	1,000,000.00	1,229,518.00
BMO Wealth Management	NATIONAL BANK OF COA GIC ANNUAL DUE: 08/23/2027 2.890%	August - 2027	1,000,000.00	1,000,000.00
BMO Wealth Management	BMO EXT 09/01/2027 ACCRUAL NOTE 1.37% 09/01/21 09/01/27 DUE: 09/01/2027 1.370%	September - 2027	1,000,000.00	871,830.00
BMO Wealth Management	CITY OF TORONTO DUE :11/09/2029 2.650%	November - 2029	233,574.12	208,369.98
BMO Wealth Management	BMO EXT 07/02/2030 ACCRUAL NTS 20/o 07/02/2021 07/02/2030 DUE: 07/02/2030 2.000%	July - 2030	1,134,000.00	938,929.32
BMO Wealth Management	BMO EXT 03/12/2031 STEP UP NTS 2.15%-2.650/o 03/12/22 03/12/31 DUE: 03/12/2031 2.250%	December - 2031	4,000,000.00	3,185,640.00
BMO Wealth Management	BMO EXT 08/13/2031 STEP UP NTS 2.00%-2.500/o 8/13/22 8/13/31 DUE: 08/13/2031 2.100%	August - 2031	3,000,000.00	2,333,910.00
BMO Wealth Management	BMO EXT 03/15/2032 ACCRUAL NOTE 3.62% 03/15/2023 03/15/2032 DUE: 03/15/2032 3.620%	March - 2032	2,500,000.00	2,193,175.00
BMO Wealth Management	CITY OF TORONTO GREEN BOND DEB DUE: 09/24/2039 2.600%	September - 2039	794,400.00	569,634.40
Grand Total			\$30,909,797.07	\$26,157,787.06

5. CONCLUSION

The trading associated with the implementation of Aurora's and Muskoka's Investment Plans was coordinated with the transition of HISA balances into the ONE Canadian Government Bond Fund. This was a complicated set of transactions that required considerable planning. The trading for Aurora and Muskoka was completed successfully and as intended on September 30, 2023, -. Aurora's initial Prudent Investor allocations reflect the target weights for its outcome allocations. Trading to implement Muskoka's updated Investment Plan helped restore allocation weights toward target weights for their outcomes. The process of allocating HISA balances to the ONE Canadian Government Bond Fund was timed with changes to Investment Plans and was implemented seamlessly. The transition of HISA balances into the ONE Canadian Government Bond Fund was completed as planned, and HISA is no longer a building block in the Outcomes Framework

Drafted by: Keith Taylor, Chief Investment Officer, ONE Investment

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

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: November 29, 2023
Re: Investment Manager Presentation – Guardian Capital
Report: ONE JIB 2023-O68

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

Guardian Capital (Guardian) manages the ONE Canadian Equity Fund. The strategy is a Growth-at-a-Reasonable Price (GARP) style that seeks companies with above average growth and quality characteristics. This Fund provides exposure to Canadian equities using a fundamental analysis to select securities for the Fund. Guardian will make a presentation to ONE JIB describing the basic features of the Fund and providing details on current positioning, performance, and outlook.

3. BACKGROUND

Guardian has worked with ONE Investment since 2007 to offer Canadian equities to Ontario municipalities

Guardian has partnered with ONE Investment to provide Ontario municipalities with the ability to invest in Canadian equities under the Legal List since 2007. The ONE Canadian Equity Fund, which is structured specifically to be available to Participating Municipalities of ONE JIB, has a nearly identical investment mandate as the portfolio offered under the Legal List.

Guardian is an active manager that manages the Fund with a well-defined investment style

Guardian is an active investment manager that uses a fundamental approach to selecting equities to include in the Fund. Guardian typically seeks to include companies in the Fund that have long-term growth potential, high and stable level of cashflows, robust profitability, and strong management that is shareholder friendly. The mandate is intended to give exposure to the Canadian equity markets in a way that reduces some of the market volatility. This typically means the Fund will be positioned with light exposure to the materials and energy sectors, which can be more cyclical in nature and where investment outcomes are often more about commodity

prices than the acumen of management. Guardian also integrates Environmental, Social, and Governance considerations into its investment process.

Guardian's presentation will summarize the key aspects of the mandate and characterize recent performance

Guardian will make a presentation to ONE JIB to explain the investment mandate and to discuss recent performance. Typically, ONE's external managers present to ONE JIB on an annual basis to provide an update and to provide an opportunity for ONE JIB members to ask about holdings, strategy or performance of the mandates.

4. CONCLUSION

ONE Investment has had a long relationship with Guardian Capital to offer a Canadian Equity portfolio to Ontario municipalities, initially under the Legal List and now also under the Prudent Investment Offering. Guardian's presentation to the ONE JIB is an opportunity to learn more about the Fund's mandate and more recent performance and positioning.

Drafted by: Keith Taylor, Chief Investment Officer

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

Guardian Capital Investment Review

Prudent Investment Portfolio and Legal List

Ted Macklin, CFA — Managing Director, Head of Canadian Equities

Sam Baldwin, CFA — Senior Portfolio Manager, Canadian Equity

Steven Goth, CFA — Vice President, Client Service

Guardian Capital Group Limited

Institutional Investment Management

Guardian Capital LP and its subsidiaries listed below

- AUM: \$48.8 Billion*
- Institutional Clients
- Retail and Financial Intermediaries
- Canadian Equity, SRI, Bonds, Global Quantitative Strategies
- 28 PMs and Analysts

GuardCap Asset Management Limited

- Fundamental Investment Strategies
- Global Equity & Emerging Market Equity
- 8 PMs & Analysts

Alta Capital Management

- 94% ownership in Utah, U.S. (Jan 2018)
- 7 PMs & Analyst
- Fundamental Quality Growth U.S. Equity Strategies

Agincourt Capital Management

- 70% ownership in Virginia, U.S. (Aug 2020)
- 9 PMs & Analyst
- Institutional U.S. Fixed Income Strategies

Private Wealth

Guardian Partners Inc.

Ultra High Net Worth Management
Services

Guardian Capital Advisors LP

Private Wealth Management Services

Rae & Lipskie Investment Counsel Inc.

Private Wealth Management Services

Alternative Solutions

Guardian Capital
Real Estate Inc.
Investment Management

Guardian Smart
Infrastructure
Management Inc.
Infrastructure Investment
Management

International Banking

Alexandria Bancorp Limited

Private Banking & Trust

* As of September 30, 2023. AUM consists of CAD \$26.1 Billion in GIPS compliant Guardian Capital LP (Institutional) assets, CAD \$7.0 billion in retail separately managed accounts, CAD \$4.0 Billion in GIPS compliant assets at Alta Capital Management LLC and CAD \$11.7 Billion in GIPS compliant assets at Agincourt Capital Management LLC.



Investment Management Team

DENIS LAROSE¹ Chief Investment Officer (11/29)

CANADIAN EQUITY

GUARDIAN CAPITAL LP

Ted Macklin
(22/40)
Sam Baldwin
(15/24)
Kevin Hall
(22/30)
Sera Kim
(10/23)
Adam Low¹
(8/18)

FIXED INCOME

GUARDIAN CAPITAL LP

Aubrey Basdeo¹
(2/33)
Domenic Gallelli
(26/27)
Scott Glassco
(6/43)
Judith Henry
(25/33)
Derrick Knie
(12/29)
Amanpreet Lamba
(<1/4)
Justin May
(<1/5)
Ben Peng
(4/14)
Neil Wiacek
(<1/2)

INVESTMENTS

GUARDIAN CAPITAL LP

Sri Iyer
(22/28)
Arushi Ahuja
(<1/2)
Adam Cilio
(14/18)
Joel Elford
(<1/2)
Yvonne Jin
(5/8)
Saravanan Mani
(3/3)
Fiona Wilson
(11/26)

INVESTMENT SOLUTIONS

GUARDIAN CAPITAL LP

Dino Bourdos
(5/28)
Candice Zhuang
(2/5)

MULTI ASSET

GUARDIAN CAPITAL LP

Spencer Charlton
(<1/<1)
Andrew Cox
(7/26)
Elisa Ichii
(22/22)
Adam Murl
(3/24)
David Onyett-Jeffries¹
(6/14)
Jack Zhang
(<1/<1)

RESPONSIBLE INVESTING

GUARDIAN CAPITAL LP

Michele Robitaille
(19/30)
Jeffrey Mau
(7/7)
Karen Paton
(3/13)

FUNDAMENTAL US EQUITIES

ALTA CAPITAL MGMT

Michael Tempest²
(26/32)
Casey Nelsen^{1,2}
(15/17)
Carter Allen
(3/4)
Daniel Lasky
(<1/<1)
Nirvon Mahdavi²
(7/7)
Melanie Peche²
(18/29)

US FIXED INCOME

AGINCOURT CAPITAL MGMT

L. Duncan Buoyer^{1,2}
(24/37)
Patrick Kelly²
(24/42)
Ryon Acey²
(21/23)
William Armes²
(24/45)
Shannon Hughes²
(19/19)
J. Christopher Haberlin²
(9/18)
Stacey Margolis²
(24/24)
B. Scott Marshall²
(24/28)
Catherine Temple²
(23/29)

FUNDAMENTAL GLOBAL & EM EQUITIES

GUARDCAP ASSET MGMT

Steve Bates CIO^{1,2}
(20/43)
Bojana Bidovec
(7/16)
Michael Boyd
(9/35)
Joris Nathanson
(7/21)
Orlaith O'Connor
(8/13)
Ed Wallace
(7/22)
Giles Warren
(8/26)
Alice Yin
(6/12)

As at September, 2023

¹ Voting Members of the Guardian Asset Mix Committee

² Guardian experience includes predecessor firm experience due to acquisition (Guardian Tenure / Investment Experience) may include experience with former Guardian Capital entities.

GuardCap Asset Management Limited, Agincourt Capital Management LLC, and Alta Capital Management LLC are each subsidiaries of Guardian Capital LP.

Canada-based

US-based

UK-based



Canadian Core Equity Team



Ted Macklin, CFA

Managing Director, Head of Canadian Equity – Canadian Equity – Guardian Capital LP

Ted Macklin is Managing Director, Head of Canadian Equity for Guardian Capital LP (Guardian). In this role, Ted has responsibility to lead the investment teams in the Canadian equity category: Growth Equities, Equity Income, and Core/Quality Growth. He joined Guardian in 2000 as part of the Canadian equity team. In his previous role as Managing Director, Canadian Equity, his portfolio management focus was on Guardian's large-cap Core Canadian equities strategies. His career in the financial services industry began in 1983 when he joined Confederation Life Insurance as a financial analyst. Ted has been managing equity portfolios since 1989 (US equities 1989-1993; subsequently Canadian equities to present). Prior to joining GCLP, Ted was part of the Canadian equity teams at both Bolton Tremblay Inc. (Montrusco Bolton) and Elliott and Page Ltd. Ted graduated from University of Toronto with a B.Comm and is a CFA® charterholder.



Sam Baldwin, CFA

Senior Portfolio Manager – Canadian Equity – Guardian Capital LP

Sam joined GCLP in 2007 as portfolio manager on the systematic strategies team. In 2013 he transitioned into Guardian's Canadian Equity team, focusing on the large-cap Core Canadian equities strategies. His career in the financial services industry began in 1999 when he joined Invesco Trimark as an Associate, Strategy and Communications. Sam subsequently assumed the role of Project Manager, Office of the CEO, in the Taiwan office of Invesco. This role was followed by Fund Manager and Product Director, Asian Equities with Invesco Perpetual in the UK, subsequent to which he joined Guardian. Sam graduated from University of British Columbia (1999) with a BA (Honours) and is a CFA® Charterholder (2002).



Portfolio Strategy: Overview

The ONE strategy began on January 30, 2007 and was designed as a lower risk portfolio.

- Targets lower absolute risk (volatility)
- Philosophy that **high quality companies** provide above market returns with below market risk
 - High quality companies tend to remain high quality*
- Reduced exposure to Energy and Materials
- Results in a higher Tracking Error relative to the S&P/TSX Composite Index
- 35-50 holdings in a minimum 8 of 11 sectors

* HOLT Wealth Creation Principles: Was Warren Buffett right: Do Wonderful Companies Remain Wonderful?



Investment Results



Performance Overview

Annualized Rates of Return (%) in CAD Period Ending October 30, 2023

	3 MTH	YTD	1 YR	2 YRS	3 YRS	Since Inception: Prudent*	5 YRS	7 YRS	10 YRS	Since Inception Legal*
Prudent Investor Fund	-5.19	6.37	6.98	0.26	11.17	10.96				
S&P/TSX Composite Index	-7.72	0.06	0.43	-2.27	9.85	9.15				
Value-Added (Prudent)	2.53	6.31	6.55	2.53	1.32	1.81				
Legal List Portfolio	-5.10	6.34	6.95	0.24	11.09		8.81	8.15	9.14	7.87
S&P/TSX Composite Index	-7.72	0.06	0.43	-2.27	9.85		7.96	6.75	6.69	5.37
Value-Added	2.62	6.29	6.52	2.51	1.25		0.85	1.40	2.44	2.50

Calendar Year Return (%)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Legal List Portfolio	-7.15	21.31	8.22	19.09	-1.90	10.76	15.29	0.29	20.24	24.08	15.33	-6.35	12.26
S&P/TSX Composite Index	-5.84	25.09	5.60	22.88	-8.89	9.10	21.08	-8.32	10.55	12.99	7.19	-8.71	17.61
Value-Added	-1.31	-3.78	2.62	-3.78	6.98	1.67	-5.79	8.61	9.69	11.09	8.14	2.36	-5.34

*Legal List Portfolio Inception: January 4, 2007. Prudent Investment Portfolio Inception: July 3rd 2020



Portfolio Attribution – YTD October 2023

	Average% Weight			Total Return			Allocation	Selection
	Port	Bench	+/-	Port	Bench	+/-		
Prudent Investor Fund	100	100		6.15	0.04	6.11	2.03	4.08
Communication Services	4.32	4.29	0.03	-10.98	-11.06	0.08	-0.03	-0.06
Consumer Discretionary	11.56	3.70	7.86	-4.84	1.37	-6.20	0.10	-0.79
Consumer Staples	7.21	4.21	3.00	4.12	7.72	-3.60	0.48	-0.39
Energy	8.68	17.43	-8.75	20.20	7.65	12.56	-0.63	1.06
Financials	23.92	30.54	-6.62	-1.52	-3.82	2.30	0.28	0.61
Health Care		0.34	-0.34		1.44	-1.44		
Industrials	19.90	13.57	6.33	11.59	0.52	11.07	0.06	2.22
Information Technology	11.74	7.04	4.70	34.61	27.48	7.12	0.93	0.86
Materials	5.36	12.07	-6.71	-3.55	-7.19	3.64	0.61	0.23
Real Estate	1.09	2.46	-1.37	-1.91	-9.16	7.25	0.12	0.09
Utilities	3.60	4.36	-0.76	-5.60	-11.52	5.91	0.08	0.24
Not Classified	2.62		2.62				0.02	

SECTOR ALLOCATION

Positive

- Overweight Information Technology
- Underweight Materials
- Overweight Consumer Staples

Negative

- Underweight Energy

SECURITY SELECTION

Positive

- Industrials (SNC-Lavalin, Finning International)
- Energy (Cameco)

Negative

- Consumer Discretionary (Aritzia – sold Q3 2023, no exposure to Dollarama)
- Consumer Staples (Metro, no exposure to Couch-Tard)



Portfolio Top & Bottom Contributors – YTD October 2023

Stock	Sector	Return	Contrib.
Celestica Inc.	Information Technology	+92.2%	1.7%
SNC-Lavalin Group	Industrials	+61.7%	+1.2%
Cameco Corp	Energy	+65.0%	+0.8%
Canadian Natural Resources	Energy	+21.3%	0.8%
Open Text Corp	Open Text	+17.6%	0.8%

Stock	Sector	Return	Contrib.
Aritzia Inc.	Consumer Discretionary	-49.1%	-1.0%
Bank of Montreal	Financials	-10.3%	-0.5%
Royal Bank of Canada	Financials	-9.2%	-0.5%
Telus Corp.	Communication Services	-10.7%	-0.5%
Brookfield Infrastructure	Utilities	-30.4%	-0.3%
Prudent Investor Fund		+6.2%	
S&P/TSX Composite Index		+0.0%	



Portfolio Activity and Holdings



2023 Portfolio Transactions

	BUYS	SELLS
1Q23	Cameco Corp Fairfax Financial Holdings	Onex Corp
2Q23	Celestica Inc.	BCE Inc. Magna International National Bank West Fraser Timber
3Q23	Loblaw	CN Railway Manulife Financial TC Energy Aritzia
4Q23	None	None



Prudent Investor Holdings – October 31, 2023

	Portfolio Weight	S&P/TSX		Portfolio Weight	S&P/TSX
Energy	9.9%	18.8%	Financials	22.1%	30.4%
Cameco Corp	2.5%		Bank of Montreal	4.4%	
CDN Natural Resources	4.5%		Brookfield Corp	3.9%	
Suncor Energy	2.9%		Element Fleet Mgmt	2.2%	
Materials	4.0%	11.6%	Fairfax Financial Holdings	2.5%	
Agnico Eagle Mines	1.0%		Intact Financial	1.1%	
CCL Industries Inc	0.8%		Royal Bank of Canada.	4.5%	
Teck Resources Ltd	1.0%		Sun Life Financial Inc.	1.3%	
Wheaton Precious Metals Inc.	1.1%		TMX Group	1.2%	
Industrials	19.4%	13.5%	Toronto-Dominion Bank	1.1%	
Boyd Group Services	2.1%		Information Technology	13.7%	7.5%
Canadian Pacific Railway	5.7%		Celestica Inc.	3.1%	
Finning International	4.1%		CGI Group Inc.	5.3%	
SNC-Lavalin Group	3.4%		Open Text Corp.	5.3%	
Stantec Inc	2.1%		Communication Services	2.2%	3.7%
Thomson Reuters	2.0%		Telus Corp.	2.2%	
Consumer Discretionary	10.2%	3.7%	Utilities	4.3%	4.0%
Gildan Activewear	5.1%		Brookfield Infrastructure Partners	0.7%	
Restaurant Brands	5.2%		Brookfield Renewable Corp	1.0%	
Consumer Staples	10.3%	4.2%	Fortis Inc.	2.6%	
Loblaw Companies	2.0%		Real Estate	1.0%	2.3%
Maple Leaf Foods	4.4%		Canadian Apartment REIT	1.0%	
Metro Inc.	3.9%		Cash	2.9%	
Health Care	0.0%	0.3%			



Portfolio Outlook and Positioning

- Due to persistent economic momentum, the impact of central banks' aggressive tightening moves are being felt, but with a lag. While near-term inflation has clearly peaked in Canada and the US, it is still unclear where the long-term inflation rate will settle. Currencies and bond yields traded in a range this quarter, digesting the recent turbulence in the US regional banking sector. Whether or not the US and Canadian economies will fall into recession, has yet to become clear. Still, caution is warranted as policymaker determination to bring down inflation could require intentionally guiding the economy into recession.
- At the company level, falling inflation and slowing growth have introduced crosscurrents. Falling inflation is simultaneously a headwind for revenue growth and a welcome relief from escalating input costs. Meanwhile, slowing growth and easing supply chain pressure are generally leading to higher inventories, which may lead to further price declines. While the companies held in the portfolio, we believe, exhibit strong market positions and pricing power, the short-term impacts from the crosscurrents mentioned above are uncertain, which has led to valuation compression in many areas of the market. Over time, we expect higher-quality companies to overcome these headwinds, making current valuations attractive for long-term investors.
- The portfolio maintains a strong quality bias and remains diversified across cyclical and defensive companies. Economic headwinds are expected to affect all portfolio holdings to various degrees, however, we believe that as labour markets and supply chains continue to normalize, multiple companies in the portfolio should benefit, irrespective of the economic outlook.



Appendix



Legal List - Portfolio Attribution – YTD October 2023

	Average% Weight			Total Return			Allocation	Selection
	Port	Bench	+/-	Port	Bench	+/-		
The One Investment Program	100	100	-	6.00	0.04	5.96	1.95	4.01
Communication Services	5.43	4.29	1.14	- 11.50	- 11.06	- 0.44	- 0.15	- 0.04
Consumer Discretionary	11.59	3.70	7.90	- 4.83	1.37	- 6.20	0.10	- 0.79
Consumer Staples	7.21	4.21	3.00	4.16	7.72	- 3.56	0.48	- 0.39
Energy	8.66	17.43	- 8.76	20.27	7.65	12.63	- 0.64	1.06
Financials	24.00	30.54	- 6.54	- 1.54	- 3.82	2.28	0.28	0.61
Health Care		0.34	- 0.34		1.44	- 1.44	0.00	
Industrials	19.97	13.57	6.40	11.57	0.52	11.05	0.06	2.23
Information Technology	11.85	7.04	4.80	34.47	27.48	6.99	0.95	0.87
Materials	5.38	12.07	- 6.69	- 3.67	- 7.19	3.52	0.60	0.23
Real Estate		2.46	- 2.46		- 9.16	9.16	0.23	
Utilities	3.64	4.36	- 0.72	- 5.80	- 11.52	5.71	0.08	0.23
Cash	2.26		2.26	- 0.01		- 0.01	- 0.04	

SECTOR ALLOCATION

Positive

- Overweight Information Technology
- Underweight Materials
- Overweight Consumer Staples

Negative

- Underweight Energy

SECURITY SELECTION

Positive

- Industrials (SNC-Lavalin, Finning International)
- Energy (Cameco)

Negative

- Consumer Discretionary (Aritzia – sold Q3 2023)
- Consumer Staples (Metro, no exposure to Couch-Tard)



Legal List - Portfolio Top & Bottom Contributors – YTD October 2023

Stock	Sector	Return	Contrib.
Celestica Inc.	Information Technology	+92.2%	1.7%
SNC-Lavalin Group	Industrials	+61.7%	+1.2%
Cameco Corp	Energy	+65.0%	+0.8%
Canadian Natural Resources	Energy	+21.3%	0.8%
Open Text Corp	Open Text	+17.6%	0.8%

Stock	Sector	Return	Contrib.
Aritzia Inc.	Consumer Discretionary	-49.1%	-1.1%
Bank of Montreal	Financials	-10.3%	-0.5%
Royal Bank of Canada	Financials	-9.2%	-0.5%
Telus Corp.	Communication Services	-10.7%	-0.5%
Brookfield Infrastructure	Utilities	-30.4%	-0.3%
The One Investment Program		+6.0%	
S&P/TSX Composite Index		+0.0%	

Legal List - 2023 Portfolio Transactions

	BUYS	SELLS
1Q23	Cameco Corp Fairfax Financial Holdings	Onex Corp
2Q23	Celestica Inc.	Magna International National Bank
3Q23	Loblaw	CN Railway Manulife Financial TC Energy Aritzia
4Q23	None	None



Legal List Holdings – October 31, 2023

	Portfolio Weight	S&P/TSX		Portfolio Weight	S&P/TSX
Energy	9.9%	18.8%	Financials	22.2%	30.4%
Cameco Corp	2.5%		Bank of Montreal	4.4%	
CDN Natural Resources	4.5%		Brookfield Corp	3.9%	
Suncor Energy	2.9%		Element Fleet Mgmt	2.2%	
Materials	4.0%	11.6%	Fairfax Financial Holdings	2.5%	
Agnico Eagle Mines	1.0%		Intact Financial	1.1%	
CCL Industries Inc	0.9%		Royal Bank of Canada.	4.5%	
Teck Resources Ltd	1.1%		Sun Life Financial Inc.	1.3%	
Wheaton Precious Metals Inc.	1.0%		TMX Group	1.2%	
Industrials	19.5%	13.5%	Toronto-Dominion Bank	1.1%	
Boyd Group Services	2.1%		Information Technology	13.8%	7.5%
Canadian Pacific Railway	5.8%		Celestica Inc.	3.1%	
Finning International	4.1%		CGI Group Inc.	5.4%	
SNC-Lavalin Group	3.4%		Open Text Corp.	5.3%	
Stantec Inc	2.1%		Communication Services	3.6%	3.7%
Thomson Reuters	2.0%		BCE Inc.	1.3%	
Consumer Discretionary	10.2%	3.7%	Telus Corp.	2.2%	
Gildan Activewear	5.1%		Utilities	4.3%	4.0%
Restaurant Brands	5.1%		Brookfield Infrastructure Partners	0.7%	
Consumer Staples	10.4%	4.2%	Brookfield Renewable Corp	1.0%	
Loblaw Companies	2.0%		Fortis Inc.	2.6%	
Maple Leaf Foods	4.5%		Real Estate	0.0%	2.3%
Metro Inc.	3.9%		Cash	2.2%	
Health Care	0.0%	0.3%			



Disclosure

This communication is confidential and for the exclusive use of financial intermediaries, registered dealers and their representatives. It is only intended for the audience to whom it has been distributed and may not be reproduced or redistributed without the consent of Guardian Capital LP. This information is not intended for distribution into any jurisdiction where such distribution is restricted by law or regulation.

This document is for educational/informational purposes only and does not constitute investment, financial, legal, accounting, tax advice or a recommendation to buy, sell or hold a security, or be considered an offer or solicitation to deal in any product or security mentioned herein. This document includes information concerning financial markets that was developed at a particular point in time. This information is subject to change at any time, without notice, and without update. This document may also include forward looking statements concerning anticipated results, circumstances, and expectations regarding future events. Forward-looking statements require assumptions to be made and are, therefore, subject to inherent risks and uncertainties. There is significant risk that predictions and other forward looking statements will not prove to be accurate. Investing involves risk. Equity markets are volatile and will increase and decrease in response to economic, political, regulatory and other developments. The risks and potential rewards are usually greater for small companies and companies located in emerging markets. Bond markets and fixed-income securities are sensitive to interest rate movements. Inflation, credit and default risks are all associated with fixed income securities. Diversification may not protect against market risk and loss of principal may result.

There can be no assurance that the portfolio will continue to hold the same position in companies referenced here, and the portfolio may change any position at any time. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable, or will equal the investment performance of the securities discussed. Index returns are for information purposes only and do not represent actual strategy or fund performance. Index performance returns do not reflect the impact of management fees, transaction costs or expenses. Certain information contained in this document has been obtained from external parties which we believe to be reliable, however we cannot guarantee its accuracy.

GuardCap Asset Management Limited, Alta Capital Management, LLC and Agincourt Capital Management, LLC, are each subsidiaries of Guardian Capital LP. Guardian Capital Advisors LP, Guardian Partners Inc., IDC Worldsource Insurance Network Inc., Worldsource Financial Management Inc. and Worldsource Securities Inc. are each an affiliate of Guardian Capital LP.

Guardian Capital LP manages portfolios for defined benefit and defined contribution pension plans, insurance companies, foundations, endowments and investment funds. Guardian Capital LP is wholly-owned subsidiary of Guardian Capital Group Limited, a publicly traded firm listed on the Toronto Stock Exchange. For further information on Guardian Capital LP and its affiliates, please visit www.guardiancapital.com



To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investment Services, MFOA
Date: November 29, 2023
Re: Town of Aylmer - Investment Policy Statement
Report: ONE JIB 2023-O55

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

The Town of Aylmer adopted an Investment Policy Statement (**Attachment 1**) for the purpose of entering the prudent investor regime on July 12, 2023. The policy is compliant with municipal legislation. The objectives, risk tolerances and investment horizons in the Investment Policy Statement (IPS) 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 IPS and the MCQ were considered when developing the proposed Investment Plan (see report 2023-O65).

3. BACKGROUND

Municipal legislation requires that municipalities investing in the prudent investor regime develop an IPS

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 IPS template

ONE Investment and ONE JIB have developed a recommended IPS 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 IPS

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 Outcomes 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 Aylmer’s Council has adopted an IPS with objectives, risk tolerances and investment horizons that are aligned with the ONE JIB Outcomes Framework

On July 12, 2023, the Town of Aylmer’s Council adopted an IPS that is based on the

recommended IPS template. Municipal staff have customized the IPS to reflect the municipality's circumstances, including removing sections that do not apply. The IPS, combined with the completed MCO, reflects Aylmer's investment needs, objectives, risk tolerances and constraints.

The Town of Aylmer's IPS demonstrates that it has considered all matters required by legislation in setting its investment objectives

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.

Aylmer's IPS verifies that the Town has taken these considerations into account in setting its investment objectives.

The Town of Aylmer 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 IPS before control of MNRI is delegated to an investment board. ONE Investment provided guidance on best practices in determining the definition of MNRI, and Aylmer determined that money not needed within 24 months was appropriate.

The Town of Aylmer's overall investment objective is low growth at low levels of risk

In its MCO (reference report 2023-O65), Aylmer defined its risk / return objectives as lower risk/return (question 3.1 in the MCO):

- Objective is to: "Capital preservation is the main objective. Willingness to accept lower returns to reduce the likelihood of losses"
- Able to accept: "Conservative Approach: A small chance of loss of capital over a 5-year period"
- A tolerance for short-term (3 year) losses is: "less than 5% decline"

These responses provide guidance on how ONE JIB should be investing Aylmer's MNRI.

5. CONCLUSION

Aylmer's IPS is based on the ONE JIB IPS template and is therefore aligned with the ONE JIB Outcomes Framework with respect to investment objectives, risk tolerances, and investment

horizons. The IPS demonstrates that the Town has considered all the elements required in the Regulation.

ATTACHMENT

Attachment 1: Town of Aylmer 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

Policy: 2023-02

Attachment 1



Alternative formats and communication support available upon request. Please contact clerks@town.aylmer.on.ca or 519-773-3164 for assistance.

Subject: Investment Policy Statement
Policy #: 2023-02 (1.10)
Date Approved:
Date Revised:
Next Review Year: 2028



INVESTMENT POLICY STATEMENT – POLICY #1.10

FOR

**THE CORPORATION OF THE TOWN OF AYLMER (the
“Municipality”)**

JUNE 21, 2023

TABLE OF CONTENTS

OVERVIEW	1
1. GLOSSARY AND DEFINITIONS.....	2
2. PURPOSE AND LEGISLATIVE FRAMEWORK	5
2.1 Purpose of Policy	5
2.2 Governing Legislation	6
2.3 Prudent Investor Standard	7
3. MONEY REQUIRED IMMEDIATELY AND MONEY NOT REQUIRED IMMEDIATELY	7
3.1 Determination of MNRI and MRI.....	7
3.2 Overview of Portfolios.....	8
4. ROLES AND RESPONSIBILITIES	8
4.1 Role of ONE JIB	8
4.2 Role of Municipal Staff.....	8
4.3 Ethics and Conflicts of Interest.....	9
5. INVESTMENT	9
5.1 MRI: Short-Term Funds.....	9
5.1.1 Short-Term Funds: Investment Objectives	9
5.1.2 Short-Term Funds: Eligible Investments	10
5.2 MNRI: Long-Term Funds	11
5.2.1 Long-Term Funds: Investment Objectives.....	11
5.2.2 Long-Term Funds: Eligible Investments	12
5.2.3 Long-Term Funds: Sinking Funds	13
5.2.4 Long-Term Funds: Local Distribution Corporation (LDC) Securities	13
5.2.5 Long-Term Funds:	13
5.3 Third-Party Trust Funds and Designated Funds	13
5.4 Investment Management.....	14
5.4.1 Investment Management of Short-Term Funds	14
5.4.2 Investment Management of Long-Term Funds.....	14
5.5 Transition to Prudent Investor Regime	14
5.6 Investment Constraints.....	14
5.6.1 Environmental, Social and Governance (ESG) Investing	14
5.6.2 Securities Lending	15
5.6.3 Derivatives.....	15
5.6.4 Use of Leverage	15
5.6.5 Pooled Funds.....	15

5.6.6	Currency Hedging	15
5.6.7	Prohibited Investments	15
5.7	Performance Monitoring, Rebalancing and Management	16
5.7.1	Short-Term Funds.....	16
5.7.2	Long-Term Funds	16
6.	ADMINISTRATIVE POLICIES	16
6.1	Flow of Funds and Annual Municipal Budget	16
6.1.1	Transfer to ONE JIB as Part of Budget Process.....	16
6.1.2	Transfer to Municipality as Part of Budget Process	16
6.2	Flow of Funds Otherwise than through the Budget Process	17
6.2.1	Surplus Funds.....	17
6.2.2	Contingencies	17
6.3	Valuation of Investments.....	17
6.4	Voting Rights.....	17
6.5	Internal Controls	17
6.6	Custodians.....	18
6.7	Reporting	18
6.7.1	Short-Term Funds.....	18
6.7.2	Long-Term Funds	18
7.	APPROVAL, SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE	18
7.1	Revocation / Amendment of Previous Investment Policy	18
7.2	Modifications to the IPS.....	19
7.3	Effective Date.....	19
	Schedule A Third-Party Trust Funds and Designated Funds.....	20
	Appendix I: ONE JIB Agreement.....	21

Town of Aylmer

Investment Policy Statement

OVERVIEW

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

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

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

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

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

Municipalities that elect to pass a by-law pursuant to the new section 418.1 include in their investment policy (i) the basis upon which they distinguish between MNRI and MRI, and (ii) principles governing the investment of each category of money. This Investment Policy Statement (IPS) is intended to respond to the foregoing requirements.

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 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").

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 Funds 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 Funds under the Regulation, and for Short-Term Funds, 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 Funds: 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 5.2. Monies that are Long Term Funds 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 Aylmer.

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

ONE JIB Agreement: means the agreement effective as of the entrance date in 2023, 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 Funds.

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 funds 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 funds that are invested and managed by an External Portfolio Manager. Funds are pooled or combined with funds 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 the effective 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 Funds 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.

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 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 Funds: 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 funds 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.

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 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 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.

As well, the Prudent Investor Standard makes use of Modern Portfolio Theory, which looks towards the portfolio as a whole, rather than towards the prudence of each investment in the portfolio.

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

3. MONEY REQUIRED IMMEDIATELY AND MONEY NOT REQUIRED IMMEDIATELY

3.1 Determination of MNRI and MRI

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

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

For 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 funds 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;
- 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 the Deputy Treasurer.

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 Town of Aylmer's Short-Term Portfolio shall comply with the Town of Aylmer's Conflict of Interest guidelines and the relevant sections of 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 Funds

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

5.1.1 Short-Term Funds: Investment Objectives

The main focus of the investment of Short-Term Funds is cash management, and the interest income generated by the investment of these funds contribute to municipal revenues.

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.

5.1.2 Short-Term Funds: Eligible Investments

Short Term Funds 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.

The investment objectives for short term funds, ranked in priority, are as follows:

a) Security of Principal

The primary objective for MRI is to ensure the security of the 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.

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 funds to meet expenditures.

c) 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.

5.2 MNRI: Long-Term Funds

The Municipality's MNRI is described in Section 3.2 as Long-Term Funds. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the Long-Term Funds 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 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 Treasurer.

5.2.1 Long-Term Funds: 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 funds (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:

Investment Horizon for the Town of Aylmer

	Investment Horizon					
omitted from investment	MRI Amount Within 1 month to 1 year	MRI Amount 12 to 24 months	MNRI Amount 2 years to 3 years	MNRI Amount 3 to 5 years	MNRI Amount 5 to 10 years	MNRI Amount 10+ Years

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

Investment of Long-Term Funds is managed by ONE JIB, which balances expected investment risks and returns to generate asset mixes that create outcomes to meet the Municipality's needs and risk tolerances. Risk mitigation is achieved primarily through the diversification of investment types. For example, assets will be invested in a mix of fixed income, equity, and other investments in order to help balance volatility and 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 Funds' 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 Funds: Eligible Investments

Eligible investments for Long-Term Funds include the following offerings by ONE Investment:

- ONE Investment High Interest Savings Account;
- ONE Investment Canadian Government Bond Fund;
- ONE Investment Canadian Corporate Bond Fund;
- ONE Investment Canadian Equity Fund;
- ONE Investment Global Bond Fund; and,
- ONE Investment Global Equity Fund.

Additionally, nothing in this IPS prevents Long-Term Funds from being held in cash, short term money market instruments, or overnight deposits.

5.2.3 Long-Term Funds: Sinking Funds

This section has been intentionally been left blank at this time.

5.2.4 Long-Term Funds: Local Distribution Corporation (LDC) Securities

The direct investment in LDC shares and/or promissory notes, shall be permitted and included as part of the Long-Term Funds/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. More specifically, ONE JIB shall be prohibited from selling, transferring, assigning, or pledging the LDC shares without consent of the Municipality.

LDC shares are considered restricted, special assets and remain in the custody of the Town of Aylmer. LDC shares are to be viewed as separate standalone investments with the subject matter expertise and administrative functions remaining under the purview of the Town of Aylmer. 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 Aylmer.

The investment in LDC shares will not be included in calculations regarding asset mix/allocations or other constraints that apply to the Long-Term Funds.

5.2.5 Long-Term Funds:

This section has been intentionally been left blank at this time. Currently there are none in this category.

5.3 Third-Party Trust Funds and Designated Funds

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

The Municipality's third-party trust funds and the designated funds are listed in Schedule A.

For certainty, the third-party trust funds and the designated funds are not MNRI of the Municipality, and such funds are not under the control or management of ONE JIB.

5.4 Investment Management

5.4.1 *Investment Management of Short-Term Funds*

The investment of Short-Term Funds shall be controlled and managed by the Treasurer.

5.4.2 *Investment Management of Long-Term Funds*

The investment of Long-Term Funds shall be controlled and managed by ONE JIB in accordance with this IPS. An investment advisor shall be retained by ONE JIB to define and manage the asset allocation using External Portfolio Managers.

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 of such 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 to 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 Town of Aylmer supports ESG investing for Short-Term and Long-Term Funds. 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 Long-Term Funds, 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. Accommodating specific ESG considerations may not be possible either due to availability or to costs.

5.6.2 *Securities Lending*

For the investment of Short-Term Funds, 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.

For the investment of Long-Term Funds, 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.

5.6.3 *Derivatives*

Derivatives may not be used for speculative purposes. They may be used for the investment of Long-Term Funds 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 and in the aggregate.

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

5.6.7 *Prohibited Investments*

No direct investments in commodities or commodity futures (other than broad market indices), investments in, or mortgages on, raw or undeveloped real property, foreign direct investment in countries subject to Canadian or UN economic sanctions.

5.7 Performance Monitoring, Rebalancing and Management

5.7.1 Short-Term Funds

The Treasurer will monitor and provide updates upon the available funds for investment and upon adjustment levels and participation within the fund as they deem required.

5.7.2 Long-Term Funds

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.

Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. ONE JIB shall provide at least annual reporting described in Section 6.6 that demonstrates the Municipality's holdings, declares compliance with this IPS and shows External Portfolio Manager performance.

6. ADMINISTRATIVE POLICIES

6.1 Flow of Funds and Annual Municipal Budget

6.1.1 Transfer to ONE JIB as Part of Budget Process

On an annual basis, as part of the Municipality's budget process, the Municipality shall identify the amount, if any, of Long-Term Funds that it holds. Any Long-Term Funds 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 Budget Process

On an annual basis, as part of the Municipality's budget process, ONE JIB shall be notified by the Treasurer as to the amount, if any, required by the Municipality from the Long-Term Funds 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 Treasurer.

6.2 Flow of Funds 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 surplus 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.

6.2.2 *Contingencies*

The Treasurer is authorized, from time to time after the approval of the Municipality's budget, 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 Funds 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 Funds). In determining the Budgeted Long-Term Funds for purposes of calculating the 25% limit, any Long-Term Funds to be transferred to the control and management of ONE JIB in accordance with that year's budget 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 Funds, values of unitized vehicles shall be valued according to the unit values published daily 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

Subject to the provisions of Section 5.2.4 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.

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 Funds, the Custodian shall be acceptable to ONE Investment. For Short-Term Funds the Custodian shall be acceptable to ONE Investment if ONE Investment is administering the investment of the Municipality's Short-Term Funds, otherwise the Custodian shall be acceptable to the Municipality.

6.7 Reporting

6.7.1 Short-Term Funds

For the investment of Short-Term Funds, the Treasurer shall report at least annually to Council, such report to be in such form and contain such content as Council may request. The report to Council shall include investment performance during the period covered and such other information as required under regulation and as the Treasurer may consider to be pertinent.

6.7.2 Long-Term Funds

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of Long-Term Funds at least annually. Such 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, their average term to maturity and yield relative to the benchmark, book value, market value, realized/unrealized gains/losses and actual income received;
- Dates of all transactions including the purchase and sale prices;
- 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, which shall provide monthly reporting showing all securities held, their book values, market values and all income received.

7. APPROVAL, SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE

7.1 Revocation / Amendment of Previous Investment Policy

This investment policy shall revoke prior investment policies when amended.

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 Funds and from ONE JIB with respect to the investment of Long-Term Funds.

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 take into account:

- 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 June 21, 2023. The Treasurer/Clerk is directed to send a copy of this IPS to evidence approval and to deliver a copy of this IPS to ONE JIB through council resolution.

Schedule A

Third-Party Trust Funds and Designated Funds

Third-Party Trust Funds

No Trust Funds will be included in the investment strategy at this time.

Designated Funds

DC reserves will not be included in investment strategy

Appendix I: ONE JIB Agreement



REPORT

To: ONE Joint Investment Board
 From: Keith Taylor, Chief Investment Officer, ONE Investment
 Date: November 29, 2023
 Re: Town of Aylmer - Investment Plan 2023
 Report: ONE JIB 2023-O65

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the Town of Aylmer’s Municipal Client Questionnaire (Attachment 1).
2. Approve the Town of Aylmer’s proposed Investment Plan (Attachment 2).

2. SUMMARY

The Town of Aylmer 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 Aylmer. The Town has provided a Municipal Client Questionnaire (MCQ) to provide information on its MNRI and the investment horizons associated with its reserve balances.

Aylmer will allocate \$1.58 million in MNRI to be invested under the care and control of ONE JIB. Investment allocations have been determined by reviewing expected cashflows affecting municipal reserve balances to produce a portfolio with an investment horizon appropriate for the Town of Aylmer 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	Portfolio Weight (%)
ONE Canadian Equity Fund	\$ 354,648	22.5
ONE Global Equity Fund	827,513	52.5
ONE Canadian Government Bond Fund	59,108	3.8
ONE Canadian Corporate Bond Fund	59,108	3.8
ONE Global Bond Fund	275,837	17.5
Total \$	\$ 1,576,215	100.0

3. BACKGROUND

Aylmer will be contributing \$1.58 million in MNRI to ONE JIB that will be invested based on details in its MCQ and guidance from the municipal Treasurer

Aylmer is contributing \$1.58 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 and elevated capital spending plans over the next year. Table 1 below provides a summary of the reserve categories and the associated investment horizon of these reserves as disclosed in Aylmer’s MCQ. As shown below, 100% of MNRI has an investment horizon that exceeds 10-years.

Table 1: MNRI by reserve and time horizon forecast, adapted from table 4.1 of MCQ

Reserve Type	Brief Description	MNRI Amount	Less than 3 years	3 to 5 years	5 to 10 years	10+ years
DC Reserve Funds	To fund growth capital					
Other Res / Res Funds	Capital and Contingency long term in nature	\$1,576,215				\$1,576,215
Total		\$1,576,215				\$1,576,215

4. ANALYSIS

The Town does not anticipate any withdrawals in the near term but suggests that contributions may occur over the next 10 years

Based on current Town planning, Aylmer does not expect to draw down MNRI in the foreseeable future, but contributions to MNRI are likely to occur in the coming years. The Town expects 2024 capital spending to be elevated, at a level approximately three times the amount spent in most years. This, combined with uncertainty about cash flow projections associated with some of the Town’s development charge reserves, has limited the amount of MNRI that the Town can contribute at this time. It is anticipated that in future years greater certainty about the timing of cash flows associated with municipal reserves may lead to incremental contributions of MNRI.

Aylmer retains sufficient liquidity in money required immediately to address immediate spending needs and address spending for unanticipated needs out of money required immediately balances. For this reason, no allocation to the Contingency Outcome has been included in Aylmer’s Investment Plan, with all MNRI being allocated to the Target Date 10+ Year Outcome. 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) and fund allocations (Table 4) were determined using the ONE JIB Outcomes Framework.

Table 3: Proposed Outcome Mapping and Asset Allocation

Outcome	Total Invested	Portfolio Weight (%)	HISA (%)	Fixed Income (%)	Equities (%)	Total (%)
Target Date 10+ Years	\$ 1,576,215	100.0	-	25	75	100
Total	\$ 1,576,215	100.0				

Table 4: Proposed Pooled Fund-Level Allocation

ONE Investment Funds & HISA	Total Invested	Portfolio Weight (%)
ONE Canadian Equity Fund	\$ 354,648	22.5
ONE Global Equity Fund	827,513	52.5
ONE Canadian Government Bond Fund	59,108	3.8
ONE Canadian Corporate Bond Fund	59,108	3.8
ONE Global Bond Fund	275,837	17.5
Total \$	\$ 1,576,215	100.0

5. CONCLUSION

Aylmer’s Investment Plan reflects the Town’s current planning details and circumstances disclosed in the Town’s MCQ. 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 Town’s time horizons and available MNRI.

ATTACHMENTS

Attachment 1: Town of Aylmer’s Municipal Client Questionnaire

Attachment 2: Town of Aylmer’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

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 Aylmer

1.2 ADDRESS: 46 Talbot St W. Aylmer, Ontario, N5H 1J7

1.3 TREASURER INFORMATION

i. Name: Heather Sachs (ext 4919)

ii. Phone Number: (519) 773- 3164 iii. Email: hsachs@town.aylmer.on.ca

1.4 PRIMARY DAY-TO-DAY CONTACT INFORMATION*

i. Name: Heather Sachs (ext 4919)

ii. Title: Director of Financial Services

iii. Phone Number: (519) 773- 3164 iv. Email: hsachs@town.aylmer.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:

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 checked="" 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	
DC Reserve Funds	To fund growth capital					
Other Res / Res Funds	Capital and Contingency long term in nature	\$1,576,215				\$1,576,215
Total		\$1,576,215				\$1,576,215

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
Anticipated MNRI Contributions	\$0	\$0	\$0	\$0	\$0
Net change in MNRI	\$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?

The Town would borrow from any reserve necessary to avoid drawing down MNRI to fund 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)

The Town of Aylmer has unusually large capital expenditures planned during 2023 and 2024-2026 due to projects that have tripled in price being pushed into these years from previous.

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:

- 1) The Town of Aylmer has not included any grants in the forecast past 2024.
- 2) The Town of Aylmer has issued debt for the water tower capex in 2023 and the rest of the water tower will be funded from the approved ICIP grant.

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)	31/08/23	\$1,576,215
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)		\$1,576,215

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>N/A</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.

The Eggleton Sidewalks reserve is an amount established from the income of a 3rd party trust (Eggleton estate, managed by TD) for approx \$31.9 thousand, this is held to avoid any shortfalls relating to the sidewalk program at the town (technically MNRI).



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 06 day of October, 2023

Heather Sachs _____

A handwritten signature in black ink, appearing to read "H. Sachs", 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

Corporation of the Town of Aylmer

Investment Plan

Date: November 29, 2023

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



Contents

	<u>Page</u>
1. DEFINITIONS	1
2. PURPOSE OF INVESTMENT PLAN	98
3. RESPONSIBILITY FOR PLAN	98
4. INVESTMENT CONTEXT	98
4.1 Investment Goals and Objectives	98
4.2 Comments by Chief Investment Officer	1140
5. INVESTMENT PORTFOLIO	1140
5.1 Asset Allocations	1140
5.2 Account Structure	1244
5.3 Target Date Outcome	1342
5.4 Projected Investment Returns	13
5.5 Non-Liquid Assets	1443
5.6 Other Accounts	1443
6. APPLICABLE ONE JIB POLICIES	1443
6.1 Environmental, Social and Governance (ESG) Investing	1443
6.2 Securities Lending	1443
6.3 Derivatives	14
6.4 Rebalancing	1544
7. IMPLEMENTATION	1544
7.1 Custodian	1544
7.2 Transition Plan (including transitional investments)	1544
7.3 Accommodating Cashflow Needs	1544
APPENDIX A: PROCESS FOR COMMUNICATING CHANGES IN INVESTMENT NEEDS	16
APPENDIX B: INVESTMENT OUTCOMES	17
APPENDIX C: PERFORMANCE BENCHMARKS FOR ONE INVESTMENT FUNDS	19



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 Corporation of the Town of Aylmer.
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 Aylmer'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 Aylmer.

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 Aylmer's IPS.

4. Investment Context

4.1 Investment Goals and Objectives

Returns on investments have an impact on Aylmer'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 Aylmer'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 Aylmer's has an obligation for a specific project at a specific time.

The Municipality 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 Aylmer'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 Aylmer are aligned with the Outcome Frameworks adopted by ONE JIB.

Aylmer'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 Aylmer's current goals, objectives, circumstances and risk tolerance, and helps direct how investment allocations will be determined. The allocation of Aylmer's MNRI in this Plan is consistent with the details as disclosed in Aylmer's IPS and MCQ.

While individually Aylmer's reserve and reserve funds require liquidity, collectively they provide the Municipality 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 the Municipality in Table 1 above. The MNRI of Aylmer 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 Aylmer in this Investment Plan.

4.2 Comments by Chief Investment Officer

The investment allocations in this Investment Plan take into consideration Aylmer'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 there remains uncertainty regarding spending needs over longer horizons. The Town's capital spending will be particularly high in 2024, as spending will be approximately 3x the amount spent in a normal year. As capital spending diminishes in the coming years, the Town may have greater certainty about future cashflows, which may lead to an upward revision in MNRI in the future. Currently, the Town has ample short-term liquidity to address immediate funding needs from MRI, retaining amounts under MRI to cover contingencies that may arise. Aylmer's initial contribution to MNRI will be approximately \$1.6 million.

As part of the transition to the Prudent Investor regime, the Town will liquidate existing holdings in ONE Investment legal list portfolios, which will raise cash to fund the contribution of MNRI. The Town will also set up a legal list ONE HISA account to facilitate the movement of funds into the prudent investor program.

The Treasurer has confidence that all MNRI has a long investment horizon that exceeds 10 years. While the MCQ indicated a low risk tolerance, the long-term nature of MNRI diminishes the importance of shorter-term market volatility for these investments. All of Aylmer's MNRI will be allocated into the Target Date 10+ Year Outcome, consistent with the horizon of municipal reserves as indicated in Aylmer's MCQ. Due to the investment horizon involved, this is aligned with the Town's risk profile. The Investment Plan offers flexibility to invest for the long term, but as all investments are fully liquid, access to the funds will be retained for any unforeseen circumstances. The overall exposure to equity within this Investment Plan is 75%, which provides potential for capital growth with a risk profile that is appropriate considering Aylmer's circumstances and investment horizon.

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 Aylmer are taken into consideration when assigning asset allocations for Aylmer 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 Aylmer’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 June 2022, well 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 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.
- In 2023 inflation has declined but remains above central bank targets, leading to further increases.
- There is some risk that rate hikes could lead to an economic recession.
- The rapid interest rate hikes also created instability in certain segments of the global banking industry, which resulted in elevated volatility in financial markets in March 2023.
- Diversified investment allocations, such as those used in the Outcomes 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.

5.2 Account Structure

The amounts of MNRI, as disclosed in Aylmer’s MCQ dated October 6, 2023, have been allocated into a single investment Outcome based on the Outcome Framework as shown in Table 2 below.

*Table 2 – Investment Allocations based on MCQ updated on October 6, 2023**

Outcome	Allocation (\$)	Allocation Weight (%)
Target Date 10+ Years	\$ 1,576,215	100.0
Total	\$ 1,576,215	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 October 6, 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 Aylmer’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 Target Date Outcome

Aylmer identified reserves that would be appropriate for Target Date Outcomes. All of Aylmer’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 may 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. All MNRI identified in Aylmer’s MCQ will be invested in the Target Date 10+ Year Outcome:

- 100% allocation to Target Date 10+ Years – \$ 1.58 million

Target Date Outcomes will be managed with the objective of providing for the return of principal, income and capital gains in the future. All income and capital gains will be reinvested.

Approximately \$1.58 million (representing 100% of current 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 3.

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 3 - 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

5.4 Projected Investment Returns

This section has not been updated.

5.5 Non-Liquid Assets

a. Legacy Investments / Strategic Investments

This section does not apply.

b. Transitional Investments

This section does not apply.

5.6 Other Accounts

Aylmer 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)

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 Aylmer are expected to be financed with the sale of units of the investment pools. Any fee discounts that apply to Aylmer are intended to be reinvested into the Contingency Outcome or as otherwise directed by the Treasurer.

a. Anticipated mid-year cashflow requests

Aylmer 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 Aylmer 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 Aylmer'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 implemented effective October 1st, 2023.

Cash Outcome

Asset Class	% Weight		
	Min	Target	Max
Cash	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 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 October 1st, 2023 to reflect a reorientation of the investment guidelines for the fund.



REPORT

To: ONE Joint Investment Board
 From: Keith Taylor, Chief Investment Officer, ONE Investment
 Date: November 29, 2023
 Re: City of Kenora - Investment Plan 2023
 Report: ONE JIB 2023-071

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the City of Kenora’s Investment Policy Statement (Attachment 1).
2. Receive the City of Kenora’s Municipal Client Questionnaire (Attachment 2).
3. Approve the City of Kenora’s proposed Investment Plan (Attachment 3).

2. SUMMARY

The City of Kenora has updated its Municipal Client Questionnaire (MCQ) to provide information on its MNRI and the investment horizons associated with its reserve balances. The MCQ indicates that the investment horizon associated with municipal reserves is largely unchanged compared to the previous year.

On an annual basis the city intends to use \$1.1 million in income from the Citizens Prosperity Trust Fund to fund city operations. In 2024, this income target will be satisfied by drawing down \$700,000 from proceeds of maturing bonds held in the in-kind bond portfolio and \$500,000 in income received from holdings in Synergy North Corporation, a local distribution company .

The proposed investment allocations across the ONE Investment Outcomes are unchanged in this updated Investment Plan. The consolidated allocations to each of the ONE Investment Pooled funds are presented below:

ONE Investment Funds	Total Invested	Portfolio Weight (%)
ONE Canadian Equity Fund	\$ 6.3	11.1
ONE Global Equity Fund	14.7	25.9
ONE Canadian Government Bond Fund	9.2	16.1
ONE Canadian Corporate Bond Fund	4.7	8.3
ONE Global Bond Fund	22.0	38.6
Total \$	\$ 56.9	100.0

3. BACKGROUND

Kerora’s annual review of its Investment Policy Statement resulted in no changes

Kenora’s Investment Policy Statement was previously updated in 2022 to reflect changes in the ONE JIB IPS template. As there have been no revisions to the ONE JIB IPS template since then, Kenora’s IPS already reflects the most recent version. This IPS was approved by council on November 15, 2023.

The City’s MNRI is divided into two separate accounts, the Citizen’s Prosperity Trust Fund and the General Account

The City’s MNRI is segregated into two distinct portions. The Citizen’s Prosperity Trust Fund (CPTF) is intended to be a source of recurring income for the City in perpetuity. This trust was formed in 2008 when Kenora sold its holdings in a telecommunications firm. The key objectives of the CPTF are preservation of capital and the generation of recurring income. The City does not plan to spend the initial capital but intends to use the income generated to fund the municipal budget. Kenora targets annual distributions from the CPTF to the General Account of \$1.1 million annually. The MNRI of the CPTF is invested in the Stable Return Outcome.

The MNRI of the General Account reflects the City’s reserve balances that could be used for operational purposes or for capital spending needs. The MNRI of the General Account is invested in the Contingency and Target Date 3-5 Year Outcomes. The MNRI of these two accounts invested in ONE’s outcomes are detailed below in table 1:

Table 1: CPTF and General Account Outcome Allocations

Outcome	Account	Investments
Stable Return	CPTF	\$ 37,581,528
Contingency	General	\$ 15,705,736
Target Date 3-5 Years	General	\$ 3,644,936

There was no significant change in the overall investment horizon associated with MNRI this year.

The investment horizon associated with MNRI has only minor differences compared to last year. While there was no explicit drawdown of reserves associated with updated reserve balances, Kenora will have a small drawdown of MNRI to satisfy the expected \$1.1 million annual income transfer from the CPTF to fund Kenora’s operational budget. Aside from this income transfer Kenora will not be making further contributions or withdrawals of MNRI this year. Kenora’s MNRI and time horizons for reserve balances are shown in Table 2:

Table 2: MNRI by reserve and time horizon forecast, adapted from table 4.1 of MCQ

Reserve Type	Brief Description	MNRI Amount	Less than 3 years	3 to 5 years	5 to 10 years	10+ years
Rate Stabilization	Rate Stabilization Reserve Fund	5,000,000			2,500,000	2,500,000
Contingency	Used to offset any unforeseen expenditure increases or revenue shortfalls.	4,000,000	1,000,000		3,000,000	
Various	Various Other Municipal Reserves	8,000,000		1,749,365	6,500,000	500,000
	Total General Account	17,000,000	1,000,000	1,749,365	12,000,000	3,000,000
Perpetual Fund	Citizen Prosperity Trust Fund	37,581,528				37,581,528
Total						

4. ANALYSIS

A total of \$1.1 million will be transferred to MRI to satisfy the City’s expected income target from investments

On an annual basis the City intends to use \$1.1 million in income from investments to fund city operations. This income target will be satisfied by drawing down \$700,000 from proceeds of maturing bonds held in the in-kind bond portfolio and from \$500,000 in income received from holdings in Synergy North Corporation, a Local Distribution Company.

Over the next year it is anticipated that coupons and maturities in the in-kind bond portfolio will exceed \$1.7 million.

The in-kind bond portfolio, which represents a portfolio of individual bonds that were received from Kenora when it joined ONE JIB, is part of the CPTF. As coupons have been received and bonds matured, the proceeds have been invested into the Stable Return Outcome. As of September 30, 2023, the remaining balance of in-kind bonds was approximately \$2.0 million, most of which will mature within the next 12 months. It is anticipated that this portfolio will generate \$1.7 million in coupons received and bond maturity proceeds. As noted above, \$700,000 of these proceeds will be remitted back to Kenora’s account. As a result, about \$1 million of interest and bond maturity proceeds for the in-kind bond portfolio will be reinvested in the Stable Return Outcome in 2024

The mapping to Outcomes and the resulting asset allocation are appropriate for the City’s circumstances

The investment horizon associated with City reserves is largely unchanged over the last year and as a result the investment allocations remain appropriate. Allocations to the Target Date 3-5 Year of approximately \$3.6 million will address the known near-term funding needs, while the remaining MNRI of the General account has been allocated to the Contingency Outcome. The ability of the CPTF to make a recurring distribution to the City requires a relatively stable source of returns that can be distributed. MNRI associated with the CPTF has been allocated to the Stable Return Outcome, which is appropriate considering its objectives.

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 4 below) and fund allocations (Tables 5 and 6 below) were determined using the ONE JIB's Outcomes Framework.

Table 4: Proposed Outcome Mapping and Asset Allocation

Outcome	Total Invested (\$ millions)	Portfolio Weight (%)	Fixed Income (%)	Equities (%)	Total (%)
Stable Return	\$ 37.6	66.0	70	30	100
Contingency	15.7	27.6	40	60	100
Target Date 3-5 Years	3.6	6.4	90	10	100
Total	\$ 56.9	100.0			

Table 5 Proposed Pooled Fund-Level Allocation (values in \$ millions)

ONE Investment Funds	Total Invested	Portfolio Weight (%)
ONE Canadian Equity Fund	\$ 6.3	11.1
ONE Global Equity Fund	14.7	25.9
ONE Canadian Government Bond Fund	9.2	16.1
ONE Canadian Corporate Bond Fund	4.7	8.3
ONE Global Bond Fund	22.0	38.6
Total \$	\$ 56.9	100.0

Table 6: Proposed Pooled Fund Allocations by Outcome (values in \$ millions)

Outcome	ONE Canadian Equity Fund	ONE Global Equity Fund	ONE Canadian Govt Bond Fund	ONE Canadian Corporate Bond Fund	ONE Global Bond Fund	Total
Stable Return	\$ 3.4	\$ 7.9	\$ 7.1	\$ 3.4	\$ 15.8	\$ 37.6
Contingency	2.8	6.6	0.9	0.9	4.4	15.7
Target Date 3-5 Years	0.1	0.3	1.1	0.4	1.8	3.6
Total \$	\$ 6.3	\$ 14.7	\$ 9.2	\$ 4.7	\$ 22.0	\$ 56.9

5. CONCLUSION

Kenora's proposed Investment Plan is consistent with the City'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 Kenora's objectives, risk tolerance, time horizons, and available MNRI. The updating of this Investment Plan will not result in any trading and the drawdown of MNRI to fund the expected income requirements of the City will be satisfied from cashflow generated from the in-kind bond portfolio held at ONE's custodian.

ATTACHMENTS

Attachment 1: City of Kenora's Investment Policy Statement

Attachment 2: City of Kenora's Municipal Client Questionnaire

Attachment 3: City of Kenora's proposed Investment Plan

Drafted by: Keith Taylor, Chief Investment Officer; Jennifer Hess, Manager Investment Services

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

Attachment 1
INVESTMENT POLICY STATEMENT
FOR
THE CITY OF KENORA (the “Municipality”)

NOVEMBER 15, 2023

TABLE OF CONTENTS

OVERVIEW.....	1
1. GLOSSARY AND DEFINITIONS.....	2
2. PURPOSE AND LEGISLATIVE FRAMEWORK	6
2.1 Purpose of Policy	6
2.2 Governing Legislation.....	6
2.3 Prudent Investor Standard	7
3. MONEY REQUIRED IMMEDIATELY AND MONEY NOT REQUIRED IMMEDIATELY.....	7
3.1 Determination of MNRI and MRI.....	7
3.2 Overview of Portfolios	8
4. ROLES AND RESPONSIBILITIES	8
4.1 Role of ONE JIB	8
4.2 Role of Municipal Staff.....	9
4.3 Ethics and Conflicts of Interest	9
5. INVESTMENT.....	10
5.1 MRI: Short-Term Funds.....	10
5.1.1 Short-Term Funds: Investment Objectives.....	10
5.1.2 Short-Term Funds: Eligible Investments.....	10
5.2 MNRI: Long-Term Funds	11
5.2.1 Long-Term Funds: Investment Objectives	11
5.2.2 Long-Term Funds: Eligible Investments.....	12
5.2.3 Long-Term Funds: Sinking Funds.....	13
5.2.4 Long-Term Funds: Local Distribution Corporation (LDC) Securities.....	13
5.3 Third-Party Trust Funds and Designated Funds.....	13
5.4 Investment Management	14
5.4.1 Investment Management of Short-Term Funds.....	14
5.4.2 Investment Management of Long-Term Funds.....	14
5.5 Transition to Prudent Investor Regime	14
5.6 Investment Constraints.....	14
5.6.1 Environmental, Social and Governance (ESG) Investing	14
5.6.2 Securities Lending.....	15
5.6.3 Derivatives	15
5.6.4 Use of Leverage.....	15
5.6.5 Pooled Funds	15

5.6.6	Currency Hedging	15
5.6.7	Prohibited Investments	16
5.7	Performance Monitoring, Rebalancing and Management	16
5.7.1	Short-Term Funds	16
5.7.2	Long-Term Funds	16
6.	ADMINISTRATIVE POLICIES	17
6.1	Flow of Funds and Annual Municipal Budget	17
6.1.1	Transfer to ONE JIB as Part of Budget Process	17
6.1.2	Transfer to Municipality as Part of Budget Process	17
6.2	Flow of Funds Otherwise than through the Budget Process	17
6.2.1	Surplus Funds	17
6.2.2	Contingencies	17
6.3	Valuation of Investments	18
6.4	Voting Rights	18
6.5	Internal Controls	18
6.6	Custodians	18
6.7	Reporting	18
6.7.1	Short-Term Funds	18
6.7.2	Long-Term Funds	18
7.	APPROVAL, SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE	19
7.1	Revocation / Amendment of Previous Investment Policy	19
7.2	Modifications to the IPS	19
7.3	Effective Date	19
	Schedule A Third-Party Trust Funds and Designated Funds	21
	Appendix I: ONE JIB Agreement	Error! Bookmark not defined.
	Appendix II: Investment Policy for Short-Term Funds	Error! Bookmark not defined.

The City of Kenora

Investment Policy Statement

OVERVIEW

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

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

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

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

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

Municipalities that elect to pass a by-law pursuant to the new section 418.1 include in their investment policy (i) the basis upon which they distinguish between MNRI and MRI, and (ii) principles governing the investment of each category of money. This Investment Policy Statement (IPS) is intended to respond to the foregoing requirements

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 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").

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 Funds 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 Funds under the Regulation, and for Short-Term Funds, 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 Funds: 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 5.2. Monies that are Long Term Funds 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 City of Kenora.

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 Funds.

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 funds 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 funds that are invested and managed by an External Portfolio Manager. Funds are pooled or combined with funds 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 Funds 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.

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 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 Funds: 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 funds 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.

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 Manager 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 #37-2021 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 Manager of Finance/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 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.

As well, the Prudent Investor Standard makes use of Modern Portfolio Theory, which looks towards the portfolio as a whole, rather than towards the prudence of each investment in the portfolio.

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

3. MONEY REQUIRED IMMEDIATELY AND MONEY NOT REQUIRED IMMEDIATELY

3.1 Determination of MNRI and MRI

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

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

The Municipality'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 funds by the Manager of Finance/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;
- 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 Manager of Finance/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 Manager of Finance/Treasurer.

Consistent with this IPS, the Manager of Finance/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 Manager of Finance/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 Manager of Finance/Treasurer to regulate the activities of subordinate officials.

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

In the management of MRI of the Municipality, and any third party trust funds referenced in Section 2.1, the Manager 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.

4.3 Ethics and Conflicts of Interest

Individuals who are responsible for the City of Kenora's Short-Term Portfolio shall comply with the City of Kenora's conflict of interest guidelines and the relevant sections of 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 Funds

The Municipality's MRI is described in this IPS as Short-Term Funds. Short-Term Funds consist of money needed to meet the short-term financial obligations of the Municipality and are controlled and managed by the Manager of Finance/Treasurer.

5.1.1 *Short-Term Funds: Investment Objectives*

The main focus of the investment of Short-Term Funds is cash management, and the interest income generated by the investment of these funds contribute to municipal revenues.

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.

5.1.2 *Short-Term Funds: Eligible Investments*

Short Term Funds 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.

The investment objectives for short term funds, 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 staggered so that investment cash inflows occur throughout the year.

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 funds to meet expenditures.

c) 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.

5.2 MNRI: Long-Term Funds

The Municipality's MNRI is described in Section 3.1 as Long-Term Funds. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the Long-Term Funds 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 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 Manager of Finance/Treasurer.

5.2.1 Long-Term Funds: 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 funds (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 with some 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

Investment of Long-Term Funds is managed by ONE JIB, which balances expected investment risks and returns to generate asset mixes that create outcomes to meet the Municipality's needs and risk tolerances. Risk mitigation is achieved primarily through the diversification of investment types. For example, assets will be invested in a mix of fixed income, equity, and other investments in order to help balance volatility and 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 Funds' 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 Funds: Eligible Investments

Eligible investments for Long-Term Funds 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 and that the ONE JIB has approved them as part of the municipality's investment plan.

Additionally, nothing in this IPS prevents Long-Term Funds from being held in cash, short term money market instruments, or overnight deposits.

5.2.3 Long-Term Funds: Sinking Funds

N/A

5.2.4 Long-Term Funds: Local Distribution Corporation (LDC) Securities

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 Funds/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. More specifically, ONE JIB shall be prohibited from selling, transferring, assigning, or pledging the LDC shares.

LDC shares are considered restricted, special assets and remain in the custody of the City of Kenora. LDC shares are to be reviewed as separate standalone investments with the subject matter expertise and administrative functions remaining under the purview of the City of Kenora. 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 City of Kenora.

The investment in LDC shares will not be included in calculations regarding asset mix/allocations or other constraints that apply to the Long-Term Funds.

5.2.5 Long-Term Funds: City of Kenora debt

Debt required by the City for capital projects has been issued internally to the Citizens' Prosperity Trust Fund. These investments will be included as part of the Long-Term Funds. ONE JIB will be prohibited from selling the debentures without the consent of the Municipality.

5.3 Third-Party Trust Funds and Designated Funds

In addition to the Municipality's own money, the Municipality is from time to time entrusted with third-party trust funds, and the Municipality's responsibilities and obligations with respect thereto may be subject to other legislation and governed by other agreements and instruments. To the extent that there is any conflict or inconsistency between the provisions of this IPS and the terms and conditions contained

in such other legislation, agreements or instruments applicable to third-party trust funds, the latter shall prevail.

The Municipality's third-party trust funds and the designated funds are listed in Schedule A.

For certainty, the third-party trust funds and the designated funds are not MNRI of the Municipality, and such funds are not under the control or management of ONE JIB.

5.4 Investment Management

5.4.1 Investment Management of Short-Term Funds

The investment of Short-Term Funds shall be controlled and managed by the Manager of Finance/Treasurer.

5.4.2 Investment Management of Long-Term Funds

The investment of Long-Term Funds shall be controlled and managed by ONE JIB in accordance with this IPS. An investment advisor shall be retained by ONE JIB to define and manage the asset allocation using External Portfolio Managers.

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

The MNRI of the City of Kenora includes a portfolio of bonds that have been pledged to the ONE JIB and held in a custodial account associated with the ONE JIB. This portfolio of bonds reflects balances of the Citizens Prosperity Trust Fund that totalled \$3.043 million as at December 31, 2022. Proceeds from any maturities of these bonds or coupon interest received will be transitioned into ONE Investment Prudent Investor funds or ONE HISA by ONE Investment accruing to the City's Investment Plan. The liquidation of this bond portfolio and transition of the proceeds into ONE Investment Funds/ONE HISA can be accelerated, as directed by the City at any time.

5.6 Investment Constraints

5.6.1 Environmental, Social and Governance (ESG) Investing

The City 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.

The City of Kenora supports ESG investing for Short-Term and Long-Term Funds. The Manager of Finance/Treasurer is required to invest in instruments that support responsible ESG principles, where appropriate.

For the investment of Long-Term Funds, 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. Accommodating specific ESG considerations may not be possible either due to availability or to costs.

5.6.2 *Securities Lending*

For the investment of Short-Term Funds, 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 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.

5.6.3 *Derivatives*

Derivatives may not be used for speculative purposes. They may be used for the investment of Long-Term Funds 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 Manager of Finance/Treasurer (for MRI) shall have in place monitoring procedures to manage overall exposure to any counterparty and in the aggregate 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 is expected and necessary to provide diversification and potentially enhance returns. Therefore, it shall not be a violation of this IPS for investments in global mandates to be unhedged, in whole or in part, where the diversification benefits embedded in the currency exposure are considered to be beneficial or desirable by ONE JIB.

5.6.7 Prohibited Investments

Investments in no event may be made in foreign direct investment in countries subject to Canadian or UN economic sanctions.

5.7 Performance Monitoring, Rebalancing and Management

5.7.1 Short-Term Funds

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, direction and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived. Authorized employees exercising due diligence shall be relieved of personal responsibility for an individual investment's credit risk or market price changes.

The Manager of Finance/Treasurer is responsible for establishing controls for performance monitoring, rebalancing and management of Short-Term Funds, in accordance with this IPS. If an investment is, in the Manager of Finance/Treasurer's opinion, not consistent with the investment objectives set out in this IPS, the Manager of Finance/Treasurer will report the inconsistency to Council within 30 days after becoming aware of the inconsistency, and corrective action will be taken.

5.7.2 Long-Term Funds

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.

Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. ONE JIB shall provide at least annual reporting described in Section 6.7 that demonstrates the Municipality's holdings, declares compliance with this IPS and shows External Portfolio Manager performance.

6. ADMINISTRATIVE POLICIES

6.1 Flow of Funds and Annual Municipal Budget

6.1.1 *Transfer to ONE JIB as Part of Budget Process*

On an annual basis, as part of the Municipality's budget process, the Municipality shall identify the amount, if any, of Long-Term Funds that it holds. Any Long-Term Funds 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 Budget Process*

On an annual basis, as part of the Municipality's budget process, ONE JIB shall be notified by the Manager of Finance/Treasurer as to the amount, if any, required by the Municipality from the Long-Term Funds 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 Manager of Finance/Treasurer.

6.2 Flow of Funds 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 surplus by the Manager 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.

6.2.2 *Contingencies*

The Manager of Finance/Treasurer is authorized, from time to time after the approval of the Municipality's budget, to direct ONE JIB to return any amounts determined by the Manager 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 6.2.2 during the year shall not exceed 25% of the Long-Term Funds 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 Funds). In determining the Budgeted Long-Term Funds for purposes of calculating the 25% limit, any Long-Term Funds to be transferred to the control and management of ONE JIB in accordance with that year's budget 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 Funds, values of unitized vehicles shall be valued according to the unit values published daily 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

Subject to the provisions of Section 5.2.4 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.

6.5 Internal Controls

The Manager 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 Manager of Finance/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 Funds, the Custodian shall be acceptable to ONE Investment. For Short-Term Funds the Custodian shall be acceptable to ONE Investment if ONE Investment is administering the investment of the Municipality's Short-Term Funds, otherwise the Custodian shall be acceptable to the Municipality.

6.7 Reporting

6.7.1 Short-Term Funds

For the investment of Short-Term Funds, the Manager of Finance/Treasurer shall report at least annually to Council, such report to be in such form and contain such content as Council may request. The report to Council shall include investment performance during the period covered and such other information as required under regulation and as the Manager of Finance/Treasurer may consider to be pertinent.

6.7.2 Long-Term Funds

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of Long-Term Funds at least annually. Such 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, their average term to maturity and yield relative to the benchmark, book value, market value, realized/unrealized gains/losses and actual income received;
- Dates of all transactions including the purchase and sale prices;
- A statement by the Manager 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
- Any other pertinent information in the opinion of the Manager of Finance/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, which shall provide monthly reporting showing all securities held, their book values, market values and all income received.

7. APPROVAL, SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE

7.1 Revocation / Amendment of Previous Investment Policy

As of the effective date of this IPS the previously approved Investment Policy of the City of Kenora is superseded 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 Manager of Finance/Treasurer with respect to the investment of Short-Term Funds and from ONE JIB with respect to the investment of Long-Term Funds.

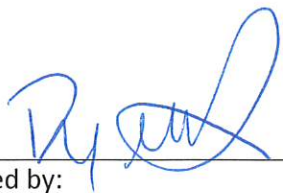
Following the Council's review of the IPS, ONE JIB shall review the Investment Plan and update it, if required.

At a minimum, the annual review will take into account:

- 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 November 15, 2023. The Director of Finance 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:

Director of Finance/Treasurer

Nov 15, 2023

Date

Schedule A

Third-Party Trust Funds and Designated Funds

Third-Party Trust Funds

Cemetery land fund	\$ 13,234
Cemetery perpetual care fund	753,383
Inscription fee fund	179,694
Library	28,479

Designated Funds

Listed here for information and tracking purposes only. The Municipality has no authority or responsibility with respect to investment of designated funds. For example, social housing capital reserves of a local housing corporation which are to be invested in the Housing Services Corporation's pooled capital reserve funds managed by Encasa.

The Corporation of the City of Kenora

By-Law Number 149 - 2023

A By-law to Adopt an Investment Policy Statement for the Corporation of the City of Kenora Pursuant to Section 418.1 of the Municipal Act and Distinguish Between MNRI and MRI, and Principles Governing the Investment of Each Category of Money

Whereas on March 31, 2020 Council of the City of Kenora authorized a Prudent Investor Partnership Agreement to divert the City's investments; and

Whereas on June 16, 2020 Council further authorized an enabling bylaw which entered the City of Kenora as a founding member of the ONE JIB Agreement and of the Prudent Investor; and

Whereas Council may 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;

Now Therefore the Council of the City of Kenora hereby enacts as follows:-

1. That Council hereby adopts an Investment Policy Statement for the City of Kenora attached hereto as part of this bylaw.
2. That the Treasurer be authorized to execute this Investment Policy Statement on behalf of Council of the City of Kenora.
3. That at least annually, Council shall review the Investment Policy Statement and update it, if required.
4. That this bylaw come into force and effect for purposes of the ONE JIB Agreement and this By-law.
5. That bylaw number 31-2022 be hereby repealed.

By-law read a First and Second Time this 15th day of November, 2023

By-law read a Third and Final Time this 15th day of November, 2023

The Corporation of the City of Kenora:-



Andrew Poirier, Mayor



Heather Pihulak, City Clerk

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: City of Kenora

1.2 ADDRESS: 1 Main Street South, Kenora

1.3 TREASURER INFORMATION

i. Name: Ryan Marsh

ii. Phone Number: (807)467-2197 iii. Email: rymarsh@kenora.ca

1.4 PRIMARY DAY-TO-DAY CONTACT INFORMATION*

i. Name: Sola Okuboyejo

ii. Title: Deputy Treasurer

iii. Phone Number: (807) 467-2013 iv. Email: sokuboyejo@kenora.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:

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 checked="" 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	
Rate Stabilization	Rate Stabilization Reserve Fund	5,000,000			2,500,000	2,500,000
Contingency	Used to offset any unforeseen expenditure increases or revenue shortfalls	4,000,000	1,000,000		3,000,000	
Various	Various Other Municipal Reserves	8,000,000		1,749,365	6,500,000	500,000
	Total General Account	17,000,000	1,000,000	1,794,365	12,000,000	3,000,000
Perpetual Fund	Citizen Prosperity Trust Fund	37,581,528.48				37,581,528.48
Total						

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	Cashflow Forecast				
Anticipated MNRI Contributions	\$500,000				
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?

The probability that the City may need to draw down MNRI to fund unexpected budget shortfalls is very low at the moment, however, the City currently receives annual investment income of \$1.1 million annually from the fund.

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)

2022 Flood was an unexpected event that required additional funds, Provincial Disaster Assistance funding was available and covered the majority of expenditures.

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 probability is low

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)		SEE ATTACHED
Pledged (in kind) Securities (Bonds, GICs, PPNs etc.) as of <i>Date</i> (B)		DETAILS WITH
Expected Contributions (withdrawals) of MNRI and <i>Date</i> fund to be remitted / paid (C)		BREAKDOWN OF CPTF AND GENERAL
Locked in portion (LDC shares or notes as of <i>Date</i> (D)		PORTIONS
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.

The City of Kenora maintains two distinct municipal funds within the portfolio (Citizen Prosperity Fund/Trust Fund and General Fund). Distinct transactional reporting between the two funds is required for the City's Year End/Annual Reporting.

The City is Contributing \$500,000 of MNRI from a note receivable (Synergy North) and will require a withdrawal of \$800,000 to accommodate internal financing for Capital works, leaving a net withdrawal of \$300,000.

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 09 day of November, 2023

Ryan Marsh _____

A handwritten signature in black ink, appearing to read "Ryan Marsh", is 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 13 day of October, 2023

Name and Signature of Treasurer

Second Signature (if required)

MCQ - City of Kenora

Description - <u>CPTF Portion (MNRI)</u>	As of Date (DD/MM/YY)	Value
Invested in ONE JIB Outcomes as of <i>Date</i> (A)	September 30, 2023	\$37,581,528
Pledged (in kind) Securities (Bonds, GICs, PPNs etc.) as of <i>Date</i> (B)	September 30, 2023	\$2,015,084
Expected Contributions (withdrawals) of MNRI and <i>Date</i> fund to be remitted / paid (C)	September 30, 2023	(\$300,000)
Locked in portion (LDC shares or notes as of <i>Date</i> (D)	na	nil
Total MNRI (A to D)		\$39,296,612

Description - <u>General Account Portion (MNRI)</u>	As of Date (DD/MM/YY)	Value
Invested in ONE JIB Outcomes as of <i>Date</i> (A)	September 30, 2023	\$19,350,672
Pledged (in kind) Securities (Bonds, GICs, PPNs etc.) as of <i>Date</i> (B)	na	nil
Expected Contributions (withdrawals) of MNRI and <i>Date</i> fund to be remitted / paid (C)	na	nil
Locked in portion (LDC shares or notes as of <i>Date</i> (D) (Synergy North - Notes)	Note \$2.569m & Shares \$6.931m	\$9,500,000
Total MNRI (A to D)		\$28,850,672



Attachment 3
CITY OF KENORA

Investment Plan

Date: November 29, 2023

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



Contents

	<u>Page</u>
1. DEFINITIONS	1
2. PURPOSE OF INVESTMENT PLAN	98
3. RESPONSIBILITY FOR PLAN	98
4. INVESTMENT CONTEXT	98
4.1 Investment Goals and Objectives.....	98
4.2 Comments by Chief Investment Officer	1140
5. INVESTMENT PORTFOLIO	1244
5.1 Asset Allocations	1244
5.2 Account Structure	1342
5.3 Stable Return Outcome	1342
5.4 Contingency Outcome	1443
5.5 Target Date Outcome.....	1443
5.6 Projected Investment Returns	1544
5.7 Non-Liquid Assets	1544
5.8 Other Accounts	1544
6. APPLICABLE ONE JIB POLICIES	1645
6.1 Environmental, Social and Governance (ESG) Investing	1645
6.2 Securities Lending	1645
6.3 Derivatives	1645
6.4 Rebalancing	1645
7. IMPLEMENTATION	1746
7.1 Custodian	1746
7.2 Transition Plan (including transitional investments)	1746
7.3 Accommodating Cashflow Needs.....	1746
APPENDIX A: PROCESS FOR COMMUNICATING CHANGES IN INVESTMENT NEEDS	1847
APPENDIX B: INVESTMENT OUTCOMES	1948
APPENDIX C: PERFORMANCE BENCHMARKS FOR ONE INVESTMENT FUNDS	2120



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 City of Kenora.
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 Kenora'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 Kenora.

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 Kenora's IPS.

4. Investment Context

4.1 Investment Goals and Objectives

Returns on investments have an impact on Kenora'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 Kenora'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 Kenora has an obligation for a specific project at a specific time.

The Municipality 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 Kenora'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 Kenora are aligned with the Outcome Frameworks adopted by ONE JIB.

Kenora'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 Kenora's current goals, objectives, circumstances and risk tolerance, and helps direct how investment allocations will be determined. The allocation of Kenora's MNRI in this Plan is consistent with the details as disclosed in Kenora's IPS and MCQ.

While individually Kenora's reserve and reserve funds require liquidity, collectively they provide Kenora 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 Kenora in Table 1 above. The MNRI of Kenora 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 Kenora in this Investment Plan.

4.2 Comments by Chief Investment Officer

Details in the MCQ and other details provided by the Treasurer indicated that there was no significant change in the time horizon associated with MNRI balances at this time, and as a result no changes in Kenora's investment allocations are being recommended in this Investment Plan. The City will not make additional contributions or withdrawals from MNRI this year that affect investments in ONE's investment outcomes, but this Investment Plan will accommodate for a payment of \$1.1 million from the Citizens Prosperity Trust Fund, to be used for the City's operational needs.

The Citizens Prosperity Trust Fund (CPTF), was set up in 2008 from the proceeds from selling a telecommunications entity. The MNRI of the CPTF is intended as a perpetual investment, but the need for recurring income and preservation of the initial capital limits the amount of risk that can be assumed. The Treasurer has identified CPTF MNRI as having a lower tolerance for risk that implies a more conservative investment approach. The MNRI of the CPTF are invested in the Stable Return Outcome. There is also an in-kind bond portfolio associated with the CPTF, and as bonds mature, the proceeds are invested into the Stable return Outcome.

The remainder of Kenora's MNRI is part of the General Account, which is used for city operational needs and capital spending. The General Account can assume a moderate risk profile and has allocations to the Target Date 3-5 Year Outcome and the Contingency Outcome.

The city expects income from CPTF investments of \$1.1 million annually that will be used to fund city operations. Income of \$500,000 from Kenora's holdings in Synergy North Corporation, a Local Distribution Company, will help meet Kenora's \$1.1 million income target. To satisfy the remainder of the annual income requirements, \$700,000 will be transferred from the portfolio of in-kind securities to the City during the year. Payments will be made from accumulated coupons and repayment of bond principal. The CIO expects to remit a total of \$700,000 to Kenora's legal list HISA as funds become available. It is expected that payments will occur in the first and second quarter. Any additional income or proceeds from the in-kind bond portfolio will be reinvested into the Stable Return Outcome. It is expected that over the 12-month period ending October 31, 2024, in excess of \$1.7 million of coupons and principal repayments will occur, \$700k of which will be used to satisfy part of the City's annual income requirement from the CPFT, leaving an incremental increase of \$1 million to be reinvested in the Stable Return Outcome.

The Investment Plan offers the City 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 37.0%, which is appropriate considering Kenora's circumstances, objectives and risk tolerance.

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 Kenora are taken into consideration when assigning asset allocations for Kenora 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 Kenora'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 June 2022, well 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 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.
- In 2023 inflation has declined but remains above central bank targets, leading to further increases.
- There is some risk that rate hikes could lead to an economic recession.
- The rapid interest rate hikes also created instability in certain segments of the global banking industry, which resulted in elevated volatility in financial markets in March 2023.
- 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 Kenora's MCQ dated November 15, 2023, have been allocated into investment Outcome categories as shown in Table 2 below.

*Table 2 – Investment Allocations based on MCQ updated on November 15, 2023**

Outcome	Allocation (\$)	Allocation Weight (%)
Stable Return	\$ 37,581,528	66.0
Contingency	15,705,736	27.6
Target Date 3-5 Years	3,644,936	6.4
Overall	\$ 56,932,200	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 November 15, 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 Kenora'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 Stable Return Outcome

The allocation to the Stable Return Outcome will be approximately \$ 37.6 million.

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 emphasising 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		

Further discussion on benchmarks is included in Appendix C

5.4 Contingency Outcome

The allocation to the Contingency Outcome will be approximately \$ 15.7 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

Kenora identified reserves that would be appropriate for Target Date Outcomes. Kenora's MNRI allocated to Target Date Outcomes, 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.

Approximately \$3.6 million (about 6.4% 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

5.6 Projected Investment Returns

This section has not been updated.

5.7 Non-Liquid Assets

a. Legacy Investments / Strategic Investments

The City's investment in Synergy North Corporation, 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 the City's IPS such that ONE JIB has agreed not to dispose of or deal with that investment without the City's consent. Table 6 below describes the investment in Synergy North Corporation.

Table 6 - Kenora's LDC Holdings

Investment	Type	Amount
Synergy North Corporation	Local Distribution Company (LDC)	\$9,500,000

b. Transitional Investments

MNRI of Kenora's CPFT includes a portfolio of in-kind bonds held by ONE's custodian. This bond portfolio was valued at \$ 2,015,084 on September 30, 2023. Any coupon income or proceeds from maturing bonds from the in-kind bond portfolio will be reinvested into the Stable Return Outcome. Coupons and maturities expected in the 12-month period ending November 31, 2023, total \$1.7 million. It is anticipated that \$700k of this will be drawn down for the City's operational spending with the remainder to be reinvested in the Stable Return Outcome. The Treasurer has requested to be informed of any reinvestment of monies from in-kind bond portfolio into the Stable Return Outcome for administrative purposes.

5.8 Other Accounts

Kenora 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)

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 Kenora are expected to be financed with the sale of units of the investment pools. Any fee discounts that apply to Kenora are intended to be reinvested into the Contingency Outcome or as otherwise directed by the Treasurer.

a. Anticipated mid-year cashflow requests

Kenora 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 the Municipality 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 Kenora'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
Cash	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 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 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: November 29, 2023
 Re: Fund Manager Performance Review Q3 2023
 Report: ONE JIB 2023-076

1. RECOMMENDATIONS

It is recommended that the Board:

1. Confirm that its members have reviewed the Fund Manager Performance Reports - Q3 2023 provided in the Resource Library.
2. Receive this report.

2. SUMMARY

This report summarizes the performance of the ONE Investment Prudent Investment Funds for the third quarter of 2023, including a brief overview of factors contributing to performance. The main theme influencing fixed income market performance in the quarter is the continued focus on inflation and how it may influence the trajectory of interest rates. Interest rates were volatile in the quarter as many global central banks raised rates again, and the outlook for future interest rates changed in the quarter. With short-term interest rates 1.75% higher than a year ago, central banks are less inclined to raise interest rates further and may opt to keep interest rates higher for a more extended period to address inflation. This led to a flattening of the yield curve as longer-term interest rates increased faster than rates rose in the short end of the yield curve.

All the ONE Investment pooled funds had modestly negative returns for the quarter. The returns for all three fixed-income-oriented pooled funds were directly affected by higher interest rates, leading to negative returns. The prospects for interest rates remaining higher for longer imply lower future growth, leading to softness in equity markets as well. In contrast, during the 12-month period ending September 30, 2023, all funds had positive returns, with returns from equity funds showing much stronger results. The review of manager performance during the third quarter of 2023 did not identify any performance issues that warranted concern. The performance of the funds as of September 30, 2023, is summarized below.

	Quarter	1 Year
ONE Canadian Equity Fund	-1.3%	15.8%
ONE Global Equity Fund	-0.9%	19.1%
ONE Canadian Corporate Bond Fund	-2.1%	0.5%

ONE Canadian Government Bond Fund	-0.2%	1.3%
ONE Global Bond Fund	-1.9%	3.9%

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 have declined since peaking in mid-2022, but despite the deceleration in inflation, it has yet to reach central bank targets

Inflation peaked in June 2022 above 8% in both the United States (US) and Canada, declining significantly since then, but it has yet to reach the 2% range that central banks are targeting in both Canada and the US. The consumer price index (CPI) in Canada and the US started the quarter at 2.8% and 3.0%, respectively, but ended the quarter higher at 3.8% and 3.7%. Inflation has stopped converging on the central banks' target, so it is not yet clear if the interest rate hikes over the last year have been sufficient. It is well known that interest rate moves affect the economy with long and variable lags, so it is not clear if further interest rates will be required to address inflation pressures or if more time is needed for prior rate hikes to show results.

The interest rate outlook changed in the quarter, with short-term rates moving slightly higher and with more significant increases in long term bond yields, resulting in a less inverted yield curve

While market participants had been hoping that the increases in interest rates would come to an end and rate cuts were on the horizon, the exact opposite happened in the quarter. In response to inflation levels persisting above target, central banks raised their short-term policy interest rate by 0.25% in July, bringing the rate to 5.0% in Canada and 5.5% in the US. More importantly, the outlook for future interest rates also changed, and the consensus view now accepts that interest rates will remain higher for a longer period of time.

Typically, longer-term yields are higher than short-term rates to reflect the additional risk that is associated with investing over a longer investment horizon. This is known as the "term premium," and it is normally positive, but since July 2022, it has been negative, and the yield curve has been inverted. An inverted yield curve, where short-term bond yields are higher than long-term bond yields, is not a normal situation and frequently precedes a recession.

The Bank of Canada has attempted to address inflation by pushing short-term interest rates higher in hopes of slowing economic activity. It has sharply increased interest rates, with its policy interest rate increasing from 0.25% to 5.0% since the start of 2022, which resulted in an inverted yield curve. In the third quarter, the yield curve became less inverted despite a further short-term

interest rate increase as the outlook for future interest rates changed.

In the quarter, most global central banks signaled that interest rates would be maintained at higher levels for an extended period, changing market expectations. The hope that interest rates would start to decline within months was displaced by the acceptance that they may remain higher for longer. This directly affected the pricing of longer-term bonds, leading to a more significant increase in the yields on longer-term bonds. These changes led to increased volatility in fixed income markets, which in part reflects some uncertainty in the economic outlook. While central banks are notoriously vague about their future policy actions, they have signaled clearly that interest rates will not decline in the near term but left the door open for further rate hikes. It is reasonable to expect that they will need to be nimble and respond to the signals in economic indicators. They remain data dependent.

Economic activity remains robust in the US despite concerns of an economic slowdown, but in Europe and Canada signs of economic deterioration have emerged

Leading economic indicators in most major western nations have been soft, suggesting the possibility of an economic recession may be on the horizon. The yield curve, which is one of the components of the leading economic indicators, has been signaling a pending recession for over a year, but this recession has yet to arrive. In the US, a recession currently seems unlikely as the GDP data remains very strong, as GDP growth was reported at 4.9% in the third quarter and the labour markets remain very tight. The consensus view is that the US economy will achieve a "soft landing" and avoid a recession. This contrasts with Canada and Europe, where it is clearer that GDP growth has been decelerating. Canadian GDP slowed to 0.9% in the third quarter, while GDP growth in Europe was barely positive, posting 0.1% year-on-year growth. This is occurring while softness in other macroeconomic indicators has emerged.

Mawer Investment Management announced personnel changes relevant to the management of investment in the ONE Global Equity Fund

Mawer Investment Management provided details to ONE Investment about senior management changes on October 25, 2023. The Chief Investment Officer discussed these details with the Chief Compliance Officer to ensure that there was a common view of the implications for the management of the ONE Global Equity Fund. These changes appear to be an orderly succession plan that should not be detrimental to the management of the fund. The relevant sections of the announcement are below:

Christian Deckart, CFA, PhD appointed Chief Investment Officer

Effective July 1, 2024, Christian Deckart, CFA, PhD, will assume the role of Chief Investment Officer. Mr. Deckart has been with the firm since 2013 and Deputy CIO since 2018. He is the lead manager of Mawer's Global Equity strategy and Global Small Cap strategy. Paul Moroz, CFA will transition off the strategy as of March 31, 2024. Christian Deckart will remain lead manager.

Manar Hassan-Agha, CFA, appointed co-manager of Mawer's Global Equity strategy

Effective today, Manar Hassan-Agha, CFA is a co-manager of the Mawer Global Equity strategy. Prior to joining the firm in 2021, Mr. Hassan-Agha held positions at Fulcrum Capital Partners Inc and KPMG.

The ONE Canadian Government Bond's mandate changed effective October 1, 2023 and monies from Prudent Investor ONE HISA accounts were transitioned into this fund at the end of the third quarter, which created distortion in the quarter end positioning of the fund

On the last day of the third quarter, the fund's assets under management more than doubled, as more than \$51 million in HISA balances were injected into the fund. Cash and cash equivalents represented 59% of the fund, which resulted in a significantly lower average effective duration of 1.02 years for the fund, well below the fund's typical positioning. As the arriving cash balances were temporarily invested in Treasury securities and the holding period was very short, this transition did not have a meaningful effect on fund performance in the quarter. The reorientation of the mandate occurred in October, as the Treasuries were liquidated, and the holdings were adjusted to reflect the changed investment mandate of the ONE Canadian Government Bond Fund.

4. ANALYSIS

The Canadian Equity Fund had returns of -1.3% in the quarter, while 12-month returns were +15.8%

Canadian equity markets were modestly weaker in the quarter, with the ONE Canadian Equity Fund producing returns of negative 1.3%. The fund slightly outperformed the broader Canadian market, as manager security selection choices had a strong positive impact, offsetting the negative impact of sector allocation within the Fund. Only two sectors of the Canadian market saw gains during the quarter; the most notable was the Energy sector, which increased by more than 10% in response to a \$20 per barrel rise in oil prices. To lower the portfolio's overall volatility, the manager has always had a sizable underweight exposure to this sector. The Fund's Energy sector holdings had returns of over 19% during the quarter, significantly outperforming the broader sector. The positive effect of these stock selection decisions more than compensated for the fund's 8% underweight position relative to its benchmark.

The positive influence of stock selection in other sectors also helped the portfolio's overall performance. In the Information Technology sector, Celestica's performance stood out. This holding, which had a 2.3% weight when it was added to the portfolio in June, increased by 73% in the third quarter. In the Industrials sector, SNC Lavalin, which represents 4% of the overall portfolio, was up 30.5%.

Although the manager's sector allocation choices collectively detracted from fund performance, the manager's stock selection choices more than compensated for this, resulting in the fund outperforming the Canadian equity market in the quarter by less than 1%.

The ONE Global Equity Fund returns were -0.9% in the quarter while 12-month returns were 19.1%

Following strong returns in the first half of 2023, investors adopted a more cautious stance towards equity markets, resulting in a minor decline in global equities markets during the quarter. The ONE Global Equity Fund had returns of negative 0.9% in the quarter but achieved much stronger returns of 19.1% for the 12-month period ending September 30, 2023. Global equities were softer during the quarter amidst several negative developments, including signs that the global economy was starting to slow, further concerns surrounding the property sector in China, additional interest rate hikes in many developed economies, and a changing interest rate outlook that implies that interest rates will remain higher for a longer period of time.

The Energy sector was the strongest sector in global equity markets, up about 13% in the quarter. The ONE Global Equity Fund did not benefit from this, having no exposure to the Energy sector. The manager prefers to invest in companies that have a sustainable competitive advantage, attractive valuations, and good business models, believing that this will lead to better returns, but prospects for firms in the Energy sector are mostly tied to the trends in commodity prices, which are largely unpredictable.

All three ONE Investment fixed income funds had negative returns for quarter, primarily as a result of rising short- and longer-term interest rates

Higher bond yields are the direct result of falling bond prices, so it is an expected outcome that all three ONE Investment fixed income-oriented pooled funds would have negative returns as interest rates rose. The returns on bonds with a longer “duration” statistic are more sensitive to the movements in bond yields, leading to weaker results in the quarter. The ONE Canadian Government Bond Fund had returns in the quarter of negative 0.1%, as its short duration limited the effect of higher interest rates on fund returns. The ONE Canadian Corporate Bond Fund, with a duration of 4.8 years, was more affected by rising interest rates, leading to returns of negative 2.2%. The ONE Global Bond Fund’s duration is broadly similar at 5.2 years, and it had returns of negative 1.9% in the quarter. While rising interest rates have led to negative returns for fixed-income investors in the recent past, these losses could be offset by gains in the future when interest rates start to fall.

Credit spreads were slightly tighter in the quarter, leading to corporate bonds marginally outperforming sovereign bonds in the quarter. The One Global Bond’s Fund’s currency hedges also affected performance. The fund holdings are 71% hedged back to the Canadian dollar, so the fund does have some exposure to currency movements. The strength of the US dollar in the quarter had a small negative impact on fund performance.

5. CONCLUSION

The review of manager performance during the third quarter of 2023 did not identify any performance issues that warrant concern. All five ONE Investment Funds had modestly negative returns in the quarter, reflecting movements in the broader fixed income and equity markets. Over the 12-month period, all funds produced positive returns and outperformed their

benchmarks. Equity-oriented funds had very strong performance, with the ONE Canadian Equity Fund up 15.8% and the ONE Global Equity Fund up 19.1%.

Overall, the economic backdrop remains a source of uncertainty, creating uncertainty about the interest rate outlook. In the quarter, there was a broad acceptance that interest rates would remain at higher levels for a longer period. 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 by: Judy Dezell and Donna Herridge - Co-Presidents/CEO



REPORT

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: November 29, 2023
Re: Review of Investment Allocations Associated with the Outcomes Framework
Report: **ONE JIB 2023-077**

1. RECOMMENDATIONS

It is recommended that the Board:

1. Direct the Chief Investment Officer to prepare analysis to support a revision of investment allocations associated with the Outcomes Framework to increase fixed income allocations.

2. SUMMARY

Interest rates have increased dramatically since the ONE JIB was established in May 2020. The investment allocations of the Outcomes Framework that were established at that time were aligned with municipal goals and objectives. To attain reasonable returns, some investment risk was assumed to achieve the return goals of the Participating Municipalities.

Since ONE JIB was established, there have been significant changes in the economic outlook and the interest rate environment. Yields available on bonds are at least two percent higher than when the ONE JIB was established. As the returns available on investments are dramatically different today, a review of the allocations associated with the Outcomes Framework is appropriate. It is likely that the investment goals of Participating Municipalities can be achieved with heavier allocations to fixed income, which would also result in lower risk investment allocations. The Chief Investment Officer is recommending a review of these allocations in light of this.

3. BACKGROUND

The ONE JIB Outcomes Framework Policy provides principles for the review of the Framework and associated investment allocations

The Outcomes Framework Policy approved on September 6, 2023, details considerations that are relevant for the review of investment allocations associated with the framework. These considerations include:

- 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

The economic environment has changed significantly from when ONE JIB was launched, making it appropriate to review the investment allocations

The investment allocations used in the Outcomes Framework were established when ONE JIB was established in May 2020, when the economic and capital markets outlook was very different. Considering this, it is appropriate to evaluate whether the investment allocations of the Outcomes Framework remain appropriate or if they should be reviewed and updated.

The Outcomes Framework Policy provides for regular review of the investment allocations that include annual review, which can be accelerated based on the recommendation of ONE JIB members or the CIO.

The full details of the Outcome Framework Policy is available here: [ONE JIB Outcomes Framework Policy](#)

The ONE JIB was established in May 2020, shortly after a global pandemic emerged in and economic environment and capital market outlook that is dramatically different

During the Coronavirus-19 pandemic, to slow the spread of the virus, working from home became common, supported by government imposed stay at home orders. Employee working patterns and spending patterns suddenly changed. This created concerns that demand for goods and services would diminish, potentially causing a global recession. In the wake of the pandemic there were also concerns that prices of goods and services would fall, a situation known as deflation. Interest rates dropped dramatically in early 2020 as central banks intervened to bolster growth.

A recession was averted, but the fiscal and monetary stimulus provided to support economic activity led to a spike in inflation pressures, and in Canada, inflation peaked in mid-2022 at 8.1%. This led to aggressive rate hikes by the Bank of Canada and other global central banks, which have significantly changed the interest rate outlook. The Bank of Canada policy interest rate has increased from 0.25% in 2020 to 5.5% today. This dramatic increase in interest rates directly affects the returns available for the Participating Municipalities. These higher yields imply higher returns from fixed income. This changes the relative attractiveness of fixed income versus equities in the allocation. It may be appropriate to evaluate if the investment allocations should be revised to increase fixed income allocations to take advantage of this; larger allocations to fixed income may be appropriate.

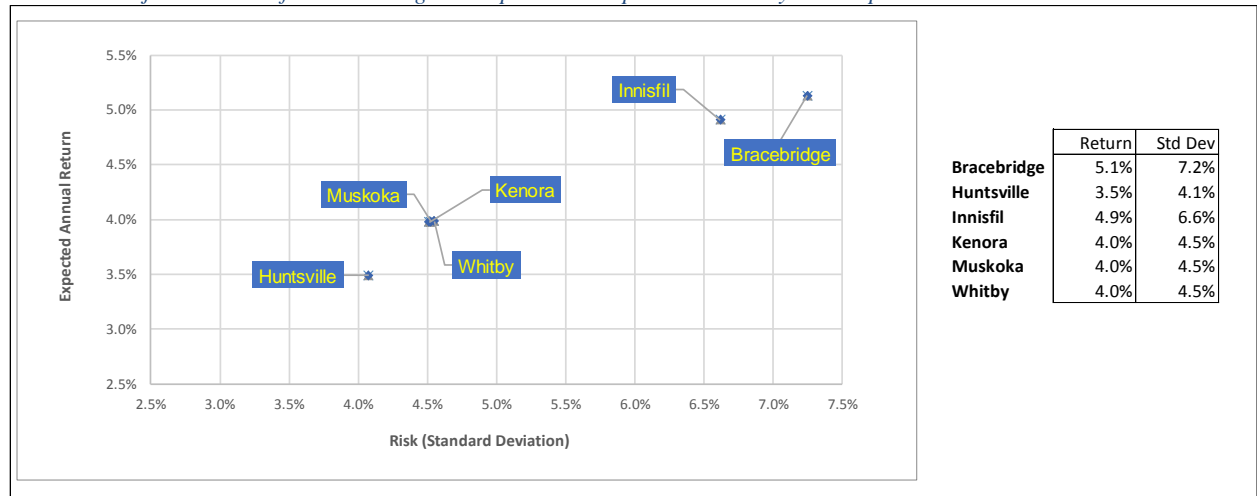
4. ANALYSIS

The return expectation provided by ONE to Founding Municipalities in May 2020 help to inform the investment goals of municipalities

ONE of the key reasons for municipalities to consider investing via the Prudent Investor regime was the prospect of higher returns. When ONE JIB was founded, long-term, forward looking return estimates were provided to the Founding Municipalities in ONE JIB reports. These estimates were typically higher than returns available in a Legal List portfolio with similar levels of investment risk. This was the primary reason for Founding Members to join ONE JIB: to attain higher risk-adjusted returns than are available under the Legal List. While there have been some changes in the circumstances of the Founding Municipalities, their investment goals and objectives are broadly similar today as they were when the ONE JIB was formed.

On May 20, 2020, a summary of the investment assumptions for Founding Municipalities, was included in the “Fund Offerings and Investment Managers Report”. The returns provided in that report reflected the projected long-term returns expected from Founders' consolidated holdings based on the draft Investment Plans. The returns provided in that report are detailed in Chart 1 below.

Chart 1 – Projected returns from Founding Municipalities – as presented in May 2020 report



Source: ONE Investment – Note that these projected returns are no longer valid.

This provides some perspective on the returns required to meet the investment goals of the Founding Municipalities at that time. These returns in May 2020 ranged from 3.5% to 5.1%. Arguably, the returns required to meet the municipal investment goals should be similar today. While the projected returns in Table 3 are very stale and no longer valid, it is interesting that all the returns that were presented at that time are at or below the yields that are currently available from fixed income investments.

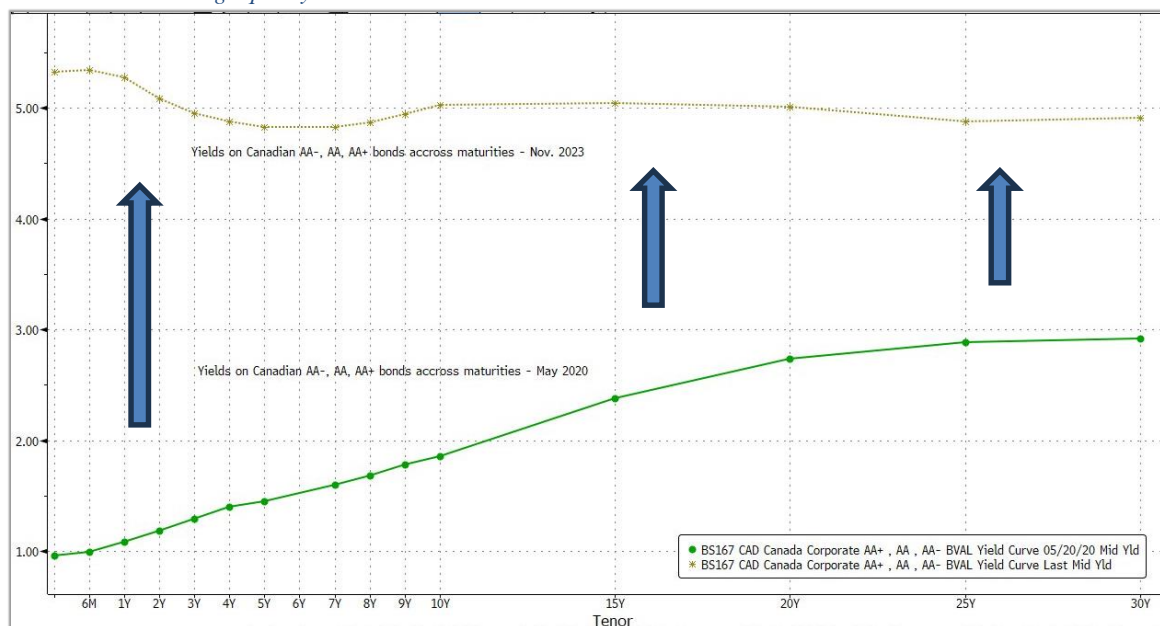
Yields have increased by more than 2% since ONE JIB was formed and now bond yields in excess of 5% are available from fixed income investments.

The asset allocation ranges of the Outcomes Framework were determined before the ONE JIB was launched in May 2020. At that time, bond yields were much lower than today, so to achieve the projected returns in Table 1 above, significant allocations to equities, which typically generate higher returns than fixed income, were required. Equities also tend to have much higher volatility and are considered higher-risk investments than bonds.

Bond yields at the time of ONE JIB’s launch were in the range of 1% to 3%, depending on the bond maturity. Chart 2 below shows the bond yields at the time of the establishment of ONE JIB and also shows where yields are presently. Chart 2 shows the yield curve of Canadian AA-, AA and AA+ bonds across both long- and short-term maturities. Bond yields are at least 2% higher today across the whole curve, and for shorter bond maturities, yields have increased by about 4%.

A dramatic change in the yields available on fixed income should provide a strong reason to review the asset class allocations within the Outcomes Framework. If bonds have lower volatility than stocks, and yields have increased by 2% or more, increasing fixed income allocations may be able to attain expected returns at or above the 3.5%–5.1% range while simultaneously lowering the risk profile of all of the ONE JIB outcomes.

Chart 2 – Yields on high quality bonds around 5% across all maturities well above levels when ONE JIB was launched.



Source: Bloomberg LLP

ONE Investment pooled fixed income funds are already providing yields above 5%.

Table 1 below provides a summary of the key metrics for the ONE Investment fixed income pooled funds. The yield-to-worst metric in the table provides an indication of the return that the bonds in the funds would generate if they were held to maturity (or call). The average yield to worst for all ONE Investment fixed income-oriented funds currently exceeds 5%.

Table 1 – Yields and key characteristics of ONE Investment fixed income oriented funds

	ONE Global Bond Fund	ONE Canadian Government Bond Fund	ONE Canadian Corporate Bond Fund
Yield to Worst	5.32%	5.16%	5.32%
Duration (years)	5.23	1.02	4.83
Average Credit Rating	A/A-	AA	AA-
Canadian Dollar exposure	71.2%	100%	100%

Source: MFS Investment Management, Manulife Investment Management

Returns in excess of inflation levels is one of the goals of Participating Municipalities. Bond yields are currently well above inflation levels.

While some investors seek to maximize investment returns and are willing to assume high levels of risk to achieve this, municipal investors are typically very risk averse. It is appropriate to consider ways to meet their investment goals while emphasizing the minimization of risk. Inflation is a consideration for Participating Municipalities relevant to their investment goals. Being able to achieve returns that exceed inflation levels is one of the key investment objectives. Real returns, the returns in excess of inflation levels, are a key consideration, and for bond investors, this means real yields are relevant.

Interest rates have increased dramatically over the last 18 months, with yields much higher across the entire yield curve, but inflation has increased less. Real yields have increased as a result. Trends in real yields can be observed in inflation linked government bonds, as shown in chart 3 below. Real yields are currently above 2%, higher than they have been in over a decade. The implication is that bonds currently offer a return potential that significantly exceeds inflation levels. The goal of achieving returns in excess of inflation can be achieved with a heavier allocation to fixed income.

Table 1 – Canadian Real Return Bond Yields



Source: Bloomberg LLP

Increasing fixed income allocations should reduce the volatility of returns in investment allocations

Because bonds tend to have lower risk than equities and typically provide diversification benefits, their role in investment allocations is to provide more stability to investment returns. They help to dampen the overall volatility in returns for investment portfolios. The higher yields that they currently offer provide an opportunity to reduce risk levels in allocations while still achieving the key investment objective: growth in MNRI balances that outpaces inflation. The absolute returns that bonds currently offer are already at levels that should satisfy the objectives of Participating Municipalities, so larger allocations to fixed income should reduce risk, increasing the probability of client investment goals being achieved.

5. CONCLUSION

Due to the level of current interest rates (both nominal and real interest rates), the Chief Investment Officer is recommending that the ONE JIB investigate a revision of the investment allocations in the Outcomes Framework. Investment goals of the Participating Municipalities can be achieved by increasing allocations to fixed income, which would result in an overall reduction in the risk levels associated with Participating Municipality's investments. This should increase the probability of achieving the investment objectives of the Participating Municipalities.

Drafted by: Keith Taylor, Chief Investment Officer

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: November 29, 2023
Re: Review of External Managers - 2023
Report: ONE JIB 2023-O66

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

One of the fiduciary responsibilities of ONE JIB is to monitor the external managers who manage funds on ONE JIB's behalf. To help with the external manager review, ONE Investment has engaged the investment consulting firm Aon to prepare a monitoring report. Aon's report is attached as a confidential appendix to this report and will be presented to ONE JIB in private session by Aon staff. The goal of Aon's monitoring report is to offer a thorough evaluation of external investment managers.

3. BACKGROUND

ONE Investment has previously worked with Aon to select and monitor investment managers

Aon and ONE Investment have an established relationship; in the past, Aon has provided ONE Investment and ONE JIB with reports to analyze the external managers. Additionally, Aon helped with asset allocation studies and manager searches that supported the development of ONE's Prudent Investment Offering (i.e., the funds and allocations used in the Outcomes Framework). ONE JIB will be able to better understand performance and compliance issues with each external manager based on the analysis provided by the Aon report. The goal of this research is to provide ONE JIB with a more thorough understanding of the performance of external managers and to identify any potential issues that ONE JIB may decide to address.

ONE JIB has a fiduciary duty to monitor external investment managers

The monitoring of external managers is an ongoing obligation of ONE JIB and part of its fiduciary duties. This review of managers is intended to help satisfy this obligation. For further detail on the scope and details of the annual manager review a link to the Policy for Reviewing

External Investment Managers has been provided: [Policy for Reviewing External Managers](#)
The reports presented by Aon in the 2023 external manager review have slightly less detail than the comprehensive 2022 report. The 2023 report includes analysis of performance relative to the fund benchmarks and comparable mandates, as well as any other relevant information such as operational issues or changes in key personnel.

4. ANALYSIS

Aon's monitoring report reviews the performance and activity of each external investment manager from inception

The report provided by Aon will cover the investment activity of each external manager up to September 30, 2023. The report will evaluate the performance relative to the benchmark for each mandate and will assess whether the mandate has been managed in line with the guidance specified in their Investment Management Agreement. If relevant, AON's report will also identify operational issues with the external managers.

This review of external managers helps fulfil responsibilities specified in the Policy for Reviewing External Investment Managers

As specified in the Policy for Reviewing External Investment Managers, ONE JIB has a responsibility to provide oversight of its external managers. This oversight may involve monitoring performance to understand the drivers of performance; evaluating how well the managers and their funds are performing in relation to their investment mandate; understanding how performance has been achieved; and ensuring that the external investment managers are adhering to the applicable Investment Management Agreements and guidelines. Aon's report, which has been provided in confidence to the Board and is attached as a confidential appendix to this report, provides analysis that helps ONE JIB fulfil this responsibility.

In 2024 ONE JIB should consider whether a more comprehensive review of external managers is appropriate.

The Policy for Reviewing External Investment Managers notes that at least once every two years, the ONE JIB should determine whether a comprehensive review of each external investment manager is warranted. If ONE JIB decides to conduct such a review, it could be carried out by an external consultant (like Aon). An annual review of managers will be conducted in 2024, but ONE JIB will need to consider if a more comprehensive review of external managers is warranted for that review.

5. CONCLUSION

As part of its responsibility to provide oversight, ONE JIB regularly reviews its external investment managers. ONE Investment has engaged Aon to provide a confidential monitoring report to assist ONE JIB with the current review of external managers. If a more comprehensive review of the managers is required, ONE JIB will consider engaging an external investment consultant to assist with the analysis.

Drafted by: Keith Taylor, Chief Investment Officer
Approved by: Judy Dezell and Donna Herridge - Co-Presidents/CEO