



ONE JIB
Regular Board Meeting
Agenda

Meeting #: 2023-002
Date: June 1 2023, 11:00 a.m.
Location: AMO Office
200 University Avenue - Suite 801, Toronto, ON M5H 3C6

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2. Acknowledgement	
3. Disclosures of Pecuniary Interest	
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11.d	Fund Manager Presentation - Manulife (consent)	360 - 387
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11.g	City of Thunder Bay Annual Investment Plan Review	512 - 572
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13.	Meeting Outcomes	
14.	Authorizing Motion	
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16.a Special Meeting - Education Session - July 19, 2023 10:00 am

16.b Regular Meeting - September 6, 2023 (10:00 am - 3:00 pm)

**ONE JIB****Special Board Meeting****Minutes**

Meeting #: 2023-03
Date: February 27, 2023, 3:02 p.m.
Location: Zoom Virtual Meeting

Members Present:

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

Others Present:

J. Dezell, Co-President/Co-CEO, ONE Investment
D. Herridge, Co-President/Co-CEO, ONE Investment
D. Kelly, Board Secretary
C. MacDonald, Manager of Investments, ONE Investment
E. Schneider, Program Manager, LAS
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 we respect the history, languages, and cultures of the First Nations, Metis, Inuit and all Indigenous peoples whose presence continues to enrich our communities.

2. Disclosures of Pecuniary Interest

There were no disclosures of pecuniary interest.

3. Closed Session

Moved by Board Member Pountney

THAT the Board move into closed session to hold an Education Session under s. 239 (3.1) of the *Municipal Act* for the purpose of educating the Board members on governance matters.

Carried

The Board recessed at 3:03 p.m.

The Board convened in closed session at 3:11 p.m.

The closed session ended at 4:30 p.m.

Denis Kelly, Board Secretary

**ONE JIB****Regular Board Meeting****Minutes**

Meeting #: 2023-01
Date: March 1, 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
D. Kelly, Board Secretary
C. Macdonald, Manager of Investments, ONE Investment
K. Taylor, Chief Investment Officer, ONE Investment

1. Chair's Welcome

Board Chair Hughes welcomed all in attendance to the ONE Joint Investment Board's first regular meeting of 2023, and its fourth meeting overall of 2023.

2. 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.

3. Disclosures of Pecuniary Interest

There were no disclosures of pecuniary interest.

4. Minutes of Previous Meeting

4.a Approval of November 30, 2022 ONE JIB Meeting Minutes

Moved by Board Member Franken

THAT the minutes of the November 30, 2022 ONE JIB Meeting be approved as circulated.

Carried

4.b Business Arising from November 30, 2022 ONE JIB Meeting Minutes

There was no business arising from the November 30, 2022 ONE JIB minutes.

4.c Approval of February 14, 2023 and February 22, 2023 ONE JIB Special Meeting Minutes

Moved by Board Member Giles

THAT the minutes of the February 14, 2023 and February 22, 2023 ONE JIB Special Meetings be approved as circulated.

Carried

4.d Business Arising from the February 14, 2023 or February 22, 2023 ONE JIB Special Meeting Minutes

There was no business arising from the February 14, 2023 or the February 22, 2023 ONE JIB minutes.

5. Communications

There were no communications.

6. Delegations

There were no delegations.

7. Board Committee Reports

There were no Board Committee Reports.

8. Consent Items

Moved by Board Member Pountney

THAT the Board approve items 11.a, 11.b, 11.c, 11.d, all of which are listed as “Consent Items” on the Agenda, as listed below, and the recommendations contained in the related staff reports, with item 10.a, also listed as a “Consent Item”, held for further discussion:

- 11.a Investment Plan Implementation Update – Kenora and Quinte West
- 11.b Municipal Performance Reports – Q4 2022
- 11.c Compliance Reports – Asset Class and Target Weight Allocation Q4 2022
- 11.d Municipal Fund Manager Presentation –MFS (staff report only)

Carried

(See Minutes Nos. 10.a, 11.a, 11.b, 11.c and 11.d.)

9. Governance and Administrative Matters

9.a ONE JIB Terms of Reference – Election of Chair and Vice Chair (2023-011)

Heather Douglas, Legal Counsel, made a presentation on the ONE JIB Terms of Reference - Election of Chair and Vice Chair report.

Moved by Board Member Melinyshyn

THAT the Board receive the presentation from Heather Douglas, Legal Counsel, on the ONE JIB Terms of Reference - Election of Chair and Vice Chair report and adopt the recommendations in the report (2023-011) to:

1. Authorize proposed changes to section 4.11 of the ONE JIB Terms of Reference to provide for three-year terms for both the Chair and Vice Chair.
2. Authorize the provision of at least thirty days' notice to ONE Investment of the proposed changes to section 4.11 of the ONE JIB Terms of Reference.
3. Authorize a proposed change to section 10.2 of the ONE JIB Terms of Reference to provide that an amendment shall be effective immediately upon the majority of the members of ONE JIB agreeing to amend the Terms of Reference at a meeting of ONE JIB at which a quorum is present provided that ONE JIB notifies ONE Investment of the amendment as soon as is practicable.

Carried

9.b ONE JIB Reappointment of Members (2023-008)

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

Moved by Board Member Dowty

THAT the Board receive the presentation from Judy Dezell, Co-President/Co-CEO, ONE Investment, on the ONE JIB Reappointment of Members and adopt the recommendations in the report (2023-008) to reappoint the following members:

1. Jim Giles to May 31, 2026
2. Bill Hughes to May 31, 2026

3. Geri James to May 31, 2026
4. Stephen Rettie to May 31, 2025
5. Christine Tessier to May 31, 2025

Carried

9.c Board Governance Self-Evaluation Report – Fall 2022 (2023-007)

Judy Dezell, Co-President/Co-CEO, ONE Investment, made a presentation on the Board Governance Self-Evaluation Report - Fall 2022.

Moved by Board Member Giles

THAT the Board receive the presentation from Judy Dezell, Co-President/Co-CEO, ONE Investment, on the Board Governance Self-Evaluation Report - Fall 2022, and approve the recommendation in the report (2023-007) to direct ONE Investment staff to bring forward the 2023 Board Governance Self-Evaluation Survey in the fourth quarter.

Carried

10. Strategy and Policy

10.a Municipal Onboarding Update (2023-010)

Colin Macdonald, Manager of Investments, ONE Investment, made a presentation on the Municipal Onboarding Update.

Moved by Board Member Rettie

THAT the Board receive the presentation from Colin Macdonald, Manager of Investments, ONE Investment, and adopt the recommendation to receive the report (2023-010).

Carried

10.b Municipal Insights Report 1 (2023-009)

Colin Macdonald, Manager of Investments, ONE Investment, made a presentation on the Municipal Insights Report 1.

Moved by Board Member Melinyshyn

THAT the Board receive the presentation from Colin Macdonald, Manager of Investments, ONE Investment and adopt the recommendation to receive the Municipal Insights Report 1 (2023-009).

Carried

11. Investment Oversight

11.a Investment Plan Implementation Update – Q4 2022 (2023-003) (Consent)

Moved by Board Member Pountney

THAT the Board adopt the recommendation to receive the report (2023-003).

Carried

11.b Municipal Performance Reports – Q4 2022 (2023-002) (Consent)

Moved by Board Member Pountney

THAT the Board adopt the recommendation to receive the report (2023-002).

Carried

11.c Compliance Reports: Asset Class and Target Weight Allocations Q4 2022 (2023-006) (Consent)

Moved by Board Member Pountney

THAT the Board adopt the recommendation to receive the report (2023-006).

Carried

Moved by Board Member Giles

THAT the Board take a 10-minute recess.

Carried

The Board recessed at 10:54 a.m. and reconvened at 11:04 a.m.

11.d Canadian Fixed Income Manager – Presentation by MFS (2023-001) (Consent - staff's report only)

Moved by Board Member Pountney

THAT the Board adopt the recommendation to receive the Canadian Fixed Income Manager - Presentation by MFS report (2023-001).

Carried

Darrin Patrick, Managing Director — Institutional Relationship Management and Saomi Kohly, Fixed Income Portfolio Manager, MFS, made a presentation on MFS's Canadian Fixed Income Fund strategy.

Moved by Board Member Giles

THAT the Board receive the presentation from the representatives of MFS.

Carried

Moved by Board Member Melinyshyn

THAT the Board recess for lunch and reconvene at 12:45 p.m.

Carried

The Board recessed at 12:15 p.m. and reconvened at 12:47 p.m.

11.e Municipality of Neebing's Investment Plan (2023-005)

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

Moved in Amendment by Board Member Dowty

- THAT recommendation 3 be amended by adding "except for section 5.6 on projected investment returns,"
- THAT a new recommendation 4 be added as follows:

THAT staff be directed to report back to the Board, initially through the New Products Committee, with a report on ONE JIB's overall Investment Strategy by Q4 2023 with the report to include:

- risk/return assumptions for each fund,
- asset allocations for each outcome return/risk assumptions for each outcome based on the current assumptions for risk/return, and
- proposals for any recommended changes to long term return/risk assumptions for each fund and/or asset allocations for each outcome, including reasons for the proposed changes.

Carried

Moved by Board Member Pountney

THAT the Board receive the presentation from Keith Taylor, Chief Investment Officer, ONE Investment, and adopt the following recommendations in the report (March 1, 2023), as amended to read as follows:

1. Received the Municipality of Neebing's Investment Policy Statement (Attachment 1).
2. Receive the Municipality of Neebing's Municipal Client Questionnaire (Attachment 2).
3. Approve the Municipality of Neebing's proposed Investment Plan (Attachment 3), with the exception of section 5.6 regarding projected Investment Returns.
4. Staff be directed to report back to the Board, initially through the New Products Committee, with a report on ONE JIB's overall Investment Strategy by Q4 2023 with the report to include:
 - risk/return assumptions for each fund,
 - asset allocations for each outcome return/risk assumptions for each outcome based on the current assumptions for risk/return, and
 - proposals for any recommended changes to long term return/risk assumptions for each fund and/or asset allocations for each outcome, including reasons for the proposed changes.

Carried

11.f Fund Manager Performance Review Q4 2022

Keith Taylor, Chief Investment Officer, ONE made a presentation on the Fund Manager Performance Review Q4 2022.

Moved in Amendment by Board Member Giles

THAT the Board confirms its members have reviewed the 2022 Q4 Fund Managers Performance Reports provided in the Resource Library.

Carried

Moved by Board Member Pountney

THAT the Board receive the presentation from Keith Taylor, Chief Investment Officer, ONE Investment, and adopt the recommendations in the report (March 1, 2023), as amended.

Carried

12. Other Business

There was no other business.

13. Meeting Outcomes

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

1. Authorized proposed changes to section 4.11 of the ONE JIB Terms of Reference to provide for three-year terms for both the Chair and Vice Chair, as well as authorized the provision of at least thirty days' notice to ONE Investment of the proposed changes to section 4.11 of the ONE JIB Terms of Reference. Also authorized a proposed change to section 10.2 of the ONE JIB Terms of Reference to provide that an amendment shall be effective immediately upon the majority of the members of ONE JIB agreeing to amend the Terms of Reference at a meeting of ONE JIB at which a quorum is present provided that ONE JIB notifies ONE Investment of the amendment as soon as is practicable.

2. Approved the reappointment of ONE JIB members:
 Jim Giles to May 31, 2026,
 Bill Hughes to May 31, 2026,
 Geri James to May 31, 2026,
 Stephen Rettie to May 31, 2025, and
 Christine Tessier to May 31, 2025.
3. Received the Board Governance Self-Evaluation Report and directed ONE Investment staff to bring forward the 2023 Board Governance Self-Evaluation Survey in the fourth quarter.
4. Received the Municipal Onboarding Update and Municipal Insights Report 1.
5. Received a report describing the implementation of Quinte West's and Kenora's Investment Plans.
6. Received the 2022 Q4 municipal performance reports and the compliance report for Q4 2022.
7. Received a presentation from the Managers of the Canadian Fixed Income Fund, MFS.
8. Approved the Municipality of Neebing's Investment Plan with some adjustments.
9. Received the Fund Manager's Performance Review for Q4 2022, noting that the Board members have reviewed the performance reports.

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.

The meeting adjourned at 1:22 p.m.

16. **Next Meeting: May 31, 2023 (10:00 a.m. - 3:00 p.m.), since changed to June 1, 2023 (11:00 a.m. to 4:00 p.m.).**

Denis Kelly, Board Secretary



John Mascarin
Direct: 416.865.7721
E-mail: jmascarin@airdberlis.com

2022-2023 ANNUAL REPORT OF THE INTEGRITY COMMISSIONER

ONE JOINT INVESTMENT BOARD

John Mascarin
Aird & Berlis LLP

May 19, 2023

INTEGRITY COMMISSIONER'S MESSAGE

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

This is the third annual report that we have prepared for the Board. This report encompasses the period from May 25, 2022 to May 19, 2023.

Our previous reports set out an executive summary of our activities undertaken in fulfilling our duties and responsibilities as the Integrity Commissioner for the Board. This year we have no activities to report. We conducted no inquiries or investigations; we provided no individual written advice to any members and we provided no opinions or other services to the Board or to staff over the past year.

During our three (3) years as Integrity Commissioner, we have not received any complaints for investigation under the Code of Conduct nor any applications for inquiries under the *Municipal Conflict of Interest Act*.

We had the opportunity to conduct educational training for members of the Board, and we have provided specific individualized advice to members and more generally to the Board on inquiries with respect to the Code of Conduct and the *Municipal Conflict of Interest Act*.

Last year, we commended the Board for its clean ethical report card and we repeat this again this year.

As always, we remain grateful to the Board for entrusting us to be its Integrity Commissioner, as well as its Closed Meeting Investigator and we look forward to continuing to be of service to the Board, its members and staff.

Respectfully submitted,

AIRD & BERLIS LLP



John Mascarin

Integrity Commissioner for ONE Joint Investment Board

53028918.1

REPORT

To: ONE Joint Investment Board
From: Donna Herridge, Co-President/Co-CEO, ONE Investment
Date: June 1, 2023
Re: Audit Committee Update - June 1, 2023
Report: ONE JIB 2023-024

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

The Audit Committee met on April 3, 2023, and this report provides updates on the following topics:

- 2022 Compliance Reporting
- Compliance Management Program
- Risk Framework Review
- Expense Reimbursement Policies
- Appointment of a new member of ONE Audit Committee.

The Audited Financial Statements of the ONE Investment Pooled Funds will be dealt with in a separate report.

3. BACKGROUND

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

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

- Gary Kent (Chair) and Sandra Zwiers (Vice Chair) from the ONE Investment Board
- Heidi Franken and James (Jim) Giles from ONE JIB
- Duane Ramkissoon who is the Manager, Investment Portfolio with the Regional Municipality of Durham.

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

ONE Investment.

4. ANALYSIS

The Audit Committee received a detailed Compliance report

Highlights of the report include:

- No breaches or non-compliance issues in 2022. Likewise, no litigation/regulator reviews or complaints occurred.
- All Ontario Security Commission (OSC) and tax regulatory requirements were fulfilled.
- A Compliance Manual was finalized, and staff training on Anti-Money Laundering and Compliance took place.

The Compliance Task List will be updated by ONE staff and included as a standing item on the Audit Committee's Agendas

The Co-Presidents/CEOs have worked with Ara Compliance to complete the Compliance Manual and Compliance Task List, which provides a summary of annual, monthly, ad hoc and as required compliance activities. Staff recommended that Audit Committee members review and provide feedback on the Compliance Management Program - Compliance Task List, and the Committee accepted the recommendation.

The Compliance task list outlines:

- Key tasks cross referenced to the Compliance Manual
- Ultimate Responsibility
- Frequency
- Recordkeeping.

ONE Staff, the Chief Compliance Officer and Ara Compliance will work together to keep the Compliance Manual and Task List updated and in alignment as changes are identified.

The Audit Committee reviewed a report on enterprise risk

Staff have undertaken a review of ONE Investment's enterprise risk, which was reviewed by the Audit Committee with highlights presented to the ONE Investment Board on April 14, 2023.

Staff provided an update on the various risks, trends and progress on the initiatives to implement the Risk Mitigation Plan. Staff have increased some scores and risk trends to "elevate" for risks related to large municipalities moving to prudent investor via a self-managed investment board rather than through ONE's Joint Investment Board. Staff have made progress on many initiatives and many Mitigation Action Plans have moved to "ongoing." Steps associated with the ONE Environmental Social and Governance (ESG) statements, legislative changes to municipal investments (delayed as the provincial Debt & Investment working group has not been reconvened), and the implementation of the Outsourced Chief Investment Officer for large municipalities (OCIO) model are mitigation action plans that are still outstanding.

The Audit Committee reviewed the Board Reimbursement and Staff Travel and Accommodation Policies to update the meal allowances to reflect inflationary increases

With the return of in-person conferences and events, it was timely to review the Board/Volunteer Expense Reimbursement and Staff Travel and Accommodation Policies to reflect inflationary increases. The Audit Committee recommended changes to the meal allowances under both policies, as well as clarifying that ONE JIB is also covered under the Board Reimbursement Policy. The ONE Investment Board adopted the recommended changes at its April 14, 2023 meeting. The revised Board/Volunteer Expense Reimbursement Policy is attached to this report for ONE JIB members' information.

The ONE Investment Board appointed Anna Lisa Barbon, Deputy City Manager, Finance Supports, City of London, to the ONE Investment Audit Committee

ONE Investment extends its congratulations for Gary Kent's promotion to Chief Administrative Officer at the Region of Peel. With his promotion to Chief Administrative Officer at the Region of Peel, he has decided to resign from the ONE Investment Board and as Chair of the Audit Committee. Staff extend our sincere thanks to Mr. Kent who chaired the Audit Committee in its critical launch stage.

When ONE fills vacancies for committees, it conducts an informal gap analysis with emphasis placed on trying to reflect the broad make-up of the sector in terms of size, geographic region, and organization (lower, upper, single tier). Additionally, ONE looks at its existing client base to determine if there are municipalities that meet the criteria that will benefit from a better understanding of ONE's operations and governance structures.

Staff approached Anna Lisa Barbon of the City of London about joining the Audit Committee, and she agreed to the appointment. Anna Lisa is the Deputy City Manager, Finance Supports, City of London. She is a CPA with many years of municipal experience. The City of London started investing with ONE's Canadian Equity Fund in 2019 and has steadily increased its holdings. Ms. Barbon will provide an investment perspective from a large single tier municipality, which is currently not represented on the Audit Committee.

5. CONCLUSION

The Audit Committee provides oversight and guidance to ONE Investment. Compliance matters are well in hand and ONE Investment is monitoring and managing enterprise risk.

Drafted by: Donna Herridge, Co-President/CEO

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

Board/Volunteer Expense Reimbursement Policy

This policy applies to members of ONE Investment Board and ONE JIB as it relates to Board of Directors meetings and business meetings.

Travel Expense:

ONE Investment will reimburse travel expenses incurred as a result of the business of ONE Investment Board of Directors, including its meetings. Travel expenses refer to airfare, train fare, car mileage, 407 ETR charges, public transit, parking costs, accommodation and meals. Members are expected to make the most efficient and cost-effective travel arrangements.

Mileage Rates:

ONE Investment's mileage rate is based on Revenue Canada's current "Automobile Deduction Limits and Expense Benefit Rates for Business" and is adjusted annually to reflect any changes.

Accommodations:

The guest room cost is to be reasonable for the geographic area.

Ineligible hotel costs that will not be paid by ONE Investment include:

In-room bar fridge items e.g., chocolate bars, chips, alcohol, etc.

Movies

Personal toiletries

Meal Rates:

Board members are entitled to reimbursement of actual meal expenses provided that they are not more than the maximum meal rates as follows:

Breakfast	\$30.00
Lunch	\$40.00
Dinner	\$60.00

Receipts:

Receipts for travel, meals, and accommodation must accompany expense reports.

Expense claims will not be reimbursed if submitted after January 31 of the year following the year in which the expense was incurred.

To: ONE Joint Investment Board
From: Evelyn Foo, Chief Compliance Officer, ONE Investment
Date: June 1, 2023
Re: 2022 Year End Pooled Funds Report
Report: ONE JIB 2023-O28

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the 2022 Year End Pooled Funds Report.

2. SUMMARY

ONE Investment is required to:

- File a Report of Exempt Distributions with the Ontario Securities Commission
- Distribute Audited Financial Statements of the ONE Investment Pooled Funds to Participating Municipalities
- File a T3 Trust Income Tax and Information Return and distribute T3 Statements of Trust Income Allocations and Designations to Participating Municipalities.

As of April 14, 2023, ONE Investment has completed all these requirements within the required timeframes and paid all required fees.

3. BACKGROUND

ONE Investment has reporting obligations determined by the Ontario Securities Commission and the *Income Tax Act*.

Pursuant to the decision of the Ontario Securities Commission dated November 23, 2018, ONE Investment, ONE JIB and the ONE Investment Pools are exempt from certain regulatory requirements.

Under the Ontario Securities Commission exemption, ONE Investment is required to:

- File a Report of Exempt Distribution with the Ontario Securities Commission for distributions of securities made by each Investment Pool during the previous year by January 30th of the following year;
- Arrange for the preparation of audited financial statements that comply with National Instrument 81-106 Investment Fund Continuous Disclosure for each Investment Pool and deliver the audited financial statements to the unitholders of the Investment Pools.

Each of the ONE Investment Pools is required to comply with the *Income Tax Act* (Canada) and

must file a T3 Trust Income Tax and Information Return (T3 Return) with the Canada Revenue Agency and issue T3 Statements of annual Trust Income Allocations and Designations (T3 Slips) to the unitholders of the ONE Investment Pools by March 31st of the following year.

ONE Investment reporting requirements under the *Income Tax Act* consist of filing T3 returns for the pooled funds.

ONE Investment is the duly appointed Manager of each of the ONE Investment Pools. The ONE Investment Pools refer to the five ONE Prudent Investment Funds namely the ONE Canadian Government Bond Fund, ONE Canadian Corporate Bond Fund, ONE Global Bond Fund, ONE Canadian Equity Fund, and ONE Global Equity Fund. The ONE Investment Pools are unit trusts for purposes of the *Income Tax Act*. Each of the ONE Investment Pools is required to prepare and file a T3 Return with the Canada revenue Agency in respect of its taxation year ended December 31, 2022. Each of the ONE Investment Pools is also required to prepare and issue T3 slips to its unitholders. Unitholders are the Participating Municipalities that invest in the ONE Pooled Funds.

ONE Investment reporting requirements under the Ontario Securities Commission involve the preparation and distribution of audited financial statements.

As the Manager of the ONE Investment Pools, ONE Investment is required to report certain information relating to the distribution of the securities of each ONE Investment Pool to securities regulators every year. This information includes gross sales numbers, as well as the identities of the purchasers. Only summary information is available to the public – most of this information remains with securities regulators on a confidential basis. These reports are known as “Reports of Exempt Distribution” and are filed on Form 45-106F1. As “investment fund issuers”, the ONE Investment Pools are permitted to file once annually 30 days after year end. All associated fees were paid.

The ONE Investment Pools are “mutual funds” and are subject to the applicable provisions of National Instrument 81-106 Investment Fund Continuous Disclosure (NI 81-106). The Ontario Securities Commission exemption does not exempt the ONE Investment Pools from the requirement to prepare financial statements that comply with NI 81-106. Each of the ONE Investment pools is required to prepare audited financial statements for its year ended December 31, 2022. The contents, presentation and disclosure contained in the ONE Investment Pool financial statements are prescribed by NI 81-106.

Under the Ontario Securities Commission exemption, the ONE Investment Pools are not required to file their audited financial statements with the Ontario Securities Commission, provided that financial reporting is provided to Participating Municipalities in accordance with the provisions of the *Municipal Act*.

4. ANALYSIS

Reports of Exempt Distribution were filed on January 17, 2023

Reports of exempt distribution are required to be completed 30 days after year end. ONE Investment filed all required reports with the Ontario Securities Commission on January 17, 2023.

Under NI 81-106, the financial statements of the ONE Investment Pools must be approved by the Manager prior to being made available to investors. In its capacity as Manager, the Board of Directors of ONE Investment approved the audited financial statements of the ONE Investment Pools, attached in Appendix A, on April 14, 2023, and the financial statements were subsequently emailed to the Participating Municipalities. This is the third set of audited financial statements, representing the second full year of activity.

PricewaterhouseCoopers has been appointed the auditors of the ONE Investment Pools. As required by NI 81-106, the financial statements were prepared in accordance with International Financial Reporting Standards. PricewaterhouseCoopers provided unqualified opinions for the financial statements of each Pool. No audit recommendation letter points were noted.

T3 slips and T3 Returns were filed by the deadline

At year end, all net income and realized capital gains of each ONE Investment Pooled Fund were distributed to unitholders, resulting in no income tax payable at the level of the Pooled Fund. The year-end distribution process ran smoothly, and the calculations were reviewed by both ONE Investment staff and the PricewaterhouseCoopers tax accountants for accuracy and completeness.

Copies were shared with the Participating Municipalities, as required by regulation, although they are tax-exempt entities. For the Participating Municipalities, communications have been prepared to assist them through the year end.

5. CONCLUSION

Each of the ONE Investment Pools has now completed its second-full year end, which included certain filings required under the Ontario Securities Commission exemption and the Income Tax Act. These obligations were met on time and participating municipalities received copies of the relevant documents.

Drafted by: Evelyn Foo, Chief Compliance Officer

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



Appendix A

Audited Financial Statements

One Investment Pooled Funds

December 31, 2022 and December 31, 2021



Independent auditor's report

To the Unitholders and Trustee of

ONE Canadian Government Bond Fund
 ONE Canadian Corporate Bond Fund
 ONE Global Bond Fund
 ONE Canadian Equity Fund
 ONE Global Equity Fund

(individually, a Fund)

Our opinion

In our opinion, the accompanying financial statements of each Fund present fairly, in all material respects, the financial position of each Fund as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at December 31, 2022 and 2021;
- the statements of comprehensive income for the years then ended;
- the statements of cash flows for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Fund.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
April 19, 2023

ONE Canadian Government Bond Fund
Statements of Financial Position

As at December 31	2022	2021
	\$	\$
Assets		
Current assets		
Non-derivative financial assets	37,771,342	26,261,998
Cash	90,846	11,246
Interest receivable	221,615	123,528
	38,083,803	26,396,772
Liabilities		
Current liabilities		
Management fees payable	11,376	7,833
Accrued expenses	1,479	1,018
	12,855	8,851
Net assets attributable to holders of redeemable units	38,070,948	26,387,921
Net assets attributable to holders of redeemable units by series		
Series A	38,070,948	26,387,921
Net assets attributable to holders of redeemable units per unit		
Series A	931.28	968.94

ONE Canadian Government Bond Fund
Statements of Comprehensive Income

for the years ended December 31

2022

2021

	\$	\$
Gain (loss) on investments and derivatives:		
Interest income for distribution purposes	778,389	573,098
Realized gain (loss) on sale of investments	(649,564)	(402,331)
Change in unrealized appreciation (depreciation) on investments	(1,178,136)	(428,507)
Net gain (loss) on investments and derivatives	(1,049,311)	(257,740)
Expenses		
Management fees (notes 7 and 8)	122,002	88,452
Harmonized sales tax	15,860	11,499
Total expenses	137,862	99,951
Increase (decrease) in Net Assets attributable to holders of redeemable units	(1,187,173)	(357,691)
Increase (decrease) in Net Assets attributable to holders of redeemable units by series		
Series A	(1,187,173)	(357,691)
Increase (decrease) in net assets attributable to holders of redeemable units per unit		
Series A	(31.83)	(13.94)

ONE Canadian Government Bond Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units**

for the years ended December 31

2022**2021**

	\$	\$
Net assets attributable to holders of redeemable units at beginning of year/period	26,387,921	24,491,051
Increase (decrease) in net assets attributable to holders of redeemable units	(1,187,173)	(357,691)
Distributions paid or payable to holders of redeemable units		
From net investment income	-	(70,802)
Return of capital	-	(402,331)
Total distributions to holders of redeemable units	-	(473,133)
Redeemable unit transactions (note 6)		
Proceeds from issuance of redeemable units, net	12,870,200	5,326,561
Redemption of redeemable units	-	(3,072,000)
Reinvestments of distributions to holders of redeemable units (note 5)	-	473,133
Net increase (decrease) from redeemable unit transactions	12,870,200	2,727,694
Net increase (decrease) in net assets attributable to holders of redeemable units	11,683,027	1,896,870
Net assets attributable to holders of redeemable units at end of year/period	38,070,948	26,387,921

ONE Canadian Government Bond Fund**Statements of Cash Flows**

for the years ended December 31

2022**2021**

	\$	\$
Cash flows from operating activities		
Increase (decrease) in Net Assets attributable to holders of redeemable units	(1,187,173)	(357,691)
Adjustments for:		
Net realized (gain) loss on sale of investments	649,564	402,331
Change in unrealized (appreciation) depreciation on investments	1,178,136	428,507
Change in interest receivable	(98,087)	(29,975)
Change in accrued liabilities	4,004	660
Purchase of investments	(65,296,186)	(25,737,850)
Proceeds from sale of investments	51,959,142	23,037,148
Net cash from (used in) operating activities	(12,790,600)	(2,256,870)
Cash flows from (used in) financing activities		
Proceeds from redeemable shares issued	12,870,200	5,326,561
Amounts paid for redemption of redeemable units	-	(3,072,000)
Net cash from (used in) financing activities	12,870,200	2,254,561
 Increase (decrease) in Cash	 79,600	 (2,309)
Cash - Beginning of year/period	11,246	13,555
Cash - End of year/period	90,846	11,246
 Cash activities included in operating activities:		
Interest received	680,302	543,123

ONE Canadian Government Bond Fund
Schedule of Investments
As at December 31, 2022

Security	Shares/Par Value Units	Average Cost	Fair Value
FIXED INCOME (98.62%)			
CANADIAN FIXED INCOME (98.62%)			
Corporate Bonds (39.28%)			
Bank of Montreal, Callable, 3.650%, 2027/04/01	1,400,000 \$	1,339,926 \$	1,330,149
Bank of Nova Scotia, 2.160%, 2025/02/03	1,500,000	1,478,685	1,413,441
Bank of Nova Scotia, 2.950%, 2027/03/08	285,000	259,370	263,491
BMW Canada Auto Trust, Class 'A2', Series '22-1', Callable, 4.216%, 2025/10/20	170,000	170,000	167,128
Canadian Imperial Bank of Commerce, 2.250%, 2027/01/07	480,000	463,061	432,392
Canadian Imperial Bank of Commerce, Callable, 5.050%, 2027/10/07	1,510,000	1,509,143	1,509,940
Canadian Western Bank, Callable, 1.926%, 2026/04/16	995,000	956,728	894,049
CNH Capital Canada Receivables Trust, Class 'A2', Series '21-2', Callable, 1.764%, 2028/06/15	125,000	125,000	117,975
Ford Auto Securitization Trust II, Class 'A2', Series '22-A', Callable, 5.322%, 2027/05/15	190,000	190,000	190,076
Honda Canada Finance Inc., 1.711%, 2026/09/28	160,000	160,000	142,015
HSBC Bank Canada, 3.245%, 2023/09/15	910,000	934,780	898,308
HSBC Bank Canada, 3.403%, 2025/03/24	860,000	858,056	833,001
Laurentian Bank of Canada, 3.545%, 2027/04/20	430,000	421,778	412,976
Manulife Bank of Canada, 2.378%, 2024/11/19	825,000	853,189	784,248
Manulife Bank of Canada, 2.864%, 2027/02/16	280,000	278,872	257,916
National Bank of Canada, 2.983%, 2024/03/04	1,075,000	1,136,943	1,047,366
National Bank of Canada, 2.237%, 2026/11/04	755,000	710,727	683,002
Prime Structured Mortgage Trust, Series '21-A', 1.856%, 2024/11/15	190,000	190,000	178,469
Royal Bank of Canada, 2.609%, 2024/11/01	960,000	1,006,752	918,624
Royal Bank of Canada, 2.328%, 2027/01/28	325,000	289,205	293,560
Silver Arrow Canada L.P., Class 'A3', Series '22-1', Callable, 3.728%, 2029/05/15	200,000	200,000	193,642
Toronto-Dominion Bank (The), 2.260%, 2027/01/07	550,000	531,995	496,429
Toronto-Dominion Bank (The), 4.210%, 2027/06/01	1,185,000	1,163,827	1,151,341
Toronto-Dominion Bank (The), 5.376%, 2027/10/21	340,000	340,000	345,862
		<u>15,568,037</u>	<u>14,955,400</u>
Government Bonds (31.06%)			
Canada Housing Trust No. 1, 2.900%, 2024/06/15	220,000	235,039	215,700
Government of Canada, 2.000%, 2023/09/01	1,165,000	1,144,496	1,145,927
Government of Canada, 3.750%, 2025/02/01	5,115,000	5,129,986	5,088,504
Government of Canada, 1.500%, 2026/06/01	85,000	89,021	79,393
Government of Canada, 1.000%, 2026/09/01	4,150,000	3,989,312	3,784,975
Government of Canada, 1.000%, 2027/06/01	1,670,000	1,505,956	1,511,506
		<u>12,093,810</u>	<u>11,826,005</u>
Provincial Bonds (28.28%)			
Province of Alberta, 3.400%, 2023/12/01	820,000	814,746	787,936
Province of Alberta, 3.100%, 2024/06/01	1,030,000	1,120,943	1,012,391
Province of Alberta, 2.350%, 2025/06/01	1,075,000	1,159,154	1,063,376
Province of Ontario, 2.300%, 2024/09/08	3,315,000	3,406,048	3,210,288
Province of Ontario, 2.400%, 2026/06/02	3,885,000	3,888,757	3,696,140
Province of Quebec, 3.750%, 2024/09/01	915,000	978,245	907,642
Province of Saskatchewan, 3.200%, 2024/06/03	90,000	98,491	88,563
		<u>11,466,384</u>	<u>10,766,336</u>
TOTAL CANADIAN FIXED INCOME		<u>39,128,231</u>	<u>37,547,741</u>
TOTAL FIXED INCOME		<u>39,128,231</u>	<u>37,547,741</u>
SHORT TERM INVESTMENTS (0.59%)			
Government of Canada Treasury Bill, 4.08%, 2023/02/02	225,000	223,601	223,601
		<u>223,601</u>	<u>223,601</u>
TOTAL SHORT TERM INVESTMENTS		<u>223,601</u>	<u>223,601</u>
TOTAL INVESTMENT PORTFOLIO (99.21%)		<u>\$ 39,351,832</u>	<u>\$ 37,771,342</u>
Cash (0.24%)			90,846
Other assets less liabilities (0.55%)			208,760
TOTAL NET ASSETS (100.00%)			<u>\$ 38,070,948</u>

ONE Canadian Corporate Bond Fund
Statements of Financial Position

As at December 31	2022	2021
	\$	\$
Assets		
Current assets		
Non-derivative financial assets	36,623,706	26,272,334
Cash	33,108	168,518
Interest receivable	259,997	151,813
	36,916,811	26,592,665
Liabilities		
Current liabilities		
Management fees payable	12,717	8,993
Accrued expenses	1,654	1,170
	14,371	10,163
Net assets attributable to holders of redeemable units	36,902,440	26,582,502
Net assets attributable to holders of redeemable units by series		
Series A	36,902,440	26,582,502
Net assets attributable to holders of redeemable units per unit		
Series A	878.42	960.37

ONE Canadian Corporate Bond Fund
Statements of Comprehensive Income

for the years ended December 31

2022

2021

	\$	\$
Gain (loss) on investments and derivatives:		
Interest income for distribution purposes	966,480	625,475
Realized gain (loss) on sale of investments	(744,615)	(151,578)
Change in unrealized appreciation (depreciation) on investments	(2,689,379)	(922,777)
Net gain (loss) on investments and derivatives	(2,467,514)	(448,880)
Expenses		
Management fees (notes 7 and 8)	135,809	100,538
Harmonized sales tax	17,655	13,070
Total expenses	153,464	113,608
Increase (decrease) in Net Assets attributable to holders of redeemable units	(2,620,978)	(562,488)
Increase (decrease) in Net Assets attributable to holders of redeemable units by series		
Series A	(2,620,978)	(562,488)
Increase (decrease) in net assets attributable to holders of redeemable units per unit		
Series A	(68.73)	(21.71)

ONE Canadian Corporate Bond Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units**

for the years ended December 31

2022**2021**

	\$	\$
Net assets attributable to holders of redeemable units at beginning of year/period	26,582,502	24,561,123
Increase (decrease) in net assets attributable to holders of redeemable units	(2,620,978)	(562,488)
Distributions paid or payable to holders of redeemable units		
From net investment income	(68,439)	(360,284)
Return of capital	-	(151,578)
Total distributions to holders of redeemable units	(68,439)	(511,862)
Redeemable unit transactions (note 6)		
Proceeds from issuance of redeemable units, net	12,940,916	5,605,867
Redemption of redeemable units	-	(3,022,000)
Reinvestments of distributions to holders of redeemable units (note 5)	68,439	511,862
Net increase (decrease) from redeemable unit transactions	13,009,355	3,095,729
Net increase (decrease) in net assets attributable to holders of redeemable units	10,319,938	2,021,379
Net assets attributable to holders of redeemable units at end of year/period	36,902,440	26,582,502

ONE Canadian Corporate Bond Fund
Statements of Cash Flows

for the years ended December 31

2022

2021

	\$	\$
Cash flows from operating activities		
Increase (decrease) in Net Assets attributable to holders of redeemable units	(2,620,978)	(562,488)
Adjustments for:		
Net realized (gain) loss on sale of investments	744,615	151,578
Change in unrealized (appreciation) depreciation on investments	2,689,379	922,777
Change in interest receivable	(108,184)	(14,131)
Change in accrued liabilities	4,208	807
Purchase of investments	(43,270,880)	(18,210,837)
Proceeds from sale of investments	29,485,514	15,296,621
Net cash from (used in) operating activities	(13,076,326)	(2,415,673)
Cash flows from (used in) financing activities		
Proceeds from redeemable shares issued	12,940,916	5,605,867
Amounts paid for redemption of redeemable units	-	(3,022,000)
Net cash from (used in) financing activities	12,940,916	2,583,867
 Increase (decrease) in Cash	 (135,410)	 168,194
Cash - Beginning of year/period	168,518	324
Cash - End of year/period	33,108	168,518
 Cash activities included in operating activities:		
Interest received	858,296	611,344

ONE Canadian Corporate Bond Fund

Schedule of Investments

As at December 31, 2022

Security	Shares/Par Value Units	Average Cost	Fair Value
FIXED INCOME (98.43%)			
CANADIAN FIXED INCOME (98.43%)			
Corporate Bonds (71.66%)			
407 International Inc., Callable, 3.140%, 2030/03/06	410,000 \$	432,050 \$	377,404
Alectra Inc., Callable, 5.225%, 2052/11/14	165,000	165,000	173,810
AltaLink L.P., Callable, 4.692%, 2032/11/28	150,000	150,000	150,160
AltaLink L.P., 3.668%, 2023/11/06	165,000	177,060	162,941
Bank of Montreal, Callable, 4.609%, 2025/09/10	960,000	1,068,016	957,290
Bank of Montreal, Callable, 3.650%, 2027/04/01	615,000	585,467	584,316
Bank of Montreal, 3.190%, 2028/03/01	225,000	253,670	210,286
Bank of Nova Scotia, 2.950%, 2027/03/08	1,915,000	1,742,784	1,770,476
BCI QuadReal Realty, Series '5', 2.551%, 2026/06/24	90,000	90,001	83,478
bciMC Realty Corp, Callable, 2.840%, 2025/06/03	330,000	352,741	314,783
bciMC Realty Corp, Callable, 3.000%, 2027/03/31	260,000	284,020	242,492
Brookfield Finance II Inc., Callable, 5.431%, 2032/12/14	360,000	360,000	352,971
Canadian Imperial Bank of Commerce, 2.000%, 2025/04/17	1,130,000	1,127,190	1,056,427
Canadian Imperial Bank of Commerce, Callable, 5.050%, 2027/10/07	545,000	544,693	544,978
Canadian Western Bank, Callable, 2.606%, 2025/01/30	805,000	839,108	760,674
Canadian Western Bank, Callable, 1.926%, 2026/04/16	1,285,000	1,234,257	1,154,626
Daimler Canada Finance Inc., 1.650%, 2025/09/22	290,000	278,093	264,899
Empire Life Insurance Co. (The), Variable Rate, Restricted, Callable, 2.024%, 2031/09/24	50,000	50,000	43,826
Enbridge Gas Distribution Inc., Callable, 5.210%, 2036/02/25	245,000	294,513	248,853
Enbridge Gas Inc., Callable, 2.500%, 2026/08/05	235,000	245,411	218,514
Enbridge Gas Inc., Callable, 2.880%, 2027/11/22	360,000	369,994	334,754
Enbridge Pipelines Inc., Callable, 5.080%, 2036/12/19	15,000	18,207	13,908
Energir Inc., Series 'V', Callable, 2.100%, 2027/04/16	635,000	638,136	578,537
Energir L.P., 3.040%, 2032/02/09	350,000	349,909	307,138
EPCOR Utilities Inc., Callable, 4.725%, 2052/09/02	390,000	398,143	380,373
Fédération des caisses Desjardins du Québec, 5.200%, 2025/10/01	215,000	214,877	215,682
Ford Auto Securitization Trust II, Class 'A2', Series '22-A', Callable, 5.322%, 2027/05/15	180,000	180,000	180,072
Glacier Credit Card Trust, 3.140%, 2023/09/20	435,000	455,887	428,057
Honda Canada Finance Inc., 3.444%, 2025/05/23	305,000	315,233	294,070
Honda Canada Finance Inc., 1.646%, 2028/02/25	510,000	424,274	434,428
HSBC Bank Canada, 3.245%, 2023/09/15	905,000	951,652	893,372
HSBC Bank Canada, 3.403%, 2025/03/24	910,000	908,097	881,431
Hydro One Inc., Callable, 2.160%, 2030/02/28	800,000	780,445	687,571
Hydro One Inc., Callable, 3.100%, 2051/09/15	630,000	445,551	461,412
John Deere Financial Inc., 2.580%, 2026/10/16	610,000	649,130	563,891
John Deere Financial Inc., 2.810%, 2029/01/19	420,000	369,428	378,657
Laurentian Bank of Canada, 3.545%, 2027/04/20	425,000	419,508	408,174
Lower Mattagami Energy L.P., Callable, 4.854%, 2033/10/31	108,000	108,000	107,230
Lower Mattagami Energy L.P., Series '21-1', Callable, 2.433%, 2031/05/14	150,000	150,000	128,150
Manulife Financial Corp., Variable Rate, Callable, 2.237%, 2030/05/12	790,000	791,019	733,330
National Bank of Canada, 2.983%, 2024/03/04	820,000	845,024	798,921
National Bank of Canada, 2.580%, 2025/02/03	840,000	876,563	798,150
National Bank of Canada, 2.237%, 2026/11/04	485,000	457,603	438,750
NAV Canada, Series '96-3', 7.400%, 2027/06/01	145,000	200,153	161,906
NAV Canada, Callable, 2.063%, 2030/05/29	260,000	268,082	221,785
NAV Canada, Callable, 3.534%, 2046/02/23	85,000	101,494	70,314
OMERS Realty Corp., Series '9', Callable, 3.244%, 2027/10/04	260,000	289,742	243,168
OMERS Realty Corp., Callable, 5.381%, 2028/11/14	250,000	250,000	257,024
Ottawa MacDonald-Cartier International Airport Authority, Series 'F', Callable, 2.698%, 2031/05/05	160,000	160,000	134,596
PACCAR Financial Ltd., 0.985%, 2024/05/14	205,000	205,000	193,526
Royal Bank of Canada, 2.609%, 2024/11/01	985,000	977,819	942,546
Royal Bank of Canada, 4.930%, 2025/07/16	605,000	689,232	608,115
Royal Bank of Canada, 2.328%, 2027/01/28	200,000	180,628	180,652
Silver Arrow Canada L.P., Class 'A3', Series '22-1', Callable, 3.728%, 2029/05/15	195,000	195,000	188,801
TMX Group Ltd, Series 'E', Callable, 3.779%, 2028/06/05	390,000	385,292	371,881
TMX Group Ltd., Series 'F', Callable, 2.016%, 2031/02/12	40,000	40,000	32,190
Toronto-Dominion Bank (The), 4.210%, 2027/06/01	1,760,000	1,728,682	1,710,007
Toyota Credit Canada Inc., 2.640%, 2024/03/27	650,000	665,984	630,532
Toyota Credit Canada Inc., 2.730%, 2025/08/25	400,000	395,148	378,001
		<u>28,123,010</u>	<u>26,444,306</u>

Government Bonds (10.43%)

Government of Canada, 2.000%, 2023/09/01	2,115,000	2,076,563	2,080,374
Government of Canada, 1.500%, 2031/06/01	1,770,000	1,600,288	1,535,647
Government of Canada, 2.000%, 2051/12/01	305,000	260,054	231,903
		<u>3,936,905</u>	<u>3,847,924</u>

Municipal Bonds (1.11%)

City of Ottawa, 4.400%, 2033/10/22	30,000	38,832	30,309
City of Ottawa, 3.050%, 2046/04/23	175,000	200,212	136,218
City of Toronto, 3.400%, 2024/05/21	110,000	120,777	108,525
City of Toronto, 2.950%, 2035/04/28	50,000	55,747	42,945
City of Toronto, 5.200%, 2040/06/01	85,000	124,436	90,550
		<u>540,004</u>	<u>408,547</u>

Provincial Bonds (15.23%)

Province of Alberta, 2.900%, 2029/09/20	1,045,000	1,077,712	982,318
Province of Alberta, 2.050%, 2030/06/01	755,000	700,542	663,248
Province of Alberta, 4.500%, 2040/12/01	95,000	130,892	96,830
Province of Alberta, 3.300%, 2046/12/01	525,000	614,141	444,452
Province of British Columbia, 3.200%, 2044/06/18	240,000	299,486	202,696
Province of British Columbia, 2.950%, 2050/06/18	980,000	1,216,218	774,202
Province of Manitoba, 5.700%, 2037/03/05	180,000	274,687	204,720
Province of Manitoba, 4.050%, 2045/09/05	90,000	123,080	84,833
Province of Ontario, 2.300%, 2024/09/08	330,000	323,433	319,576
Province of Ontario, 4.700%, 2037/06/02	275,000	367,138	286,868
Province of Ontario, 3.450%, 2045/06/02	655,000	848,196	571,792
Province of Ontario, 2.900%, 2046/12/02	280,000	334,944	220,569
Province of Ontario, 1.900%, 2051/12/02	865,000	647,793	527,728
Province of Quebec, Series 'OS', 6.000%, 2029/10/01	140,000	197,155	156,982
Province of Saskatchewan, 3.200%, 2024/06/03	20,000	21,887	19,681
Province of Saskatchewan, 5.800%, 2033/09/05	60,000	88,268	68,300
		<u>7,265,572</u>	<u>5,624,795</u>

TOTAL CANADIAN FIXED INCOME**39,865,491 36,325,572****TOTAL FIXED INCOME****39,865,491 36,325,572****SHORT TERM INVESTMENTS (0.81%)**

Government of Canada Treasury Bill, 4.08%, 2023/02/02	300,000	298,134	298,134
		<u>298,134</u>	<u>298,134</u>

TOTAL SHORT TERM INVESTMENTS**298,134 298,134****TOTAL INVESTMENT PORTFOLIO (99.24%)****\$ 40,163,625 \$ 36,623,706****Cash (0.09%)**

33,108

Other assets less liabilities (0.67%)

245,626

TOTAL NET ASSETS (100.00%)**\$ 36,902,440**

ONE Global Bond Fund
Statements of Financial Position

As at December 31

2022

2021

	\$	\$
Assets		
Current assets		
Non-derivative financial assets	174,395,725	126,340,657
Cash	80,718	12,276
	174,476,443	126,352,933
Liabilities		
Current liabilities		
Management fees payable	67,150	48,103
Harmonized sales tax payable	8,730	6,254
	75,880	54,357
Net assets attributable to holders of redeemable units	174,400,563	126,298,576
Net assets attributable to holders of redeemable units by series		
Series A	174,400,563	126,298,576
Net assets attributable to holders of redeemable units per unit		
Series A	845.51	965.55

ONE Global Bond Fund
Statements of Comprehensive Income

for the years ended December 31

2022

2021

	\$	\$
Gain (loss) on investments and derivatives:		
Distribution of net investment income from underlying fund	8,111,855	4,650,176
Distribution of net realized capital gains from underlying fund	-	3,799,790
Realized gain (loss) on sale of investments	(48,723)	30,229
Change in unrealized appreciation (depreciation) on investments	(20,582,382)	(7,618,622)
Net gain (loss) on investments and derivatives	(12,519,250)	861,573
Expenses		
Management fees (notes 7 and 8)	721,608	542,472
Harmonized sales tax	93,809	70,521
Total expenses	815,417	612,993
Increase (decrease) in Net Assets attributable to holders of redeemable units	(13,334,667)	248,580
Increase (decrease) in Net Assets attributable to holders of redeemable units by series		
Series A	(13,334,667)	248,580
Increase (decrease) in net assets attributable to holders of redeemable units per unit		
Series A	(74.14)	2.08

ONE Global Bond Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units**

for the years ended December 31

2022**2021**

	\$	\$
Net assets attributable to holders of redeemable units at beginning of year/period	126,298,576	118,513,458
Increase (decrease) in net assets attributable to holders of redeemable units	(13,334,667)	248,580
Distributions paid or payable to holders of redeemable units		
From net investment income	(7,247,576)	(4,067,412)
From net realized capital gains	-	(3,799,790)
Total distributions to holders of redeemable units	(7,247,576)	(7,867,202)
Redeemable unit transactions (note 6)		
Proceeds from issuance of redeemable units, net	61,436,654	22,964,538
Redemption of redeemable units	-	(15,428,000)
Reinvestments of distributions to holders of redeemable units (note 5)	7,247,576	7,867,202
Net increase (decrease) from redeemable unit transactions	68,684,230	15,403,740
Net increase (decrease) in net assets attributable to holders of redeemable units	48,101,987	7,785,118
Net assets attributable to holders of redeemable units at end of year/period	174,400,563	126,298,576

ONE Global Bond Fund
Statements of Cash Flows

for the years ended December 31

2022

2021

	\$	\$
Cash flows from operating activities		
Increase (decrease) in Net Assets attributable to holders of redeemable units	(13,334,667)	248,580
Adjustments for:		
Net realized (gain) loss on sale of investments	48,723	(30,229)
Change in unrealized (appreciation) depreciation on investments	20,582,382	7,618,622
Change in accrued liabilities	21,523	3,573
Purchase of investments	(69,041,173)	(18,596,967)
Proceeds from sale of investments	355,000	3,215,001
Net cash from (used in) operating activities	(61,368,212)	(7,541,420)
Cash flows from (used in) financing activities		
Proceeds from redeemable shares issued	61,436,654	22,964,538
Amounts paid for redemption of redeemable units	-	(15,428,000)
Net cash from (used in) financing activities	61,436,654	7,536,538
Increase (decrease) in Cash	68,442	(4,882)
Cash - Beginning of year/period	12,276	17,158
Cash - End of year/period	80,718	12,276
Cash activities included in operating activities:		
Distributions received	8,111,855	4,650,176

ONE Global Bond Fund
Schedule of Investments
As at December 31, 2022

Security	Shares/ Units	Average Cost	Fair Value
FIXED INCOME (99.99%)			
Investment Funds (99.99%)			
Manulife Investment Management Strategic Income Pooled Fund	18,381,244	\$ 199,431,480	\$ 174,395,725
		<u>199,431,480</u>	<u>174,395,725</u>
TOTAL FIXED INCOME		<u>199,431,480</u>	<u>174,395,725</u>
TOTAL INVESTMENT PORTFOLIO (99.99%)		<u>\$ 199,431,480</u>	<u>\$ 174,395,725</u>
Cash (0.05%)			80,718
Other assets less liabilities (-0.04%)			(75,880)
TOTAL NET ASSETS (100.00%)			<u>\$ 174,400,563</u>

ONE Canadian Equity Fund
Statements of Financial Position

As at December 31

2022

2021

	\$	\$
Assets		
Current assets		
Non-derivative financial assets	78,056,341	52,685,618
Cash	116,600	92,923
Amounts receivable for investments sold	153,603	-
Interest receivable	4,672	47
Dividends receivable	186,379	102,707
	78,517,595	52,881,295
Liabilities		
Current liabilities		
Management fees payable	30,556	19,865
Accrued expenses	3,972	2,583
	34,528	22,448
Net assets attributable to holders of redeemable units	78,483,067	52,858,847
Net assets attributable to holders of redeemable units by series		
Series A	78,483,067	52,858,847
Net assets attributable to holders of redeemable units per unit		
Series A	1,189.18	1,296.29

ONE Canadian Equity Fund
Statements of Comprehensive Income

for the years ended December 31

2022

2021

	\$	\$
Gain (loss) on investments and derivatives:		
Interest income for distribution purposes	36,391	1,050
Dividend income	1,853,524	1,011,745
Realized gain (loss) on sale of investments	(988,571)	2,497,123
Change in unrealized appreciation (depreciation) on investments	(5,140,965)	4,973,355
Net gain (loss) on investments and derivatives	(4,239,621)	8,483,273
Other income		
Foreign exchange gain (loss) on cash	(119)	294
Foreign exchange gain (loss) on foreign currency related transactions	642	(324)
Other income	523	(30)
	(4,239,098)	8,483,243
Expenses		
Management fees (notes 7 and 8)	312,106	204,870
Commissions and other portfolio transaction costs	34,403	25,167
Harmonized sales tax	40,574	26,633
Total expenses	387,083	256,670
Increase (decrease) in Net Assets attributable to holders of redeemable units	(4,626,181)	8,226,573
Increase (decrease) in Net Assets attributable to holders of redeemable units by series		
Series A	(4,626,181)	8,226,573
Increase (decrease) in net assets attributable to holders of redeemable units per unit		
Series A	(80.32)	235.11

ONE Canadian Equity Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units**

for the years ended December 31

2022**2021**

	\$	\$
Net assets attributable to holders of redeemable units at beginning of year/period	52,858,847	39,535,694
Increase (decrease) in net assets attributable to holders of redeemable units	(4,626,181)	8,226,573
Distributions paid or payable to holders of redeemable units		
From net investment income	(465,071)	(3,249,367)
Total distributions to holders of redeemable units	(465,071)	(3,249,367)
Redeemable unit transactions (note 6)		
Proceeds from issuance of redeemable units, net	30,250,401	10,961,580
Redemption of redeemable units	-	(5,865,000)
Reinvestments of distributions to holders of redeemable units (note 5)	465,071	3,249,367
Net increase (decrease) from redeemable unit transactions	30,715,472	8,345,947
Net increase (decrease) in net assets attributable to holders of redeemable units	25,624,220	13,323,153
Net assets attributable to holders of redeemable units at end of year/period	78,483,067	52,858,847

ONE Canadian Equity Fund
Statements of Cash Flows

for the years ended December 31

2022

2021

	\$	\$
Cash flows from operating activities		
Increase (decrease) in Net Assets attributable to holders of redeemable units	(4,626,181)	8,226,573
Adjustments for:		
Net (gain) loss on foreign exchange on cash	119	(294)
Net realized (gain) loss on sale of investments	988,571	(2,497,123)
Change in unrealized (appreciation) depreciation on investments	5,140,965	(4,973,355)
Change in interest receivable	(4,625)	(43)
Change in dividends receivable	(83,672)	(23,749)
Change in accrued liabilities	12,080	1,650
Purchase of investments	(65,408,968)	(33,525,875)
Proceeds from sale of investments	33,755,106	27,757,845
Net cash from (used in) operating activities	(30,226,605)	(5,034,371)
Cash flows from (used in) financing activities		
Proceeds from redeemable shares issued	30,250,401	10,961,580
Amounts paid for redemption of redeemable units	-	(5,865,000)
Net cash from (used in) financing activities	30,250,401	5,096,580
 Increase (decrease) in Cash	 23,796	 62,209
Foreign exchange gain (loss) on cash	(119)	294
Cash - Beginning of year/period	92,923	30,420
Cash - End of year/period	116,600	92,923
 Cash activities included in operating activities:		
Dividends received	1,769,852	987,996
Interest received	31,766	1,007

One Canadian Equity Fund
Schedule of Investments
As at December 31, 2022

Security	Shares/ Units	Average Cost	Fair Value
EQUITIES (97.63%)			
Communication Services (6.07%)			
BCE Inc.	25,880 \$	1,670,104 \$	1,539,601
TELUS Corp.	123,360	3,274,279	3,223,397
		<u>4,944,383</u>	<u>4,762,998</u>
Consumer Discretionary (15.00%)			
Aritzia Inc.	37,245	1,507,860	1,763,551
Boyd Group Services Inc.	5,235	1,008,939	1,094,953
Gildan Activewear Inc.	78,570	2,649,328	2,913,376
Magna International Inc.	26,322	2,008,454	2,002,051
Restaurant Brands International Inc.	45,680	3,483,273	4,000,198
		<u>10,657,854</u>	<u>11,774,129</u>
Consumer Staples (5.84%)			
Maple Leaf Foods Inc.	76,053	2,071,242	1,859,496
Metro Inc.	36,360	2,379,713	2,725,909
		<u>4,450,955</u>	<u>4,585,405</u>
Energy (8.21%)			
Canadian Natural Resources Ltd.	38,997	2,436,532	2,932,184
Suncor Energy Inc.	63,305	1,879,484	2,718,950
TC Energy Corp.	14,734	926,825	795,341
		<u>5,242,841</u>	<u>6,446,475</u>
Financials (25.22%)			
Bank of Montreal	25,854	2,959,506	3,171,252
Brookfield Corp., Class 'A'	48,800	2,238,687	2,077,904
Brookfield Infrastructure Corp., Class 'A'	16,332	799,659	860,206
Canadian Apartment Properties REIT	19,058	898,071	813,395
Intact Financial Corp.	7,110	1,148,295	1,385,810
Manulife Financial Corp.	45,895	987,322	1,108,364
National Bank of Canada	18,059	1,703,353	1,647,523
Onex Corp.	12,260	1,027,868	800,455
Royal Bank of Canada	29,266	3,420,888	3,725,562
Sun Life Financial Inc.	16,945	968,293	1,064,993
TMX Group Ltd.	5,918	780,501	802,007
Toronto-Dominion Bank (The)	26,619	2,361,482	2,333,688
		<u>19,293,925</u>	<u>19,791,159</u>
Industrials (16.84%)			
Canadian National Railway Co.	9,562	1,318,266	1,537,952
Canadian Pacific Railway Ltd.	42,552	3,755,696	4,295,625
Element Fleet Management Corp.	69,042	908,996	1,273,825
Finning International Inc.	100,537	2,812,305	3,384,075
SNC-Lavalin Group Inc.	59,175	1,677,309	1,411,916
Stantec Inc.	20,280	1,094,490	1,315,766
		<u>11,567,062</u>	<u>13,219,159</u>

Information Technology (11.74%)

CGI Inc.	33,130	3,199,686	3,866,602
Open Text Corp.	84,219	3,878,773	3,378,866
Thomson Reuters Corp.	12,730	1,613,969	1,966,276
		<u>8,692,428</u>	<u>9,211,744</u>

Materials (6.61%)

Agnico Eagle Mines Ltd.	15,260	1,170,041	1,073,694
CCL Industries Inc., Class 'B'	15,149	875,514	876,218
Teck Resources Ltd., Class 'B'	23,845	1,151,632	1,220,149
West Fraser Timber Co. Ltd.	8,078	654,978	789,786
Wheaton Precious Metals Corp.	23,185	1,266,938	1,226,487
		<u>5,119,103</u>	<u>5,186,334</u>

Utilities (2.10%)

Brookfield Renewable Corp.	20,490	1,026,946	763,662
Fortis Inc.	16,352	944,678	885,951
		<u>1,971,624</u>	<u>1,649,613</u>

TOTAL EQUITIES

71,940,175 **76,627,016**

SHORT TERM INVESTMENTS (1.82%)

Government of Canada Treasury Bill, 3.79%, 2023/01/05	22,000	21,857	21,857
Government of Canada Treasury Bill, 3.76%, 2023/01/19	1,058,000	1,051,939	1,051,939
Government of Canada Treasury Bill, 4.13%, 2023/02/02	64,000	63,676	63,676
Government of Canada Treasury Bill, 3.83%, 2023/02/16	130,000	129,052	129,052
Government of Canada Treasury Bill, 4.20%, 2023/03/02	164,000	162,801	162,801
		<u>1,429,325</u>	<u>1,429,325</u>

TOTAL SHORT TERM INVESTMENTS

1,429,325 **1,429,325**

Transaction Costs

(32,409)

TOTAL INVESTMENT PORTFOLIO (99.45%)

\$ **73,337,091** \$ **78,056,341**

Cash (0.15%)

116,600

Other assets less liabilities (0.40%)

310,126

TOTAL NET ASSETS (100.00%)

\$ **78,483,067**

ONE Global Equity Fund
Statements of Financial Position

As at December 31

	2022	2021
	\$	\$
Assets		
Current assets		
Non-derivative financial assets	181,502,544	124,099,012
Cash	826	14,809
	181,503,370	124,113,821
Liabilities		
Current liabilities		
Management fees payable	117,454	78,126
Harmonized sales tax payable	15,269	10,156
	132,723	88,282
Net assets attributable to holders of redeemable units	181,370,647	124,025,539
Net assets attributable to holders of redeemable units by series		
Series A	181,370,647	124,025,539
Net assets attributable to holders of redeemable units per unit		
Series A	1,061.87	1,205.51

ONE Global Equity Fund
Statements of Comprehensive Income

for the years ended December 31

2022

2021

	\$	\$
Gain (loss) on investments and derivatives:		
Distribution of net investment income from underlying fund	2,879,335	1,384,072
Distribution of net realized capital gains from underlying fund	601,095	3,838,954
Realized gain (loss) on sale of investments	19,843	406,854
Change in unrealized appreciation (depreciation) on investments	(15,735,740)	14,555,328
Net gain (loss) on investments and derivatives	(12,235,467)	20,185,208
Expenses		
Management fees (notes 7 and 8)	1,169,369	761,343
Harmonized sales tax	152,018	98,975
Total expenses	1,321,387	860,318
Increase (decrease) in Net Assets attributable to holders of redeemable units	(13,556,854)	19,324,890
Increase (decrease) in Net Assets attributable to holders of redeemable units by series		
Series A	(13,556,854)	19,324,890
Increase (decrease) in net assets attributable to holders of redeemable units per unit		
Series A	(91.95)	217.39

ONE Global Equity Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units**

for the years ended December 31

2022**2021**

	\$	\$
Net assets attributable to holders of redeemable units at beginning of year/period	124,025,539	84,051,480
Increase (decrease) in net assets attributable to holders of redeemable units	(13,556,854)	19,324,890
Distributions paid or payable to holders of redeemable units		
From net investment income	(1,577,702)	(930,576)
From net realized capital gains	(601,095)	(3,838,954)
Total distributions to holders of redeemable units	(2,178,797)	(4,769,530)
Redeemable unit transactions (note 6)		
Proceeds from issuance of redeemable units, net	71,531,962	26,148,169
Redemption of redeemable units	(630,000)	(5,499,000)
Reinvestments of distributions to holders of redeemable units (note 5)	2,178,797	4,769,530
Net increase (decrease) from redeemable unit transactions	73,080,759	25,418,699
Net increase (decrease) in net assets attributable to holders of redeemable units	57,345,108	39,974,059
Net assets attributable to holders of redeemable units at end of year/period	181,370,647	124,025,539

ONE Global Equity Fund
Statements of Cash Flows

for the years ended December 31

2022

2021

	\$	\$
Cash flows from operating activities		
Increase (decrease) in Net Assets attributable to holders of redeemable units	(13,556,854)	19,324,890
Adjustments for:		
Net realized (gain) loss on sale of investments	(19,843)	(406,854)
Change in unrealized (appreciation) depreciation on investments	15,735,740	(14,555,328)
Change in accrued liabilities	44,441	28,742
Purchase of investments	(74,294,429)	(28,263,026)
Proceeds from sale of investments	1,175,000	3,230,000
Net cash from (used in) operating activities	(70,915,945)	(20,641,576)
Cash flows from (used in) financing activities		
Proceeds from redeemable shares issued	71,531,962	26,148,169
Amounts paid for redemption of redeemable units	(630,000)	(5,499,000)
Net cash from (used in) financing activities	70,901,962	20,649,169
 Increase (decrease) in Cash	 (13,983)	 7,593
Cash - Beginning of year/period	14,809	7,216
Cash - End of year/period	826	14,809
 Cash activities included in operating activities:		
Distributions received	2,879,335	1,384,072

ONE Global Equity Fund
Schedule of Investments
As at December 31, 2022

Security	Shares/ Units	Average Cost	Fair Value
EQUITIES (100.07%)			
Investment Funds (100.07%)			
MAWER Global Equity Fund Series 'O'	4,795,603	\$ 180,299,549	\$ 181,502,544
		180,299,549	181,502,544
TOTAL EQUITIES		180,299,549	181,502,544
TOTAL INVESTMENT PORTFOLIO (100.07%)		\$ 180,299,549	\$ 181,502,544
Cash (0.00%)			826
Other assets less liabilities (-0.07%)			(132,723)
TOTAL NET ASSETS (100.00%)			\$ 181,370,647

1. Establishment of funds

The ONE Investment Pooled Funds are open-ended unit trusts established under the laws of the Province of Ontario by Declaration of Trust dated July 2, 2020 and consists of ONE Canadian Government Bond Fund, ONE Canadian Corporate Bond Fund, ONE Global Bond Fund, ONE Canadian Equity Fund and ONE Global Equity Fund (the "Funds" and each, a "Fund"). ONE Investment is the Manager of the Funds (the "Manager"). CIBC Mellon Trust Company is the Trustee (the "Trustee") and the Custodian of the Funds (the "Custodian").

The Funds commenced operations on July 2, 2020.

The head office of the Funds is located at the offices of the Manager, 200 University Avenue, Suite 801, Toronto, Ontario, M5H 3C6.

The investment objective of the ONE Canadian Government Bond Fund is to provide investors with competitive rates of return through a diversified, conservatively managed portfolio consisting primarily of short-term Canadian bonds where preservation of capital in real terms is of prime concern.

The investment objective of the ONE Canadian Corporate Bond Fund is to provide competitive rates of return through a diversified, conservatively managed portfolio consisting primarily of Canadian bonds, debentures, promissory notes or other evidences of indebtedness of corporations, governments or agencies thereof or supranational organizations or agencies thereof.

The investment objective of the ONE Global Bond Fund is to deliver a strong, consistent total investment return over a full market cycle by investing primarily in government and corporate debt securities from developed and emerging markets.

The investment objective of the ONE Canadian Equity Fund is to provide superior long-term investment returns by investing in a diversified, conservatively managed portfolio consisting primarily of equity securities issued by Canadian corporations.

The investment objective of the ONE Global Equity Fund is to invest for above average long-term risk adjusted returns in securities of companies around the world. The Fund will allocate capital to the best global opportunities, which may include both large and small capitalization companies. The proportion invested in any one country will vary depending upon the economic, investment and market opportunities in each area.

The Funds are authorized to issue an unlimited number of units issuable in an unlimited number of series. One series is currently active.

The Statements of Financial Position is as at December 31, 2022 and December 31, 2021, The Statements of Comprehensive Income, Statements of Changes in Net Assets Attributable to Holders of Redeemable Units and Statements of Cash Flows of each of the Funds are for the years ended December 31, 2022 and 2021.

2. Basis of presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were approved for issuance by the Manager on April 14, 2023.

3. Summary of significant accounting policies

The financial statements have been prepared on a going concern basis using the historical cost convention. However, each Fund is an investment entity and primarily all financial assets and financial liabilities are measured at fair value in accordance with IFRS. Accordingly, each Fund's accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value ("NAV") for transactions with unitholders. The accounting policies set out below have been applied consistently to all periods presented in these financial statements. In applying IFRS, management may make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses during the reporting periods. Actual results may differ from such estimates.

(a) Financial instruments

Classification and recognition of financial instruments

IFRS 9, *Financial Instruments*, requires assets to be carried at amortized cost or fair value, with changes in fair value through profit or loss ("FVTPL") or fair value through other comprehensive income based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Assessment and decision on the business model approach used is an accounting judgment.

Based upon the analysis of its business model and contractual cash flow characteristics of its financial instruments, the Funds have determined that its financial assets and financial liabilities will be categorized as FVTPL.

Financial assets and liabilities at fair value through profit or loss ("FVTPL")

All investments held by the Funds are designated as FVTPL upon initial recognition. The Funds included equities, other investment funds, bonds and other interest-bearing investments in this category. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of each Fund, as set out in the Funds' offering documents.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Funds include in this category amounts relating to receivables in respect of amounts receivable for portfolio securities sold, receivable for unitholder subscriptions, accrued dividends receivable, accrued interest receivable and other receivables.

Financial liabilities

This category includes all financial liabilities, other than those classified as FVTPL. The Funds include in this category amounts relating to payables in respect of amounts payable for portfolio securities purchased, payable for unitholder redemptions, management fees payable and other liabilities. These other liabilities are initially measured at fair value and subsequently at amortized cost.

The Funds have a contractual obligation to repurchase redeemable units for cash or in kind. As a result, the Funds' obligation for net assets attributable to holders of redeemable units represents a financial liability and is presented at the redemption amount.

(b) Valuation of financial instruments

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value upon initial recognition. All transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities for such instruments are recognized directly in profit or loss. Receivables and other financial liabilities are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue. For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Funds recognize the difference in the Statement of Comprehensive Income, unless specified otherwise.

After initial measurement, the Funds measure financial instruments that are classified as FVTPL at fair value. Subsequent changes in the fair value of those financial instruments (i.e., the excess/shortfall of the sum of the fair value of portfolio investments over/below the sum of the average cost of each portfolio investment) are recorded in net change in unrealized appreciation (depreciation) of investments. The applicable period net change in unrealized appreciation (depreciation) of investments is included on the Statement of Comprehensive Income. The average cost of portfolio investments represents the sum of the average cost of each portfolio investment. For the purposes of determining the average cost of each portfolio investment, the purchase prices of portfolio investments acquired by each Fund are added to the average cost of the particular portfolio investment immediately prior to the purchase. The average cost of a portfolio investment is reduced by the number of shares or units sold multiplied by the average cost of the portfolio investment at the time of the sale. The average cost per share or unit of each portfolio investment sold is determined by dividing the average cost of the portfolio investment by the number of shares or units held immediately prior to the sale transaction. Transaction costs incurred in portfolio transactions are excluded from the average cost of investments, are recognized immediately in net income and are presented as a separate expense item.

in the Statement of Comprehensive Income. Net realized gain (loss) on sale of investments is also calculated based on the average costs, excluding transaction costs, of the related investment.

Receivables and other assets and liabilities (other than those classified as FVTPL) are measured at amortized cost. The Funds' obligation for net assets attributable to holders of redeemable units is presented at the redemption amount.

The Funds measures its financial instruments, such as equities, other investment funds, bonds and other interest-bearing investments and derivatives, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Funds.

The fair values of each specific type of investments and derivatives are determined in the following manner:

Portfolio investments

For financial reporting purposes, investments are valued at their fair value. Investments held that are traded in an active market through recognized public stock exchanges, over-the-counter markets or through recognized investment dealers are valued at their last traded market price where the last traded market price falls within the day's bid-ask spread. In circumstances where the last traded price is not within that day's bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances. Investments held may include equities, investment funds, bonds and other debt instruments. Any investments that are not valued using the last traded price on the securities exchange can be valued based on other observable market data at the discretion of the Manager. If no trade volume is reported to have taken place, closing bid quotations for long positions from the primary exchange or market makers will be used.

Investments held that are not traded in an active market, if any, are valued based on the results of valuation techniques using observable market inputs where possible, on such basis and in such manner established by the Manager. Investments in other investment funds are valued at the NAV per unit reported by the administrator of the underlying investment fund. See Note 12 for more information about the Funds' fair value measurements.

Other financial assets and liabilities

All other financial assets and liabilities of the Funds are measured at amortized cost. Cash, dividends, receivable for units issued, receivable for portfolio securities sold, payable for portfolio securities purchased, distributions payable, other liabilities and payable for units redeemed are stated at the carrying amount, and short-term debt instruments are stated at cost plus accrued interest, which in all cases is a reasonable approximation of fair value.

(c) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently legally enforceable right to offset recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(d) Investments in associates, joint ventures and subsidiaries

An investment entity is an entity that obtains funds from one or more investors for the purpose of providing them with investment management services, its business purpose is to invest funds solely for returns from capital appreciation, income, or both, and it measures and evaluates the performance of substantially all of its investments on a fair value basis. Subsidiaries are all entities, including investments in other investment entities, over which a Fund has control. A Fund controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and the ability to affect those returns through its power over the entity. Each Fund has determined that it is an investment entity, and as such, accounts for subsidiaries at fair value.

(e) Impairment of financial assets

At each reporting date, the Funds assess whether there is objective evidence that financial assets at amortized cost are impaired. If such evidence exists, the Funds will recognize an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate.

Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. The Funds' other financial assets and liabilities are short-term in nature and not subject to impairment.

(f) Investment transactions and income recognition

Investment transactions are recorded on the trade date. Interest income, if any, for distribution purposes from investments in bonds and short-term investments shown on the Statement of Comprehensive Income represents the coupon interest received accounted for on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities, except for zero coupon bonds, which are amortized on a straight-line basis. Dividend income and distributions from underlying funds are recognized on the ex-dividend or ex-distribution date when the Funds' right to receive the payment is established. Realized gains and losses from investment transactions are calculated on a weighted average cost basis. Income realized gains (losses) and unrealized gains (losses) are allocated among the series on a pro-rata basis.

The Funds generally incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis, and the related withholding taxes are shown as a separate expense in the Statement of Comprehensive Income.

(g) Functional currency, presentation currency and foreign currency translations

The functional currency in which the Funds operate is the Canadian dollar. Amounts received by the Funds on an offering of its units and amounts payable on redemption are received or paid in the functional currency, and the Funds' performance is evaluated and its liquidity managed in the functional currency. Therefore, the functional currency is considered as the currency that most accurately represents the economic effects of the underlying transactions, events and conditions. The Funds' presentation currency is also the Canadian dollar.

Any currency other than Canadian dollar represents foreign currency to the Funds. Transactions during the period, including purchases and sales of securities, income and expenses, are translated into Canadian dollars at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Realized and unrealized gains and losses on foreign currency translation are included in the Statement of Comprehensive Income as "Foreign exchange gain (loss) on foreign currency related transactions".

(h) Cash and cash equivalents

Cash consists of deposits with financial institutions.

(i) Increase (decrease) in net assets attributable to holders of redeemable units per unit

Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit in the Statement of Comprehensive Income represents the increase (decrease) in net assets from operations attributable to the series for the period divided by the weighted average number of units of the series outstanding during the period.

(j) Unitholder transactions and net asset value attributable to holders of redeemable units per unit

Amounts received on the issuance of units and amounts paid on the redemption of units are included in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units.

A separate NAV is calculated for each series of units of the Funds by taking the series' proportionate share of the Funds' common assets less that series' proportionate share of the Funds' common liabilities and deducting from this amount all liabilities that relate solely to a specific series. The NAV per unit for each series is determined by dividing the NAV of each series by the number of units of that series outstanding on the valuation date.

(k) Distributions

Income earned by the Funds are distributed to holders of redeemable units at least once a year, and these distributions are generally reinvested by holders of redeemable units of the Funds. Net realized capital gains (reduced by loss carryforwards, if any) are distributed in December of each year to holders of redeemable units.

(l) Transaction costs

Transaction costs are expensed and are included in "Transaction costs" in the Statement of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

(m) Redeemable units

Redeemable units are classified as financial liabilities and are redeemable at the unitholder's option at prices based on the Funds' NAV per unit at the time of redemption. The amounts are continuously measured at their redemption value.

4. Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future that affect the reported amounts of assets, liabilities, income and expenses during the reporting periods. Actual results may differ from such estimates. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

Fair value measurement of derivatives and securities not quoted in an active market

The Funds may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources. Broker quotes as obtained from the pricing sources may be indicative and not executable. Where no market data is available, the Funds may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by the Manager, independent of the party that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk, volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Funds consider observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. See note 12 for more information on the fair value measurement of the Funds' financial statements.

Assessment as investment entity

Entities that meet the definition of an investment entity within *Consolidated Financial Statements*, ("IFRS 10"), are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- an entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Funds' offering memorandum or supplemental trust agreements detail the objective of providing investment management services to investors, which includes investing in equities and fixed income securities for the purpose of returns in the form of investment income and capital appreciation.

The Funds report to its investors via semi-annual investor information, and to its management, via internal management reports, on a fair value basis. All investments are reported at fair value to the extent allowed by IFRS in the Funds' financial statements.

The Manager has also concluded that the Funds meet the additional characteristics of an investment entity, in that it has one or more investments; it has more than one investor and its investors are not related parties.

5. Income taxes and withholding taxes

The Funds qualifies as a unit trust under the *Income Tax Act* (Canada). No provision for income taxes have been recorded in the accompanying financial statements as all income and capital gains of the Funds for the period are distributed to the unitholders to the extent necessary to reduce taxes payable under Part I of the *Income Tax Act* (Canada) to nil. As a result, the Funds do not record income taxes or deferred tax benefits associated with loss carryforwards and other temporary differences.

The Funds are subject to withholding taxes on foreign income at the prescribed rate on investment income and capital gains. Income that is subject to the withholding taxes is recorded gross of withholding taxes, and the related withholding taxes are shown as a separate expense in the Statement of Comprehensive Income.

6. Redeemable units issued and outstanding

The Funds may issue units in an unlimited number of series and an unlimited number of units of each series. Capital movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units. In accordance with its investment strategies and risk management policies, the Funds endeavour to invest its subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions. Unit transactions of the Funds for the years ended December 31, 2022 and 2021 are as follows:

ONE Canadian Government Bond Fund	December 31, 2022	December 31, 2021
Units outstanding - beginning of period	27,234	24,464
Redeemable units issued	13,646	5,406
Redeemable units redeemed	-	(3,119)
Redeemable units issued on reinvestments	-	483
Units outstanding - end of period	40,880	27,234

ONE Canadian Corporate Bond Fund	December 31, 2022	December 31, 2021
Units outstanding - beginning of period	27,680	24,488
Redeemable units issued	14,252	5,757
Redeemable units redeemed	-	(3,096)
Redeemable units issued on reinvestments	78	531
Units outstanding - end of period	42,010	27,680

ONE Global Bond Fund	December 31, 2022	December 31, 2021
Units outstanding - beginning of period	130,804	115,294
Redeemable units issued	66,891	22,757
Redeemable units redeemed	-	(15,293)
Redeemable units issued on reinvestments	8,572	8,046
Units outstanding - end of period	206,267	130,804

ONE Canadian Equity Fund	December 31, 2022	December 31, 2021
Units outstanding - beginning of period	40,777	34,467
Redeemable units issued	24,829	8,321
Redeemable units redeemed	-	(4,518)
Redeemable units issued on reinvestments	391	2,507
Units outstanding - end of period	65,997	40,777

ONE Global Equity Fund	December 31, 2022	December 31, 2021
Units outstanding - beginning of period	102,882	81,581
Redeemable units issued	66,441	21,952
Redeemable units redeemed	(572)	(4,607)
Redeemable units issued on reinvestments	2,052	3,956
Units outstanding - end of period	170,803	102,882

7. Management fees

The Funds have appointed the Manager to provide management services including key management personnel. The Manager receives an annual fee plus applicable taxes based on the NAV of the Funds units, accrued daily and payable monthly. The foregoing fees include fees paid to external portfolio managers and all operating expenses of the Funds, other than trading costs and expenses, fees paid in respect of securities regulatory filings, taxes and interest are charged as an expense in the Statement of Comprehensive Income. The annual management fees are noted in the following table:

Fund	Management Fee
ONE Canadian Government Bond Fund	0.35%
ONE Canadian Corporate Bond Fund	0.40%
ONE Global Bond Fund	0.45%
ONE Canadian Equity Fund	0.45%
ONE Global Equity Fund	0.75%

The management fees received by the Manager is subsequently paid equally between Local Authority Services ("LAS") and CHUMS Financing Corporation (CHUMS) who are members of ONE Investment.

The Manager was created jointly by LAS and CHUMS. See note 8 for more information on the related parties.

8. Related Party Transactions

ONE Investment ("ONE") is the Manager of the Funds. It is a not for profit organization incorporated without share capital. The members of the ONE Investment are LAS and CHUMS. There are no units held by the Manager in any of the Pooled Funds as at December 31, 2022. Management fees paid by the Manager during the period were:

LAS	\$ 1,230,447
CHUMS	<u>1,230,447</u>
Total	\$ 2,460,894

9. Tax loss carryforwards

Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future periods. Non-capital loss carryforwards may be applied against future years' taxable income. Non-capital losses that are realized may be carried forward for 20 years. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statement of Financial Position as a deferred income tax asset.

ONE Canadian Government Bond Fund has \$8,966 non-capital losses expiring in 2042 and \$nil capital losses as at December 31, 2022. The remaining Funds did not have non-capital losses or capital losses as at December 31, 2022.

10. Brokerage commissions on securities transactions

The Funds pay brokerage commissions related to its direct holdings in equities and other transaction costs for portfolio transactions for the year ended December 31, 2022. Research and system usage related services received in return for commissions generated with specific dealers are generally referred to as soft dollars. The brokerage commissions, transaction costs and soft dollar transactions paid by the Funds in the years ended December 31, 2022 and 2021 are as follows:

December 31, 2022

Fund	Brokerage commissions and transaction costs \$	Soft Dollars \$
ONE Canadian Government Bond Fund	-	-
ONE Canadian Corporate Bond Fund	-	-
ONE Global Bond Fund	-	-
ONE Canadian Equity Fund	34,403	666
ONE Global Equity Fund	-	-

December 31, 2021

Fund	Brokerage commissions and transaction costs \$	Soft Dollars \$
ONE Canadian Government Bond Fund	-	-
ONE Canadian Corporate Bond Fund	-	-
ONE Global Bond Fund	-	-
ONE Canadian Equity Fund	25,167	427
ONE Global Equity Fund	-	-

11. Financial instruments risk

The Funds' activities expose it to various types of risks that are associated with its investment strategies, financial instruments held and markets in which it invests. The most significant risks to potentially affect the Funds include credit risk, liquidity risk, and market risk (which includes currency risk, interest rate risk and other price risk). In order to create and protect shareholder value, the Funds seek to manage risk through a process of identifying, measuring and monitoring its activities, subject to risk limits and other controls. The Funds have investment guidelines that set out its overall business strategies and general risk management philosophy. Some Funds invest in Underlying Funds. These Funds are indirectly exposed to market risk, credit risk, and liquidity risk in the event that the Underlying Funds invest in financial instruments that are subject to those risks. These risks and related risk management practices employed by the Funds are discussed below:

(a) COVID-19

Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the Funds' investments and Funds' performance.

The Manager seeks to minimize potential adverse effects of risk on the Funds' performance by employing professional, experienced portfolio advisors; by daily monitoring of the Funds' positions and market events; by diversifying the investment portfolio within the constraints of the investment objectives; and by periodically using derivatives to economically hedge certain risk exposures.

(b) Credit risk

The Funds are exposed to credit risk, which is the risk that a security issuer or counterparty will be unable to pay amounts in full when due. The fair value of debt securities includes consideration of the credit worthiness of the issuer. All transactions in listed securities are settled upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations. The Funds also may invest in derivative instruments such as forward currency contracts; therefore, the Funds are subject to credit risk if the counterparty fails to meet its obligations. The Manager may choose to utilize multiple counterparties and those that have a high credit rating in order to minimize credit risk.

As at December 31, 2022 and December 31, 2021, the following Funds had exposure to credit risks:

ONE Canadian Government Bond Fund	December 31, 2022 % of Net Assets	December 31, 2021 % of Net Assets
AAA	20.98	30.97
AA	41.67	30.35
A	36.00	32.17
BBB	-	-
Cash & Cash Equivalents	0.80	6.07
	99.45	99.56

ONE Canadian Corporate Bond Fund	December 31, 2022 % of Net Assets	December 31, 2021 % of Net Assets
AAA	13.71	20.62
AA	22.95	27.35
A	61.79	46.80
BBB	-	2.38
Cash & Cash Equivalents	0.89	2.32
	99.33	99.47

ONE Global Bond Fund (proportionate share of the underlying fund's exposure to credit risk)	December 31, 2022 % of Net Assets	December 31, 2021 % of Net Assets
AAA	21.80	14.10
AA	5.20	4.30
A	8.70	8.60
BBB	27.70	24.90
Below BBB	23.30	36.40
Unrated	11.30	4.80
	98.00	93.10

(c) Liquidity risk

Liquidity risk is the possibility that investments of the Funds cannot be readily converted into cash when required. The Funds may be subject to liquidity constraints because of insufficient volume in the markets for the securities of the Funds or the securities may be subject to legal or contractual restrictions on their resale. In addition, the Funds are exposed to cash redemptions of redeemable units. The units of the Funds are redeemed on demand at the current NAV per unit at the option of the unitholder. Liquidity risk is managed by investing the majority of the Funds' assets in investments that are traded in an active market and can be readily disposed. The Funds aim to retain sufficient cash and cash equivalent positions to maintain liquidity; therefore, the liquidity risk for the Funds are considered minimal.

With the exception of derivative contracts, where applicable, all of the Funds' financial liabilities are short-term liabilities maturing within 90 days after the period end.

(d) Market risk

The Funds' investments are subject to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The following include sensitivity analyses that show how the net assets

attributable to holders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences may be material.

(i) Currency risk

The Funds hold assets and liabilities that are denominated in currencies other than its functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. As well, the Funds may enter into forward foreign exchange contracts primarily with the intention to offset or reduce exchange rate risks associated with the investments and also, periodically, to enhance returns to the portfolio. The Canadian dollar value of forward foreign exchange contracts is determined using forward currency exchange rates supplied by an independent service provider. Losses may arise due to a change in the value of the foreign currency or if the counterparty fails to perform under the contract.

The Funds were exposed to currency risk to the extent that its investments in financial instruments denominated in a foreign currency.

The tables below summarize the exposure of the Funds to currency risk as at December 31, 2022 and December 31, 2021. The tables also include the impact to net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all other factors remaining constant. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2022 and December 31, 2021, the following Funds had exposure to currency risk through its investment in underlying funds. The tables summarize the Funds' share of the underlying funds' exposure to currency risk:

December 31, 2022

ONE Global Bond Fund	Currency risk exposed holdings \$ ('000)	Forward foreign exchange contracts \$ ('000)	Net exposure \$ ('000)	As a % of NAV (%)	Impact on NAV \$ ('000)
Australian Dollar	5,473	(5,467)	6	0.00	
Brazilian Real	1,962	(1,313)	649	0.38	
British Pound Sterling	2,771	(2,750)	21	0.01	
Chinese renminbi	2,618	-	2,618	1.52	
Colombia Peso	(152)	-	(152)	(0.09)	
Danish Krone	434	(436)	(2)	0.00	
Euro	13,233	(12,665)	568	0.33	
Indian Rupee	288	-	288	0.17	
Indonesian Rupiah	4,571	-	4,571	2.65	
Japanese Yen	2,034	(507)	1,527	0.89	
Korean Won	2,388	-	2,388	1.39	
Malaysian Ringgit	2,016	-	2,016	1.17	
Mexican Peso	3,245	(1,584)	1,661	0.96	
New Zealand Dollar	4,083	(4,024)	59	0.03	
Norwegian Krone	4,023	(1,750)	2,273	1.32	
Philippines Peso	252	-	252	0.15	
Singapore Dollar	1,549	(1,575)	(26)	(0.02)	
United States dollars	120,827	(116,026)	4,801	2.79	
Total	171,615	(148,097)	23,518	13.65	1,176

December 31, 2021

ONE Global Bond Fund	Currency risk exposed holdings \$ ('000)	Forward foreign exchange contracts \$ ('000)	Net exposure \$ ('000)	As a % of NAV (%)	Impact on NAV \$ ('000)
Australian Dollar	2,826	(1,816)	1,010	0.80	
Brazilian Real	1,397	(1,010)	387	0.31	
British Pound Sterling	1,767	(1,780)	(13)	(0.01)	
Chinese renminbi	1,588	-	1,588	1.26	
Colombia Peso	877	-	877	0.69	
Euro	10,289	(10,035)	254	0.20	
Indian Rupee	198	-	198	0.16	
Indonesian Rupiah	2,853	-	2,853	2.26	
Japanese Yen	1,033	(255)	778	0.62	
Malaysian Ringgit	1,281	-	1,281	1.01	
Mexican Peso	1,642	-	1,642	1.30	
New Zealand Dollar	1,098	(426)	672	0.53	
Norwegian Krone	2,012	(1,030)	982	0.78	
Philippines Peso	188	-	188	0.15	
Singapore Dollar	1,015	(1,007)	8	0.01	
United States dollars	89,829	(89,613)	216	0.17	
Total	119,893	(106,972)	12,921	10.24	646

December 31, 2022

ONE Global Equity Fund	Currency risk exposed holdings \$ ('000)	Forward foreign exchange contracts \$ ('000)	Net exposure \$ ('000)	As a % of NAV (%)	Impact on NAV \$ ('000)
British Pound Sterling	16,485	-	16,485	9.08	
Danish Krone	4,693	-	4,693	2.59	
Euro	26,654	-	26,654	14.69	
Japanese Yen	8,105	-	8,105	4.47	
Norwegian Krone	2,080	-	2,080	1.15	
South Korean Won	367	-	367	0.20	
Swedish Krona	4,305	-	4,305	2.37	
Swiss Franc	9,503	-	9,503	5.24	
United States dollars	87,567	-	87,567	48.25	
Total	159,759	-	159,759	88.04	7,988

December 31, 2021

ONE Global Equity Fund	Currency risk exposed holdings \$ ('000)	Forward foreign exchange contracts \$ ('000)	Net exposure \$ ('000)	As a % of NAV (%)	Impact on NAV \$ ('000)
British Pound Sterling	11,956	-	11,956	9.63	
Danish Krone	3,215	-	3,215	2.59	
Euro	16,651	-	16,651	13.42	
Japanese Yen	4,622	-	4,622	3.72	
South Korean Won	1,181	-	1,181	0.95	
Swedish Krona	3,382	-	3,382	2.73	
Swiss Franc	7,402	-	7,402	5.96	
Taiwan Dollar	2,675	-	2,675	2.16	
United States dollars	63,019	-	63,019	50.78	
Total	114,103	-	114,103	91.94	5,705

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Funds invest in interest-bearing financial assets or financial liabilities. The Funds would be exposed to the risk that the value of such financial assets or financial liabilities will fluctuate due to changes in the

prevailing levels of market interest rates. In addition, as interest rates fall and fixed-income security issuers prepay principal, the Funds may have to reinvest this money in securities with lower interest rates. The Funds' exposure to interest rate risk would be concentrated in its investment in money market instruments and fixed income securities. Other assets and liabilities are short-term in nature and/or non-interest bearing.

As at December 31, 2022 and December 31, 2021 the following Funds were exposed to interest rate risk:

December 31, 2022				
Fund	Term to Maturity			
	<1 year \$	1-3 years \$	3 to 5 Years \$	>5 Years \$
ONE Canadian Government Bond Fund	3,331,213	16,653,301	17,475,212	311,617
ONE Canadian Corporate Bond Fund	3,862,879	9,244,696	9,398,792	14,117,339
ONE Global Bond Fund (proportionate share of the underlying fund's exposure to interest rate risk)	5,360,131	24,759,278	27,785,978	109,676,626
December 31, 2021				
Fund	Term to Maturity			
	<1 year \$	1-3 years \$	3 to 5 Years \$	>5 Years \$
ONE Canadian Government Bond Fund	5,170,934	16,897,130	4,068,719	125,215
ONE Canadian Corporate Bond Fund	1,500,006	9,574,418	6,066,454	9,131,456
ONE Global Bond Fund (proportionate share of the underlying fund's exposure to interest rate risk)	2,267,085	15,691,521	19,135,597	79,776,664

As at December 31, 2022 and December 31, 2021, had prevailing interest rates raised or lowered by 1%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, by approximately the amounts indicated below. In practice, actual results may differ from this sensitivity analysis.

Fund	December 31, 2022 Impact on NAV \$	December 31, 2021 Impact on NAV \$
ONE Canadian Government Bond Fund	998,465	590,341
ONE Canadian Corporate Bond Fund	1,982,300	1,462,759
ONE Global Bond Fund (proportionate share of the underlying fund's interest sensitivity risk)	8,781,348	4,780,056

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Manager aims to moderate this risk through a careful selection and diversification of securities and other financial instruments within the limits of the Funds' investment objectives and strategy.

The impact on net assets attributable to holders of redeemable units of the Funds due to a 10% change in market prices, as at December 31, 2022 and December 31, 2021, are shown in table below, with all other variables held constant. In practice, actual results may differ from this sensitivity analysis.

Fund	December 31, 2022 Impact on NAV \$	December 31, 2021 Impact on NAV \$
ONE Global Bond Fund	17,439,573	12,634,066
ONE Canadian Equity Fund	7,662,702	5,128,271
ONE Global Equity Fund	18,150,254	12,409,901

(e) Portfolio concentration risk

Concentration risk indicates the relative sensitivity of the Funds' performance to developments affecting a particular industry or geographical location. Concentration of risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same

geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The portfolio management team manages the risk through diversification and a thorough understanding of each investment in the portfolios. The following are summaries of the Funds' concentration risk as at December 31, 2022 and December 31, 2021:

ONE Canadian Government Bond Fund	December 31, 2022	December 31, 2021
	%	%
Canadian Fixed Income		
Corporate	39.28	34.02
Government	31.06	30.03
Municipal	-	-
Provincial	28.28	29.41
Short-Term Investments	0.59	6.06
Cash	0.24	0.04
Other Assets, less Liabilities	0.55	0.44
Total	100.00	100.00

ONE Canadian Corporate Bond Fund	December 31, 2022	December 31, 2021
	%	%
Canadian Fixed Income		
Corporate	71.66	60.93
Government	10.43	17.29
Municipal	1.11	1.92
Provincial	15.23	17.00
Short-Term Investments	0.81	1.69
Cash	0.09	0.64
Other Assets, less Liabilities	0.67	0.53
Total	100.00	100.00

ONE Global Bond Fund (as a % of net assets held by the underlying fund)	December 31, 2022	December 31, 2021
	%	%
Bonds		
United States	52.90	48.30
International	37.80	36.10
Canada	6.60	8.10
Equities		
United States	2.70	3.90
Canada	-	0.20
Cash	-	-
Other Assets, less Liabilities	-	3.40
Total	100.00	100.00

ONE Canadian Equity Fund	December 31, 2022 %	December 31, 2021 %
Canadian Equities		
Communication Services	6.07	6.41
Consumer Discretionary	15.00	17.12
Consumer Staples	5.84	5.84
Energy	8.21	5.12
Financials	25.22	27.17
Health Care	-	3.78
Industrials	16.84	13.41
Information Technology	11.74	11.46
Materials	6.61	5.66
Utilities	2.10	1.05
Short-Term Investments	1.82	2.65
Cash	0.15	0.18
Other Assets, less Liabilities	0.40	0.15
Total	100.00	100.00

ONE Global Equity Fund (as a % of net assets held by the underlying fund)	December 31, 2022 %	December 31, 2021 %
Japan	4.48	3.73
South Korea	0.20	0.95
Taiwan	-	2.16
Denmark	2.59	2.59
Finland	-	0.71
France	1.55	1.46
Germany	4.57	3.47
Italy	2.03	2.45
Netherlands	6.56	5.35
Norway	1.15	-
Sweden	2.37	2.73
Switzerland	5.24	6.44
United Kingdom	9.09	9.64
Brazil	1.37	-
Chile	0.49	0.46
Canada	7.29	4.59
United States	46.43	49.89
Treasury Bills	4.58	3.35
Cash and Cash Equivalents	0.01	0.03
Total	100.00	100.00

12. Fair value measurement

The Funds classify fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1: Fair value based on unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs based on at least one significant non-observable input that is not supported by market data. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following fair value hierarchy tables present information about the Funds' assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2022 and December 31, 2021:

December 31, 2022	Level 1	Level 2	Level 3	Total
ONE Canadian Government Bond Fund	\$	\$	\$	\$
Financial Assets				
Fixed Income	-	37,547,741	-	37,547,741
Short-Term Investments	-	223,601	-	223,601
Total Financial Assets	-	37,771,342	-	37,771,342

December 31, 2021	Level 1	Level 2	Level 3	Total
ONE Canadian Government Bond Fund	\$	\$	\$	\$
Financial Assets				
Fixed Income	-	24,662,508	-	24,662,508
Short-Term Investments	-	1,599,490	-	1,599,490
Total Financial Assets	-	26,261,998	-	26,261,998

December 31, 2022	Level 1	Level 2	Level 3	Total
ONE Canadian Corporate Bond Fund	\$	\$	\$	\$
Financial Assets				
Fixed Income	-	36,325,572	-	36,325,572
Short-Term Investments	-	298,134	-	298,134
Total Financial Assets	-	36,623,706	-	36,623,706

December 31, 2021	Level 1	Level 2	Level 3	Total
ONE Canadian Corporate Bond Fund	\$	\$	\$	\$
Financial Assets				
Fixed Income	-	25,822,487	-	25,822,487
Short-Term Investments	-	449,847	-	449,847
Total Financial Assets	-	26,272,334	-	26,272,334

December 31, 2022	Level 1	Level 2	Level 3	Total
ONE Global Bond Fund	\$	\$	\$	\$
Financial Assets				
Investment Funds	-	174,395,725	-	174,395,725
Total Financial Assets	-	174,395,725	-	174,395,725

December 31, 2021	Level 1	Level 2	Level 3	Total
ONE Global Bond Fund	\$	\$	\$	\$
Financial Assets				
Investment Funds	-	126,340,657	-	126,340,657
Total Financial Assets	-	126,340,657	-	126,340,657

December 31, 2022	Level 1	Level 2	Level 3	Total
ONE Canadian Equity Fund	\$	\$	\$	\$
Financial Assets				
Equities	76,627,016	-	-	76,627,016
Short-Term Investments	-	1,429,329	-	1,429,329
Total Financial Assets	76,627,016	1,425,329	-	78,056,341

December 31, 2021	Level 1	Level 2	Level 3	Total
ONE Canadian Equity Fund	\$	\$	\$	\$
Financial Assets				
Equities	51,282,710	-	-	51,282,710
Short-Term Investments	-	1,402,908	-	1,402,908
Total Financial Assets	51,282,710	1,402,908	-	52,685,618

December 31, 2022	Level 1	Level 2	Level 3	Total
ONE Global Equity Fund	\$	\$	\$	\$
Financial Assets				
Investment Funds	-	181,502,544	-	181,502,544
Total Financial Assets	-	181,502,544	-	181,502,544

December 31, 2021	Level 1	Level 2	Level 3	Total
ONE Global Equity Fund	\$	\$	\$	\$
Financial Assets				
Investment Funds	-	124,099,012	-	124,099,012
Total Financial Assets	-	124,099,012	-	124,099,012

All fair value measurements above are recurring. Fair values are classified as Level 1 when the related security or derivative is actively traded. In such cases, instruments are reclassified into Level 2, unless the measurement of the instrument's fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

There were no transfers into or out of Level 1, Level 2 and Level 3 during the years ended December 31, 2022 and 2021.

(a) Equities

The Funds' equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable.

(b) Fixed income and short-term investments

Fixed income include primarily government and corporate bonds, which are valued using quotation services with inputs including interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Funds' bonds and short-term investments have been classified as Level 2.

(c) Investment funds

The Funds' holdings in underlying mutual funds are classified as Level 2 and priced by the underlying funds' investment managers based on the NAV of the funds.

(d) Derivative assets and liabilities

Derivative assets and liabilities consist of foreign currency forward contracts that are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

13. Interest in Unconsolidated Structured Entities

The Funds qualify as investment entities under IFRS 10, Consolidated Financial Statements, and therefore accounts for investments at FVTPL. The Funds' primary purpose are to obtain funds from investors to provide them with investment management services and to obtain a return primarily from capital appreciation and/or investment income. The Funds also measure and evaluate their performance on a fair value basis. In determining whether the Funds had control over an investee,

the Funds assessed the voting rights, the exposure to variable returns and its ability to use the voting rights over the investee to affect the amount of the returns.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. The Funds may invests in mortgage-related and other asset-backed securities. The debt and equity securities issued by these securities may include tranches with varying levels of subordination.

Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. Asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans.

As at December 31, 2022, the carrying value of mortgage-related and other asset-backed securities are disclosed on Schedule of Investments. This amount also represents the maximum exposure to losses at this date. The change in fair value of mortgage-related and other asset-backed securities are included in net change in unrealized appreciation (depreciation) on investments in the Statement of Comprehensive Income.

The table below describes the entities that the Funds does not consolidate but in which it holds an interest as at December 31, 2022 and December 31, 2021:

December 31, 2022		
ONE Global Bond Fund	% of net assets of the Fund	% of ownership interest
Manulife Investment Management Strategic Income Pooled Fund	99.99	6.50
December 31, 2021		
ONE Global Bond Fund	% of net assets of the Fund	% of ownership interest
Manulife Investment Management Strategic Income Pooled Fund	100.03	4.08
December 31, 2022		
ONE Global Equity Fund	% of net assets of the Fund	% of ownership interest
Mawer Global Equity Fund, Series 'O'	100.07	1.74
December 31, 2021		
ONE Global Equity Fund	% of net assets of the Fund	% of ownership interest
Mawer Global Equity Fund, Series 'O'	100.06	1.06

14. Capital management

Units issued and outstanding are considered to be capital of the Funds. The Funds are not subject to externally imposed capital requirements and have no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Funds' offering memorandum. The capital received by the Funds are managed to achieve its investment objective, while maintaining liquidity to satisfy unitholder redemptions.

Units of a series are redeemable at the NAV per unit of the respective series. Changes in the units issued and outstanding of each series for the years ended December 31, 2022 and 2021 are reported in note 6 above.

15. Increase (decrease) in net assets attributable to holders of redeemable units

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the years ended December 31, 2022 and 2021 are as follows:

December 31, 2022	Increase (decrease) in net assets attributable to holders of redeemable units \$	Weighted average units outstanding in the period	Increase (decrease) in net assets attributable to holders of redeemable units per Unit \$
ONE Canadian Government Bond Fund	(1,187,173)	37,294	(31.83)
ONE Canadian Corporate Bond Fund	(2,620,978)	38,137	(68.73)
ONE Global Bond Fund	(13,334,667)	179,846	(74.14)
ONE Canadian Equity Fund	(4,626,181)	57,593	(80.32)
ONE Global Equity Fund	(13,556,854)	147,440	(91.95)

December 31, 2021	Increase (decrease) in net assets attributable to holders of redeemable units \$	Weighted average units outstanding in the period	Increase (decrease) in net assets attributable to holders of redeemable units per Unit \$
ONE Canadian Government Bond Fund	(357,691)	25,659	(13.94)
ONE Canadian Corporate Bond Fund	(562,488)	25,912	(21.71)
ONE Global Bond Fund	248,580	119,520	2.08
ONE Canadian Equity Fund	8,226,573	34,990	235.11
ONE Global Equity Fund	19,324,890	88,893	217.39

16. Filing exemption

In reliance upon the exemption in Section 2.11, NI 81-106, *Investment Fund Continuous Disclosure*, the financial statements of the Funds will not be filed with the securities regulatory authorities.

To: ONE Joint Investment Board
From: Denis Kelly, Board Secretary
Date: June 1, 2023
Re: Amendments to ONE JIB Terms of Reference and Procedure By-law
Report: ONE JIB 2023-029

1. RECOMMENDATIONS

It is recommended that the Board:

1. Amend section 4.11 of the ONE JIB Terms of Reference to provide for three-year terms for both the Chair and Vice-Chair.
2. Amend section 10.2 of the ONE JIB Terms of Reference to provide that an amendment shall be effective immediately upon the ONE JIB agreeing to amend the Terms of Reference, provided that the ONE JIB notifies ONE Investment of the amendment as soon as practicable.
3. Give notice that, at its meeting of September 6, 2023, the ONE JIB will be considering amendments to sections 4(1) and 4(2) of its Procedure By-law to provide for three-year terms for both the Chair and Vice-Chair.
4. Direct 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.

2. SUMMARY

At its March 1, 2023 meeting, ONE JIB approved proceeding with two proposed changes to its Terms of Reference. These were to appoint both the Chair and Vice Chair for three-year terms and to streamline the provision of notice to ONE Investment of any future changes to the ONE JIB Terms of Reference.

The Board then notified ONE Investment of the proposed changes, as required under the Terms of Reference. The Board's letter indicated that at its next meeting on June 1, 2023, the Board would take into consideration any recommendations from ONE Investment relating to the proposed changes.

ONE Investment has responded in support of these changes and requesting that a full review of the Terms of Reference be completed before May 2024. It is timely to amend the Terms of Reference to include the proposed changes and to amend the Procedure By-law to make it consistent with the Terms of Reference. It is also timely to conduct a comprehensive review of both the Terms of Reference and the Procedure By-law.

3. BACKGROUND

ONE Investment supports the requested amendments to the ONE JIB Terms of Reference

In a letter dated March 8, 2023 (Attachment 1), ONE Investment expressed its support for the proposed changes to sections 4.11 and 10.2 of the ONE JIB Terms of Reference. It also suggested that ONE JIB conduct a comprehensive review of its Terms of Reference by May 2024.

The ONE JIB has been using the existing Terms of Reference since 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 Participating Municipalities. They were approved by the Board on May 19, 2020.

The ONE JIB's Procedure By-law currently provides for both the Chair and Vice-Chair to be appointed annually

Section 4(1) of ONE JIB's Procedure By-law provides that the Members shall appoint the Chair of the Board annually 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.

Similarly, section 4(2) of the Procedure By-law provides that the Members shall appoint a Vice-Chair from among the Members at the first meeting of the Board each year after the appointment of the Chair.

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.

4. ANALYSIS

The Terms of Reference can be amended to provide for a three-year term for both the Chair and Vice-Chair and to streamline the notice requirement to ONE Investment

The ONE JIB has received ONE Investment's support for a change to section 4.11 of the Terms of Reference to provide for a three-year term for both the Chair and the Vice-Chair. Similarly, it has received ONE Investment's support for a change to section 10.2 of the Terms of Reference to provide for streamlined notice to ONE Investment of any proposed amendments. It would be appropriate for the ONE JIB to now amend these sections of the Terms of Reference.

Three years after ONE JIB's inception a comprehensive review of the Terms of Reference is timely

ONE Investment has suggested that the ONE JIB conduct a comprehensive review of its Terms of Reference by May 2024.

Now that the ONE JIB has been operational for more than three years, it is time to undertake a full review of the Terms of Reference in the context of current business operations of the ONE JIB. This review can be conducted in advance of ONE Investment's suggested date of May 2024 and in time for the Board's meeting scheduled for February 28, 2024.

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

The change to a three-year term for the Board Chair and Vice-Chair in the Terms of Reference, if approved by the Board, should be mirrored by a similar change to the Procedure By-law, which currently provides for an election of the Chair and Vice-Chair each year. The ONE JIB can hold an election by the members of the ONE JIB for Chair and Vice Chair for a three-year term once the appropriate changes to the Terms of Reference and the Procedure By-law are finalized. The earliest possible time for this would be at the Board's meeting on September 6, 2023. This is because the Procedure By-law contains a provision whereby the Board must give notice of any proposed changes to the By-law at the first regular meeting prior to the meeting at which the changes are considered. The Board should therefore give notice that it proposes to change its Procedure By-law at its September meeting.

Concurrent review of both the Terms of Reference and Procedure By-law will keep key foundational documents synchronized

Given ONE Investment's recommendation to complete a full review of the Terms of Reference, it is recommended a review of the Procedure By-law be completed concurrently with the review of the Terms of Reference and by February 28, 2024.

5. CONCLUSION

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

Drafted by: Judy Dezell, Co-President/CEO ONE Investment, Denis Kelly, Board Secretary
Approved by: Judy Dezell and Donna Herridge, Co-Presidents/CEO ONE Investment



March 8, 2023

Mr. Denis Kelly
Board Secretary
ONE JIB
200 University Ave., Suite 801
Toronto ON M5H 3C6

Dear Mr. Kelly,

We are in receipt of your letter dated March 2, 2023 outlining ONE JIB's proposed amendments to ONE JIB Terms of Reference.

ONE Investment has reviewed the proposed amendments to sections 4.11 and 10.2 of the ONE JIB Terms of Reference and supports the proposed amendments.

ONE Investment does, however, believe there should be a comprehensive review of the ONE JIB Terms of Reference now that ONE JIB has been operating for three years. The proposed amendments reflect recent experiences with the Terms of Reference. A comprehensive review will ensure that the Terms of Reference remain a living document guiding the work of ONE JIB. There is no urgent timeline for this review. Therefore, it is proposed that this review be completed before May 2024.

We will reach out to schedule a meeting to discuss the comprehensive review of the ONE JIB Terms of Reference.

Sincerely,

A black rectangular box redacting the signature of Judy Dezell.

Judy Dezell
Co-President/CEO

A black rectangular box redacting the signature of Donna Herridge.

Donna Herridge
Co-President/CEO

To: ONE Joint Investment Board
 From: Judy Dezell, Co-President/Co-CEO, ONE Investment
 Date: June 1, 2023
 Re: Strategic Plan - Report 2 - Large Municipal Offering
 Report: ONE JIB 2023-O3O

1. RECOMMENDATIONS

It is recommended that the Board:

1. Endorse the use of an OCIO for a Large Municipal Offering
2. Authorize the Chair to write to ONE Investment's Chair to endorse the following principles for the fees associated with the Large Municipal Offering:
 - a. The Legal List, Prudent Investment Regular Stream and the Prudent Investment Large Municipality Offering all should be priced to be sustainable business lines.
 - b. Each business line should recover costs plus contribute to the objects of CHUMS and LAS.
 - c. Direct costs and revenues should be proportionately allocated to each business line.
 - d. Overhead costs should be equally shared among the business lines.
 - e. Any incremental costs in developing the Large Municipality Offering should be borne entirely by that business line unless there is a benefit conveyed to other business lines.
 - f. The Large Municipality Offering pricing should be a competitive alternative to a large municipality operating its own investment board.

2. SUMMARY

An initiative is underway to support a key objective of the Strategic Plan to grow the assets under management (AUM) by developing an offering designed to attract large municipalities to the Prudent Investment Program - known as the Large Municipal Offering.

3. BACKGROUND

Strategic Plan Initiative #2 is to develop a Large Municipality Offering

The goal of growing AUM by \$3 billion will be supported by the data work underway (please see Report 2023-O25), as well as by listening to what large municipalities are looking for when considering moving to the prudent investor standard. Based on what ONE Investment staff have heard, the Large Municipality Offering, aimed at municipalities with more than \$500 million in money not required immediately, is being developed using an Outsourced Chief Investment

Officer (OCIO) model. The OCIO model will provide the scale and specialization larger municipalities are looking for while resolving a key concern about how to avoid overwhelming ONE Investment's staff capacity. An OCIO partner is being identified through a competitive RFP process that has been supported by an Evaluation Committee. This report will provide more details on the roles and responsibilities of the various parties involved and seek support from ONE JIB on the principles for consideration in making this offering available, including fees.

4. ANALYSIS

ONE is developing an OCIO model to support Strategic Plan Initiative #2 – a Large Municipal Offering

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

OCIO firms also provide a range of investment services that ONE Investment currently cannot do at scale for larger municipalities, such as asset allocation studies, investment strategy development, risk management, manager selection, performance monitoring and reporting. The OCIO firm would have to work closely with ONE Investment, ONE JIB and the municipalities invested under this model to understand municipal investment objectives, risk tolerance and any other preferences the municipality may have.

The investment strategy would be developed by the OCIO in alignment with all this information. Partnering with an OCIO firm would allow ONE Investment to leverage the scale these firms offer to access specialized investment expertise, make more timely investment decisions and offer lower costs to large municipalities. These customized investment solutions will provide a wide variety of investment options that can be accessed very quickly if desired.

Entities that engage an OCIO do so to allow them to focus on the strategic direction of the organization while improving investment outcomes.

ONE Investment has undertaken a competitive RFP process to identify an OCIO Partner

Eckler Ltd. was retained by ONE Investment in Fall 2022 to support an invitation-based RFP process for select OCIO providers. The companies selected to respond to the RFP had until mid-December 2022 to respond. Six companies were invited to submit a response, and five did so. ONE Investment established an RFP Evaluation Committee to interview the four companies that were selected for an interview. The Committee included representatives from Peel Region and the ONE Investment Board (Julie Pittini), York Region (Flamino Carelli) and ONE JIB (Jim Giles and Christine Tessier), along with ONE Investment staff and legal counsel WeirFoulds LLP. Interviews were conducted in late February. Follow up questions were asked of each firm, along with a request for references. The additional information was shared with the Evaluation Committee on May 15, 2023. The Committee has achieved consensus on an OCIO partner for recommendation to the ONE Investment Board that will be dealt with at the ONE Investment

Board meeting on June 2, 2023.

Aggregation of large municipalities with existing investors achieves economies of scale

The municipal sector is made up of 444 municipalities in Ontario all of which have different capacities and community needs. It is also a sector that regularly collaborates to meet shared objectives and it sees the value of aggregation. Investing is no different – some municipalities with capacity to create their own investment board see the value in potentially lower fees from fund managers by aggregating not only for themselves, but for all municipalities. It is within that context ONE Investment has been working to create an offering that will attract the larger municipalities to achieve economies of scale.

CHUMS, LAS and ONE Investment value the investments already made in ONE JIB

In developing the Large Municipality Offering, one key consideration is whether to use the existing ONE JIB as the governance framework or develop a new joint investment board.

Municipal finance is complex. Existing ONE JIB members have been on a municipal finance learning journey for up to seven years now for some members. That is a significant investment of time and knowledge that would be beneficial to a successful launch of the Large Municipality Offering. Moreover, all members of ONE JIB have demonstrated a commitment to the sector and ongoing interest in learning more and meeting municipal staff and elected officials.

ONE Investment sees the OCIO model as an opportunity to extend beyond its current human resources to provide an option attractive to large municipal investors. Some of the efficiency of this approach could be lost in the development of an additional joint investment board that would require ONE Investment staff support.

Over \$2 million in consulting and legal fees was invested by CHUMS and LAS in establishing ONE Investment and the ONE JIB legal and governance framework. There is no intention to recover these sunk costs; however, it is prudent to continue to leverage these investments in developing the Large Municipality Offering.

Additionally, for some large municipalities a key consideration has been concerns about harming ONE Investment's business model if one or more decide to exit the Prudent Investment Program and set up a municipal investment board. By using the existing ONE JIB, the \$100 million in money not required immediately test within the *Municipal Act* has already been met by the Founding Municipalities. If a large municipality decides to leave ONE JIB in the future, it will not sink the Prudent Investment Program.

Finally, using the existing ONE JIB could allow for the possible transition of existing Prudent Investment Program investors to the OCIO model in the future if it makes sense.

Defining roles and responsibilities

An OCIO will not assume any of the responsibilities ONE JIB has through the *Municipal Act* including the fiduciary responsibility to control and manage municipal money not required immediately. ONE JIB will continue to work with municipalities to define their objectives and beliefs through the municipal council approved Investment Policy Statement and ONE JIB approved Investment Plan. The OCIO will take that direction and identify investment strategies, undertake quantitative analysis including allocation studies and once the strategy is implemented adapt the strategy to the evolving market. ONE Investment, through its Chief Investment Officer, would remain the key contact for municipalities and support direct large municipality discussions with the OCIO. Figure 1 provides more detail on the various roles and responsibilities of municipalities, ONE Investment, ONE JIB and the OCIO partner.

Large Municipality Offering will allow ONE JIB to be more strategic in its focus

One of the key functions of a governance-based board is to approve or amend management's recommendations on the future direction¹. This is very important in the context of investing as the markets evolve quickly and ONE JIB needs to identify trends and act in the best interest of its investors. It is also relevant in the municipal sector as provincial legislation and/or regulation can significantly shift municipal focus or priorities. By being strategic in focus, ONE JIB can be nimble. To this point, ONE JIB has been growing into this role. With a new Strategic Plan focus on growing AUM, this new offering will give ONE JIB the opportunity to focus more on strategy.

This new Offering will also mean a change for ONE JIB in how it currently operates. ONE JIB will have two streams of the Prudent Investment Program – one being the new Large Municipal Offering and the second the existing offering. In the existing offering, ONE JIB currently is involved in significantly more details than would be required under the Large Municipality Offering. For example, the Outcomes Framework is fine detail based on municipal cash flow needs that in turn informs asset allocation. By introducing a Large Municipality Offering ONE JIB will not be involved at the municipal cashflow level in as much detail as currently is the case. In part because these large municipalities typically have the capacity to do this analysis and already have sophisticated reserves strategies with different investment objectives that will inform the municipal risk preference and time horizons required. Moreover, it is likely that ONE JIB's Outcomes Framework will be replaced by the investment strategy developed by the OCIO partner. It is expected that the OCIO partner would meet quarterly with ONE JIB to discuss performance and any issues as they arise. Over time, efficiency may be achieved by moving all Prudent Investment Program Participating Municipalities over to the OCIO model/products which will maximize resources and ability to onboard more municipalities.

ONE Investment is a management company

The decision about fees for the Large Municipal Offering needed to be considered in the context that ONE Investment is a management company that was co-created by CHUMS and LAS to act as their agent in the management of the Legal List, Prudent Investment Programs and High Interest Savings Account (HISA) options. Its annual expenses match annual revenue. Any net

¹ The Board's Most Important Function by William W. Wommack accessed May 19, 2023 at <https://hbr.org/1979/O9/the-boards-most-important-function>

Figure 1 - Roles and Responsibilities

Municipality	ONE Investment	ONE JIB	OCIO
<ul style="list-style-type: none"> • Council: Overall responsibility for municipal investments, risk tolerance and authorization of Investment Policy Statement • Council: Delegate control and management of investments of money not required immediately to either an investment board or joint investment board • Treasurer: Develop and review investment policy statement for recommendation and approval by council • Treasurer: May be appointed to a municipal investment board or joint investment board • Treasurer: Annually report on consistency of investments with Investment Policy Statement • Treasurer: Report non-compliance of any investment portfolio within 30 days of becoming aware • Treasurer: Invest money required immediately in order to meet daily operational and liquidity needs • Treasurer: Annual investment report to council • Treasurer: Cash Flow discussions with OCIO and ONE Investment 	<ul style="list-style-type: none"> • Ontario Securities Commission exemption - allowing for investment advice to be provided • Primary municipal contact and onboarding of prudent investor standard municipalities • Facilitate legal advice to ONE JIB • Marketing • Ongoing education and training • Bridge the conversation of municipal finance goals with investment strategy • Support to municipal staff reporting to Council when opting into the prudent investor standard and regularly (at least annually) thereafter • Conduit for aggregation of investment costs to reduce overall municipal cost of going to the prudent investor standard • Support ONE JIB including report writing, Board Secretarial Services, Integrity Commissioner, Closed Meeting Investigator • Appoint/discharge agents including auditors, legal, custodian and OCIO partner • CHUMS and LAS agent 	<ul style="list-style-type: none"> • Compliance: <i>Municipal Act</i> compliant governance framework for prudent investor standard • Control and management of municipal monies not required immediately • Adopt and maintain an Investment Plan consistent with municipal Investment Policy Statement • An annual investment report to each municipality • Work with OCIO to develop the investment strategy consistent with the municipal Investment Policy Statement • Supply OCIO with approved changes in Policy (facilitated by ONE Investment at least annually) • Monitor performance of OCIO • Monitor evolving investment product offerings for alignment and fit with municipalities as institutional investors. 	<ul style="list-style-type: none"> • Investment Strategy: e.g., asset allocation studies to inform Investment Plan • Asset allocation: Allocate assets among available funds based on approved Investment Plan • Investment selection: individual security selection within parameters of the Investment Plan • Risk Management: ongoing monitoring, on at least a quarterly basis, the portfolio Asset Mix and investment performance, rebalance as required • Performance monitoring and reporting: track the performance of investments, with quarterly reporting • Compliance: ensure investment activities comply with relevant laws and regulation • Oversight: evaluate, on at least an annual basis, Investment Manager performance. Establish a set of guidelines within which each Fund is expected to operate, including discretion limits, diversification and quality standards, and performance expectation.

revenue is ultimately that of CHUMS and LAS. Both organizations rely on net revenues from these programs to fulfill their respective not-for-profit objects. It is therefore crucial that the Boards of CHUMS and LAS are supportive of any new program offering and what price point it will be offered. Nonetheless, CHUMS, LAS and ONE Investment value the perspective of ONE JIB and would like to work towards consensus on the development of this new Offering.

What are the costs associated with the Large Municipality Offering?

There are two categories of costs to consider – the business side of providing an investment vehicle for municipalities and governance in compliance with the *Municipal Act*. The business side includes the costs of the OCIO partner. For the most part these costs are not within ONE Investment's control. The governance costs to meet the *Municipal Act* requirements include ONE JIB and all the operational costs ONE Investment incurs to support ONE JIB such as Board Secretarial costs, Integrity Commissioner, Closed Meeting Investigator, and human resources to support municipal investors and ONE JIB.

What principles should be considered in setting fees for the Large Municipality Offering?

The following principles can be used to establish a fee regime for the Large Municipality Offering:

- The Legal List, Prudent Investment Regular Stream and the Prudent Investment Large Municipality Offering all should be priced to be sustainable business lines.
- Each business line should recover costs plus contribute to the objects² of CHUMS and LAS.
- Direct costs and revenues should be proportionately allocated to each business line.
- Overhead costs should be equally shared among the business lines.
- Any incremental costs in developing the Large Municipality Offering should be borne entirely by that business line unless there is a benefit conveyed to other business lines.
- The Large Municipality Offering pricing should be a competitive alternative to a large municipality operating its own investment board.

5. CONCLUSION

Two key initiatives are already underway to support the strategic imperative of Growth of AUM by developing data and analytical capabilities. ONE JIB will be regularly informed on the progress of these two initiatives. With respect to the Large Municipal Offering specifically, ONE JIB's support of the offering's fees principles is important to CHUMS, LAS and ONE Investment.

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

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

² Each not-for-profit upon incorporation identifies its purpose, known as objects. In the case of LAS, its object is to provide competitively priced, innovative, and sustainable business programs and services for Ontario municipalities and the broader public sector. Net revenue from all LAS programs contribute to new program development.

To: ONE Joint Investment Board
From: Judy Dezell, Co-President/Co-CEO, ONE Investment
Date: June 1, 2023
Re: Strategic Plan - Report 1 - Q1 2023 Progress
Report: ONE JIB 2023-O25

1. RECOMMENDATIONS

It is recommended that the Board:

1. Direct staff to report quarterly on the progress of the Futures List and Strategic Plan using the strategic reporting tool.

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.

Two initiatives have been started to support a key objective of the Strategic Plan to grow the assets under management (AUM) by developing data and analytics capabilities. Work has started on development of a data strategy which will be discussed in this report as well as on the development of an offering designed to attract large municipalities to the Prudent Investment Program known as the Large Municipality Offering which is discussed in Report 2023-O3O.

3. BACKGROUND

Futures List and Strategic Plan implementation tracking

ONE JIB has an approved 2023 work plan known as the Futures List that identifies key initiatives and normal business operations of ONE JIB. Tracking the progress of implementing these initiatives allows ONE JIB to monitor its progress. Further, in 2022 ONE JIB approved, in conjunction with ONE Investment, a Strategic Plan for 2023 to 2028 with four strategic imperatives:

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

ONE JIB has now moved to implementation of the Strategic Plan, which requires a tool to monitor the progress of implementing the Plan. Staff have developed a strategic reporting tool to

help give a quick snapshot of current progress with respect to the Futures List and Strategic Plan.

Strategic Plan Initiative #1 to improve ONE Investment's data and analytics capabilities underpins much of the 2023-2028 Strategic Plan

Growth of AUM by developing data and analytics capabilities was listed first in the plan, because many of the other imperatives are dependent on that work. As a result, ONE staff have prioritized this work early in plan implementation.

The initial focus for implementation of the strategic plan is developing a data strategy. The various initiatives identified under the Strategic Imperative describe the steps for establishing a data strategy. Developing a data strategy helps an organization identify its desired end state with respect to data and analytics and map out a strategy for achieving that goal. This starts by identifying Key Business Questions and sub-questions, which will help identify potential data needs. Additionally, the end state scoping exercise will include determining the data needs of various audiences to determine the method for delivering the data they need, either through curated dashboards or through self-service tools for data exploration. Then a current state audit on data availability, technical infrastructure, and staff skillsets can help identify gaps and investments required to achieve the end-state goal, including a timeline for addressing the gaps where possible.

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 Q1 2023 all initiatives are on track, except for the ESG Working Group, which was back on track early in Q2 2023. The Q1 report can be found in Appendix A attached to this report.

Staff are working towards an initial draft of Key Business Questions and sub-questions to support Strategic Plan Initiative #1 (data and analytics capabilities)

The literature suggests that there should be two to three open ended questions that serve as the higher order Key Business Questions. They will be chosen to align with the Strategic Plan Staff

will then disseminate the higher order Key Business Questions internally to seek input in identifying important sub-questions, which will then be tested with key stakeholders such as the ONE Board of Directors and ONE JIB. Simultaneously, ONE staff will develop a detailed workplan covering activities for the next four months in developing its data strategy.

ONE Investment will be hiring an intern to work on a data strategy document

ONE Investment included money in the budget for Strategic Plan implementation. ONE staff is drafting a job posting that it plans on sharing with select colleges to post for their intern programs. ONE will be targeting upper-year students in programs focused on data and data analytics. The intern will be used to ensure consistent momentum on the delivery of this strategic imperative.

The ONE JIB will be consulted at key points in the process

The ONE JIB will be updated at key points in the data strategy development process. As staff shapes its end state to determine Key Business Questions, ONE will consult with ONE JIB to validate these questions and sub questions and determine the data needs of ONE JIB in fulfilling its duties.

5. CONCLUSION

The use of a strategic reporting tool will help ONE JIB track the implementation of key initiatives supporting the strategic imperatives of the Strategic Plan and provide assurance that progress towards goals is being made.

A key initiative is already underway to support the strategic imperative of Growth of AUM by developing data and analytical capabilities. ONE JIB will be regularly informed on the progress of the initiative.

Drafted by: Judy Dezell, Co-President/CEO

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

Q1 2023 Strategic Reporting Tool for ONE JIB Futures List and Strategic Plan

Agenda	Topics	Status	Notes
Board Governance & Administrative Matters	Board Governance Self-Evaluation Results	On Track	
	Exemption reporting to Ontario Securities Commission	On Track	
	Board Governance Training	On Track	
Strategy and Policy	Municipal Insights	On Track	
	Quarterly Futures List Review	On Track	
	ESG Working Group	Delayed	First meeting scheduled for Q2 2023
	Strategic Plan Implementation: Key Initiative Large Municipal Offering	On Track	
	Strategic Plan Implementation: Data and Analytics Capability	On Track	
	New Products Committee	On Track	Meeting to occur in Q2 2023
Investment Oversight	Municipal Reports:		
	Q4 Investment Reports	On Track	
	Investment Plan Implementation Update	On Track	
	Year End Compliance Reports	On Track	
	Investor Onboarding	On Track	New cohort identified and working through the steps to joining ONE JIB.
	IPS and MCQ review and Investment Plan Approval	On Track	
	Fund Manager Reports:		
	Q4 Performance Review	On Track	
	Fund Manager Presentation Quarterly Compliance Reports	On Track	

REPORT

To: ONE Joint Investment Board
From: Colin MacDonald, Manager of Investments, ONE Investment
Date: June 1, 2023
Re: Municipal Insights Report – Q2 2023
Report: ONE JIB 2023-O23

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

Many municipal treasurers are in the process of reporting to council on investments, which they are required to do at least annually. As a result, ONE Investment staff have been busy having discussions with Participating Municipalities and offering support where requested, which can include presentations to council.

In mid-May the Province announced that it will dissolve the Region of Peel, an upper-tier municipality in a two-tiered municipal governance system. The Province also announced that it will conduct reviews of six other two-tiered municipal governance systems – this review will include the Town of Innisfil and the Town of Whitby, which are lower-tier municipalities who currently are part of the Prudent Investor program.

Additionally, municipalities are beginning to look to their 2024 budget cycle. The uncertainties around the impact of Bill 23 on municipal finances, and the MNRI of Participating Municipalities should become much clearer in the coming months. The Province has selected six municipalities for its Bill 23 financial impact audits, which is considered a critical step to determining any municipal shortfalls. The Terms of Reference document for the audit for the City of Toronto has been published, and it contains some emphasis on looking at investment income.

3. BACKGROUND

Municipal treasurers are required by legislation to report to council on Investments at least annually

Treasurers are required to report on investments annually. Section 8 of Ontario Regulation 438/97 (“the Regulation”) covers the requirement to report and what, at minimum, must be contained within the report. While section 8 of the Regulation does not include investments that fall under the prudent investor standard, it is common practice – and a best practice from ONE Investment’s perspective – for treasurers to provide a comprehensive report on municipal

investments that includes those covered under both Part I (“the Legal List”) and Part II (“Prudent Investor”). Under Section 20 of the regulation, ONE JIB is required to send an annual statement to Council. ONE JIB approves these statements annually and dissemination to the Participating Municipalities is facilitated by staff. ONE Investment provides support to municipalities in preparing their annual investment reports to Council, which ranges from providing additional information and insight to presenting directly to Councils. These annual reports are often presented to Councils in the spring or summer.

The Province has been examining the option of reorganizing municipal governance structures in two-tiered municipal systems since early 2019

Municipalities in the Province of Ontario have two broad governance structures – single tiered municipalities whereby the local government is responsible for all municipal services, and two-tiered structures that divide municipal services. In two-tiered structures, the upper-tier (e.g., regions or counties) is typically responsible for services that are difficult to restrict to boundaries or where economies of scale can be achieved (e.g., emergency services, water and wastewater services, and the lower tier is responsible for all other services. The division of services and responsibilities varies by two-tiered structure.

The Provincial government hired independent consultants in 2019 to conduct a review of nine urban regional municipalities and Simcoe County. The goal of the review is for the Special Advisors to make recommendations for improving regional governance and service delivery. The Special Advisors turned in their report and recommendations in the fall of 2019, but the Province did not release the report and decided not to proceed with any regional governance changes at that time but suggested that it could revisit the matter in the future.

The More Homes Built Faster Act, 2022 (Bill 23) introduced changes to the *Development Charges Act, 1997* and the *Planning Act* that will affect municipal reserves

As detailed in the Municipal Insights Report for Q1 2023, Bill 23, introduced in late 2022, will have significant impact on municipal reserves. The financial impact of Bill 23 on municipalities is uncertain as the Province has committed to keeping municipalities “whole” with respect to funding “housing enabling infrastructure” for municipalities that meet or exceed their provincially mandated housing targets. It is uncertain whether this commitment will be extended to municipalities without housing targets that are affected by the legislation. The Province has also indicated that as part of its assessment, it would conduct an audit of municipal finances to aid in its determination of the financial impact of Bill 23 on municipalities.

4. ANALYSIS

ONE Investment is seeing more queries from treasurers preparing their annual investment reports

ONE investment staff have been having discussions with multiple treasurers on investment performance. Some questions are coming from municipal staff in the development of their reports, while others are arising from council members reviewing reports. Additionally, as last year was an election year, ONE Investment staff are receiving increased requests for presentations to councils to explain the relationship between ONE JIB and Council, including details on roles and responsibilities. Council orientation presentations can cover a wide variety of

topics based on municipal staff input, such as a contrast of the Legal List and Prudent Investor regimes with emphasis on diversification opportunities under Prudent Investor, restrictions on municipal representation on investment boards, how council controls the strategic direction of investments through its investment policy statement, and how the ONE JIB Outcomes framework is used to develop investment plans that address the unique cashflow profiles of each municipality.

The Province introduced legislation in mid-May that would dissolve Peel Region

On May 18, 2023 the Minister of Municipal Affairs and Housing introduced the *Hazel McCallion Act (Peel Dissolution), 2023*, which would dissolve the Region of Peel and turn the Cities of Mississauga and Brampton, and the Town of Caledon into single-tier municipalities. It will be establishing a transition committee that will oversee the dissolution. Additionally, the Province announced that it will be reviewing six other two-tiered municipal structures: Durham Region, Halton Region, Niagara Region, Waterloo Region, York Region, and Simcoe County. Two participating municipalities in ONE JIB will be a part of this review; Durham Region is the upper tier of the Town of Whitby, and Simcoe County is the upper tier of the Town of Innisfil.

The Province has selected six municipalities to participate in the audit of municipal finances

The Province has selected the City of Toronto, Peel Region, the City of Mississauga, the City of Brampton, the Town of Caledon, and the Town of Newmarket for its audit on municipal finances. Notably, Peel is the upper tier or regional municipal government for Mississauga, Brampton and Caledon. No Participating Municipalities have been selected as part of the audits. Additionally, as the City of Toronto was identified as an early participant in the audit, the [terms of reference](#) for its audit have been negotiated and made public. According to the terms of reference the scope is to include Bill 23 financial impacts if the housing targets are met and the optimization of growth-related infrastructure investments. The final report of the audit on Bill 23 financial impacts on the City of Toronto is expected to be delivered on July 1, 2023. The timelines may shift however, as the Province is currently in the process of procuring an auditor. In the City of Toronto terms of reference, the auditor is expected to review the historical collection of own source revenues, including investment income, and estimate any “net increase” to municipal revenues over the forecast period, which will also specifically reference investment income.

Municipalities are turning their attention to the 2024 budget cycle as year-end financial statement preparation is being finalized in many municipalities

As municipalities are starting their 2024 budget cycle and the Province makes its determination on keeping municipalities “whole,” any potential impacts could begin cascading into reserve planning and forecasting for next year. Municipalities are also finalizing their year-end audits and financial statements. Some municipalities wait until year-end financial statements are complete prior to beginning their next budget cycle so that any surpluses or deficits are fully known. Once there is more certainty around the Bill 23 audits and the Province’s calculation for keeping municipalities “whole,” Participating Municipalities will likely begin making decisions on how to

cover any potential shortfalls. This will likely have an impact on the time horizon of development charge reserve funds, which could shorten as anticipated drawdowns remain similar while anticipated contributions slow down. Additionally, this could spill over to other capital reserves if Councils opt to fund shortfalls from existing reserves.

5. CONCLUSION

Evolving circumstances and pressures on municipalities can give insight into future trends with respect to municipal cash flows and reserve forecasts. Bill 23 and uncertainties surrounding its financial impacts could result in a shortening of overall investment horizons in the near-term.

Drafted by: Colin Macdonald, Manager of Policy, MFOA

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

REPORT

To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investments, ONE Investment
Date: June 1, 2023
Re: Annual ONE JIB Template Review Process 2023
Report: ONE JIB 2023-022

1. RECOMMENDATIONS

It is recommended that the Board:

1. Approve the proposed objectives of the ONE JIB template review.
2. Approve the scope, timeline and workplan for the annual ONE JIB template review.

2. SUMMARY

ONE JIB conducts an annual review of its core templates: the Municipal Client Questionnaire (MCQ), the Investment Policy Statement (IPS), and the Investment Plan. Each template is designed to meet legislative requirements and ensure ONE JIB has the appropriate information required to perform its duties and responsibilities.

In preparing for this year's review, ONE Investment staff is looking to put increased emphasis and priority on finding efficiencies in the documents and enabling processes and policies to ensure the Prudent Investment Program can scale appropriately as more investors join ONE JIB. As a result, ONE Investment is proposing a more prolonged workplan and timeline for the review that would include an education session, a consultative feedback collection process, and a review and potential amendment or creation of dependent or associated policies. This will culminate in finalization and approval of revised templates at the November 29, 2023 ONE JIB meeting.

3. BACKGROUND

ONE JIB reviews its core templates annually, and this work has been identified by ONE JIB as a priority area for improvement

ONE JIB conducts an annual review of its templates. In its last two Board self-evaluations, ONE JIB identified the templates as a priority area for improvement. Last year, ONE Investment used a consultative process with ONE JIB to ensure that member feedback was incorporated where possible before the revised templates are presented. Last year's review resulted in some changes, but due to the allotted timeframe, not all feedback could be incorporated or discussed at length.

The MCQ allows ONE Investment to collect further information on the municipal risk

tolerances, objectives, investment experience, and most importantly the profile and expected timing of their MNRI

The MCQ is not a legislative requirement under the *Municipal Act, 2001*; however, ONE's Ontario Securities Commission exemption requires that ONE collect 'Know Your Client' information from participating municipalities. Additionally, the MCQ helps ONE Investment staff engage with Participating Municipalities on their cash flow forecasts and needs. The MCQ is completed by the Participating Municipality after significant engagement and discussion with ONE Investment staff to ensure all parties have a common understanding of the municipality's MNRI. The MCQ may see multiple iterations during this process and the municipality signs off once all agree. ONE JIB uses this document to get a better understanding of the municipality's level of comfort with investing, its plan-level risk tolerances (as opposed to outcome level), and the purpose and expected time horizons of its cash reserves. This information allows ONE JIB to evaluate the work of the Chief Investment Officer in applying the ONE JIB Outcome Framework and assess the Investment Plan allocations in the context of the municipality's risk and return objectives.

The IPS template is a document that is designed to assist municipalities in providing strategic direction to ONE JIB

The *Municipal Act, 2001* requires that participating municipalities have an investment policy. The municipality, in its policy, is required to include: (1) its objectives for return on investment and risk tolerance, and (2) its need for liquidity including, for greater certainty, the municipality's anticipated needs for funds for planned projects and the municipality's needs to have funds available for unanticipated contingencies. The municipality may also include other requirements with respect to investment matters that council considers to be in the interest of the municipality. The municipality must review and, if necessary, amend their IPS annually.

In the IPS template, there are sections that pertain to Money Required Immediately (which is managed by the Municipality) and Money Not Required Immediately (which is managed by ONE JIB) – this is encouraged as a best practice rather than having two separate documents governing the management of investments. This document is used to provide guidance on IPS development when a municipality transitions to prudent investor and to make recommendations to Participating Municipalities during their annual reviews. Municipalities are not required to use the IPS template nor are they required to accept recommended edits to their IPS.

ONE JIB has an Investment Plan template that is intended to describe how a Participating Municipality's investments will be managed

The *Municipal Act, 2001* requires that ONE JIB adopt and maintain an investment plan for all Participating Municipalities. The Act further details criteria for consideration when planning investments. The Regulation also provides the following guidance for what should be contained in the Investment Plan:

- (1) 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. O. Reg. 43/18, s. 10

4. ANALYSIS

ONE Investment is proposing four objectives for the review with an emphasis on finding efficiencies for scalability in anticipation of new members joining the ONE JIB

In conducting this review ONE Investment staff is proposing the following objectives:

- 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; and,
- Collecting and presenting the necessary information for ONE JIB to make decisions.

The covering reports for Investment Plans will be included in the template review process and the review may also encompass processes and policies where appropriate

Last year's review exclusively focused on the MCQ, the IPS, and the Investment Plan template. In reviewing the process and legislation, staff noted that several policies, processes, and procedures also ensure that ONE JIB is meeting the legislative requirements. As a result, they may not need to be explicitly addressed through the templates. Staff plan on looking at the wider scope of the Prudent Investment Program to see how all pieces interact to help ONE JIB complete its duties. A comprehensive education session and review may enable ONE JIB to find efficiencies by considering other enabling processes and policies in relation to the templates.

The proposed workplan for the template will begin immediately and conclude with the final meeting of 2023

Given the wider scope of this year's review, ONE Investment is recommending a more prolonged process, workplan and timeline. The table below outlines the proposed workplan and timeline.

Step	Timeline	Description
Approval of process	June 1, 2023	Review and finalization of template review process steps and timelines
Education session	Summer 2023 (Exact timing TBD)	To be scheduled – special meeting discussing legislative requirements, templates and impacts on process and administration
Gather template feedback from stakeholders	Summer 2023 (after education session)	Distribute templates and questionnaire soliciting feedback from ONE JIB and Participating Municipalities

Step	Timeline	Description
Summary of feedback from stakeholders and enabling policy review	September 6, 2023	<ol style="list-style-type: none"> 1. Summarize feedback on templates from stakeholders 2. Implementing feedback may require the review or development of enabling policies, which will be presented for revision and approval prior to modifying the templates
Revised templates	November 29, 2023	Revised templates for the IPS, MCQ, Investment Plan will be presented for final approval by ONE JIB

5. CONCLUSION

The core templates are a critical component for the operations of the Prudent Investment Program. While ONE JIB has conducted reviews of the materials in the past, the reviews have not considered the wider administrative framework of the Prudent Investment Program and how the templates operate within it. Given that ONE JIB is entering its fourth year, and the program continues to grow, it is a perfect opportunity to do a more fulsome review of the documents with a view on scalability of the program.

Drafted by: Colin Macdonald, Manager of Policy, MFOA, and Jennifer Hess, Manager - Investment Services

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: June 1, 2023
Re: Neebing's Investment Plan Implementation Update
Report: ONE JIB 2023-014

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

The Municipality of Neebing's updated Investment Plan, approved by ONE JIB on March 1, 2023, was implemented in mid-March 2023. This involved deploying \$140,000 of new MNRI contributions into the Target Date 3-5 Year Outcome and a reallocation of about \$107,400 from the Cash Outcome to the Target Date 3-5 Year Outcome.

3. BACKGROUND

Neebing's updated Investment Plan allocated additional MNRI to the Target Date 3- 5 Year Outcome

The Municipality of Neebing has completed its first annual review process and provided an updated Municipal Client Questionnaire (MCQ), which provides information on its MNRI and the investment horizons associated with its reserve balances. The MCQ indicated that the investment horizon associated with the MNRI remains very long. The updated Investment Plan allocated additional MNRI to the Target Date 3-5 Year Outcome to provide for expected drawdowns within the next 5 years. The allocation for this Outcome increased by \$247,400.

4. ANALYSIS

Neebing's updated Investment Plan included a contribution of \$140,000 and required transactions in the ONE HISA and pooled funds

An incremental \$140,000 of MNRI was contributed by Neebing as part of its Investment Plan update. These monies were drawn down from Neebing's Legal List ONE HISA account and

deployed into Neebing's Target Date 3-5 Year Outcome. Additional MNRI of \$107,400 was reallocated from the Cash Outcome into the Target Date 3-5 Year Outcome as part of the Investment Plan update. The MNRI in the Cash Outcome is held in a HISA account, requiring an additional HISA transaction to reallocate the monies to the Target Date 3- 5 Year Outcome. Combined, these transactions increased the MNRI allocated to the Target Date 3-5 Year Outcome by \$247,400, of which \$201,000 was used to purchase units of ONE Investment pooled funds. The residual of \$46,400 was deposited in a ONE HISA account associated with Neebing's Target Date 3-5 Year Outcome.

5. CONCLUSION

The updated Investment Plan for the Municipality of Neebing was implemented successfully in March 2023 through multiple HISA and pooled fund transactions.

Drafted by: Keith Taylor, Chief Investment Officer, ONE Investment

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

REPORT

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: June 1, 2023
Re: Municipal Performance Reports Q1 2023
Report: ONE JIB 2023-015

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

On May 12, 2023, ONE Investment distributed quarterly reporting packages for the first 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 March 31, 2023

Huntsville Prudent Investor Portfolio

37 Main St. East
Huntsville, ON
P1H 1A1

McKenzie, Julia
Director of Finance/Treasurer
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Relationship Manager

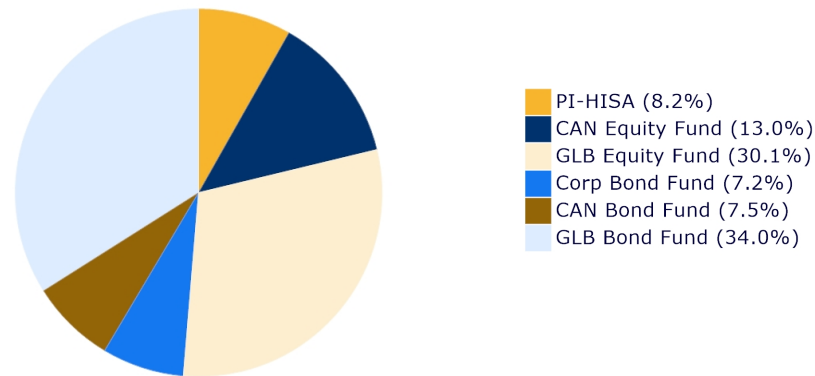
Wardah Mir, Client Service Representative
416-971-9856
one@oneinvestment.ca

Huntsville Prudent Investor Portfolio

Executive Summary for the Quarter Ended March 31, 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	4.3%	4.3%	0.5%	1.1%	-	-	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
PI-HISA	782,847.17	-	-	-	9,243.57	792,090.74
CAN Equity Fund	1,189,275.49	-	-	70,124.33	-	1,259,399.82
GLB Equity Fund	2,707,220.04	-	-	199,435.76	-	2,906,655.80
Corp Bond Fund	680,558.29	-	-	17,583.20	-	698,141.49
CAN Bond Fund	711,001.67	-	-	12,181.33	-	723,183.00
GLB Bond Fund	3,186,080.39	845.36	-	93,980.14	-	3,280,905.89
Total	9,256,983.05	845.36	0.00	393,304.76	9,243.57	9,660,376.74

Huntsville Prudent Investor Portfolio Performance History At March 31, 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 High Interest Savings Account	1.1	1.1	3.1	1.8	-	-	-	1.5	07/02/2020
ONE Canadian Equity Fund	5.9	5.9	-1.0	3.5	-	-	-	12.4	07/02/2020
ONE Global Equity Fund	7.3	7.3	3.7	6.8	-	-	-	8.2	07/02/2020
ONE Canadian Corporate Bond Fund	2.5	2.5	-0.7	-2.5	-	-	-	-2.5	07/02/2020
ONE Canadian Government Bond Fund	1.7	1.7	0.4	-1.3	-	-	-	-0.9	07/02/2020
ONE Global Bond Fund	2.9	2.9	-1.8	-2.2	-	-	-	-0.4	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
JIB1HNTCONT	5.2	5.2	0.8	2.6	-	-	-	5.4	07/02/2020
JIB2HNTTD35	2.8	2.8	-0.0	-0.4	-	-	-	0.7	07/02/2020
JIB3HNTTD10P	5.9	5.9	1.3	3.8	-	-	-	7.0	07/02/2020
JIBHNTCASH	1.1	1.1	16.5	16.6	-	-	-	12.0	07/02/2020
JIB4HNTTD510	4.8	4.8	0.4	-	-	-	-	-1.3	08/04/2021

**Manager Commentary - Canadian Equity
For the Quarter Ended March 31, 2023**

QUARTERLY REVIEW

The Canadian equity markets performed well in the first quarter of 2023, with the ONE Canadian Equity Fund generating returns of 5.9% during the quarter. This comes on the back of a strong performance in the fourth quarter of 2022, as equity markets continued to recover from weakness earlier in the year. The only sector of the Canadian equity market with negative returns in the quarter was the Energy sector, where the portfolio has a significant underweight relative to its benchmark. The best-performing sector was the Information Technology sector, with returns of over 26%. The fund benefited from an overweight exposure to this sector, which contributed to the fund's outperformance versus its benchmark.

The banking sector was in the headlines in the quarter after the failure of Silicon Valley Bank and the acquisition of Credit Suisse by UBS. These events highlight stresses that surfaced in the banking sector resulting from sharp increases in interest rates last year. Central banks stepped in to provide additional liquidity to the banking sector to dissipate the effects of these events.

The economic backdrop continued to improve in the quarter as inflation levels, which peaked at over 8% last June, continued to trend lower amidst continued strong economic activity. The interest rate outlook also continues to be supportive for the equity market. Rapidly rising interest rates were a key driver of weak returns for equity investors in 2022. Further interest rate increases by the Bank of Canada seem unlikely this year. There remains a risk that last year's rate hikes may continue to slow economic activity, creating the risk of an economic recession and uncertainty for corporate profit growth. While economic headwinds are expected to affect all portfolio holdings to various degrees, multiple companies in the fund should benefit, irrespective of the economic outlook. The fund maintains a strong quality bias and remains diversified across cyclical and defensive companies.

Manager Commentary - Global Equity
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Global equity markets rallied in the first quarter of 2023 as inflation figures continued to decline, while economic activity remained robust. This provided hope for a 'soft landing,' where inflation could be contained without causing a general economic slowdown. The interest rate outlook was also encouraging as central banks suggested the pace of interest rate hikes would slow. The ONE Global Equity Fund produced returns of 7.3% in the quarter, bolstered by the improving outlook.

Growth oriented sectors like Information Technology, Communication Services, and Consumer Discretionary tended to have strong performance in the quarter, rebounding after weak performance in 2022. The Information Technology sector was the strongest, with returns of about 22% in the quarter. The fund's performance was helped by improving prospects for the sector, but the fund had light exposure to this sector and had no exposure to Nvidia or Apple, large market capitalization companies with returns of 90% and 27% respectively in the quarter. The fund benefitted from the sector's strength was not able to not fully participate in the sector's upside.

The manager's focus on stock selection helped performance in the quarter. Holdings in BMW's common and preferred shares that collectively represent 4.5% of fund holdings had returns of about 20%, helping overall fund performance. Alimentation Couche-Tard and CGI Inc., two Canadian holdings that collectively represent more than 7% of the fund also helped overall fund performance with returns of 14% and 12% respectively. Performance of Europe ex-UK equities performed much better than other regions in the quarter with major continental stock indices up 12% to 15% in the quarter. Fund performance benefited from a large overweight exposure to this region.

Manager Commentary - Fixed Income
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Fixed income markets performed well in the first quarter of 2023, with the ONE Canadian Government Bond Fund, the ONE Canadian Corporate Bond Fund, and the ONE Global Bond Fund achieving returns of 1.7%, 2.5%, and 2.9%, respectively, in the quarter. Returns were driven primarily by falling longer-term bond yields, while credit spreads ended the quarter marginally higher. The ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund benefited more from falling bond yields due to their longer maturity profiles.

There was considerable volatility in fixed-income markets during the first quarter. The rapid rise in interest rates in 2022 created stresses in certain segments of the banking industry that became a concern in the quarter. A banking crisis emerged in mid-March that led to the failure of two US regional banks and required Credit Suisse to be merged with UBS. Global central banks stepped in to provide liquidity in the wake of these events, intervening to ensure stability in the banking system. This seems to have addressed this shock to the banking system, but there remains some concern about the lingering impact. The immediate effect was that interest rates moved modestly lower in March and credit spreads widened, but this may also lead to tighter lending standards and may increase the probability of an economic slowdown.

After raising rates another twenty-five basis points in January, the Bank of Canada held the overnight rate at 4.5% at its March meeting, becoming the first major central bank to pause its recent monetary policy tightening. As inflation pressures continue to subside, it is likely that other global central banks will also pause their rate hikes. All three bond funds have been increasing their maturity profiles, increasing their sensitivity to interest rates, which may help performance if interest rates start to fall.

Huntsville Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of March 31, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	792,090.740	1.00	792,090.74	1.00	792,090.74	8.20%
CAN Equity Fund	1,000.066	1,074.19	1,074,270.42	1,259.31	1,259,399.82	13.04%
GLB Equity Fund	2,549.423	1,041.04	2,654,066.60	1,140.12	2,906,655.80	30.09%
Corp Bond Fund	774.809	984.37	762,704.31	901.04	698,141.49	7.23%
CAN Bond Fund	763.515	981.34	749,273.82	947.17	723,183.00	7.49%
GLB Bond Fund	3,769.162	995.54	3,752,354.79	870.46	3,280,905.89	33.96%
					9,660,376.74	100.00%

Huntsville Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

Account Name: Huntsville - Contingency Outcome
Account Number: 570050047

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	557.98	1,037.31	578,806.50	1,259.31	702,682.35	18.6%	39,125.88	0.00
GLB Equity Fund	1,427.96	1,016.22	1,451,124.51	1,140.12	1,628,052.32	43.2%	111,706.33	0.00
Corp Bond Fund	236.93	988.40	234,191.09	901.04	213,493.84	5.6%	5,377.00	0.00
CAN Bond Fund	233.79	982.87	229,785.69	947.17	221,440.25	5.8%	3,729.95	0.00
GLB Bond Fund	1,151.16	993.86	1,144,097.25	870.46	1,002,040.82	26.6%	28,709.17	0.00
			<u>3,638,005.04</u>		<u>3,767,709.58</u>	100.0%	188,648.33	0.00

Huntsville Prudent Investor Portfolio
Performance History
At March 31, 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	5.2	5.2	0.8	2.6	-	-	-	5.4	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 March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	792,088.08	1.00	792,088.08	1.00	792,088.08	21.4%	0.00	9,243.54
CAN Equity Fund	92.64	1,107.16	102,577.64	1,259.31	116,674.43	3.1%	6,496.52	0.00
GLB Equity Fund	238.25	1,073.76	255,830.27	1,140.12	271,641.15	7.3%	18,638.25	0.00
Corp Bond Fund	416.59	983.57	409,753.92	901.04	375,373.74	10.1%	9,454.06	0.00
CAN Bond Fund	410.63	980.99	402,835.33	947.17	388,947.36	10.5%	6,551.45	0.00
GLB Bond Fund	2,017.86	996.13	2,010,069.06	870.46	1,756,471.37	47.4%	50,324.14	0.00
			<u>3,973,154.30</u>		<u>3,701,196.13</u>	<u>100.0%</u>	<u>91,464.42</u>	<u>9,243.54</u>

Huntsville Prudent Investor Portfolio
Performance History
At March 31, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.8	2.8	-0.0	-0.4	-	-	-	0.7	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 March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	227.31	1,022.16	232,352.58	1,259.31	286,261.58	23.6%	15,939.26	0.00
GLB Equity Fund	573.44	1,009.63	578,972.75	1,140.12	653,797.83	53.9%	44,859.34	0.00
Corp Bond Fund	43.52	990.56	43,111.37	901.04	39,215.49	3.2%	987.67	0.00
CAN Bond Fund	42.24	983.70	41,551.83	947.17	40,008.71	3.3%	673.91	0.00
GLB Bond Fund	222.65	990.63	220,564.36	870.46	193,807.99	15.9%	5,532.61	0.00
			<u>1,116,552.89</u>		<u>1,213,091.60</u>	<u>100.0%</u>	<u>67,992.79</u>	<u>0.00</u>

Huntsville Prudent Investor Portfolio
Performance History
At March 31, 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	5.9	5.9	1.3	3.8	-	-	-	7.0	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 March 31, 2023

Account Name: Huntsville - Cash Outcome
Account Number: 9021979515

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	2.66	1.00	2.66	1.00	2.66	100.0%	0.00	0.03
			2.66		2.66	100.0%	0.00	0.03

Huntsville Prudent Investor Portfolio
Performance History
At March 31, 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	1.1	16.5	16.6	-	-	-	12.0	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 March 31, 2023

Account Name: Huntsville - Target Date 5 to 10 Year Outcome
Account Number: 570050377

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	122.11	1,314.61	160,533.70	1,259.31	153,781.46	15.7%	8,562.67	0.00
GLB Equity Fund	309.76	1,188.46	368,139.07	1,140.12	353,164.50	36.1%	24,231.84	0.00
Corp Bond Fund	77.75	972.93	75,647.93	901.04	70,058.42	7.1%	1,764.47	0.00
CAN Bond Fund	76.84	977.29	75,100.97	947.17	72,786.68	7.4%	1,226.02	0.00
GLB Bond Fund	377.48	1,000.36	377,624.12	870.46	328,585.71	33.5%	9,414.22	0.00
			<u>1,057,045.79</u>		<u>978,376.77</u>	<u>100.0%</u>	<u>45,199.22</u>	<u>0.00</u>

Huntsville Prudent Investor Portfolio
Performance History
At March 31, 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	4.8	4.8	0.4	-	-	-	-	-1.3	08/04/2021

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-8.9	-	-	-	-

Huntsville Prudent Investor Portfolio
Transaction Summary for the Quarter Ended March 31, 2023

TRANSACTION SUMMARY

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

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	3,060.42	3,060.42
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	3,178.55	3,178.55
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	3,004.57	3,004.57

Huntsville Prudent Investor Portfolio
Transaction Summary for the Quarter Ended March 31, 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	02/07/2023	02/07/2023	0.97	845.36

Huntsville Prudent Investor Portfolio

Transaction Summary for the Quarter Ended March 31, 2023

TRANSACTION SUMMARY

Account Name: Huntsville - Cash Outcome

Account Number: 9021979515

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	0.01	0.01
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	0.01	0.01
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	0.01	0.01

**Huntsville Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
March 31, 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 March 31, 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 March 31, 2023

Innisfil Prudent Investor Portfolio

2101 Innisfil Beach Rd.
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ONE Investment

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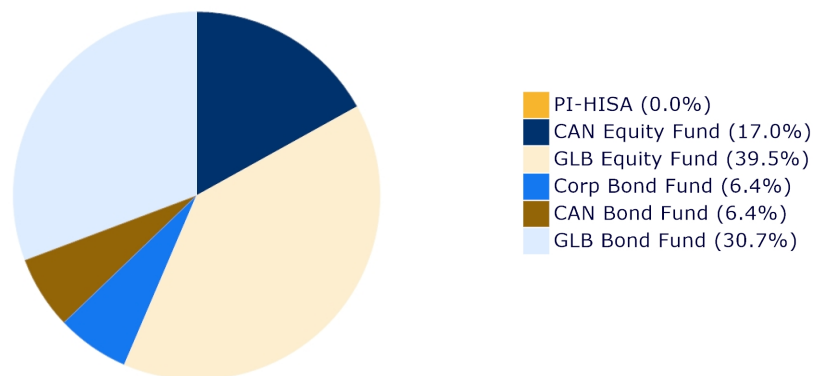
Relationship Manager

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

Innisfil Prudent Investor Portfolio
Executive Summary for the Quarter Ended March 31, 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	5.0%	5.0%	0.5%	2.4%	-	-	5.3%	07/02/2020

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
PI-HISA	250.22	-	-	-	2.96	253.18
CAN Equity Fund	6,972,282.23	-	-	411,112.99	-	7,383,395.22
GLB Equity Fund	16,016,169.21	-	-	1,179,880.74	-	17,196,049.95
Corp Bond Fund	2,724,032.03	-	-	70,379.30	-	2,794,411.33
CAN Bond Fund	2,747,966.03	-	-	47,079.96	-	2,795,045.99
GLB Bond Fund	12,988,342.32	4,138.65	-	383,119.93	-	13,375,600.90
Total	41,449,042.04	4,138.65	0.00	2,091,572.92	2.96	43,544,756.57

Innisfil Prudent Investor Portfolio
Performance History At
March 31, 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 High Interest Savings Account	1.1	1.1	3.1	1.8	-	-	-	1.4	07/02/2020
ONE Canadian Equity Fund	5.9	5.9	-1.0	3.5	-	-	-	12.4	07/02/2020
ONE Global Equity Fund	7.3	7.3	3.7	6.8	-	-	-	8.2	07/02/2020
ONE Canadian Corporate Bond Fund	2.5	2.5	-0.7	-2.5	-	-	-	-2.5	07/02/2020
ONE Canadian Government Bond Fund	1.7	1.7	0.4	-1.3	-	-	-	-0.9	07/02/2020
ONE Global Bond Fund	2.9	2.9	-1.8	-2.2	-	-	-	-0.4	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
JIB1INNCONT	5.3	5.3	0.8	2.7	-	-	-	5.5	07/02/2020
JIBINNCASH	1.1	1.1	3.1	1.8	-	-	-	1.5	08/06/2020
JIB2INNTD510	4.8	4.8	0.5	-	-	-	-	-1.2	08/04/2021

**Manager Commentary - Canadian Equity
For the Quarter Ended March 31, 2023**

QUARTERLY REVIEW

The Canadian equity markets performed well in the first quarter of 2023, with the ONE Canadian Equity Fund generating returns of 5.9% during the quarter. This comes on the back of a strong performance in the fourth quarter of 2022, as equity markets continued to recover from weakness earlier in the year. The only sector of the Canadian equity market with negative returns in the quarter was the Energy sector, where the portfolio has a significant underweight relative to its benchmark. The best-performing sector was the Information Technology sector, with returns of over 26%. The fund benefited from an overweight exposure to this sector, which contributed to the fund's outperformance versus its benchmark.

The banking sector was in the headlines in the quarter after the failure of Silicon Valley Bank and the acquisition of Credit Suisse by UBS. These events highlight stresses that surfaced in the banking sector resulting from sharp increases in interest rates last year. Central banks stepped in to provide additional liquidity to the banking sector to dissipate the effects of these events.

The economic backdrop continued to improve in the quarter as inflation levels, which peaked at over 8% last June, continued to trend lower amidst continued strong economic activity. The interest rate outlook also continues to be supportive for the equity market. Rapidly rising interest rates were a key driver of weak returns for equity investors in 2022. Further interest rate increases by the Bank of Canada seem unlikely this year. There remains a risk that last year's rate hikes may continue to slow economic activity, creating the risk of an economic recession and uncertainty for corporate profit growth. While economic headwinds are expected to affect all portfolio holdings to various degrees, multiple companies in the fund should benefit, irrespective of the economic outlook. The fund maintains a strong quality bias and remains diversified across cyclical and defensive companies.

Manager Commentary - Global Equity
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Global equity markets rallied in the first quarter of 2023 as inflation figures continued to decline, while economic activity remained robust. This provided hope for a 'soft landing,' where inflation could be contained without causing a general economic slowdown. The interest rate outlook was also encouraging as central banks suggested the pace of interest rate hikes would slow. The ONE Global Equity Fund produced returns of 7.3% in the quarter, bolstered by the improving outlook.

Growth oriented sectors like Information Technology, Communication Services, and Consumer Discretionary tended to have strong performance in the quarter, rebounding after weak performance in 2022. The Information Technology sector was the strongest, with returns of about 22% in the quarter. The fund's performance was helped by improving prospects for the sector, but the fund had light exposure to this sector and had no exposure to Nvidia or Apple, large market capitalization companies with returns of 90% and 27% respectively in the quarter. The fund benefitted from the sector's strength was not able to not fully participate in the sector's upside.

The manager's focus on stock selection helped performance in the quarter. Holdings in BMW's common and preferred shares that collectively represent 4.5% of fund holdings had returns of about 20%, helping overall fund performance. Alimentation Couche-Tard and CGI Inc., two Canadian holdings that collectively represent more than 7% of the fund also helped overall fund performance with returns of 14% and 12% respectively. Performance of Europe ex-UK equities performed much better than other regions in the quarter with major continental stock indices up 12% to 15% in the quarter. Fund performance benefited from a large overweight exposure to this region.

Manager Commentary - Fixed Income
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Fixed income markets performed well in the first quarter of 2023, with the ONE Canadian Government Bond Fund, the ONE Canadian Corporate Bond Fund, and the ONE Global Bond Fund achieving returns of 1.7%, 2.5%, and 2.9%, respectively, in the quarter. Returns were driven primarily by falling longer-term bond yields, while credit spreads ended the quarter marginally higher. The ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund benefited more from falling bond yields due to their longer maturity profiles.

There was considerable volatility in fixed-income markets during the first quarter. The rapid rise in interest rates in 2022 created stresses in certain segments of the banking industry that became a concern in the quarter. A banking crisis emerged in mid-March that led to the failure of two US regional banks and required Credit Suisse to be merged with UBS. Global central banks stepped in to provide liquidity in the wake of these events, intervening to ensure stability in the banking system. This seems to have addressed this shock to the banking system, but there remains some concern about the lingering impact. The immediate effect was that interest rates moved modestly lower in March and credit spreads widened, but this may also lead to tighter lending standards and may increase the probability of an economic slowdown.

After raising rates another twenty-five basis points in January, the Bank of Canada held the overnight rate at 4.5% at its March meeting, becoming the first major central bank to pause its recent monetary policy tightening. As inflation pressures continue to subside, it is likely that other global central banks will also pause their rate hikes. All three bond funds have been increasing their maturity profiles, increasing their sensitivity to interest rates, which may help performance if interest rates start to fall.

Innisfil Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of March 31, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	253.180	1.00	253.18	1.00	253.18	0.00%
CAN Equity Fund	5,863.017	1,118.67	6,558,794.74	1,259.31	7,383,395.22	16.96%
GLB Equity Fund	15,082.627	1,044.12	15,748,117.24	1,140.12	17,196,049.95	39.49%
Corp Bond Fund	3,101.284	938.46	2,910,435.58	901.04	2,794,411.33	6.42%
CAN Bond Fund	2,950.926	960.56	2,834,564.41	947.17	2,795,045.99	6.42%
GLB Bond Fund	15,366.124	942.92	14,489,123.02	870.46	13,375,600.90	30.72%
					43,544,756.57	100.00%

Innisfil Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

Account Name: Innisfil - Contingency Outcome
Account Number: 570050070

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	2,650.67	1,022.16	2,709,426.06	1,259.31	3,338,040.55	19.1%	185,864.60	0.00
GLB Equity Fund	6,647.04	1,009.56	6,710,634.07	1,140.12	7,578,443.19	43.5%	519,983.32	0.00
Corp Bond Fund	1,030.70	990.43	1,020,849.86	901.04	928,719.24	5.3%	23,390.48	0.00
CAN Bond Fund	1,007.91	983.76	991,554.66	947.17	954,673.74	5.4%	16,080.59	0.00
GLB Bond Fund	5,297.57	987.76	5,232,740.67	870.46	4,611,326.98	26.4%	132,017.32	0.00
			16,665,205.32		17,411,203.70	100.0%	877,336.31	0.00

Innisfil Prudent Investor Portfolio
Performance History
At March 31, 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	5.3	5.3	0.8	2.7	-	-	-	5.5	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 March 31, 2023

Account Name: Innisfil - Cash Outcome
Account Number: 9021979418

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	253.18	1.00	253.18	1.00	253.18	100.0%	0.00	2.96
			253.18		253.18	100.0%	0.00	2.96

Innisfil Prudent Investor Portfolio
Performance History
At March 31, 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	1.1	3.1	1.8	-	-	-	1.5	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 March 31, 2023

Account Name: Innisfil - Target Date 5 to 10 Year Outcome
Account Number: 570050385

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	3,212.34	1,198.30	3,849,368.68	1,259.31	4,045,354.67	15.4%	225,248.39	0.00
GLB Equity Fund	8,435.58	1,071.35	9,037,483.17	1,140.12	9,617,606.76	36.8%	659,897.42	0.00
Corp Bond Fund	2,070.57	912.58	1,889,585.72	901.04	1,865,692.09	7.1%	46,988.82	0.00
CAN Bond Fund	1,943.01	948.53	1,843,009.75	947.17	1,840,372.25	7.0%	30,999.37	0.00
GLB Bond Fund	10,068.55	919.33	9,256,382.35	870.46	8,764,273.92	33.5%	251,102.61	0.00
			25,875,829.67		26,133,299.69	100.0%	1,214,236.61	0.00

Innisfil Prudent Investor Portfolio
Performance History
At March 31, 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	4.8	4.8	0.5	-	-	-	-	-1.2	08/04/2021

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-8.8	-	-	-	-

Innisfil Prudent Investor Portfolio
Transaction Summary for the Quarter Ended March 31, 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	02/07/2023	02/07/2023	4.77	4,138.65

Innisfil Prudent Investor Portfolio
Transaction Summary for the Quarter Ended March 31, 2023

TRANSACTION SUMMARY

Account Name: Innisfil - Cash Outcome
Account Number: 9021979418

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	0.98	0.98
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	1.02	1.02
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	0.96	0.96

**Innisfil Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
March 31, 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 March 31, 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 March 31, 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

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M5H 3C6

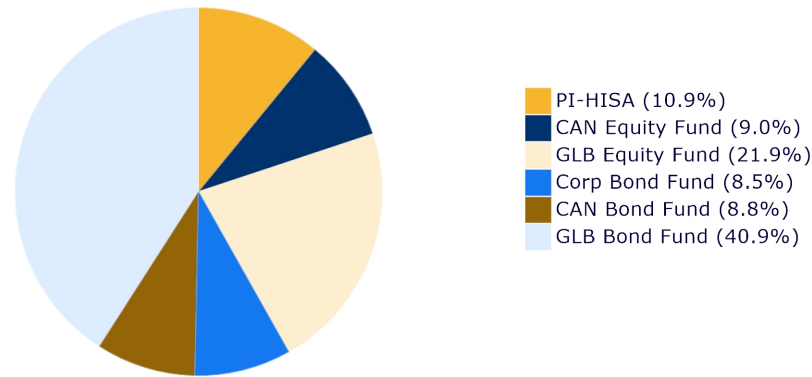
Relationship Manager

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

Kenora CPTF - Prudent Investor Portfolio
Executive Summary for the Quarter Ended March 31, 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	3.8%	3.8%	0.2%	0.7%	-	-	2.6%	07/02/2020

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
PI-HISA	3,968,871.13	-	-	-	46,862.94	4,015,734.07
CAN Equity Fund	3,102,742.22	-	-	182,949.80	-	3,285,692.02
GLB Equity Fund	7,483,492.98	-	-	551,294.70	-	8,034,787.68
Corp Bond Fund	3,044,317.59	-	-	78,654.34	-	3,122,971.93
CAN Bond Fund	3,162,875.54	-	-	54,188.46	-	3,217,064.00
GLB Bond Fund	14,452,535.27	123,812.80	-	427,060.60	-	15,003,408.67
Total	35,214,834.73	123,812.80	0.00	1,294,147.90	46,862.94	36,679,658.37

Kenora CPTF - Prudent Investor Portfolio
Performance History At
March 31, 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 High Interest Savings Account	1.1	1.1	3.1	1.8	-	-	-	1.5	07/02/2020
ONE Canadian Equity Fund	5.9	5.9	-1.0	3.5	-	-	-	12.4	07/02/2020
ONE Global Equity Fund	7.3	7.3	3.7	6.8	-	-	-	8.2	07/02/2020
ONE Canadian Corporate Bond Fund	2.5	2.5	-0.7	-2.5	-	-	-	-2.5	07/02/2020
ONE Canadian Government Bond Fund	1.7	1.7	0.4	-1.3	-	-	-	-0.9	07/02/2020
ONE Global Bond Fund	2.9	2.9	-1.8	-2.2	-	-	-	-0.4	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
JIB2KENCSTAB	3.8	3.8	0.2	0.7	-	-	-	2.6	07/02/2020

**Manager Commentary - Canadian Equity
For the Quarter Ended March 31, 2023**

QUARTERLY REVIEW

The Canadian equity markets performed well in the first quarter of 2023, with the ONE Canadian Equity Fund generating returns of 5.9% during the quarter. This comes on the back of a strong performance in the fourth quarter of 2022, as equity markets continued to recover from weakness earlier in the year. The only sector of the Canadian equity market with negative returns in the quarter was the Energy sector, where the portfolio has a significant underweight relative to its benchmark. The best-performing sector was the Information Technology sector, with returns of over 26%. The fund benefited from an overweight exposure to this sector, which contributed to the fund's outperformance versus its benchmark.

The banking sector was in the headlines in the quarter after the failure of Silicon Valley Bank and the acquisition of Credit Suisse by UBS. These events highlight stresses that surfaced in the banking sector resulting from sharp increases in interest rates last year. Central banks stepped in to provide additional liquidity to the banking sector to dissipate the effects of these events.

The economic backdrop continued to improve in the quarter as inflation levels, which peaked at over 8% last June, continued to trend lower amidst continued strong economic activity. The interest rate outlook also continues to be supportive for the equity market. Rapidly rising interest rates were a key driver of weak returns for equity investors in 2022. Further interest rate increases by the Bank of Canada seem unlikely this year. There remains a risk that last year's rate hikes may continue to slow economic activity, creating the risk of an economic recession and uncertainty for corporate profit growth. While economic headwinds are expected to affect all portfolio holdings to various degrees, multiple companies in the fund should benefit, irrespective of the economic outlook. The fund maintains a strong quality bias and remains diversified across cyclical and defensive companies.

Manager Commentary - Global Equity
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Global equity markets rallied in the first quarter of 2023 as inflation figures continued to decline, while economic activity remained robust. This provided hope for a 'soft landing,' where inflation could be contained without causing a general economic slowdown. The interest rate outlook was also encouraging as central banks suggested the pace of interest rate hikes would slow. The ONE Global Equity Fund produced returns of 7.3% in the quarter, bolstered by the improving outlook.

Growth oriented sectors like Information Technology, Communication Services, and Consumer Discretionary tended to have strong performance in the quarter, rebounding after weak performance in 2022. The Information Technology sector was the strongest, with returns of about 22% in the quarter. The fund's performance was helped by improving prospects for the sector, but the fund had light exposure to this sector and had no exposure to Nvidia or Apple, large market capitalization companies with returns of 90% and 27% respectively in the quarter. The fund benefitted from the sector's strength was not able to not fully participate in the sector's upside.

The manager's focus on stock selection helped performance in the quarter. Holdings in BMW's common and preferred shares that collectively represent 4.5% of fund holdings had returns of about 20%, helping overall fund performance. Alimentation Couche-Tard and CGI Inc., two Canadian holdings that collectively represent more than 7% of the fund also helped overall fund performance with returns of 14% and 12% respectively. Performance of Europe ex-UK equities performed much better than other regions in the quarter with major continental stock indices up 12% to 15% in the quarter. Fund performance benefited from a large overweight exposure to this region.

Manager Commentary - Fixed Income
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Fixed income markets performed well in the first quarter of 2023, with the ONE Canadian Government Bond Fund, the ONE Canadian Corporate Bond Fund, and the ONE Global Bond Fund achieving returns of 1.7%, 2.5%, and 2.9%, respectively, in the quarter. Returns were driven primarily by falling longer-term bond yields, while credit spreads ended the quarter marginally higher. The ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund benefited more from falling bond yields due to their longer maturity profiles.

There was considerable volatility in fixed-income markets during the first quarter. The rapid rise in interest rates in 2022 created stresses in certain segments of the banking industry that became a concern in the quarter. A banking crisis emerged in mid-March that led to the failure of two US regional banks and required Credit Suisse to be merged with UBS. Global central banks stepped in to provide liquidity in the wake of these events, intervening to ensure stability in the banking system. This seems to have addressed this shock to the banking system, but there remains some concern about the lingering impact. The immediate effect was that interest rates moved modestly lower in March and credit spreads widened, but this may also lead to tighter lending standards and may increase the probability of an economic slowdown.

After raising rates another twenty-five basis points in January, the Bank of Canada held the overnight rate at 4.5% at its March meeting, becoming the first major central bank to pause its recent monetary policy tightening. As inflation pressures continue to subside, it is likely that other global central banks will also pause their rate hikes. All three bond funds have been increasing their maturity profiles, increasing their sensitivity to interest rates, which may help performance if interest rates start to fall.

Kenora CPTF - Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of March 31, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	4,015,734.070	1.00	4,015,734.07	1.00	4,015,734.07	10.95%
CAN Equity Fund	2,609.107	1,075.57	2,806,299.94	1,259.31	3,285,692.02	8.96%
GLB Equity Fund	7,047.299	1,060.57	7,474,192.33	1,140.12	8,034,787.68	21.91%
Corp Bond Fund	3,465.926	983.60	3,409,115.04	901.04	3,122,971.93	8.51%
CAN Bond Fund	3,396.480	981.27	3,332,877.96	947.17	3,217,064.00	8.77%
GLB Bond Fund	17,236.178	993.60	17,125,922.53	870.46	15,003,408.67	40.90%
					36,679,658.37	100.00%

Kenora CPTF - Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

Account Name: Kenora - Stable Return Outcome
Account Number: 570050179

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	4,015,734.07	1.00	4,015,734.07	1.00	4,015,734.07	10.9%	0.00	46,862.94
CAN Equity Fund	2,609.10	1,075.57	2,806,299.94	1,259.31	3,285,692.02	8.9%	182,949.80	0.00
GLB Equity Fund	7,047.29	1,060.57	7,474,192.33	1,140.12	8,034,787.68	21.9%	551,294.70	0.00
Corp Bond Fund	3,465.92	983.60	3,409,115.04	901.04	3,122,971.93	8.5%	78,654.34	0.00
CAN Bond Fund	3,396.48	981.27	3,332,877.96	947.17	3,217,064.00	8.7%	54,188.46	0.00
GLB Bond Fund	17,236.17	993.60	17,125,922.53	870.46	15,003,408.67	40.9%	427,060.60	0.00
			38,164,141.87		36,679,658.37	100.0%	1,294,147.90	46,862.94

Kenora CPTF - Prudent Investor Portfolio
Performance History
At March 31, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	3.8	3.8	0.2	0.7	-	-	-	2.6	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 March 31, 2023

TRANSACTION SUMMARY

Account Name: Kenora - Stable Return Outcome

Account Number: 570050179

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	GLB Bond Fund	02/07/2023	02/07/2023	3.59	3,112.80
Buy	GLB Bond Fund	03/22/2023	03/22/2023	139.53	120,700.00
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	15,515.72	15,515.72
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	16,114.63	16,114.63
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	15,232.59	15,232.59

Kenora CPTF - Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
March 31, 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 March 31, 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 March 31, 2023

Symbol	Status	Quantity	Average Unit Cost (\$)	Book Cost (\$)	Market Price (\$)	Market Value (\$)	% of Portfolio
Cash and Equivalents							
DISTRICT MUN OF MUSKOKA BEO 4.8% 5MAY23	SEG	89,000	109.010	97,018.50	100.007	90,715.03 ⁽⁴⁾	4.4
Total Cash and Equivalents				97,018.50		90,715.03	4.4
Fixed Income Securities and Fixed Income Funds							
DISTRICT MUN OF MUSKOKA BEO 4.9% 5MAY24	SEG	46,000	111.430	51,257.80	100.269	47,025.34 ⁽⁴⁾	2.3
DISTRICT MUN OF MUSKOKA BEO 4.95% 5MAY25	SEG	211,000	112.650	237,691.50	101.438	218,211.98 ⁽⁴⁾	10.7
DISTRICT MUN OF MUSKOKA BEO 5% 5MAY26	SEG	105,000	112.991	118,641.00	103.610	110,890.50 ⁽⁴⁾	5.4
DISTRICT MUN OF MUSKOKA BEO 5.05% 5MAY27	SEG	295,000	112.065	330,590.50	104.578	314,464.10 ⁽⁴⁾	15.4
DISTRICT MUN OF MUSKOKA BEO 5.05% 5MAY28	SEG	360,000	109.856	395,482.00	106.523	390,754.80 ⁽⁴⁾	19.1
DISTRICT MUN OF MUSKOKA BEO 5.1% 5MAY29	SEG	400,000	104.270	417,080.00	107.868	439,632.00 ⁽⁴⁾	21.5
DISTRICT MUN OF MUSKOKA BEO 5.1% 5MAY30	SEG	137,000	116.369	159,425.00	108.549	151,506.93 ⁽⁴⁾	7.4
DISTRICT MUN OF MUSKOKA ONT 2.95% 27NOV30	SEG	100,000	98.240	98,240.00	93.456	94,458.19 ⁽⁴⁾	4.6
DISTRICT MUN OF MUSKOKA ONT 3% 27NOV31	SEG	100,000	98.120	98,120.00	93.452	94,471.18 ⁽⁴⁾	4.6
DISTRICT MUN OF MUSKOKA ONT 3.05% 27NOV32	SEG	100,000	98.010	98,010.00	92.471	93,507.16 ⁽⁴⁾	4.6
Total Fixed Income Securities and Fixed Income Funds				2,004,537.80		1,954,922.18	95.6
Total Account Value - CAD Cash				2,101,556.30		2,045,637.21	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 March 31, 2023

Kenora General Account - Prudent Investor Portfolio

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ONE Investment

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Relationship Manager

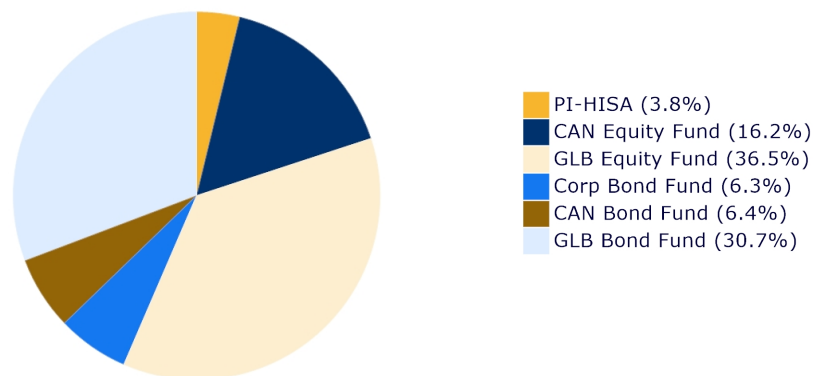
Wardah Mir, Client Service Representative
416-971-9856
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Kenora General Account - Prudent Investor Portfolio

Executive Summary for the Quarter Ended March 31, 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	4.8%	4.8%	0.6%	2.1%	-	-	4.6%	07/02/2020

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
PI-HISA	722,126.82	-	-	-	8,473.83	730,600.65
CAN Equity Fund	2,943,319.66	-	-	173,549.62	-	3,116,869.28
GLB Equity Fund	6,554,219.99	-	-	482,836.93	-	7,037,056.92
Corp Bond Fund	1,183,315.32	1,733.61	-	30,584.39	-	1,215,633.32
CAN Bond Fund	1,221,062.46	-	-	20,920.04	-	1,241,982.50
GLB Bond Fund	5,754,051.12	-	-	169,720.22	-	5,923,771.34
Total	18,378,095.37	1,733.61	0.00	877,611.20	8,473.83	19,265,914.01

Kenora General Account - Prudent Investor Portfolio
Performance History At
March 31, 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 High Interest Savings Account	1.1	1.1	3.1	1.8	-	-	-	1.5	07/02/2020
ONE Canadian Equity Fund	5.9	5.9	-1.0	3.5	-	-	-	12.4	07/02/2020
ONE Global Equity Fund	7.3	7.3	3.7	6.8	-	-	-	8.2	07/02/2020
ONE Canadian Corporate Bond Fund	2.5	2.5	-0.7	-2.5	-	-	-	-2.5	07/02/2020
ONE Canadian Government Bond Fund	1.7	1.7	0.4	-1.3	-	-	-	-0.9	07/02/2020
ONE Global Bond Fund	2.9	2.9	-1.8	-2.2	-	-	-	-0.4	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
JIB1KENCONT	5.3	5.3	0.8	2.7	-	-	-	5.5	07/02/2020
JIB3KENTD35	2.8	2.8	-0.0	-0.4	-	-	-	0.7	07/02/2020

**Manager Commentary - Canadian Equity
For the Quarter Ended March 31, 2023**

QUARTERLY REVIEW

The Canadian equity markets performed well in the first quarter of 2023, with the ONE Canadian Equity Fund generating returns of 5.9% during the quarter. This comes on the back of a strong performance in the fourth quarter of 2022, as equity markets continued to recover from weakness earlier in the year. The only sector of the Canadian equity market with negative returns in the quarter was the Energy sector, where the portfolio has a significant underweight relative to its benchmark. The best-performing sector was the Information Technology sector, with returns of over 26%. The fund benefited from an overweight exposure to this sector, which contributed to the fund's outperformance versus its benchmark.

The banking sector was in the headlines in the quarter after the failure of Silicon Valley Bank and the acquisition of Credit Suisse by UBS. These events highlight stresses that surfaced in the banking sector resulting from sharp increases in interest rates last year. Central banks stepped in to provide additional liquidity to the banking sector to dissipate the effects of these events.

The economic backdrop continued to improve in the quarter as inflation levels, which peaked at over 8% last June, continued to trend lower amidst continued strong economic activity. The interest rate outlook also continues to be supportive for the equity market. Rapidly rising interest rates were a key driver of weak returns for equity investors in 2022. Further interest rate increases by the Bank of Canada seem unlikely this year. There remains a risk that last year's rate hikes may continue to slow economic activity, creating the risk of an economic recession and uncertainty for corporate profit growth. While economic headwinds are expected to affect all portfolio holdings to various degrees, multiple companies in the fund should benefit, irrespective of the economic outlook. The fund maintains a strong quality bias and remains diversified across cyclical and defensive companies.

Manager Commentary - Global Equity
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Global equity markets rallied in the first quarter of 2023 as inflation figures continued to decline, while economic activity remained robust. This provided hope for a 'soft landing,' where inflation could be contained without causing a general economic slowdown. The interest rate outlook was also encouraging as central banks suggested the pace of interest rate hikes would slow. The ONE Global Equity Fund produced returns of 7.3% in the quarter, bolstered by the improving outlook.

Growth oriented sectors like Information Technology, Communication Services, and Consumer Discretionary tended to have strong performance in the quarter, rebounding after weak performance in 2022. The Information Technology sector was the strongest, with returns of about 22% in the quarter. The fund's performance was helped by improving prospects for the sector, but the fund had light exposure to this sector and had no exposure to Nvidia or Apple, large market capitalization companies with returns of 90% and 27% respectively in the quarter. The fund benefitted from the sector's strength was not able to not fully participate in the sector's upside.

The manager's focus on stock selection helped performance in the quarter. Holdings in BMW's common and preferred shares that collectively represent 4.5% of fund holdings had returns of about 20%, helping overall fund performance. Alimentation Couche-Tard and CGI Inc., two Canadian holdings that collectively represent more than 7% of the fund also helped overall fund performance with returns of 14% and 12% respectively. Performance of Europe ex-UK equities performed much better than other regions in the quarter with major continental stock indices up 12% to 15% in the quarter. Fund performance benefited from a large overweight exposure to this region.

Manager Commentary - Fixed Income
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Fixed income markets performed well in the first quarter of 2023, with the ONE Canadian Government Bond Fund, the ONE Canadian Corporate Bond Fund, and the ONE Global Bond Fund achieving returns of 1.7%, 2.5%, and 2.9%, respectively, in the quarter. Returns were driven primarily by falling longer-term bond yields, while credit spreads ended the quarter marginally higher. The ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund benefited more from falling bond yields due to their longer maturity profiles.

There was considerable volatility in fixed-income markets during the first quarter. The rapid rise in interest rates in 2022 created stresses in certain segments of the banking industry that became a concern in the quarter. A banking crisis emerged in mid-March that led to the failure of two US regional banks and required Credit Suisse to be merged with UBS. Global central banks stepped in to provide liquidity in the wake of these events, intervening to ensure stability in the banking system. This seems to have addressed this shock to the banking system, but there remains some concern about the lingering impact. The immediate effect was that interest rates moved modestly lower in March and credit spreads widened, but this may also lead to tighter lending standards and may increase the probability of an economic slowdown.

After raising rates another twenty-five basis points in January, the Bank of Canada held the overnight rate at 4.5% at its March meeting, becoming the first major central bank to pause its recent monetary policy tightening. As inflation pressures continue to subside, it is likely that other global central banks will also pause their rate hikes. All three bond funds have been increasing their maturity profiles, increasing their sensitivity to interest rates, which may help performance if interest rates start to fall.

Kenora General Account - Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of March 31, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	730,600.650	1.00	730,600.65	1.00	730,600.65	3.79%
CAN Equity Fund	2,475.048	1,022.91	2,531,769.50	1,259.31	3,116,869.28	16.18%
GLB Equity Fund	6,172.191	1,010.04	6,234,169.18	1,140.12	7,037,056.92	36.53%
Corp Bond Fund	1,349.130	986.17	1,330,482.04	901.04	1,215,633.32	6.31%
CAN Bond Fund	1,311.248	981.87	1,287,485.91	947.17	1,241,982.50	6.45%
GLB Bond Fund	6,805.332	984.10	6,697,145.90	870.46	5,923,771.34	30.75%
					19,265,914.01	100.00%

Kenora General Account - Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

Account Name: Kenora - Contingency Outcome
Account Number: 570050161

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	2,388.58	1,022.16	2,441,527.17	1,259.31	3,007,986.24	19.2%	167,486.93	0.00
GLB Equity Fund	5,941.14	1,009.56	5,997,987.58	1,140.12	6,773,638.34	43.4%	464,762.86	0.00
Corp Bond Fund	923.70	990.66	915,079.44	901.04	832,305.11	5.3%	20,962.22	0.00
CAN Bond Fund	907.75	983.74	892,992.07	947.17	859,798.92	5.5%	14,482.51	0.00
GLB Bond Fund	4,740.27	987.57	4,681,394.56	870.46	4,126,219.46	26.4%	118,219.09	0.00
			14,928,980.82		15,599,948.07	100.0%	785,913.61	0.00

Kenora General Account - Prudent Investor Portfolio
Performance History
At March 31, 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	5.3	5.3	0.8	2.7	-	-	-	5.5	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 March 31, 2023

Account Name: Kenora - Target Date 3 to 5 Year Outcome
Account Number: 570050187

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	730,600.65	1.00	730,600.65	1.00	730,600.65	19.9%	0.00	8,473.83
CAN Equity Fund	86.46	1,043.72	90,242.33	1,259.31	108,883.04	2.9%	6,062.69	0.00
GLB Equity Fund	231.04	1,022.23	236,181.60	1,140.12	263,418.58	7.1%	18,074.07	0.00
Corp Bond Fund	425.42	976.44	415,402.60	901.04	383,328.21	10.4%	9,622.17	0.00
CAN Bond Fund	403.49	977.68	394,493.84	947.17	382,183.58	10.4%	6,437.53	0.00
GLB Bond Fund	2,065.05	976.12	2,015,751.34	870.46	1,797,551.88	49.0%	51,501.13	0.00
			<u>3,882,672.36</u>		<u>3,665,965.94</u>	<u>100.0%</u>	<u>91,697.59</u>	<u>8,473.83</u>

Kenora General Account - Prudent Investor Portfolio
Performance History
At March 31, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.8	2.8	-0.0	-0.4	-	-	-	0.7	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 March 31, 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	Corp Bond Fund	02/07/2023	02/07/2023	1.93	1,733.61
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	2,770.66	2,770.66
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	2,931.84	2,931.84
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	2,771.33	2,771.33

Kenora General Account - Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
March 31, 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 March 31, 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 March 31, 2023

Muskoka Prudent Investor Portfolio

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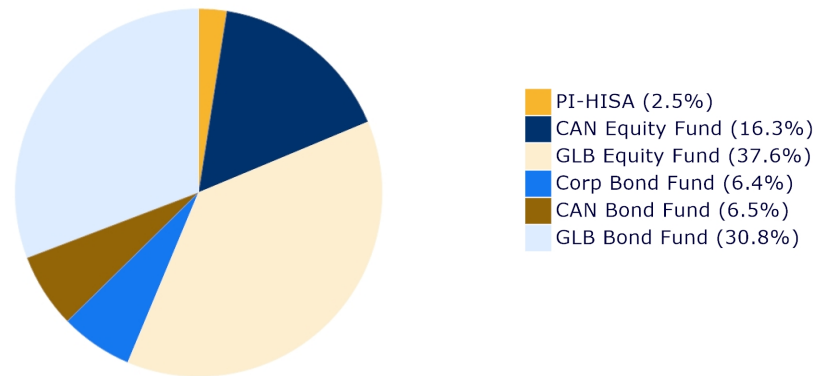
Relationship Manager

Wardah Mir, Client Service Representative
416-971-9856
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Muskoka Prudent Investor Portfolio
Executive Summary for the Quarter Ended March 31, 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	4.8%	4.8%	2.2%	2.3%	-	-	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
PI-HISA	3,552,514.41	-	-	-	41,946.76	3,594,461.17
CAN Equity Fund	22,298,203.65	-	-	1,314,789.18	-	23,612,992.83
GLB Equity Fund	50,838,651.08	-	-	3,745,186.75	-	54,583,837.83
Corp Bond Fund	9,035,154.83	-	-	233,436.27	-	9,268,591.10
CAN Bond Fund	9,341,692.89	-	-	160,048.01	-	9,501,740.90
GLB Bond Fund	43,437,207.37	-	-	1,281,214.25	-	44,718,421.62
Total	138,503,424.23	0.00	0.00	6,734,674.46	41,946.76	145,280,045.45

Muskoka Prudent Investor Portfolio
Performance History At
March 31, 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 High Interest Savings Account	1.1	1.1	4.1	2.3	-	-	-	1.9	07/02/2020
ONE Canadian Equity Fund	5.9	5.9	-1.0	3.5	-	-	-	12.4	07/02/2020
ONE Global Equity Fund	7.3	7.3	3.7	6.8	-	-	-	8.2	07/02/2020
ONE Canadian Corporate Bond Fund	2.5	2.5	-0.7	-2.5	-	-	-	-2.5	07/02/2020
ONE Canadian Government Bond Fund	1.7	1.7	0.4	-1.3	-	-	-	-0.9	07/02/2020
ONE Global Bond Fund	2.9	2.9	-1.8	-2.2	-	-	-	-0.4	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
JIB1MUSCONT	5.2	5.2	0.8	2.6	-	-	-	5.4	07/02/2020
JIB2MUSTD35	2.8	2.8	-0.0	-0.4	-	-	-	0.7	07/02/2020
JIB3MUSTD510	4.8	4.8	0.5	1.9	-	-	-	4.4	07/02/2020
JIBMUSCASH	1.1	1.1	16.3	8.1	-	-	-	6.0	07/02/2020
JIB4MUSTD10P	5.9	5.9	-	-	-	-	-	11.6	07/04/2022

**Manager Commentary - Canadian Equity
For the Quarter Ended March 31, 2023**

QUARTERLY REVIEW

The Canadian equity markets performed well in the first quarter of 2023, with the ONE Canadian Equity Fund generating returns of 5.9% during the quarter. This comes on the back of a strong performance in the fourth quarter of 2022, as equity markets continued to recover from weakness earlier in the year. The only sector of the Canadian equity market with negative returns in the quarter was the Energy sector, where the portfolio has a significant underweight relative to its benchmark. The best-performing sector was the Information Technology sector, with returns of over 26%. The fund benefited from an overweight exposure to this sector, which contributed to the fund's outperformance versus its benchmark.

The banking sector was in the headlines in the quarter after the failure of Silicon Valley Bank and the acquisition of Credit Suisse by UBS. These events highlight stresses that surfaced in the banking sector resulting from sharp increases in interest rates last year. Central banks stepped in to provide additional liquidity to the banking sector to dissipate the effects of these events.

The economic backdrop continued to improve in the quarter as inflation levels, which peaked at over 8% last June, continued to trend lower amidst continued strong economic activity. The interest rate outlook also continues to be supportive for the equity market. Rapidly rising interest rates were a key driver of weak returns for equity investors in 2022. Further interest rate increases by the Bank of Canada seem unlikely this year. There remains a risk that last year's rate hikes may continue to slow economic activity, creating the risk of an economic recession and uncertainty for corporate profit growth. While economic headwinds are expected to affect all portfolio holdings to various degrees, multiple companies in the fund should benefit, irrespective of the economic outlook. The fund maintains a strong quality bias and remains diversified across cyclical and defensive companies.

Manager Commentary - Global Equity
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Global equity markets rallied in the first quarter of 2023 as inflation figures continued to decline, while economic activity remained robust. This provided hope for a 'soft landing,' where inflation could be contained without causing a general economic slowdown. The interest rate outlook was also encouraging as central banks suggested the pace of interest rate hikes would slow. The ONE Global Equity Fund produced returns of 7.3% in the quarter, bolstered by the improving outlook.

Growth oriented sectors like Information Technology, Communication Services, and Consumer Discretionary tended to have strong performance in the quarter, rebounding after weak performance in 2022. The Information Technology sector was the strongest, with returns of about 22% in the quarter. The fund's performance was helped by improving prospects for the sector, but the fund had light exposure to this sector and had no exposure to Nvidia or Apple, large market capitalization companies with returns of 90% and 27% respectively in the quarter. The fund benefitted from the sector's strength was not able to not fully participate in the sector's upside.

The manager's focus on stock selection helped performance in the quarter. Holdings in BMW's common and preferred shares that collectively represent 4.5% of fund holdings had returns of about 20%, helping overall fund performance. Alimentation Couche-Tard and CGI Inc., two Canadian holdings that collectively represent more than 7% of the fund also helped overall fund performance with returns of 14% and 12% respectively. Performance of Europe ex-UK equities performed much better than other regions in the quarter with major continental stock indices up 12% to 15% in the quarter. Fund performance benefited from a large overweight exposure to this region.

Manager Commentary - Fixed Income
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Fixed income markets performed well in the first quarter of 2023, with the ONE Canadian Government Bond Fund, the ONE Canadian Corporate Bond Fund, and the ONE Global Bond Fund achieving returns of 1.7%, 2.5%, and 2.9%, respectively, in the quarter. Returns were driven primarily by falling longer-term bond yields, while credit spreads ended the quarter marginally higher. The ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund benefited more from falling bond yields due to their longer maturity profiles.

There was considerable volatility in fixed-income markets during the first quarter. The rapid rise in interest rates in 2022 created stresses in certain segments of the banking industry that became a concern in the quarter. A banking crisis emerged in mid-March that led to the failure of two US regional banks and required Credit Suisse to be merged with UBS. Global central banks stepped in to provide liquidity in the wake of these events, intervening to ensure stability in the banking system. This seems to have addressed this shock to the banking system, but there remains some concern about the lingering impact. The immediate effect was that interest rates moved modestly lower in March and credit spreads widened, but this may also lead to tighter lending standards and may increase the probability of an economic slowdown.

After raising rates another twenty-five basis points in January, the Bank of Canada held the overnight rate at 4.5% at its March meeting, becoming the first major central bank to pause its recent monetary policy tightening. As inflation pressures continue to subside, it is likely that other global central banks will also pause their rate hikes. All three bond funds have been increasing their maturity profiles, increasing their sensitivity to interest rates, which may help performance if interest rates start to fall.

Muskoka Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of March 31, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	3,594,461.170	1.00	3,594,461.17	1.00	3,594,461.17	2.47%
CAN Equity Fund	18,750.639	1,080.60	20,262,073.31	1,259.31	23,612,992.83	16.25%
GLB Equity Fund	47,875.394	1,026.22	49,131,154.00	1,140.12	54,583,837.83	37.57%
Corp Bond Fund	10,286.436	977.94	10,059,548.35	901.04	9,268,591.10	6.38%
CAN Bond Fund	10,031.654	977.94	9,810,375.41	947.17	9,501,740.90	6.54%
GLB Bond Fund	51,373.304	981.03	50,399,166.08	870.46	44,718,421.62	30.78%
					145,280,045.45	100.00%

Muskoka Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

Account Name: Muskoka - Contingency Outcome
Account Number: 570050088

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	2,880.39	1,219.87	3,513,724.28	1,259.31	3,627,327.01	18.7%	201,972.30	0.00
GLB Equity Fund	7,326.91	1,129.60	8,276,536.17	1,140.12	8,353,586.59	43.0%	573,168.60	0.00
Corp Bond Fund	1,223.18	978.14	1,196,449.89	901.04	1,102,150.60	5.6%	27,758.47	0.00
CAN Bond Fund	1,207.79	979.18	1,182,653.80	947.17	1,143,996.21	5.9%	19,269.56	0.00
GLB Bond Fund	5,933.43	998.16	5,922,537.87	870.46	5,164,818.74	26.6%	147,975.69	0.00
			20,091,902.01		19,391,879.15	100.0%	970,144.62	0.00

Muskoka Prudent Investor Portfolio
Performance History
At March 31, 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	5.2	5.2	0.8	2.6	-	-	-	5.4	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 March 31, 2023

Account Name: Muskoka - Target Date 3 to 5 Year Outcome
Account Number: 570050096

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	3,557,387.78	1.00	3,557,387.78	1.00	3,557,387.78	21.3%	0.00	41,514.12
CAN Equity Fund	419.83	1,022.16	429,134.99	1,259.31	528,698.93	3.1%	29,438.35	0.00
GLB Equity Fund	1,096.91	1,009.56	1,107,407.59	1,140.12	1,250,615.74	7.5%	85,809.09	0.00
Corp Bond Fund	1,883.25	993.39	1,870,809.60	901.04	1,696,909.24	10.1%	42,737.90	0.00
CAN Bond Fund	1,846.34	984.33	1,817,423.81	947.17	1,748,813.49	10.4%	29,457.14	0.00
GLB Bond Fund	9,077.38	992.68	9,011,018.44	870.46	7,901,505.88	47.3%	226,383.70	0.00
			17,793,182.21		16,683,931.06	100.0%	413,826.18	41,514.12

Muskoka Prudent Investor Portfolio
Performance History
At March 31, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.8	2.8	-0.0	-0.4	-	-	-	0.7	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 March 31, 2023

Account Name: Muskoka - Target Date 5 to 10 Year Outcome
Account Number: 570050104

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	10,428.68	1,022.16	10,659,826.88	1,259.31	13,133,015.92	16.1%	731,256.19	0.00
GLB Equity Fund	26,205.52	1,009.56	26,456,241.12	1,140.12	29,877,521.78	36.7%	2,050,000.57	0.00
Corp Bond Fund	6,108.74	990.96	6,053,543.69	901.04	5,504,284.36	6.7%	138,629.44	0.00
CAN Bond Fund	5,969.68	983.85	5,873,297.80	947.17	5,654,337.97	6.9%	95,242.08	0.00
GLB Bond Fund	31,127.51	992.92	30,907,351.65	870.46	27,095,266.05	33.3%	776,298.44	0.00
			79,950,261.14		81,264,426.08	100.0%	3,791,426.72	0.00

Muskoka Prudent Investor Portfolio
Performance History
At March 31, 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	4.8	4.8	0.5	1.9	-	-	-	4.4	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 March 31, 2023

Account Name: Muskoka - Cash Outcome
Account Number: 9021979213

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	37,073.39	1.00	37,073.39	1.00	37,073.39	100.0%	0.00	432.64
			37,073.39		37,073.39	100.0%	0.00	432.64

Muskoka Prudent Investor Portfolio
Performance History
At March 31, 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	1.1	16.3	8.1	-	-	-	6.0	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	15.2	0.5	-	-	-

Muskoka Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

Account Name: Muskoka - Target Date 10 Year Plus Outcome
Account Number: 570050625

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	5,021.73	1,126.97	5,659,387.16	1,259.31	6,323,950.97	22.6%	352,122.34	0.00
GLB Equity Fund	13,246.03	1,003.39	13,290,969.12	1,140.12	15,102,113.72	54.1%	1,036,208.49	0.00
Corp Bond Fund	1,071.24	876.31	938,745.17	901.04	965,246.90	3.4%	24,310.46	0.00
CAN Bond Fund	1,007.83	929.71	937,000.00	947.17	954,593.23	3.4%	16,079.23	0.00
GLB Bond Fund	5,234.96	870.73	4,558,258.12	870.46	4,556,830.95	16.3%	130,556.42	0.00
			25,384,359.57		27,902,735.77	100.0%	1,559,276.94	0.00

Muskoka Prudent Investor Portfolio
Performance History
At March 31, 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	5.9	5.9	-	-	-	-	-	11.6	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 March 31, 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)
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	13,744.79	13,744.79
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	14,275.35	14,275.35
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	13,493.98	13,493.98

Muskoka Prudent Investor Portfolio
Transaction Summary for the Quarter Ended March 31, 2023

TRANSACTION SUMMARY

Account Name: Muskoka - Cash Outcome

Account Number: 9021979213

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	143.24	143.24
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	148.77	148.77
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	140.63	140.63

**Muskoka Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
March 31, 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 March 31, 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 March 31, 2023

Symbol	Status	Quantity	Average Unit Cost (\$)	Book Cost (\$)	Market Price (\$)	Market Value (\$)	% of Portfolio
Cash and Equivalents							
DISTRICT MUN OF MUSKOKA BEO 4.8% 5MAY23	SEG	89,000	109.010	97,018.50	100.007	90,715.03 ⁽⁴⁾	4.4
Total Cash and Equivalents				97,018.50		90,715.03	4.4
Fixed Income Securities and Fixed Income Funds							
DISTRICT MUN OF MUSKOKA BEO 4.9% 5MAY24	SEG	46,000	111.430	51,257.80	100.269	47,025.34 ⁽⁴⁾	2.3
DISTRICT MUN OF MUSKOKA BEO 4.95% 5MAY25	SEG	211,000	112.650	237,691.50	101.438	218,211.98 ⁽⁴⁾	10.7
DISTRICT MUN OF MUSKOKA BEO 5% 5MAY26	SEG	105,000	112.991	118,641.00	103.610	110,890.50 ⁽⁴⁾	5.4
DISTRICT MUN OF MUSKOKA BEO 5.05% 5MAY27	SEG	295,000	112.065	330,590.50	104.578	314,464.10 ⁽⁴⁾	15.4
DISTRICT MUN OF MUSKOKA BEO 5.05% 5MAY28	SEG	360,000	109.856	395,482.00	106.523	390,754.80 ⁽⁴⁾	19.1
DISTRICT MUN OF MUSKOKA BEO 5.1% 5MAY29	SEG	400,000	104.270	417,080.00	107.868	439,632.00 ⁽⁴⁾	21.5
DISTRICT MUN OF MUSKOKA BEO 5.1% 5MAY30	SEG	137,000	116.369	159,425.00	108.549	151,506.93 ⁽⁴⁾	7.4
DISTRICT MUN OF MUSKOKA ONT 2.95% 27NOV30	SEG	100,000	98.240	98,240.00	93.456	94,458.19 ⁽⁴⁾	4.6
DISTRICT MUN OF MUSKOKA ONT 3% 27NOV31	SEG	100,000	98.120	98,120.00	93.452	94,471.18 ⁽⁴⁾	4.6
DISTRICT MUN OF MUSKOKA ONT 3.05% 27NOV32	SEG	100,000	98.010	98,010.00	92.471	93,507.16 ⁽⁴⁾	4.6
Total Fixed Income Securities and Fixed Income Funds				2,004,537.80		1,954,922.18	95.6
Total Account Value - CAD Cash				2,101,556.30		2,045,637.21	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 March 31, 2023

Neebing Prudent Investor Portfolio

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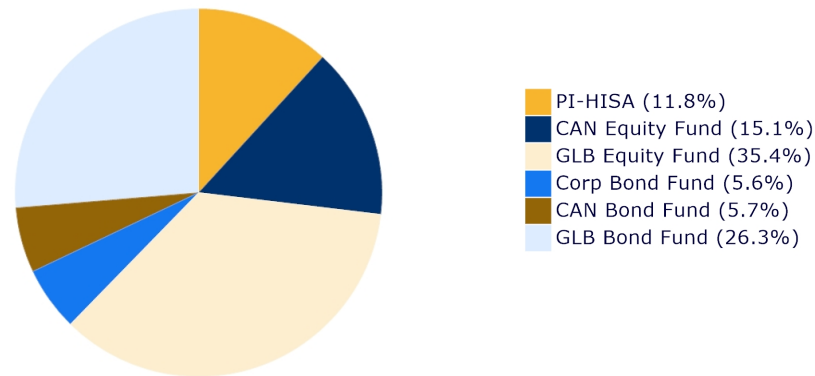
Relationship Manager

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

Neebing Prudent Investor Portfolio
Executive Summary for the Quarter Ended March 31, 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	4.6%	4.6%	1.1%	-	-	-	-1.6%	01/07/2022

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
PI-HISA	347,008.94	46,400.00	107,400.00	-	4,097.35	290,106.29
CAN Equity Fund	342,439.98	7,500.00	-	20,387.28	-	370,327.26
GLB Equity Fund	793,382.25	17,500.00	-	58,964.33	-	869,846.58
Corp Bond Fund	109,259.61	26,200.00	-	2,762.32	-	138,221.93
CAN Bond Fund	113,450.74	25,600.00	-	1,927.88	-	140,978.62
GLB Bond Fund	505,746.69	124,200.00	-	16,163.79	-	646,110.48
Total	2,211,288.21	247,400.00	107,400.00	100,205.60	4,097.35	2,455,591.16

**Neebing Prudent Investor Portfolio
Performance History At
March 31, 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 High Interest Savings Account	1.1	1.1	3.1	-	-	-	-	2.6	01/07/2022
ONE Canadian Equity Fund	5.9	5.9	-1.0	-	-	-	-	-1.8	01/07/2022
ONE Global Equity Fund	7.3	7.3	3.7	-	-	-	-	-1.2	01/07/2022
ONE Canadian Corporate Bond Fund	2.5	2.5	-0.7	-	-	-	-	-3.8	01/07/2022
ONE Canadian Government Bond Fund	1.7	1.7	0.4	-	-	-	-	-1.5	01/07/2022
ONE Global Bond Fund	2.9	2.9	-1.8	-	-	-	-	-4.2	01/07/2022

Performance by Outcome

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
JIBNEECASH	1.1	1.1	3.1	-	-	-	-	2.6	01/07/2022
JIB1NEECONT	5.2	5.2	0.8	-	-	-	-	-2.3	01/07/2022
JIB2NEETD35	2.8	2.8	-0.0	-	-	-	-	-2.1	01/07/2022
JIB3NEETD510	4.8	4.8	0.4	-	-	-	-	-2.5	01/07/2022
JIB4NEETD10P	5.8	5.8	1.3	-	-	-	-	-2.0	01/07/2022

**Manager Commentary - Canadian Equity
For the Quarter Ended March 31, 2023**

QUARTERLY REVIEW

The Canadian equity markets performed well in the first quarter of 2023, with the ONE Canadian Equity Fund generating returns of 5.9% during the quarter. This comes on the back of a strong performance in the fourth quarter of 2022, as equity markets continued to recover from weakness earlier in the year. The only sector of the Canadian equity market with negative returns in the quarter was the Energy sector, where the portfolio has a significant underweight relative to its benchmark. The best-performing sector was the Information Technology sector, with returns of over 26%. The fund benefited from an overweight exposure to this sector, which contributed to the fund's outperformance versus its benchmark.

The banking sector was in the headlines in the quarter after the failure of Silicon Valley Bank and the acquisition of Credit Suisse by UBS. These events highlight stresses that surfaced in the banking sector resulting from sharp increases in interest rates last year. Central banks stepped in to provide additional liquidity to the banking sector to dissipate the effects of these events.

The economic backdrop continued to improve in the quarter as inflation levels, which peaked at over 8% last June, continued to trend lower amidst continued strong economic activity. The interest rate outlook also continues to be supportive for the equity market. Rapidly rising interest rates were a key driver of weak returns for equity investors in 2022. Further interest rate increases by the Bank of Canada seem unlikely this year. There remains a risk that last year's rate hikes may continue to slow economic activity, creating the risk of an economic recession and uncertainty for corporate profit growth. While economic headwinds are expected to affect all portfolio holdings to various degrees, multiple companies in the fund should benefit, irrespective of the economic outlook. The fund maintains a strong quality bias and remains diversified across cyclical and defensive companies.

Manager Commentary - Global Equity
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Globalequity markets rallied in the first quarter of 2023 as inflation figures continued to decline, while economic activity remained robust. This provided hope for a 'soft landing,' where inflation could be contained without causing a general economic slowdown. The interest rate outlook was also encouraging as central banks suggested the pace of interest rate hikes would slow. The ONE Global Equity Fund produced returns of 7.3% in the quarter, bolstered by the improving outlook.

Growth oriented sectors like Information Technology, Communication Services, and Consumer Discretionary tended to have strong performance in the quarter, rebounding after weak performance in 2022. The Information Technology sector was the strongest, with returns of about 22% in the quarter. The fund's performance was helped by improving prospects for the sector, but the fund had light exposure to this sector and had no exposure to Nvidia or Apple, large market capitalization companies with returns of 90% and 27% respectively in the quarter. The fund benefitted from the sector's strength was not able to not fully participate in the sector's upside.

The manager's focus on stock selection helped performance in the quarter. Holdings in BMW's common and preferred shares that collectively represent 4.5% of fund holdings had returns of about 20%, helping overall fund performance. Alimentation Couche-Tard and CGI Inc., two Canadian holdings that collectively represent more than 7% of the fund also helped overall fund performance with returns of 14% and 12% respectively. Performance of Europe ex-UK equities performed much better than other regions in the quarter with major continental stock indices up 12% to 15% in the quarter. Fund performance benefited from a large overweight exposure to this region.

Manager Commentary - Fixed Income
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Fixed income markets performed well in the first quarter of 2023, with the ONE Canadian Government Bond Fund, the ONE Canadian Corporate Bond Fund, and the ONE Global Bond Fund achieving returns of 1.7%, 2.5%, and 2.9%, respectively, in the quarter. Returns were driven primarily by falling longer-term bond yields, while credit spreads ended the quarter marginally higher. The ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund benefited more from falling bond yields due to their longer maturity profiles.

There was considerable volatility in fixed-income markets during the first quarter. The rapid rise in interest rates in 2022 created stresses in certain segments of the banking industry that became a concern in the quarter. A banking crisis emerged in mid-March that led to the failure of two US regional banks and required Credit Suisse to be merged with UBS. Global central banks stepped in to provide liquidity in the wake of these events, intervening to ensure stability in the banking system. This seems to have addressed this shock to the banking system, but there remains some concern about the lingering impact. The immediate effect was that interest rates moved modestly lower in March and credit spreads widened, but this may also lead to tighter lending standards and may increase the probability of an economic slowdown.

After raising rates another twenty-five basis points in January, the Bank of Canada held the overnight rate at 4.5% at its March meeting, becoming the first major central bank to pause its recent monetary policy tightening. As inflation pressures continue to subside, it is likely that other global central banks will also pause their rate hikes. All three bond funds have been increasing their maturity profiles, increasing their sensitivity to interest rates, which may help performance if interest rates start to fall.

Neebing Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of March 31, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	290,106.290	1.00	290,106.29	1.00	290,106.29	11.81%
CAN Equity Fund	294.070	1,293.32	380,329.21	1,259.31	370,327.26	15.08%
GLB Equity Fund	762.941	1,169.46	892,230.63	1,140.12	869,846.58	35.42%
Corp Bond Fund	153.401	938.73	144,002.65	901.04	138,221.93	5.63%
CAN Bond Fund	148.841	962.10	143,200.00	947.17	140,978.62	5.74%
GLB Bond Fund	742.263	935.00	694,017.05	870.46	646,110.48	26.31%
					2,455,591.16	100.00%

Neebing Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

Account Name: Neebing - Cash Outcome
Account Number: 9028194211

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	202,418.08	1.00	202,418.08	1.00	202,418.08	100.0%	0.00	3,615.52
			202,418.08		202,418.08	100.0%	0.00	3,615.52

Neebing Prudent Investor Portfolio
Performance History
At March 31, 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	1.1	3.1	-	-	-	-	2.6	01/07/2022

% Calendar Year Returns

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

Neebing Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

Account Name: Neebing - Contingency Outcome
Account Number: 570050443

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	50.32	1,294.72	65,154.62	1,259.31	63,372.59	18.1%	3,528.63	0.00
GLB Equity Fund	130.56	1,170.77	152,865.55	1,140.12	148,863.58	42.5%	10,214.05	0.00
Corp Bond Fund	22.84	947.04	21,637.22	901.04	20,586.28	5.8%	518.48	0.00
CAN Bond Fund	22.37	965.27	21,600.00	947.17	21,194.96	6.0%	357.01	0.00
GLB Bond Fund	109.86	952.63	104,660.26	870.46	95,632.25	27.3%	2,739.93	0.00
			365,917.65		349,649.66	100.0%	17,358.10	0.00

Neebing Prudent Investor Portfolio
Performance History
At March 31, 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	5.2	5.2	0.8	-	-	-	-	-2.3	01/07/2022

% Calendar Year Returns

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

Neebing Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	87,688.21	1.00	87,688.21	1.00	87,688.21	19.7%	0.00	481.83
CAN Equity Fund	10.77	1,256.41	13,532.84	1,259.31	13,564.10	3.0%	522.44	0.00
GLB Equity Fund	27.89	1,134.88	31,654.21	1,140.12	31,800.31	7.1%	1,463.06	0.00
Corp Bond Fund	51.22	922.18	47,236.19	901.04	46,153.57	10.4%	443.52	0.00
CAN Bond Fund	48.76	955.58	46,600.00	947.17	46,189.98	10.4%	331.25	0.00
GLB Bond Fund	250.92	900.47	225,953.03	870.46	218,421.99	49.2%	3,910.20	0.00
			452,664.48		443,818.16	100.0%	6,670.47	481.83

Neebing Prudent Investor Portfolio
Performance History
At March 31, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.8	2.8	-0.0	-	-	-	-	-2.1	01/07/2022

% Calendar Year Returns

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

Neebing Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	58.24	1,294.73	75,410.44	1,259.31	73,347.64	15.1%	4,084.05	0.00
GLB Equity Fund	151.12	1,170.76	176,927.72	1,140.12	172,296.53	35.5%	11,821.87	0.00
Corp Bond Fund	39.66	947.02	37,564.62	901.04	35,741.04	7.3%	900.16	0.00
CAN Bond Fund	38.84	965.27	37,500.00	947.17	36,796.84	7.6%	619.81	0.00
GLB Bond Fund	190.73	952.63	181,701.88	870.46	166,028.12	34.2%	4,756.83	0.00
			509,104.66		484,210.17	100.0%	22,182.72	0.00

Neebing Prudent Investor Portfolio
Performance History
At March 31, 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	4.8	4.8	0.4	-	-	-	-	-2.5	01/07/2022

% Calendar Year Returns

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

Neebing Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	174.73	1,294.73	226,231.31	1,259.31	220,042.93	22.5%	12,252.16	0.00
GLB Equity Fund	453.36	1,170.77	530,783.15	1,140.12	516,886.16	52.9%	35,465.35	0.00
Corp Bond Fund	39.66	947.02	37,564.62	901.04	35,741.04	3.6%	900.16	0.00
CAN Bond Fund	38.84	965.27	37,500.00	947.17	36,796.84	3.7%	619.81	0.00
GLB Bond Fund	190.73	952.63	181,701.88	870.46	166,028.12	17.0%	4,756.83	0.00
			1,013,780.96		975,495.09	100.0%	53,994.31	0.00

Neebing Prudent Investor Portfolio
Performance History
At March 31, 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	5.8	5.8	1.3	-	-	-	-	-2.0	01/07/2022

% Calendar Year Returns

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

Neebing Prudent Investor Portfolio
Transaction Summary for the Quarter Ended March 31, 2023

TRANSACTION SUMMARY

Account Name: Neebing - Cash Outcome
Account Number: 9028194211

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	1,197.05	1,197.05
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	1,243.26	1,243.26
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	1,175.21	1,175.21
Transfer Out	PI-HISA	03/22/2023	03/22/2023	107,400.00	107,400.00

Neebing Prudent Investor Portfolio
Transaction Summary for the Quarter Ended March 31, 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	03/20/2023	03/20/2023	27.01	25,600.00
Buy	Corp Bond Fund	03/20/2023	03/20/2023	29.01	26,200.00
Buy	GLB Bond Fund	03/20/2023	03/20/2023	144.11	124,200.00
Buy	CAN Equity Fund	03/20/2023	03/20/2023	6.11	7,500.00
Buy	GLB Equity Fund	03/20/2023	03/20/2023	15.80	17,500.00
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	159.53	159.53
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	165.68	165.68
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	156.62	156.62
Transfer In	PI-HISA	03/22/2023	03/22/2023	46,400.00	46,400.00

**Neebing Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
March 31, 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 March 31, 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 March 31, 2023

Quinte West Prudent Investor Portfolio

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Director of Finance/Treasurer
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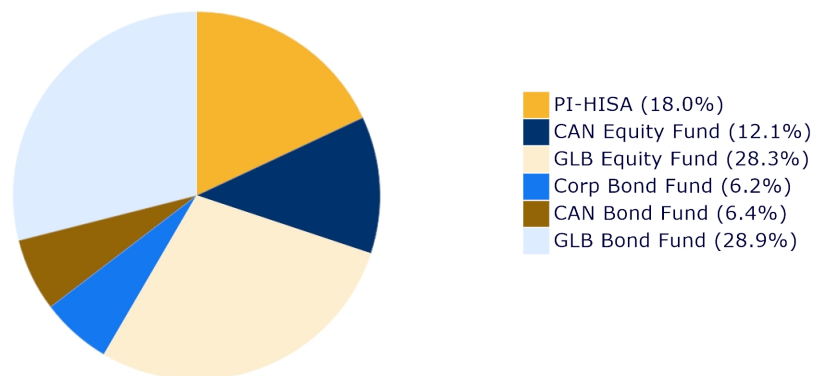
Relationship Manager

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

Quinte West Prudent Investor Portfolio
Executive Summary for the Quarter Ended March 31, 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	4.0%	4.0%	0.8%	-	-	-	-1.7%	01/07/2022

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
PI-HISA	5,846,605.24	-	-	-	69,034.53	5,915,639.77
CAN Equity Fund	3,733,864.52	-	-	220,163.25	-	3,954,027.77
GLB Equity Fund	8,650,813.15	-	-	637,288.94	-	9,288,102.09
Corp Bond Fund	1,991,325.73	-	-	51,448.78	-	2,042,774.51
CAN Bond Fund	2,067,724.49	-	-	35,425.61	-	2,103,150.10
GLB Bond Fund	9,217,625.59	-	-	271,881.03	-	9,489,506.62
Total	31,507,958.72	0.00	0.00	1,216,207.61	69,034.53	32,793,200.86

Quinte West Prudent Investor Portfolio
Performance History At
March 31, 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 High Interest Savings Account	1.1	1.1	3.1	-	-	-	-	2.6	01/07/2022
ONE Canadian Equity Fund	5.9	5.9	-1.0	-	-	-	-	-1.8	01/07/2022
ONE Global Equity Fund	7.3	7.3	3.7	-	-	-	-	-1.2	01/07/2022
ONE Canadian Corporate Bond Fund	2.5	2.5	-0.7	-	-	-	-	-3.8	01/07/2022
ONE Canadian Government Bond Fund	1.7	1.7	0.4	-	-	-	-	-1.5	01/07/2022
ONE Global Bond Fund	2.9	2.9	-1.8	-	-	-	-	-4.2	01/07/2022

Performance by Outcome

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
JIBQUICASH	1.1	1.1	3.1	-	-	-	-	2.6	01/07/2022
JIB1QUICONT	5.2	5.2	0.8	-	-	-	-	-2.3	01/07/2022
JIB2QUITD35	2.7	2.7	-0.0	-	-	-	-	-2.2	01/07/2022
JIB3QUITD510	4.8	4.8	0.4	-	-	-	-	-2.5	01/07/2022
JIB4QUITD10P	5.8	5.8	1.3	-	-	-	-	-2.0	01/07/2022

**Manager Commentary - Canadian Equity
For the Quarter Ended March 31, 2023**

QUARTERLY REVIEW

The Canadian equity markets performed well in the first quarter of 2023, with the ONE Canadian Equity Fund generating returns of 5.9% during the quarter. This comes on the back of a strong performance in the fourth quarter of 2022, as equity markets continued to recover from weakness earlier in the year. The only sector of the Canadian equity market with negative returns in the quarter was the Energy sector, where the portfolio has a significant underweight relative to its benchmark. The best-performing sector was the Information Technology sector, with returns of over 26%. The fund benefited from an overweight exposure to this sector, which contributed to the fund's outperformance versus its benchmark.

The banking sector was in the headlines in the quarter after the failure of Silicon Valley Bank and the acquisition of Credit Suisse by UBS. These events highlight stresses that surfaced in the banking sector resulting from sharp increases in interest rates last year. Central banks stepped in to provide additional liquidity to the banking sector to dissipate the effects of these events.

The economic backdrop continued to improve in the quarter as inflation levels, which peaked at over 8% last June, continued to trend lower amidst continued strong economic activity. The interest rate outlook also continues to be supportive for the equity market. Rapidly rising interest rates were a key driver of weak returns for equity investors in 2022. Further interest rate increases by the Bank of Canada seem unlikely this year. There remains a risk that last year's rate hikes may continue to slow economic activity, creating the risk of an economic recession and uncertainty for corporate profit growth. While economic headwinds are expected to affect all portfolio holdings to various degrees, multiple companies in the fund should benefit, irrespective of the economic outlook. The fund maintains a strong quality bias and remains diversified across cyclical and defensive companies.

**Manager Commentary - Global Equity
For the Quarter Ended March 31, 2023**

QUARTERLY REVIEW

Global equity markets rallied in the first quarter of 2023 as inflation figures continued to decline, while economic activity remained robust. This provided hope for a 'soft landing,' where inflation could be contained without causing a general economic slowdown. The interest rate outlook was also encouraging as central banks suggested the pace of interest rate hikes would slow. The ONE Global Equity Fund produced returns of 7.3% in the quarter, bolstered by the improving outlook.

Growth oriented sectors like Information Technology, Communication Services, and Consumer Discretionary tended to have strong performance in the quarter, rebounding after weak performance in 2022. The Information Technology sector was the strongest, with returns of about 22% in the quarter. The fund's performance was helped by improving prospects for the sector, but the fund had light exposure to this sector and had no exposure to Nvidia or Apple, large market capitalization companies with returns of 90% and 27% respectively in the quarter. The fund benefitted from the sector's strength was not able to not fully participate in the sector's upside.

The manager's focus on stock selection helped performance in the quarter. Holdings in BMW's common and preferred shares that collectively represent 4.5% of fund holdings had returns of about 20%, helping overall fund performance. Alimentation Couche-Tard and CGI Inc., two Canadian holdings that collectively represent more than 7% of the fund also helped overall fund performance with returns of 14% and 12% respectively. Performance of Europe ex-UK equities performed much better than other regions in the quarter with major continental stock indices up 12% to 15% in the quarter. Fund performance benefited from a large overweight exposure to this region.

Manager Commentary - Fixed Income
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Fixed income markets performed well in the first quarter of 2023, with the ONE Canadian Government Bond Fund, the ONE Canadian Corporate Bond Fund, and the ONE Global Bond Fund achieving returns of 1.7%, 2.5%, and 2.9%, respectively, in the quarter. Returns were driven primarily by falling longer-term bond yields, while credit spreads ended the quarter marginally higher. The ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund benefited more from falling bond yields due to their longer maturity profiles.

There was considerable volatility in fixed-income markets during the first quarter. The rapid rise in interest rates in 2022 created stresses in certain segments of the banking industry that became a concern in the quarter. A banking crisis emerged in mid-March that led to the failure of two US regional banks and required Credit Suisse to be merged with UBS. Global central banks stepped in to provide liquidity in the wake of these events, intervening to ensure stability in the banking system. This seems to have addressed this shock to the banking system, but there remains some concern about the lingering impact. The immediate effect was that interest rates moved modestly lower in March and credit spreads widened, but this may also lead to tighter lending standards and may increase the probability of an economic slowdown.

After raising rates another twenty-five basis points in January, the Bank of Canada held the overnight rate at 4.5% at its March meeting, becoming the first major central bank to pause its recent monetary policy tightening. As inflation pressures continue to subside, it is likely that other global central banks will also pause their rate hikes. All three bond funds have been increasing their maturity profiles, increasing their sensitivity to interest rates, which may help performance if interest rates start to fall.

Quinte West Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of March 31, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	5,915,639.770	1.00	5,915,639.77	1.00	5,915,639.77	18.04%
CAN Equity Fund	3,139.820	1,294.73	4,065,225.69	1,259.31	3,954,027.77	12.06%
GLB Equity Fund	8,146.579	1,170.77	9,537,819.42	1,140.12	9,288,102.09	28.32%
Corp Bond Fund	2,267.105	947.04	2,147,043.35	901.04	2,042,774.51	6.23%
CAN Bond Fund	2,220.443	965.28	2,143,350.00	947.17	2,103,150.10	6.41%
GLB Bond Fund	10,901.711	952.63	10,385,352.38	870.46	9,489,506.62	28.94%
					32,793,200.86	100.00%

Quinte West Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

Account Name: Quinte West - Cash Outcome
Account Number: 9028194017

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	4,569,643.91	1.00	4,569,643.91	1.00	4,569,643.91	100.0%	0.00	53,326.98
			4,569,643.91		4,569,643.91	100.0%	0.00	53,326.98

Quinte West Prudent Investor Portfolio
Performance History
At March 31, 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	1.1	3.1	-	-	-	-	2.6	01/07/2022

% Calendar Year Returns

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

Quinte West Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	559.14	1,294.73	723,940.17	1,259.31	704,138.12	18.1%	39,206.94	0.00
GLB Equity Fund	1,450.75	1,170.77	1,698,506.09	1,140.12	1,654,035.72	42.5%	113,489.13	0.00
Corp Bond Fund	253.85	947.04	240,413.56	901.04	228,737.80	5.8%	5,760.93	0.00
CAN Bond Fund	248.63	965.28	240,000.00	947.17	235,498.24	6.0%	3,966.75	0.00
GLB Bond Fund	1,220.71	952.63	1,162,891.99	870.46	1,062,579.59	27.3%	30,443.65	0.00
			4,065,751.81		3,884,989.47	100.0%	192,867.40	0.00

Quinte West Prudent Investor Portfolio
Performance History
At March 31, 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	5.2	5.2	0.8	-	-	-	-	-2.3	01/07/2022

% Calendar Year Returns

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

Quinte West Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	1,345,995.86	1.00	1,345,995.86	1.00	1,345,995.86	21.2%	0.00	15,707.55
CAN Equity Fund	151.90	1,294.73	196,670.41	1,259.31	191,290.21	3.0%	10,651.19	0.00
GLB Equity Fund	394.12	1,170.77	461,427.49	1,140.12	449,346.42	7.0%	30,831.22	0.00
Corp Bond Fund	724.12	947.04	685,779.68	901.04	652,475.39	10.2%	16,433.07	0.00
CAN Bond Fund	709.22	965.28	684,600.00	947.17	671,759.88	10.5%	11,315.17	0.00
GLB Bond Fund	3,482.07	952.63	3,317,149.44	870.46	3,031,010.66	47.7%	86,840.59	0.00
			<u>6,691,622.88</u>		<u>6,341,878.42</u>	<u>100.0%</u>	<u>156,071.24</u>	<u>15,707.55</u>

Quinte West Prudent Investor Portfolio
Performance History
At March 31, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.7	2.7	-0.0	-	-	-	-	-2.2	01/07/2022

% Calendar Year Returns

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

Quinte West Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	1,625.00	1,294.73	2,103,951.12	1,259.31	2,046,400.97	15.1%	113,945.14	0.00
GLB Equity Fund	4,216.25	1,170.77	4,936,283.34	1,140.12	4,807,043.60	35.5%	329,827.96	0.00
Corp Bond Fund	1,106.66	947.04	1,048,052.86	901.04	997,155.77	7.3%	25,114.10	0.00
CAN Bond Fund	1,083.88	965.28	1,046,250.00	947.17	1,026,626.91	7.6%	17,292.58	0.00
GLB Bond Fund	5,321.53	952.63	5,069,482.32	870.46	4,632,186.69	34.2%	132,715.40	0.00
			14,204,019.64		13,509,413.94	100.0%	618,895.18	0.00

Quinte West Prudent Investor Portfolio
Performance History
At March 31, 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	4.8	4.8	0.4	-	-	-	-	-2.5	01/07/2022

% Calendar Year Returns

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

Quinte West Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	803.76	1,294.73	1,040,663.99	1,259.31	1,012,198.47	22.5%	56,359.98	0.00
GLB Equity Fund	2,085.45	1,170.77	2,441,602.50	1,140.12	2,377,676.35	52.9%	163,140.63	0.00
Corp Bond Fund	182.46	947.04	172,797.25	901.04	164,405.55	3.6%	4,140.68	0.00
CAN Bond Fund	178.70	965.27	172,500.00	947.17	169,265.07	3.7%	2,851.11	0.00
GLB Bond Fund	877.38	952.63	835,828.63	870.46	763,729.68	17.0%	21,881.39	0.00
			4,663,392.37		4,487,275.12	100.0%	248,373.79	0.00

Quinte West Prudent Investor Portfolio
Performance History
At March 31, 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	5.8	5.8	1.3	-	-	-	-	-2.0	01/07/2022

% Calendar Year Returns

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

Quinte West Prudent Investor Portfolio
Transaction Summary for the Quarter Ended March 31, 2023

TRANSACTION SUMMARY

Account Name: Quinte West - Cash Outcome

Account Number: 9028194017

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	17,655.88	17,655.88
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	18,337.40	18,337.40
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	17,333.70	17,333.70

Quinte West Prudent Investor Portfolio
Transaction Summary for the Quarter Ended March 31, 2023

TRANSACTION SUMMARY

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

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	5,200.57	5,200.57
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	5,401.31	5,401.31
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	5,105.67	5,105.67

**Quinte West Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
March 31, 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 March 31, 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 March 31, 2023

Thunder Bay Prudent Investor Portfolio

500 Donald St E, P.O. Box 800
Thunder Bay, ON
P7E 5K4

Westover, Emma
Director Financial Services
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ONE Investment

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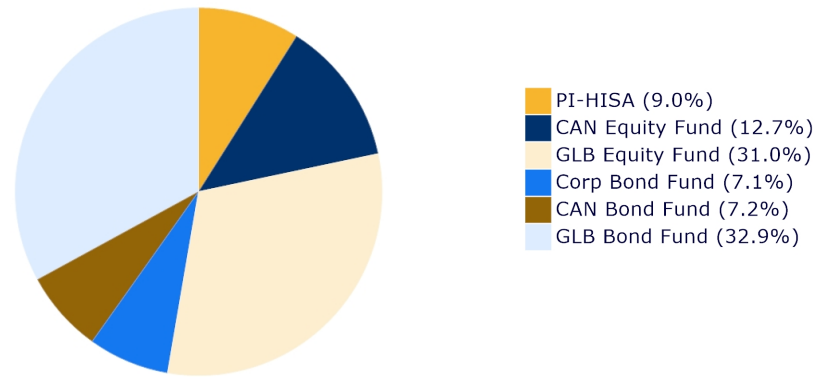
Relationship Manager

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

Thunder Bay Prudent Investor Portfolio
Executive Summary for the Quarter Ended March 31, 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	4.3%	4.3%	-	-	-	-	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
PI-HISA	9,986,311.59	-	-	-	117,914.64	10,104,226.23
CAN Equity Fund	13,529,921.18	-	-	797,777.00	-	14,327,698.18
GLB Equity Fund	32,536,598.49	-	-	2,396,909.32	-	34,933,507.81
Corp Bond Fund	7,833,353.63	-	-	202,385.99	-	8,035,739.62
CAN Bond Fund	7,994,874.54	-	-	136,973.44	-	8,131,847.98
GLB Bond Fund	36,014,171.36	7,150.42	-	1,062,298.63	-	37,083,620.41
Total	107,895,230.79	7,150.42	0.00	4,596,344.38	117,914.64	112,616,640.23

Thunder Bay Prudent Investor Portfolio
Performance History At
March 31, 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 High Interest Savings Account	1.1	1.1	-	-	-	-	-	3.0	04/01/2022
ONE Canadian Equity Fund	5.9	5.9	-	-	-	-	-	-0.8	04/01/2022
ONE Global Equity Fund	7.3	7.3	-	-	-	-	-	3.5	04/01/2022
ONE Canadian Corporate Bond Fund	2.5	2.5	-	-	-	-	-	-0.5	04/01/2022
ONE Canadian Government Bond Fund	1.7	1.7	-	-	-	-	-	0.6	04/01/2022
ONE Global Bond Fund	2.9	2.9	-	-	-	-	-	-1.6	04/01/2022

Performance by Outcome

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
JIB1THUCONT	5.2	5.2	-	-	-	-	-	0.8	04/01/2022
JIB2THUTD35	2.8	2.8	-	-	-	-	-	0.0	04/01/2022
JIB3THUTD510	4.8	4.8	-	-	-	-	-	0.5	04/01/2022
JIB4THUTD10P	5.8	5.8	-	-	-	-	-	1.4	04/01/2022
JIBTHUCASH	1.1	1.1	-	-	-	-	-	3.0	04/04/2022

**Manager Commentary - Canadian Equity
For the Quarter Ended March 31, 2023**

QUARTERLY REVIEW

The Canadian equity markets performed well in the first quarter of 2023, with the ONE Canadian Equity Fund generating returns of 5.9% during the quarter. This comes on the back of a strong performance in the fourth quarter of 2022, as equity markets continued to recover from weakness earlier in the year. The only sector of the Canadian equity market with negative returns in the quarter was the Energy sector, where the portfolio has a significant underweight relative to its benchmark. The best-performing sector was the Information Technology sector, with returns of over 26%. The fund benefited from an overweight exposure to this sector, which contributed to the fund's outperformance versus its benchmark.

The banking sector was in the headlines in the quarter after the failure of Silicon Valley Bank and the acquisition of Credit Suisse by UBS. These events highlight stresses that surfaced in the banking sector resulting from sharp increases in interest rates last year. Central banks stepped in to provide additional liquidity to the banking sector to dissipate the effects of these events.

The economic backdrop continued to improve in the quarter as inflation levels, which peaked at over 8% last June, continued to trend lower amidst continued strong economic activity. The interest rate outlook also continues to be supportive for the equity market. Rapidly rising interest rates were a key driver of weak returns for equity investors in 2022. Further interest rate increases by the Bank of Canada seem unlikely this year. There remains a risk that last year's rate hikes may continue to slow economic activity, creating the risk of an economic recession and uncertainty for corporate profit growth. While economic headwinds are expected to affect all portfolio holdings to various degrees, multiple companies in the fund should benefit, irrespective of the economic outlook. The fund maintains a strong quality bias and remains diversified across cyclical and defensive companies.

Manager Commentary - Global Equity
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Global equity markets rallied in the first quarter of 2023 as inflation figures continued to decline, while economic activity remained robust. This provided hope for a 'soft landing,' where inflation could be contained without causing a general economic slowdown. The interest rate outlook was also encouraging as central banks suggested the pace of interest rate hikes would slow. The ONE Global Equity Fund produced returns of 7.3% in the quarter, bolstered by the improving outlook.

Growth oriented sectors like Information Technology, Communication Services, and Consumer Discretionary tended to have strong performance in the quarter, rebounding after weak performance in 2022. The Information Technology sector was the strongest, with returns of about 22% in the quarter. The fund's performance was helped by improving prospects for the sector, but the fund had light exposure to this sector and had no exposure to Nvidia or Apple, large market capitalization companies with returns of 90% and 27% respectively in the quarter. The fund benefitted from the sector's strength was not able to not fully participate in the sector's upside.

The manager's focus on stock selection helped performance in the quarter. Holdings in BMW's common and preferred shares that collectively represent 4.5% of fund holdings had returns of about 20%, helping overall fund performance. Alimentation Couche-Tard and CGI Inc., two Canadian holdings that collectively represent more than 7% of the fund also helped overall fund performance with returns of 14% and 12% respectively. Performance of Europe ex-UK equities performed much better than other regions in the quarter with major continental stock indices up 12% to 15% in the quarter. Fund performance benefited from a large overweight exposure to this region.

Manager Commentary - Fixed Income
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Fixed income markets performed well in the first quarter of 2023, with the ONE Canadian Government Bond Fund, the ONE Canadian Corporate Bond Fund, and the ONE Global Bond Fund achieving returns of 1.7%, 2.5%, and 2.9%, respectively, in the quarter. Returns were driven primarily by falling longer-term bond yields, while credit spreads ended the quarter marginally higher. The ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund benefited more from falling bond yields due to their longer maturity profiles.

There was considerable volatility in fixed-income markets during the first quarter. The rapid rise in interest rates in 2022 created stresses in certain segments of the banking industry that became a concern in the quarter. A banking crisis emerged in mid-March that led to the failure of two US regional banks and required Credit Suisse to be merged with UBS. Global central banks stepped in to provide liquidity in the wake of these events, intervening to ensure stability in the banking system. This seems to have addressed this shock to the banking system, but there remains some concern about the lingering impact. The immediate effect was that interest rates moved modestly lower in March and credit spreads widened, but this may also lead to tighter lending standards and may increase the probability of an economic slowdown.

After raising rates another twenty-five basis points in January, the Bank of Canada held the overnight rate at 4.5% at its March meeting, becoming the first major central bank to pause its recent monetary policy tightening. As inflation pressures continue to subside, it is likely that other global central banks will also pause their rate hikes. All three bond funds have been increasing their maturity profiles, increasing their sensitivity to interest rates, which may help performance if interest rates start to fall.

Thunder Bay Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of March 31, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	10,104,226.230	1.00	10,104,226.23	1.00	10,104,226.23	8.97%
CAN Equity Fund	11,377.359	1,276.54	14,523,674.01	1,259.31	14,327,698.18	12.72%
GLB Equity Fund	30,640.122	1,113.61	34,121,208.05	1,140.12	34,933,507.81	31.02%
Corp Bond Fund	8,918.197	907.78	8,095,778.67	901.04	8,035,739.62	7.14%
CAN Bond Fund	8,585.362	941.28	8,081,250.00	947.17	8,131,847.98	7.22%
GLB Bond Fund	42,602.311	920.51	39,216,273.78	870.46	37,083,620.41	32.93%
					112,616,640.23	100.00%

Thunder Bay Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	3,445.46	1,276.54	4,398,279.51	1,259.31	4,338,931.61	17.6%	241,594.97	0.00
GLB Equity Fund	9,298.55	1,113.44	10,353,470.79	1,140.12	10,601,498.70	43.1%	727,405.65	0.00
Corp Bond Fund	1,609.00	907.78	1,460,621.23	901.04	1,449,789.13	5.9%	36,514.00	0.00
CAN Bond Fund	1,548.95	941.28	1,458,000.00	947.17	1,467,129.06	5.9%	24,712.43	0.00
GLB Bond Fund	7,692.97	920.47	7,081,167.66	870.46	6,696,425.84	27.2%	191,684.13	0.00
			24,751,539.19		24,553,774.34	100.0%	1,221,911.18	0.00

Thunder Bay Prudent Investor Portfolio
Performance History
At March 31, 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	5.2	5.2	-	-	-	-	-	0.8	04/01/2022

% Calendar Year Returns

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

Thunder Bay Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	6,469,671.77	1.00	6,469,671.77	1.00	6,469,671.77	20.6%	0.00	75,499.99
CAN Equity Fund	742.02	1,276.54	947,228.92	1,259.31	934,446.99	2.9%	52,030.71	0.00
GLB Equity Fund	1,996.50	1,113.68	2,223,467.74	1,140.12	2,276,255.57	7.2%	156,181.80	0.00
Corp Bond Fund	3,638.45	907.78	3,302,927.43	901.04	3,278,432.75	10.4%	82,569.73	0.00
CAN Bond Fund	3,502.66	941.28	3,297,000.00	947.17	3,317,642.72	10.5%	55,882.62	0.00
GLB Bond Fund	17,377.58	920.53	15,996,594.57	870.46	15,126,498.72	48.1%	433,384.83	0.00
			32,236,890.43		31,402,948.52	100.0%	780,049.69	75,499.99

Thunder Bay Prudent Investor Portfolio
Performance History
At March 31, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.8	2.8	-	-	-	-	-	0.0	04/01/2022

% Calendar Year Returns

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

Thunder Bay Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	4,265.47	1,276.54	5,445,057.97	1,259.31	5,371,585.16	14.8%	299,093.90	0.00
GLB Equity Fund	11,476.69	1,113.68	12,781,399.01	1,140.12	13,084,842.79	36.0%	897,796.52	0.00
Corp Bond Fund	2,987.90	907.78	2,712,367.61	901.04	2,692,253.00	7.4%	67,806.36	0.00
CAN Bond Fund	2,876.39	941.28	2,707,500.00	947.17	2,724,452.02	7.5%	45,890.87	0.00
GLB Bond Fund	14,270.49	920.53	13,136,420.91	870.46	12,421,896.75	34.2%	355,896.08	0.00
			36,782,745.50		36,295,029.72	100.0%	1,666,483.73	0.00

Thunder Bay Prudent Investor Portfolio
Performance History
At March 31, 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	4.8	4.8	-	-	-	-	-	0.5	04/01/2022

% Calendar Year Returns

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

Thunder Bay Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	2,924.39	1,276.54	3,733,107.61	1,259.31	3,682,734.42	22.0%	205,057.42	0.00
GLB Equity Fund	7,868.37	1,113.68	8,762,870.51	1,140.12	8,970,910.75	53.6%	615,525.35	0.00
Corp Bond Fund	682.83	907.78	619,862.40	901.04	615,264.74	3.6%	15,495.90	0.00
CAN Bond Fund	657.34	941.28	618,750.00	947.17	622,624.18	3.7%	10,487.52	0.00
GLB Bond Fund	3,261.26	920.53	3,002,090.64	870.46	2,838,799.10	16.9%	81,333.59	0.00
			16,736,681.16		16,730,333.19	100.0%	927,899.78	0.00

Thunder Bay Prudent Investor Portfolio
Performance History
At March 31, 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	5.8	5.8	-	-	-	-	-	1.4	04/01/2022

% Calendar Year Returns

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

Thunder Bay Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

Account Name: Thunder Bay - Cash Outcome
Account Number: 9027504012

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	3,634,554.46	1.00	3,634,554.46	1.00	3,634,554.46	100.0%	0.00	42,414.65
			3,634,554.46		3,634,554.46	100.0%	0.00	42,414.65

Thunder Bay Prudent Investor Portfolio
Performance History
At March 31, 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	1.1	-	-	-	-	-	3.0	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 March 31, 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	02/07/2023	02/07/2023	8.25	7,150.42

Thunder Bay Prudent Investor Portfolio
Transaction Summary for the Quarter Ended March 31, 2023

TRANSACTION SUMMARY

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

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	24,997.08	24,997.08
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	25,961.97	25,961.97
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	24,540.94	24,540.94

Thunder Bay Prudent Investor Portfolio
Transaction Summary for the Quarter Ended March 31, 2023

TRANSACTION SUMMARY

Account Name: Thunder Bay - Cash Outcome
Account Number: 9027504012

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	14,042.95	14,042.95
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	14,585.01	14,585.01
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	13,786.69	13,786.69

Thunder Bay Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
March 31, 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 March 31, 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 March 31, 2023

Whitby Prudent Investor Portfolio

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

ONE Investment

200 University Ave, Suite 801
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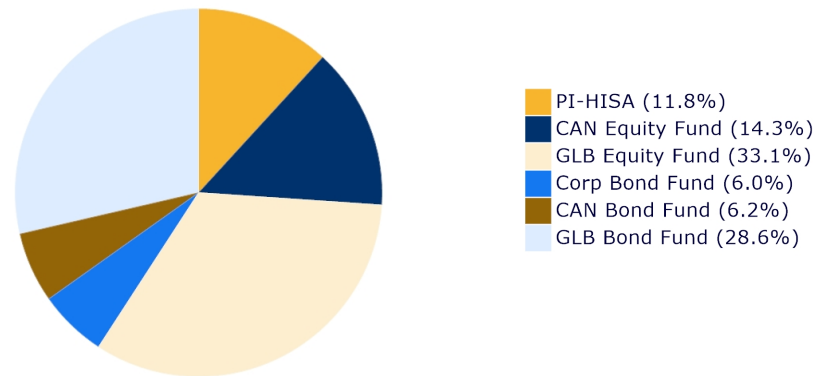
Relationship Manager

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

Whitby Prudent Investor Portfolio
Executive Summary for the Quarter Ended March 31, 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	4.4%	4.4%	0.6%	1.3%	-	-	3.3%	07/02/2020

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
PI-HISA	19,976,272.19	-	-	-	235,872.36	20,212,144.55
CAN Equity Fund	23,026,049.30	-	-	1,357,705.80	-	24,383,755.10
GLB Equity Fund	52,765,466.30	-	-	3,887,131.55	-	56,652,597.85
Corp Bond Fund	10,021,518.99	-	-	258,920.39	-	10,280,439.38
CAN Bond Fund	10,421,097.93	-	-	178,541.08	-	10,599,639.01
GLB Bond Fund	47,500,916.58	31,629.95	-	1,401,219.23	-	48,933,765.76
Total	163,711,321.29	31,629.95	0.00	7,083,518.05	235,872.36	171,062,341.65

Whitby Prudent Investor Portfolio
Performance History At
March 31, 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 High Interest Savings Account	1.1	1.1	3.0	1.7	-	-	-	1.4	07/02/2020
ONE Canadian Equity Fund	5.9	5.9	-1.0	3.5	-	-	-	12.4	07/02/2020
ONE Global Equity Fund	7.3	7.3	3.7	6.8	-	-	-	8.2	07/02/2020
ONE Canadian Corporate Bond Fund	2.5	2.5	-0.7	-2.5	-	-	-	-2.5	07/02/2020
ONE Canadian Government Bond Fund	1.7	1.7	0.4	-1.3	-	-	-	-0.9	07/02/2020
ONE Global Bond Fund	2.9	2.9	-1.8	-2.2	-	-	-	-0.4	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	5.2	5.2	0.8	2.7	-	-	-	5.4	07/02/2020
JIB2WHITD35	2.8	2.8	-0.0	-0.4	-	-	-	0.7	07/02/2020
JIB3WHITD510	4.9	4.9	0.5	1.9	-	-	-	4.4	07/02/2020
JIB4WHIAMR	6.5	6.5	1.9	5.0	-	-	-	8.5	07/02/2020
JIB5WHITD10P	5.8	5.8	1.3	3.8	-	-	-	7.0	07/02/2020
JIBWHICASH	1.1	1.1	-	-	-	-	-	2.6	06/13/2022

**Manager Commentary - Canadian Equity
For the Quarter Ended March 31, 2023**

QUARTERLY REVIEW

The Canadian equity markets performed well in the first quarter of 2023, with the ONE Canadian Equity Fund generating returns of 5.9% during the quarter. This comes on the back of a strong performance in the fourth quarter of 2022, as equity markets continued to recover from weakness earlier in the year. The only sector of the Canadian equity market with negative returns in the quarter was the Energy sector, where the portfolio has a significant underweight relative to its benchmark. The best-performing sector was the Information Technology sector, with returns of over 26%. The fund benefited from an overweight exposure to this sector, which contributed to the fund's outperformance versus its benchmark.

The banking sector was in the headlines in the quarter after the failure of Silicon Valley Bank and the acquisition of Credit Suisse by UBS. These events highlight stresses that surfaced in the banking sector resulting from sharp increases in interest rates last year. Central banks stepped in to provide additional liquidity to the banking sector to dissipate the effects of these events.

The economic backdrop continued to improve in the quarter as inflation levels, which peaked at over 8% last June, continued to trend lower amidst continued strong economic activity. The interest rate outlook also continues to be supportive for the equity market. Rapidly rising interest rates were a key driver of weak returns for equity investors in 2022. Further interest rate increases by the Bank of Canada seem unlikely this year. There remains a risk that last year's rate hikes may continue to slow economic activity, creating the risk of an economic recession and uncertainty for corporate profit growth. While economic headwinds are expected to affect all portfolio holdings to various degrees, multiple companies in the fund should benefit, irrespective of the economic outlook. The fund maintains a strong quality bias and remains diversified across cyclical and defensive companies.

Manager Commentary - Global Equity
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Global equity markets rallied in the first quarter of 2023 as inflation figures continued to decline, while economic activity remained robust. This provided hope for a 'soft landing,' where inflation could be contained without causing a general economic slowdown. The interest rate outlook was also encouraging as central banks suggested the pace of interest rate hikes would slow. The ONE Global Equity Fund produced returns of 7.3% in the quarter, bolstered by the improving outlook.

Growth oriented sectors like Information Technology, Communication Services, and Consumer Discretionary tended to have strong performance in the quarter, rebounding after weak performance in 2022. The Information Technology sector was the strongest, with returns of about 22% in the quarter. The fund's performance was helped by improving prospects for the sector, but the fund had light exposure to this sector and had no exposure to Nvidia or Apple, large market capitalization companies with returns of 90% and 27% respectively in the quarter. The fund benefitted from the sector's strength was not able to not fully participate in the sector's upside.

The manager's focus on stock selection helped performance in the quarter. Holdings in BMW's common and preferred shares that collectively represent 4.5% of fund holdings had returns of about 20%, helping overall fund performance. Alimentation Couche-Tard and CGI Inc., two Canadian holdings that collectively represent more than 7% of the fund also helped overall fund performance with returns of 14% and 12% respectively. Performance of Europe ex-UK equities performed much better than other regions in the quarter with major continental stock indices up 12% to 15% in the quarter. Fund performance benefited from a large overweight exposure to this region.

Manager Commentary - Fixed Income
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Fixed income markets performed well in the first quarter of 2023, with the ONE Canadian Government Bond Fund, the ONE Canadian Corporate Bond Fund, and the ONE Global Bond Fund achieving returns of 1.7%, 2.5%, and 2.9%, respectively, in the quarter. Returns were driven primarily by falling longer-term bond yields, while credit spreads ended the quarter marginally higher. The ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund benefited more from falling bond yields due to their longer maturity profiles.

There was considerable volatility in fixed-income markets during the first quarter. The rapid rise in interest rates in 2022 created stresses in certain segments of the banking industry that became a concern in the quarter. A banking crisis emerged in mid-March that led to the failure of two US regional banks and required Credit Suisse to be merged with UBS. Global central banks stepped in to provide liquidity in the wake of these events, intervening to ensure stability in the banking system. This seems to have addressed this shock to the banking system, but there remains some concern about the lingering impact. The immediate effect was that interest rates moved modestly lower in March and credit spreads widened, but this may also lead to tighter lending standards and may increase the probability of an economic slowdown.

After raising rates another twenty-five basis points in January, the Bank of Canada held the overnight rate at 4.5% at its March meeting, becoming the first major central bank to pause its recent monetary policy tightening. As inflation pressures continue to subside, it is likely that other global central banks will also pause their rate hikes. All three bond funds have been increasing their maturity profiles, increasing their sensitivity to interest rates, which may help performance if interest rates start to fall.

Whitby Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of March 31, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	20,212,144.550	1.00	20,212,144.55	1.00	20,212,144.55	11.82%
CAN Equity Fund	19,362.687	1,116.44	21,617,416.06	1,259.31	24,383,755.10	14.25%
GLB Equity Fund	49,689.900	1,055.60	52,452,784.44	1,140.12	56,652,597.85	33.12%
Corp Bond Fund	11,409.402	984.70	11,234,921.10	901.04	10,280,439.38	6.01%
CAN Bond Fund	11,190.782	981.04	10,978,627.60	947.17	10,599,639.01	6.20%
GLB Bond Fund	56,215.965	987.63	55,520,818.59	870.46	48,933,765.76	28.61%
					171,062,341.65	100.00%

Whitby Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

Account Name: Whitby - Contingency Outcome
Account Number: 570050112

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	1,542.14	1,074.78	1,657,464.24	1,259.31	1,942,042.66	18.4%	108,134.40	0.00
GLB Equity Fund	4,044.17	1,006.33	4,069,771.51	1,140.12	4,610,853.51	43.7%	316,366.68	0.00
Corp Bond Fund	664.07	928.15	616,360.68	901.04	598,361.94	5.6%	15,070.18	0.00
CAN Bond Fund	622.68	955.27	594,827.96	947.17	589,787.49	5.5%	9,934.42	0.00
GLB Bond Fund	3,225.70	926.44	2,988,447.65	870.46	2,807,845.53	26.6%	80,446.75	0.00
			9,926,872.04		10,548,891.13	100.0%	529,952.43	0.00

Whitby Prudent Investor Portfolio
Performance History
At March 31, 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	5.2	5.2	0.8	2.7	-	-	-	5.4	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 March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	9,950,929.83	1.00	9,950,929.83	1.00	9,950,929.83	20.4%	0.00	116,125.69
CAN Equity Fund	1,329.40	1,022.16	1,358,871.54	1,259.31	1,674,144.44	3.4%	93,217.62	0.00
GLB Equity Fund	3,292.54	1,009.56	3,324,044.88	1,140.12	3,753,905.14	7.7%	257,568.47	0.00
Corp Bond Fund	5,509.90	992.02	5,465,950.99	901.04	4,964,694.29	10.1%	125,039.46	0.00
CAN Bond Fund	5,441.42	983.94	5,354,090.45	947.17	5,153,989.46	10.5%	86,814.17	0.00
GLB Bond Fund	26,661.71	992.73	26,467,925.33	870.46	23,207,965.31	47.6%	664,924.54	0.00
			51,921,813.02		48,705,628.47	100.0%	1,227,564.26	116,125.69

Whitby Prudent Investor Portfolio
Performance History
At March 31, 2023

% Annualized Returns

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	2.8	2.8	-0.0	-0.4	-	-	-	0.7	07/02/2020

% Calendar Year Returns

	2022	2021	2020	2019	2018
Return Net of Fees	-6.2	2.0	-	-	-

Whitby Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	6,248.99	1,022.16	6,387,498.52	1,259.31	7,869,463.76	16.1%	438,177.65	0.00
GLB Equity Fund	15,850.38	1,009.56	16,002,034.37	1,140.12	18,071,391.92	36.9%	1,239,940.98	0.00
Corp Bond Fund	3,673.14	990.96	3,639,965.37	901.04	3,309,682.06	6.7%	83,356.77	0.00
CAN Bond Fund	3,599.91	983.83	3,541,732.61	947.17	3,409,756.52	6.9%	57,434.19	0.00
GLB Bond Fund	18,630.45	992.91	18,498,525.05	870.46	16,217,072.32	33.1%	464,630.53	0.00
			48,069,755.92		48,877,366.58	100.0%	2,283,540.12	0.00

Whitby Prudent Investor Portfolio
Performance History
At March 31, 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	4.9	4.9	0.5	1.9	-	-	-	4.4	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 March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	4,358.02	1,207.96	5,264,336.85	1,259.31	5,488,128.62	26.9%	305,583.12	0.00
GLB Equity Fund	11,433.92	1,082.20	12,373,906.63	1,140.12	13,036,084.29	63.8%	894,451.03	0.00
Corp Bond Fund	312.56	919.79	287,492.43	901.04	281,634.83	1.3%	7,093.18	0.00
CAN Bond Fund	293.20	952.25	279,202.12	947.17	277,713.87	1.3%	4,677.83	0.00
GLB Bond Fund	1,518.25	928.74	1,410,068.14	870.46	1,321,581.57	6.4%	37,864.24	0.00
			19,615,006.17		20,405,143.18	100.0%	1,249,669.40	0.00

Whitby Prudent Investor Portfolio
Performance History
At March 31, 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	6.5	6.5	1.9	5.0	-	-	-	8.5	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 March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	5,884.12	1,181.01	6,949,244.91	1,259.31	7,409,975.62	22.9%	412,593.01	0.00
GLB Equity Fund	15,068.86	1,107.11	16,683,027.05	1,140.12	17,180,362.99	53.2%	1,178,804.39	0.00
Corp Bond Fund	1,249.72	980.33	1,225,151.63	901.04	1,126,066.26	3.4%	28,360.80	0.00
CAN Bond Fund	1,233.55	979.91	1,208,774.46	947.17	1,168,391.67	3.6%	19,680.47	0.00
GLB Bond Fund	6,179.83	996.11	6,155,852.42	870.46	5,379,301.03	16.6%	153,353.17	0.00
			32,222,050.47		32,264,097.57	100.0%	1,792,791.84	0.00

Whitby Prudent Investor Portfolio
Performance History
At March 31, 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	5.8	5.8	1.3	3.8	-	-	-	7.0	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 March 31, 2023

Account Name: Whitby - Cash Outcome
Account Number: 9021944312

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	10,261,214.72	1.00	10,261,214.72	1.00	10,261,214.72	100.0%	0.00	119,746.67
			10,261,214.72		10,261,214.72	100.0%	0.00	119,746.67

Whitby Prudent Investor Portfolio
Performance History
At March 31, 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	1.1	-	-	-	-	-	2.6	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 March 31, 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)
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	38,447.73	38,447.73
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	39,931.82	39,931.82
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	37,746.14	37,746.14

Whitby Prudent Investor Portfolio
Transaction Summary for the Quarter Ended March 31, 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	02/07/2023	02/07/2023	36.50	31,629.95

Whitby Prudent Investor Portfolio
Transaction Summary for the Quarter Ended March 31, 2023

TRANSACTION SUMMARY

Account Name: Whitby - Cash Outcome
Account Number: 9021944312

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	39,646.59	39,646.59
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	41,176.95	41,176.95
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	38,923.13	38,923.13

**Whitby Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
March 31, 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 March 31, 2023 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

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

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

APPENDIX

**The Town of Whitby
Pledged to ONE JIB
As at March 31, 2023**

	Quantity	Cost		Market Value on March 31, 2023	
		Per Unit	Total	Per Unit	Total
Fixed Income					
Fixed Income					
BNS TSX LOW VLT INDX DEP NTS S32 PP DSC (341) MAT DT: 01/03/2024 - SSP341 Deferred Sales Charge	10,000.000	100.000	1,000,000.00	126.430	1,264,300.00
Fixed Income Subtotal			1,000,000.00		1,264,300.00
Subtotal			1,000,000.00		1,264,300.00

ONE JIB - Outcome Framework - Target Allocations

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

ONE JIB - Outcome Framework - Defined

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

Glossary and Definitions for Quarterly Reports

Account

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

Annual and Annualized Returns: please see Returns below.

Asset Allocation

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

Asset Mix: See Asset allocation.

Benchmark

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

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

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

Blended Benchmark

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

Canadian Corporate Bond Fund

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

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

Canadian Equity Fund

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

Canadian Government Bond Fund

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

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

Book Value

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

CAD

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

Consolidated Holdings

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

Discounts

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

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

Duration

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

Fees

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

Global Bond Fund

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

Global Equity Fund

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

High Interest Savings Account (HISA)

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

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

Inception Date

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

Income

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

Investment Manager

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

Market Value

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

ONE Joint Investment Board (ONE JIB)

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

Outcome

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

Cash:

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

Contingency:

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

Asset Management Reserves:

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

Stable Return:

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

Target Date:

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

Price

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

Prudent Investor Standard

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

Quality

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

Realized and Unrealized Gains

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

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

Returns

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

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

Unit Cost

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

Unrealized Gains: Please see Realized and Unrealized Gains

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

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

QUARTERLY INVESTMENT REPORT

For The Period Ended March 31, 2023

Bracebridge Prudent Investor Portfolio

1000 Taylor Court
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P1L 1R6

Judson, Paul
Director of Finance/Treasurer
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ONE Investment

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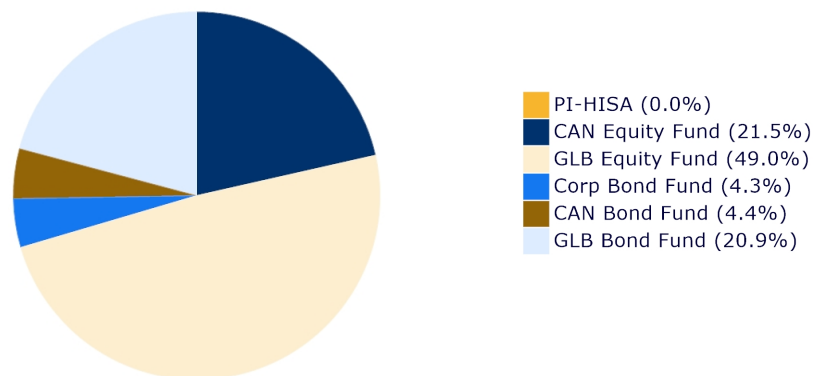
Relationship Manager

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

Bracebridge Prudent Investor Portfolio
Executive Summary for the Quarter Ended March 31, 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	5.6%	5.6%	1.1%	3.3%	-	-	6.2%	07/02/2020

Overall Asset Allocation



Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
PI-HISA	56.43	-	-	-	0.67	57.10
CAN Equity Fund	1,345,904.62	-	-	79,359.80	-	1,425,264.42
GLB Equity Fund	3,028,794.83	-	-	223,125.56	-	3,251,920.39
Corp Bond Fund	276,850.85	-	-	7,152.84	-	284,003.69
CAN Bond Fund	286,729.65	-	-	4,912.44	-	291,642.09
GLB Bond Fund	1,346,222.47	628.47	-	39,710.49	-	1,386,561.43
Total	6,284,558.85	628.47	0.00	354,261.13	0.67	6,639,449.12

Bracebridge Prudent Investor Portfolio
Performance History At
March 31, 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 High Interest Savings Account	1.1	1.1	3.1	1.8	-	-	-	1.4	07/02/2020
ONE Canadian Equity Fund	5.9	5.9	-1.0	3.5	-	-	-	12.4	07/02/2020
ONE Global Equity Fund	7.3	7.3	3.7	6.8	-	-	-	8.2	07/02/2020
ONE Canadian Corporate Bond Fund	2.5	2.5	-0.7	-2.5	-	-	-	-2.5	07/02/2020
ONE Canadian Government Bond Fund	1.7	1.7	0.4	-1.3	-	-	-	-0.9	07/02/2020
ONE Global Bond Fund	2.9	2.9	-1.8	-2.2	-	-	-	-0.4	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
JIB1BRBCONT	5.3	5.3	0.8	2.7	-	-	-	5.5	07/02/2020
JIB2BRBTD10P	5.9	5.9	1.4	3.8	-	-	-	7.0	07/02/2020
JIBBRBCASH	1.1	1.1	3.1	1.8	-	-	-	1.5	08/06/2020

Manager Commentary - Canadian Equity
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

The Canadian equity markets performed well in the first quarter of 2023, with the ONE Canadian Equity Fund generating returns of 5.9% during the quarter. This comes on the back of a strong performance in the fourth quarter of 2022, as equity markets continued to recover from weakness earlier in the year. The only sector of the Canadian equity market with negative returns in the quarter was the Energy sector, where the portfolio has a significant underweight relative to its benchmark. The best-performing sector was the Information Technology sector, with returns of over 26%. The fund benefited from an overweight exposure to this sector, which contributed to the fund's outperformance versus its benchmark.

The banking sector was in the headlines in the quarter after the failure of Silicon Valley Bank and the acquisition of Credit Suisse by UBS. These events highlight stresses that surfaced in the banking sector resulting from sharp increases in interest rates last year. Central banks stepped in to provide additional liquidity to the banking sector to dissipate the effects of these events.

The economic backdrop continued to improve in the quarter as inflation levels, which peaked at over 8% last June, continued to trend lower amidst continued strong economic activity. The interest rate outlook also continues to be supportive for the equity market. Rapidly rising interest rates were a key driver of weak returns for equity investors in 2022. Further interest rate increases by the Bank of Canada seem unlikely this year. There remains a risk that last year's rate hikes may continue to slow economic activity, creating the risk of an economic recession and uncertainty for corporate profit growth. While economic headwinds are expected to affect all portfolio holdings to various degrees, multiple companies in the fund should benefit, irrespective of the economic outlook. The fund maintains a strong quality bias and remains diversified across cyclical and defensive companies.

Manager Commentary - Global Equity
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Global equity markets rallied in the first quarter of 2023 as inflation figures continued to decline, while economic activity remained robust. This provided hope for a 'soft landing,' where inflation could be contained without causing a general economic slowdown. The interest rate outlook was also encouraging as central banks suggested the pace of interest rate hikes would slow. The ONE Global Equity Fund produced returns of 7.3% in the quarter, bolstered by the improving outlook.

Growth oriented sectors like Information Technology, Communication Services, and Consumer Discretionary tended to have strong performance in the quarter, rebounding after weak performance in 2022. The Information Technology sector was the strongest, with returns of about 22% in the quarter. The fund's performance was helped by improving prospects for the sector, but the fund had light exposure to this sector and had no exposure to Nvidia or Apple, large market capitalization companies with returns of 90% and 27% respectively in the quarter. The fund benefitted from the sector's strength was not able to not fully participate in the sector's upside.

The manager's focus on stock selection helped performance in the quarter. Holdings in BMW's common and preferred shares that collectively represent 4.5% of fund holdings had returns of about 20%, helping overall fund performance. Alimentation Couche-Tard and CGI Inc., two Canadian holdings that collectively represent more than 7% of the fund also helped overall fund performance with returns of 14% and 12% respectively. Performance of Europe ex-UK equities performed much better than other regions in the quarter with major continental stock indices up 12% to 15% in the quarter. Fund performance benefited from a large overweight exposure to this region.

Manager Commentary - Fixed Income
For the Quarter Ended March 31, 2023

QUARTERLY REVIEW

Fixed income markets performed well in the first quarter of 2023, with the ONE Canadian Government Bond Fund, the ONE Canadian Corporate Bond Fund, and the ONE Global Bond Fund achieving returns of 1.7%, 2.5%, and 2.9%, respectively, in the quarter. Returns were driven primarily by falling longer-term bond yields, while credit spreads ended the quarter marginally higher. The ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund benefited more from falling bond yields due to their longer maturity profiles.

There was considerable volatility in fixed-income markets during the first quarter. The rapid rise in interest rates in 2022 created stresses in certain segments of the banking industry that became a concern in the quarter. A banking crisis emerged in mid-March that led to the failure of two US regional banks and required Credit Suisse to be merged with UBS. Global central banks stepped in to provide liquidity in the wake of these events, intervening to ensure stability in the banking system. This seems to have addressed this shock to the banking system, but there remains some concern about the lingering impact. The immediate effect was that interest rates moved modestly lower in March and credit spreads widened, but this may also lead to tighter lending standards and may increase the probability of an economic slowdown.

After raising rates another twenty-five basis points in January, the Bank of Canada held the overnight rate at 4.5% at its March meeting, becoming the first major central bank to pause its recent monetary policy tightening. As inflation pressures continue to subside, it is likely that other global central banks will also pause their rate hikes. All three bond funds have been increasing their maturity profiles, increasing their sensitivity to interest rates, which may help performance if interest rates start to fall.

Bracebridge Prudent Investor Portfolio
Consolidated Portfolio Holdings in CAD
As of March 31, 2023

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	57.100	1.00	57.10	1.00	57.10	0.00%
CAN Equity Fund	1,131.776	1,022.16	1,156,860.78	1,259.31	1,425,264.42	21.47%
GLB Equity Fund	2,852.254	1,009.58	2,879,584.20	1,140.12	3,251,920.39	48.98%
Corp Bond Fund	315.192	990.42	312,173.35	901.04	284,003.69	4.28%
CAN Bond Fund	307.907	983.70	302,890.23	947.17	291,642.09	4.39%
GLB Bond Fund	1,592.906	989.53	1,576,239.71	870.46	1,386,561.43	20.88%
					6,639,449.12	100.00%

Bracebridge Prudent Investor Portfolio
Holdings by Account
At March 31, 2023

Account Name: Bracebridge - Contingency Outcome
Account Number: 570050021

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	487.63	1,022.16	498,440.29	1,259.31	614,084.38	19.2%	34,192.68	0.00
GLB Equity Fund	1,219.01	1,009.56	1,230,672.51	1,140.12	1,389,821.34	43.4%	95,360.47	0.00
Corp Bond Fund	189.95	990.58	188,163.32	901.04	171,156.21	5.3%	4,310.69	0.00
CAN Bond Fund	185.69	983.75	182,677.70	947.17	175,884.88	5.5%	2,962.62	0.00
GLB Bond Fund	972.67	987.72	960,727.15	870.46	846,670.62	26.4%	24,257.71	0.00
			3,060,680.97		3,197,617.43	100.0%	161,084.17	0.00

Bracebridge Prudent Investor Portfolio
Performance History
At March 31, 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	5.3	5.3	0.8	2.7	-	-	-	5.5	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 March 31, 2023

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

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
CAN Equity Fund	644.14	1,022.16	658,420.49	1,259.31	811,180.04	23.5%	45,167.12	0.00
GLB Equity Fund	1,633.24	1,009.59	1,648,911.69	1,140.12	1,862,099.05	54.1%	127,765.09	0.00
Corp Bond Fund	125.24	990.17	124,010.03	901.04	112,847.48	3.2%	2,842.15	0.00
CAN Bond Fund	122.21	983.63	120,212.53	947.17	115,757.21	3.3%	1,949.82	0.00
GLB Bond Fund	620.23	992.38	615,512.56	870.46	539,890.81	15.6%	15,452.78	0.00
			3,167,067.30		3,441,774.59	100.0%	193,176.96	0.00

Bracebridge Prudent Investor Portfolio
Performance History
At March 31, 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	5.9	5.9	1.4	3.8	-	-	-	7.0	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 March 31, 2023

Account Name: Bracebridge - Cash Outcome
Account Number: 9021979612

For the Quarter Ending
March 31, 2023

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	57.10	1.00	57.10	1.00	57.10	100.0%	0.00	0.67
			57.10		57.10	100.0%	0.00	0.67

Bracebridge Prudent Investor Portfolio
Performance History
At March 31, 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	1.1	3.1	1.8	-	-	-	1.5	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 March 31, 2023

TRANSACTION SUMMARY

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

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	GLB Bond Fund	02/07/2023	02/07/2023	0.72	628.47

Bracebridge Prudent Investor Portfolio
Transaction Summary for the Quarter Ended March 31, 2023

TRANSACTION SUMMARY

Account Name: Bracebridge - Cash Outcome
Account Number: 9021979612

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Interest	PI-HISA	01/06/2023	01/06/2023	0.22	0.22
Reinvested Interest	PI-HISA	02/03/2023	02/03/2023	0.23	0.23
Reinvested Interest	PI-HISA	03/03/2023	03/03/2023	0.22	0.22

Bracebridge Prudent Investor Portfolio
COMPLIANCE CERTIFICATE
March 31, 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 March 31, 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: June 1, 2023
Re: Compliance Reports Asset Class and Target Weight Allocations Q1 2023
Report: ONE JIB 2023-027

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 March 31, 2023. These two compliance reports can be found in Appendices 1 and 2 of this report.

These two compliance reports are provided to ONE JIB on a quarterly basis

These reports 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 holding weights. 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 Report 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 (Appendix 1) show the target and actual allocation weights for equity and fixed income asset classes.

Allocation Drift Monitoring Report

The Allocation Drift Monitoring report (Appendix 2) shows the degree to which the weights of individual holdings (Funds or HISA allocation) differ from the target weights 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 remain fairly close to their intended targets

All allocation weights for each Participating Municipality remain close to their intended target weights and are within the expected tolerance bands. As a result, no rebalancing is required as of the date of this report.

5. CONCLUSION

ONE Investment uses its portfolio management system to monitor municipal account allocations in relation to ONE JIB’s Outcomes. The attached reports provide ONE JIB with the tools to monitor the positioning of asset classes and individual holdings within the Outcomes relative to their intended targets.

Drafted by: Evelyn Foo, Chief Compliance Officer

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

Appendix 1

ONE Investment

Portfolio Asset Mix

As of March 31/2023

Account	Asset Class	Asset Mix Limits			Portfolio
		Min	Max	Target	
570050021	Bracebridge - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	62.54
	Fixed Income Funds	35.00	45.00	40.00	37.46
570050039	Bracebridge - Target Date 10 Year Plus				
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	77.58
	Fixed Income Funds	21.00	29.00	25.00	22.43
570050047	Huntsville - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	61.72
	Fixed Income Funds	35.00	45.00	40.00	38.27
570050054	Huntsville - Target Date 3 to 5 Year				
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	21.47
	Equity Funds	8.00	12.00	10.00	10.43
	Fixed Income Funds	66.00	74.00	70.00	68.09
570050062	Huntsville - Target Date 10 Year Plus				
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	77.40
	Fixed Income Funds	21.00	29.00	25.00	22.60
570050070	Innisfil - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	62.57
	Fixed Income Funds	35.00	45.00	40.00	37.43
570050088	Muskoka - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	61.65
	Fixed Income Funds	35.00	45.00	40.00	38.34
570050096	Muskoka - Target Date 3 to 5 Year				
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	21.39
	Equity Funds	8.00	12.00	10.00	10.61
	Fixed Income Funds	66.00	74.00	70.00	68.01
570050104	Muskoka - Target Date 5 to 10 Year				
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	52.79
	Fixed Income Funds	45.00	55.00	50.00	47.22
570050112	Whitby - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	61.99

Account	Asset Class	Asset Mix Limits			Portfolio
		Min	Max	Target	
	Fixed Income Funds	35.00	45.00	40.00	38.00
570050120 Whitby - Target Date 3 to 5 Year					
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	20.50
	Equity Funds	8.00	12.00	10.00	11.08
	Fixed Income Funds	66.00	74.00	70.00	68.42
570050138 Whitby - Target Date 5 to 10 Year					
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	52.94
	Fixed Income Funds	45.00	55.00	50.00	47.07
570050146 Whitby - Asset Management Reserve					
	Asset Management Reserves				
	Equity Funds	88.00	92.00	90.00	90.73
	Fixed Income Funds	8.00	12.00	10.00	9.26
570050153 Whitby - Target Date 10 Year Plus					
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	76.11
	Fixed Income Funds	21.00	29.00	25.00	23.89
570050161 Kenora - Contingency Outcome					
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	62.58
	Fixed Income Funds	35.00	45.00	40.00	37.42
570050179 Kenora - Stable Return Outcome					
	Stable Return Outcome				
	Cash & Equivalents	8.00	12.00	10.00	11.00
	Equity Funds	26.00	34.00	30.00	30.74
	Fixed Income Funds	55.00	65.00	60.00	58.26
570050187 Kenora - Target Date 3 to 5 Year					
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	20.00
	Equity Funds	8.00	12.00	10.00	10.10
	Fixed Income Funds	66.00	74.00	70.00	69.91
570050377 Huntsville - Target Date 5 to 10 Year					
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	51.67
	Fixed Income Funds	45.00	55.00	50.00	48.33
570050385 Innisfil - Target Date 5 to 10 Year					
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	52.15
	Fixed Income Funds	45.00	55.00	50.00	47.85

Account	Asset Class	Asset Mix Limits			Portfolio
		Min	Max	Target	
570050443	Neebing - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	60.57
	Fixed Income Funds	35.00	45.00	40.00	39.44
570050450	Neebing - Target Date 3 to 5 Year				
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	19.82
	Equity Funds	8.00	12.00	10.00	10.16
	Fixed Income Funds	66.00	74.00	70.00	70.01
570050468	Neebing - Target Date 5 to 10 Year				
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	50.60
	Fixed Income Funds	45.00	55.00	50.00	49.41
570050476	Neebing - Target Date 10 Year Plus				
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	75.44
	Fixed Income Funds	21.00	29.00	25.00	24.57
570050484	Quinte West - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	60.57
	Fixed Income Funds	35.00	45.00	40.00	39.44
570050492	Quinte West - Target Date 3 to 5 Year				
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	21.29
	Equity Funds	8.00	12.00	10.00	10.04
	Fixed Income Funds	66.00	74.00	70.00	68.67
570050500	Quinte West - Target Date 5 to 10 Year				
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	50.60
	Fixed Income Funds	45.00	55.00	50.00	49.41
570050518	Quinte West - Target Date 10 Year Plus				
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	75.44
	Fixed Income Funds	21.00	29.00	25.00	24.57
570050567	Thunder Bay - Contingency Outcome				
	Contingency Outcome				
	Equity Funds	55.00	65.00	60.00	60.72
	Fixed Income Funds	35.00	45.00	40.00	39.29
570050575	Thunder Bay - Target Date 3 to 5 Year				
	Target Date 3-5 Year Outcome				
	Cash & Equivalents	17.00	23.00	20.00	20.67

Account	Asset Class	Asset Mix Limits			Portfolio
		Min	Max	Target	
	Equity Funds	8.00	12.00	10.00	10.16
	Fixed Income Funds	66.00	74.00	70.00	69.17
570050583 Thunder Bay - Target Date 5 to 10 Year					
	Target Date 5-10 Year Outcome				
	Equity Funds	45.00	55.00	50.00	50.71
	Fixed Income Funds	45.00	55.00	50.00	49.29
570050591 Thunder Bay - Target Date 10 Year Plus					
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	75.53
	Fixed Income Funds	21.00	29.00	25.00	24.47
570050625 Muskoka - Target Date 10 Year Plus					
	Target Date 10+ Year Outcome				
	Equity Funds	71.00	79.00	75.00	76.69
	Fixed Income Funds	21.00	29.00	25.00	23.31
9021944312 Whitby - Cash Outcome					
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00
9021979213 Muskoka - Cash Outcome					
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00
9021979418 Innisfil - Cash Outcome					
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00
9021979515 Huntsville - Cash Outcome					
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00
9021979612 Bracebridge - Cash Outcome					
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00
9027504012 Thunder Bay - Cash Outcome					
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00
9028194017 Quinte West - Cash Outcome					
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00
9028194211 Neebing - Cash Outcome					
	Cash Outcome				
	Cash & Equivalents	100.00	100.00	100.00	100.00

Appendix 2

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account	as of	security	Current Weight	Target Weight	10% from Target	2% drift from target
Bracebridge - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	19.13797	18	na	na
Bracebridge - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	43.40038	42	na	na
Bracebridge - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	5.3821	6	0.62	na
Bracebridge - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	5.53313	6	na	na
Bracebridge - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	26.54641	28	na	na
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	23.50652	22.5	na	na
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	54.06803	52.5	na	na
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	3.29955	3.75	0.45	na
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	3.38605	3.75	na	na
Bracebridge - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	15.73985	17.5	1.76	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	18.58436	18	na	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	43.14431	42	na	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	5.69725	6	na	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	5.9118	6	na	na
Huntsville - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	26.66229	28	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	One High Interest Savings Account	21.47218	20	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	3.12987	3	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	7.30151	7	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	10.16029	10.5	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	10.53213	10.5	na	na
Huntsville - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	47.40403	49	na	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	23.5354	22.5	na	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	53.8603	52.5	na	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	3.25318	3.75	0.50	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	3.32038	3.75	0.43	na
Huntsville - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	16.03075	17.5	na	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	15.65381	15	na	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	36.02134	35	na	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	7.19561	7.5	na	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	7.47898	7.5	na	na
Huntsville - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	33.65025	35	na	na
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	19.10548	18	na	na
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	43.46233	42	na	na
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	5.36342	6	0.64	na
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	5.51564	6	na	na
Innisfil - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	26.55313	28	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	15.41689	15	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	36.72602	35	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	7.17417	7.5	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	7.07979	7.5	na	na
Innisfil - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	33.60312	35	na	na
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	19.21536	18	na	na
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	43.3572	42	na	na
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	5.36471	6	0.64	na
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	5.54427	6	na	na
Kenora - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	26.51847	28	na	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	3/31/2023	One High Interest Savings Account	11.00118	10	(1.00)	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	8.90737	9	na	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	21.82547	21	na	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	8.54244	9	na	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	8.80353	9	na	na
Kenora - Stable Return Outcome vs. Stable Return Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	40.92002	42	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	One High Interest Savings Account	19.99652	20	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	2.94905	3	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	7.14884	7	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	10.47574	10.5	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	10.44886	10.5	na	na
Kenora - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	48.98098	49	na	na

account	as_of	security	Current Weight	Target Weight	10% from Target	2% drift from target
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	18.63937	18	na	na
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	43.01147	42	na	na
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	5.71448	6	na	na
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	5.93395	6	na	na
Muskoka - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	26.70073	28	na	na
Muskoka - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	One High Interest Savings Account	21.39352	20	na	na
Muskoka - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	3.14635	3	na	na
Muskoka - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	7.45744	7	na	na
Muskoka - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	10.18941	10.5	na	na
Muskoka - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	10.50551	10.5	na	na
Muskoka - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	47.30777	49	na	na
Muskoka - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	16.09613	15	na	na
Muskoka - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	36.69174	35	na	na
Muskoka - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	6.8069	7.5	na	na
Muskoka - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	6.99541	7.5	na	na
Muskoka - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	33.40981	35	na	na
Muskoka - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	22.60314	22.5	na	na
Muskoka - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	54.08597	52.5	na	na
Muskoka - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	3.48105	3.75	na	na
Muskoka - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	3.44408	3.75	na	na
Muskoka - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	16.38576	17.5	na	na
Neebing - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	18.05942	18	na	na
Neebing - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	42.50671	42	na	na
Neebing - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	5.91932	6	na	na
Neebing - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	6.0969	6	na	na
Neebing - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	27.41765	28	na	na
Neebing - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	One High Interest Savings Account	19.82463	20	na	na
Neebing - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	3.03461	3	na	na
Neebing - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	7.1287	7	na	na
Neebing - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	10.41859	10.5	na	na
Neebing - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	10.4312	10.5	na	na
Neebing - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	49.16227	49	na	na
Neebing - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	15.085	15	na	na
Neebing - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	35.50606	35	na	na
Neebing - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	7.41682	7.5	na	na
Neebing - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	7.63914	7.5	na	na
Neebing - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	34.35298	35	na	na
Neebing - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	22.49463	22.5	na	na
Neebing - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	52.94598	52.5	na	na
Neebing - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	3.68663	3.75	na	na
Neebing - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	3.79714	3.75	na	na
Neebing - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	17.07562	17.5	na	na
Quinte West - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	18.05941	18	na	na
Quinte West - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	42.50668	42	na	na
Quinte West - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	5.91936	6	na	na
Quinte West - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	6.09688	6	na	na
Quinte West - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	27.41767	28	na	na
Quinte West - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	One High Interest Savings Account	21.29427	20	na	na
Quinte West - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	2.99475	3	na	na
Quinte West - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	7.0488	7	na	na
Quinte West - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	10.30677	10.5	na	na
Quinte West - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	10.61587	10.5	na	na
Quinte West - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	47.73953	49	na	na
Quinte West - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	15.08507	15	na	na
Quinte West - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	35.50597	35	na	na
Quinte West - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	7.41671	7.5	na	na
Quinte West - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	7.63913	7.5	na	na
Quinte West - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	34.35312	35	na	na
Quinte West - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	22.49466	22.5	na	na
Quinte West - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	52.94601	52.5	na	na
Quinte West - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	3.68656	3.75	na	na
Quinte West - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	3.79713	3.75	na	na
Quinte West - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	17.07564	17.5	na	na

account	as_of	security	Current Weight	Target Weight	10% from Target	2% drift from target
Thunder Bay - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	17.60758	18	na	na
Thunder Bay - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	43.1073	42	na	na
Thunder Bay - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	5.93626	6	na	na
Thunder Bay - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	6.0098	6	na	na
Thunder Bay - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	27.33905	28	na	na
Thunder Bay - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	One High Interest Savings Account	20.67098	20	na	na
Thunder Bay - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	2.95448	3	na	na
Thunder Bay - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	7.21132	7	na	na
Thunder Bay - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	10.45887	10.5	na	na
Thunder Bay - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	10.58842	10.5	na	na
Thunder Bay - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	48.11593	49	na	na
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	14.73834	15	na	na
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	35.97338	35	na	na
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	7.45338	7.5	na	na
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	7.5457	7.5	na	na
Thunder Bay - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	34.2892	35	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	21.95127	22.5	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	53.57874	52.5	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	3.70035	3.75	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	3.74619	3.75	na	na
Thunder Bay - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	17.02345	17.5	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	18.35	18	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	43.64	42	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	5.70	6	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	5.62	6	na	na
Whitby - Contingency Outcome vs. Contingency Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	26.68	28	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	One High Interest Savings Account	20.50	20	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	3.41	3	(0.41)	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	7.67	7	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	10.21	10.5	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	10.61	10.5	na	na
Whitby - Target Date 3 to 5 Year Outcome vs. Target Date 3-5 Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	47.60	49	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	16.04	15	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	36.90	35	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	6.81	7.5	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	7.01	7.5	na	na
Whitby - Target Date 5 to 10 Year Outcome vs. Target Date 5-10 Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	33.25	35	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	3/31/2023	ONE Canadian Equity Fund	26.84	27	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	3/31/2023	ONE Global Equity Fund	63.89	63	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	1.39	1.5	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	1.37	1.5	na	na
Whitby - Asset Management Reserve Outcome vs. Asset Management Reserves Asset Mix	3/31/2023	ONE Global Bond Fund	6.50	7	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Equity Fund	22.90	22.5	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Global Equity Fund	53.21	52.5	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Corporate Bond Fund	3.51	3.75	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Canadian Government Bond Fund	3.65	3.75	na	na
Whitby - Target Date 10 Year Plus Outcome vs. Target Date 10+ Year Outcome Asset Mix	3/31/2023	ONE Global Bond Fund	16.73	17.5	na	na
Muskoka - Cash Outcome vs. Cash Outcome Asset Mix	3/31/2023	One High Interest Savings Account	100.00	100	na	na
Innisfil - Cash Outcome vs. Cash Outcome Asset Mix	3/31/2023	One High Interest Savings Account	100.00	100	na	na
Huntsville - Cash Outcome vs. Cash Outcome Asset Mix	3/31/2023	One High Interest Savings Account	100.00	100	na	na
Bracebridge - Cash Outcome vs. Cash Outcome Asset Mix	3/31/2023	One High Interest Savings Account	100.00	100	na	na
Neebing - Cash Outcome vs. Cash Outcome Asset Mix	3/31/2023	One High Interest Savings Account	100.00	100	na	na
Quinte West - Cash Outcome vs. Cash Outcome Asset Mix	3/31/2023	One High Interest Savings Account	100.00	100	na	na
Thunder Bay - Cash Outcome vs. Cash Outcome Asset Mix	3/31/2023	One High Interest Savings Account	100.00	100	na	na
Whitby - Cash Outcome vs. Cash Outcome Asset Mix	3/31/2023	One High Interest Savings Account	100.00	100	na	na

REPORT

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: June 1, 2023
Re: Global Fixed Income Manager Presentation by Manulife
Report: ONE JIB 2023-016

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

Manulife Investment Management is the external manager for the ONE Global Bond Fund. The manager will make a presentation to ONE JIB describing the basic features of the fund and providing detail on the fund's positioning, performance, and outlook.

3. BACKGROUND

Manulife has been managing the Global Fixed Income exposure for the Prudent Investment Program since its inception on July 2, 2020

The ONE Global Bond Fund holds units of the Manulife Investment Management Strategic Income Pooled Fund to gain exposure to a diversified portfolio of global bonds. The fund invests in both emerging and developed fixed-income markets. The fund's objective is to generate competitive, consistent risk-adjusted performance by investing across global fixed-income markets while adding value primarily through sector rotation, security selection, and opportunistic currency investments.

The mandate uses an unconstrained investment approach

The ONE Global Bond Fund uses an unconstrained fixed income approach that differs from the way traditional bond funds are managed. Unconstrained fixed income strategies have greater flexibility in selecting and allocating securities, sectors, and countries, and the manager tends to be less concerned about fund positioning relative to its benchmark. The current positioning of investments demonstrates how the positioning deviates from the benchmarks, as the fund has an average bond duration of 5.1 years versus 6.7 years for the benchmark, and high-yield bonds represent about 20% of the fund while representing less than 5% of the benchmark. Additionally, the fund is about 81% hedged to the Canadian dollar, while the underlying pooled fund

benchmark is unhedged, which demonstrates the manager's willingness to position the fund differently than the benchmark.

4. CONCLUSION

The manager will provide a presentation to ONE JIB to describe the fund's strategy, Manulife's process, philosophy, and approach, and summarize recent activity in the fund. Manulife's staff will be available to address any questions after their presentation.

Drafted by: Keith Taylor, Chief Investment Officer

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

June 1, 2023

ONE Investment

Christopher M. Chapman, CFA
Senior Portfolio Manager
Head of Global Multi-Sector Fixed Income

Thomas C. Goggins
Senior Portfolio Manager
Global Multi-Sector Fixed Income

Sherri Tilley
Client Portfolio Manager, Global Multi-Sector Fixed
Income

Mark Bischoff, CFA
Managing Director, Relationship Management

For discussion of the risks associated with this strategy, please see the Investment Considerations page at the end of the presentation.

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Manulife Investment Management

Part of a leading global financial services group

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Manulife

Protecting
customer assets
since 1887

More than **40,000**
employees serving more than
34M customers worldwide

\$1.3T in assets
under management
and administration

- Global wealth and asset management
- Financial advice
- Insurance

Manulife Investment Management

- Institutional asset management
- Retirement
- Retail investments

1,000+
institutional
accounts

\$1.0T in assets
under management
and administration

More than **17M** retirement
plan participants and
investor accounts

264,599
retirement plans
served globally

Source: MFC Statistical Information Package. Manulife Investment Management is the unified global brand for Manulife's global wealth and asset management business, which serves individual investors and institutional clients in three businesses: retirement, retail and institutional asset management (public and private markets). Global Wealth and Asset Management AUMA at December 31, 2022, which includes \$229.5 billion of assets managed on behalf of other segments and \$170.2 billion of assets under administration. Assets shown in Canadian dollars.

A passion for providing solutions

Backed by the full resources of a leading global financial institution

364

Fixed income

Diverse strategies built on centralized research, autonomous teams, and a heritage of risk management.

160

investment
professionals

9

teams around
the globe

\$239.7B

in assets under
management¹

Multi-asset solutions

Active allocation, deeper diversification, and tailored solutions built over 25 years of multi-asset innovation.

61

investment
professionals

25+

Years of multi-
asset investing

\$182.6B

in assets under
management²

Alpha-focused equity

Customizable, differentiated strategies pursuing specialized and durable sources of alpha.

160

investment
professionals

10

teams around
the globe

\$133.2B

in assets under
management³

Private markets

Capitalizing on inefficient markets, diversification potential, and seeking attractive risk-adjusted returns.

244

investment
professionals⁴

95+

Years of
experience⁵

\$93.7B

in assets under
management and
administration⁶

Source: Manulife Financial Corporation as of December 31, 2022. Excludes subadvised assets under management. Assets shown in Canadian dollars. Manulife Investment Management's global investment professional team includes expertise from several Manulife IM affiliates and joint ventures; not all entities represent all asset classes. 1 AUM excludes liability driven investing (LDI) assets and includes certain equity and fixed income portions of balanced investments. The methodologies used to compile the total AUM are subject to change. 2 AUM includes C\$3.5 billion non-discretionary advice for the Manulife General Account by MAST Index team, and C\$3.0 billion External Clients AUM advised by MAST LDI team, but these funds are managed by other Manulife IM desks. 3 AUM includes certain equity and fixed income portions of balanced investments. The methodologies used to compile the total AUM are subject to change. The methodologies used to compile the total AUM are subject to change. 4 Investment professionals includes individuals who manage assets on behalf of both the Manulife General Account and external third parties. 5 Includes significant experience investing on behalf of the Manulife general account. 6 AUM includes C\$87.7 billion managed by Manulife IM Private Markets and C\$6.0 billion managed by Manulife IM Public Markets. The methodologies used to compile the total AUM are subject to change and may not reflect regulatory AUM as reported on certain affiliates' Form ADV.

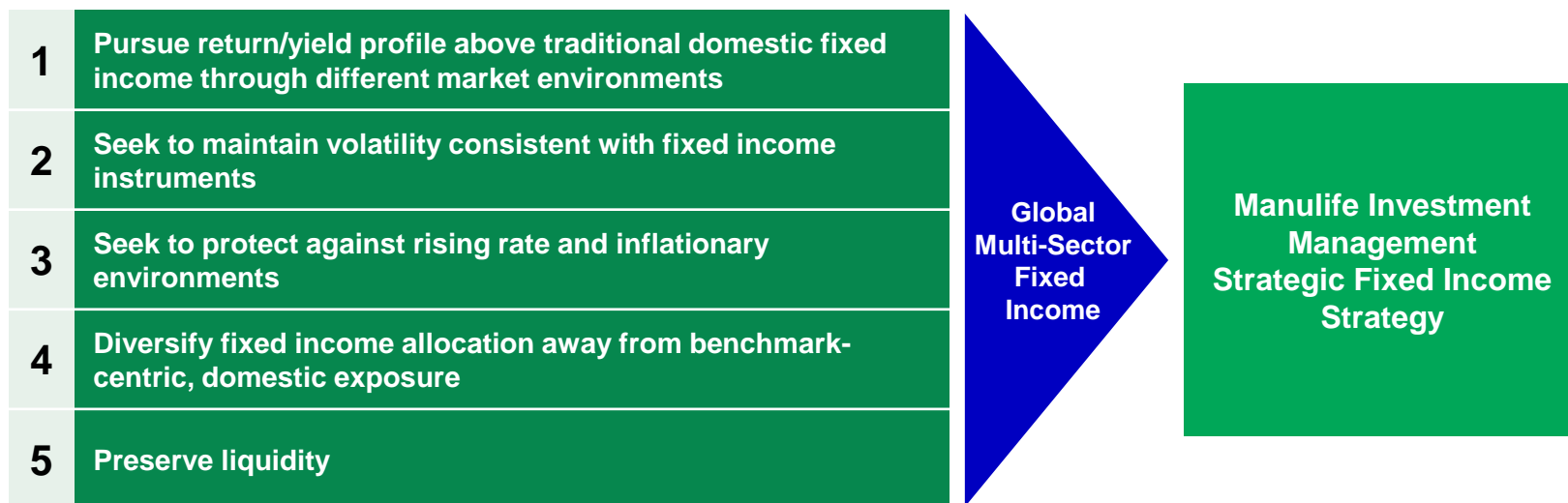
Global multi-sector fixed-income

A response to challenging fixed income markets

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Typical plan sponsor

Fixed income investment objectives



No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.
For illustrative purpose only. Diversification does not guarantee a profit nor protect against loss in any market.

Global multi-sector fixed-income team

Roles and experience

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Christopher Chapman, CFA

Head of Global Multi-Sector Fixed Income, Senior Portfolio Manager (24 years' experience, Boston)

Kisoo Park

Senior Portfolio Manager
37 years' experience, Hong Kong

Thomas C. Goggins

Senior Portfolio Manager
36 years' experience, Boston

Bradley Lutz, CFA

Senior Portfolio Manager
31 years' experience, Boston

Charles Tomes

Associate Portfolio Manager
15 years' experience, Boston

Joseph Rothwell, CFA

Senior Investment Analyst
15 years' experience, Boston

Christopher Smith, CFA, CAIA

Senior Investment Analyst
15 years' experience, Boston

Sherri Tilley

Client Portfolio Manager
15 years' experience, Boston

Christopher Camell

Senior Portfolio Analyst
25 years' experience, Boston

Andrew Moylan, CFA

Portfolio Analyst
15 years' experience, Boston

Wesley Adeyemi

Portfolio Analyst
8 years' experience, London

Nancy Zheng, CESA

Portfolio Analyst
4 years' experience, Hong Kong

Steven Crowley, CFA

Client Portfolio Analyst
6 years' experience, Boston

Additional resources

Global Trading

25 dedicated traders located across Boston, Toronto, London, and Singapore

Macroeconomic Strategy

Frances Donald
Global Chief Economist and Strategist
7 Macroeconomic strategists

Fixed Income Credit Research

Global research capabilities located in Boston, Toronto, London, and Asia
48 research analysts

Spencer Godfrey, CFA

Head of Global Developed Markets Fixed-Income Research

Fiona Cheung

Head of Global Emerging Markets Fixed Income Research

Asian Fixed Income Team

Investment professionals in 10 markets:
China, Hong Kong, Indonesia, Japan, Malaysia, Philippines, Taiwan, Thailand, Vietnam, Singapore

Sustainable Investing

Peter Mennie, ASIP
Chief Sustainable Investment Officer
14 ESG analysts

Investment Risk and Quantitative Analytics

Amirali Assef, CFA
Global Head of Investment Risk
10 Quantitative analysts

As of March 31, 2023

Strategic Fixed Income Strategy

Investment philosophy and process

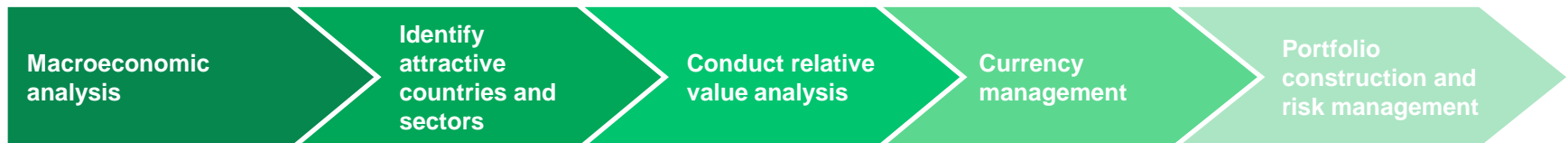
367

Philosophy

We believe strong, consistent returns can be generated by investing primarily in a portfolio of global government, corporate and securitized debt, including emerging markets and high yield securities. Currency management is employed to further diversify the portfolio, mitigate risk and add value. By expanding the investment universe to include multiple sectors and currencies, we believe we increase our potential to add value while reducing risk.

Process

- Consistent adherence to disciplined investment style and process which utilizes diverse sources of alpha
- Using a comprehensive investment process, we seek to:
 - Invest in attractive countries and sectors based on our top-down view of macro economic conditions
 - Engage in an intensive bottom-up research process to identify relative value opportunities, including the analysis of business, financial, liquidity and ESG factors
 - Make opportunistic currency investments to add value and further diversify our portfolio position

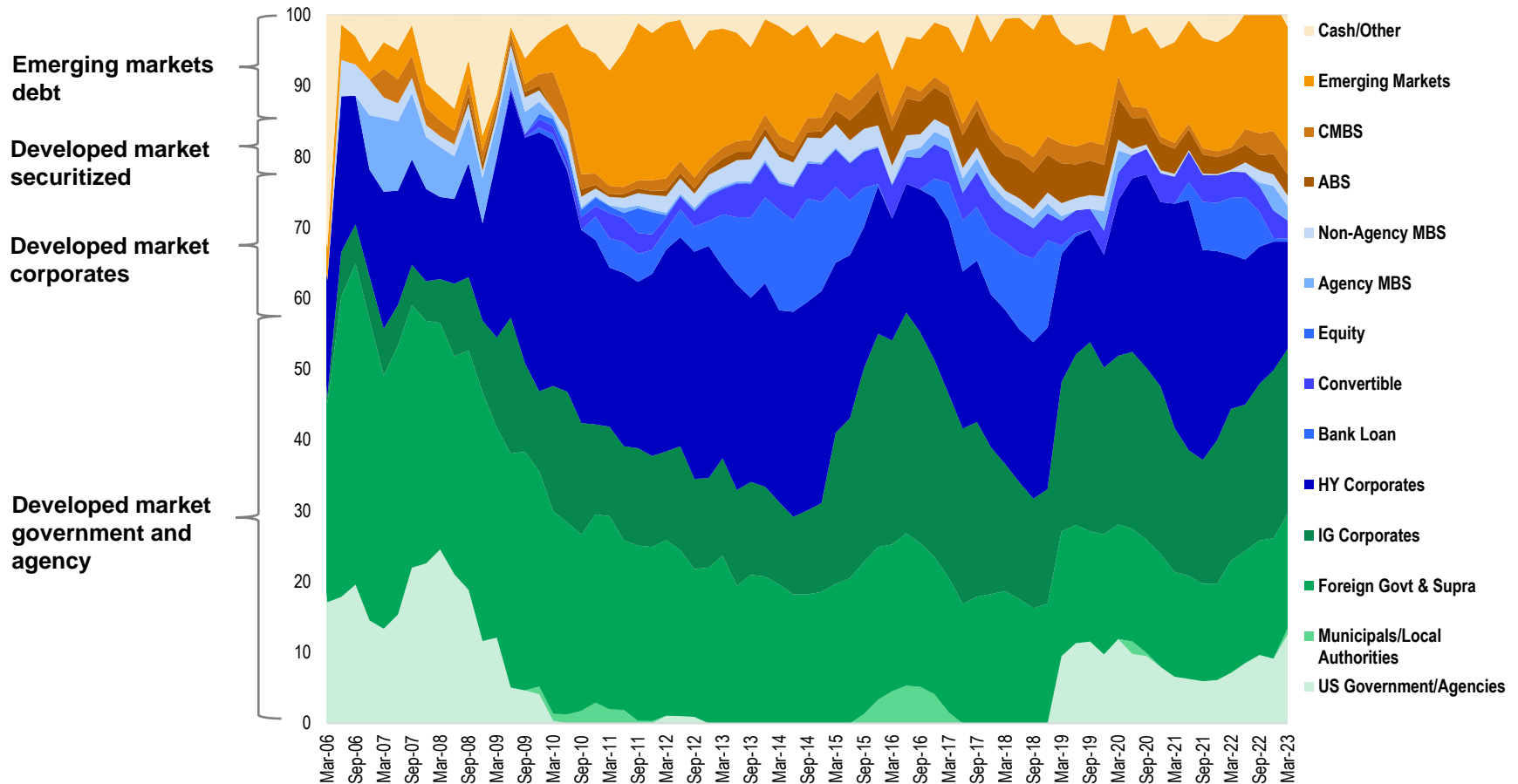


For illustrative purposes only.

Strategic Fixed Income Strategy

Dynamic country and sector allocation

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As of March 31, 2023. For illustrative purposes only.

Portfolio allocation is subject to change without notice. Portfolio Allocations of individual client portfolios in the program may differ, sometimes significantly, from those shown. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the sectors listed. This information is supplemental to the GIPS-compliant presentation included as a part of this material. There can be no guarantee that similar investment opportunities will be available in the future or that the strategy will be able to exploit similar investment opportunities should they arise.

ESG factors are embedded into our fundamental investment process

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The Global Multi-Sector Fixed Income Team seeks to:

- Understand the transmission of material ESG risks to global fixed income issuer profiles
- Evaluate how relevant ESG factors contribute to an investment's risk and valuation
- Identify relevant ESG opportunities in the form of information asymmetries, rating trends and issuer inflection points

ESG due diligence

ESG integration approach



Credit research team applies industry and regional expertise to assess material ESG factors using a proprietary ESG credit and sovereign risk analysis templates to assess the potential for ESG factors to impact spreads and possibly default risks.

Resources



Investment teams have access to specialized third party ESG research and data, proprietary ESG industry handbooks, periodic ESG trainings, and dedicated internal ESG specialists.

Decision



We look to understand the potential impacts of ESG on the fundamental risk/reward profile, whether additional compensation (yield spread) is required for the ESG risks, and the overall valuation impact. Investments in companies with elevated ESG risks are not systematically excluded, provided the risks and exposure are appropriate at the portfolio level.

ESG risk monitoring

Daily risk reporting

Daily reports delivered to all investment teams highlight the highest-risk names for each strategy.

Portfolio analysis reports

Portfolio monitoring helps to analyze ESG performance on an ongoing basis, highlighting portfolio trends versus the benchmark and exposure to thematic ESG risks/opportunities.

ESG risk reviews

Investment teams have ongoing portfolio reviews with Sustainable Investing team to discuss investment approach to relevant ESG issues at the company and portfolio level.

Active ownership and collaboration

Engagement



Engagement with corporate and sovereign entities may be conducted to enable better understanding of issuers' risk mitigation activities and changes to their risk profile. We participate in private and collaborative engagements.

Ongoing review



Follow-up meetings are considered based on evidence of company progress, significance of investment for overall portfolio, etc.

Collaboration



Manulife IM participates in a wide variety of collaborative engagements around the globe. This work allows us to expand the scope of our sustainability-focused activity while helping us build more resilient portfolios. Our collaborative engagements may focus on individual investments and systemic risks—and sometimes both.

For illustrative purposes only.

While ESG analysis is integrated into our investment process the strategy is not optimized or constructed on the basis of sustainability or ESG factors in isolation.

Performance Review

Strategic Fixed Income Strategy

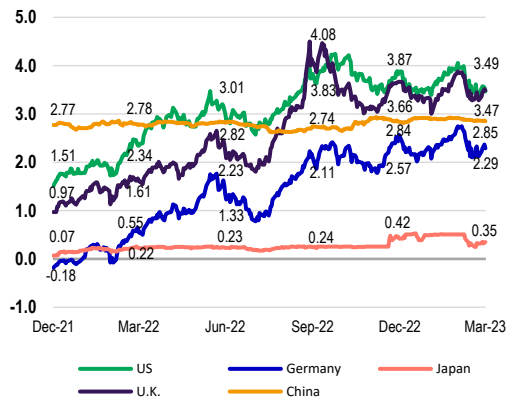
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Lower government yields amid mixed credit spreads and Canadian dollar performance led to positive global bond returns

Interest rates

Yields on government debt were lower (despite a tighter policy response from global central banks) with a shift in investor sentiment linked to banking sector concern.

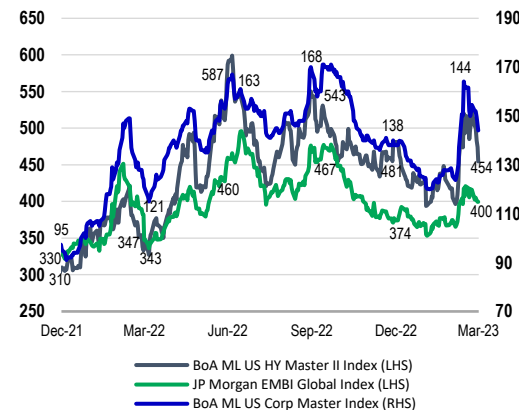
10 Year Gov't Yields



Credit spreads

Spreads were mixed in the first quarter but wider in March, particularly across more rate sensitive sectors, with increased risk aversion related to market turmoil.

IG, HY, & EMD Spreads



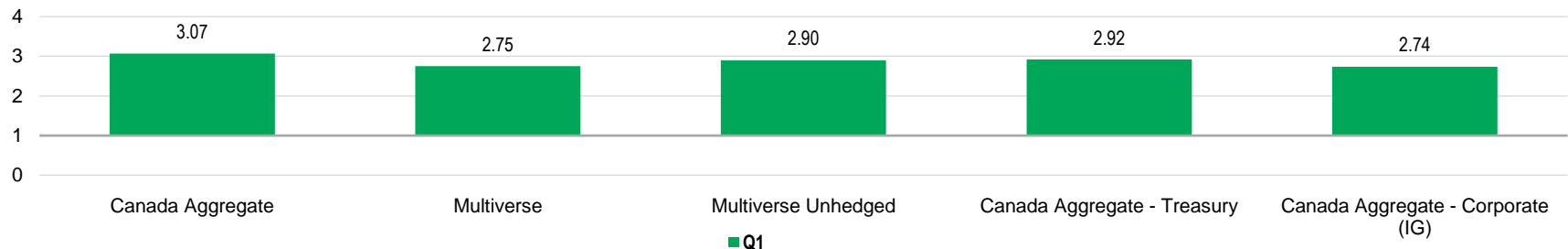
Currencies

CADUSD posted choppy performance, impacted by a divergence in monetary policy, but CAD performed well alongside other commodity block currencies despite fluctuating oil prices.

CADUSD



Bloomberg Fixed Income Index Returns (% hedged in CAD)



Source: Bloomberg, JP Morgan, BAML
As of March 31, 2023

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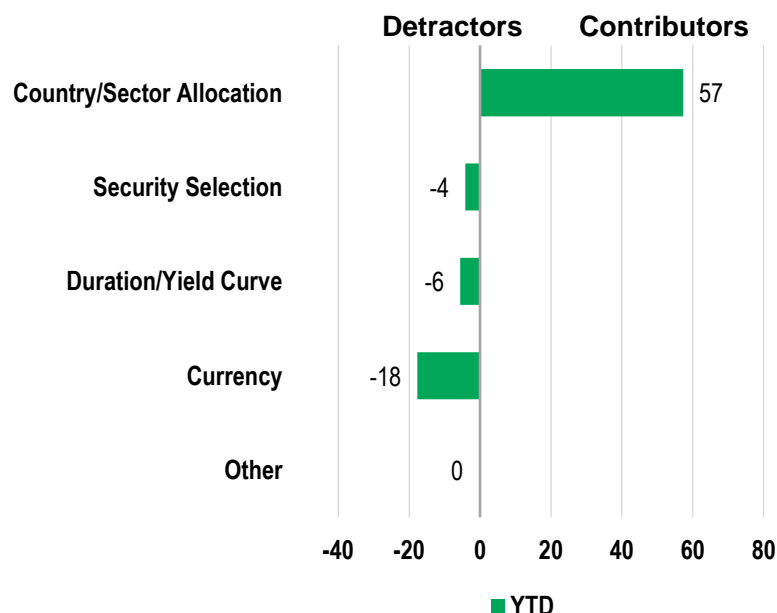
YTD Investment Results

Country/Sector allocation were the primary contributors to excess return

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Performance	YTD
One Investment	3.77
Bloomberg Multiverse Index	3.57
Excess return	0.20

Performance attribution (bps)



YTD contributors

Country/sector allocation: Country and sector allocation combined was additive during the period, driven by overweight exposure to high yield corporates and the US combined with underweight exposure to US Treasuries, agency MBS and local markets in China and the eurozone.

YTD detractors

Currency management: Currency management was the largest detractor for the period due to underweight exposure to the euro and British pound, which appreciated against the Canadian dollar.

Duration/yield curve: Duration positioning was a detractor to excess return as our shorter duration posture hurt as interest rates generally moved lower, particularly in Canada and Japan.

Security selection: Security selection was negative as relative positioning within our hard currency EM credit and high yield corporate allocations underperformed.

As of April 30, 2023

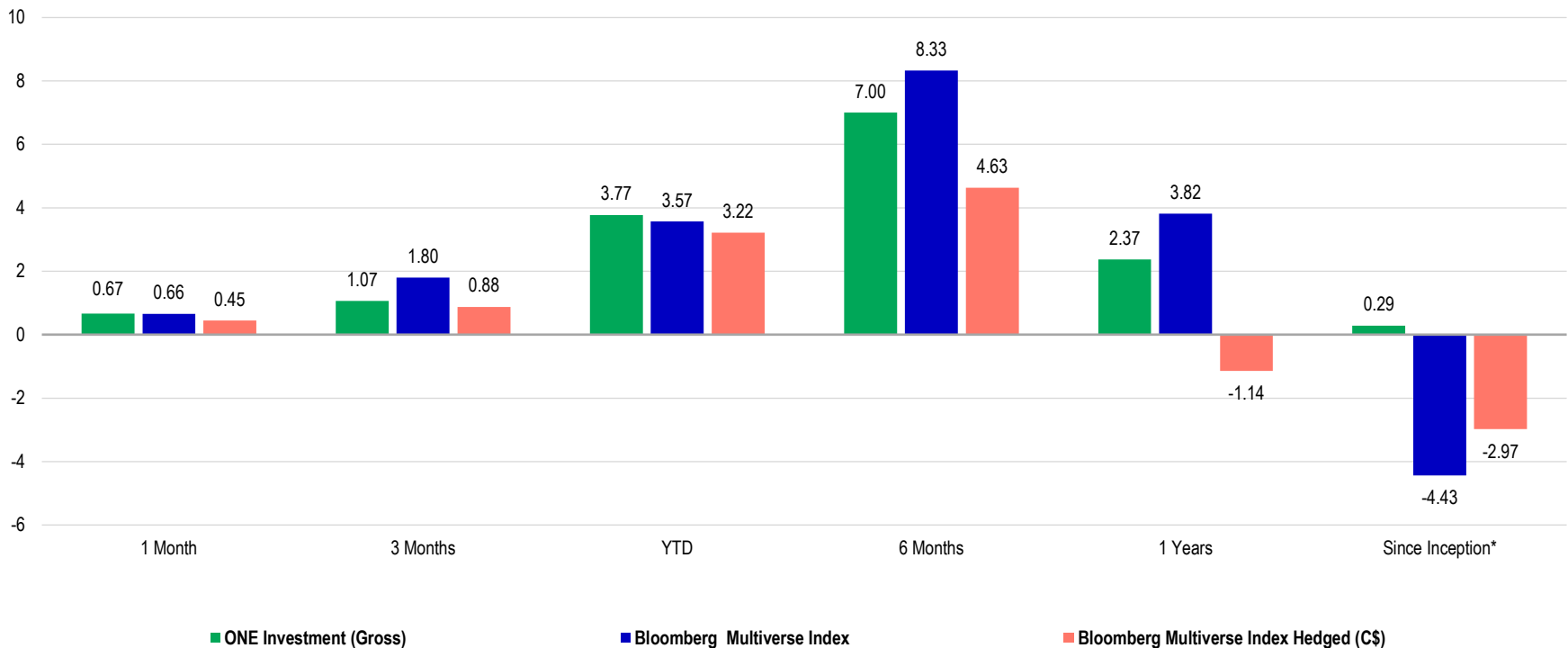
Past performance is not indicative of future results. Performance shown is gross of fees and does not include advisory fees and other expenses an investor may incur, which when deducted will reduce returns. Changes in exchange rates may have an adverse effect.

One Investment Results

as of April 30, 2023

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Annualized Returns (%)



Source: Manulife Investment Management

*Since Inception Date: July 7, 2020

See page 21 for important information regarding this page.

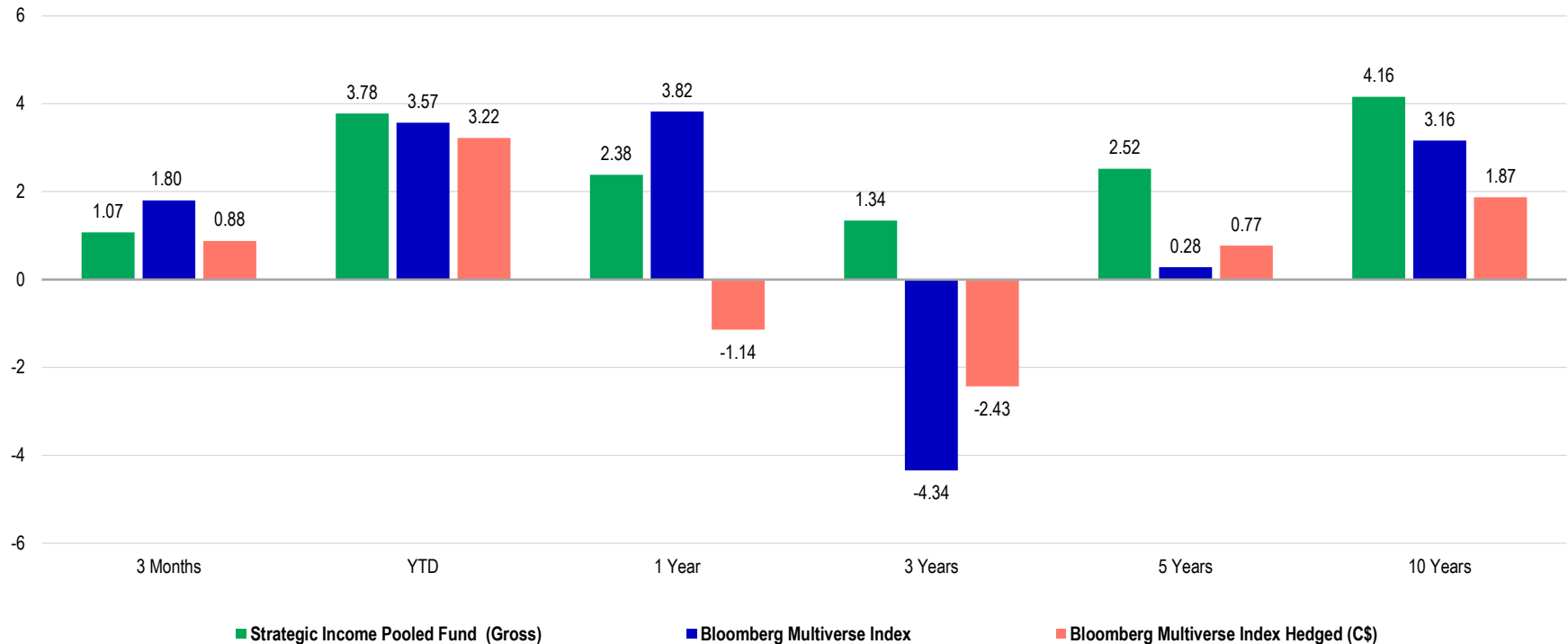
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Strategic Income Pooled Fund

Investment results as of April 30, 2023

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Annualized returns (%)



In CAD
Composite inception date: December 2005

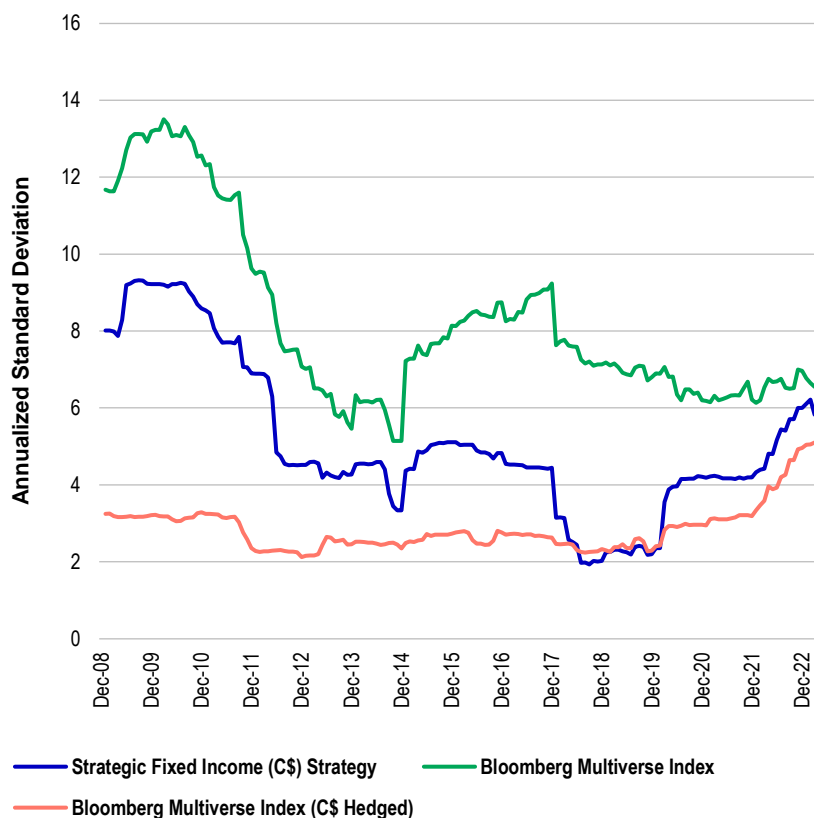
Strategic Fixed Income Strategy

Risk analysis

375

Rolling 3-year volatility

(36 month annualized standard deviation)



5-year risk analysis

As of March 31, 2023

5-year risk/return analysis	Return	Standard deviation	Sharpe ratio
Strategic Fixed Income Strategy (Net)	1.97	5.21	0.12
Bloomberg Multiverse Index	-0.27	6.67	-0.24
Bloomberg Multiverse Index (C\$ Hedged)	0.60	4.52	-0.16

10-year risk analysis

as of March 31, 2023

10-year risk/return analysis	Return	Standard deviation	Sharpe ratio
Strategic Fixed Income Strategy (Net)	3.86	4.70	0.60
Bloomberg Multiverse Index	3.13	7.35	0.29
Bloomberg Multiverse Index (C\$ Hedged)	1.95	3.71	0.25





As of March 31, 2023

Source: Manulife Investment Management, Bloomberg, eVestment

Past performance is not indicative of future results. Performance is shown in CAD. Net performance results reflect the application of the highest incremental rate of the standard investment advisory fee schedule to gross performance results.

Composite inception date: December 2005

Portfolio Review and Market Outlook

Key investment risk		Investment theme	Q1 portfolio change
Interest rate risk		Balance downside protection with risk of a further rise in interest rates	<ul style="list-style-type: none"> Adjusted duration higher to 5.1 years as government bonds yields continued to trend higher Duration profile remains above our 4-year neutral target to add additional downside protection for credit exposures
Credit risk		Embrace diversification across sectors and regions	<ul style="list-style-type: none"> Reduced high yield and bank loans in favor of short investment grade corporates and securitized debt Added to emerging markets, selectively
Currency risk		Actively manage currency risk	<ul style="list-style-type: none"> Actively managed CAD hedge ratio ending the quarter at 81% with a reduction in developed currencies Maintain constructive medium-term view for CAD dollar strength
Liquidity risk		Maintain portfolio liquidity	<ul style="list-style-type: none"> Approximately 43% of the portfolio in maturities < 5 years Focus on larger issues

As of March 31, 2023

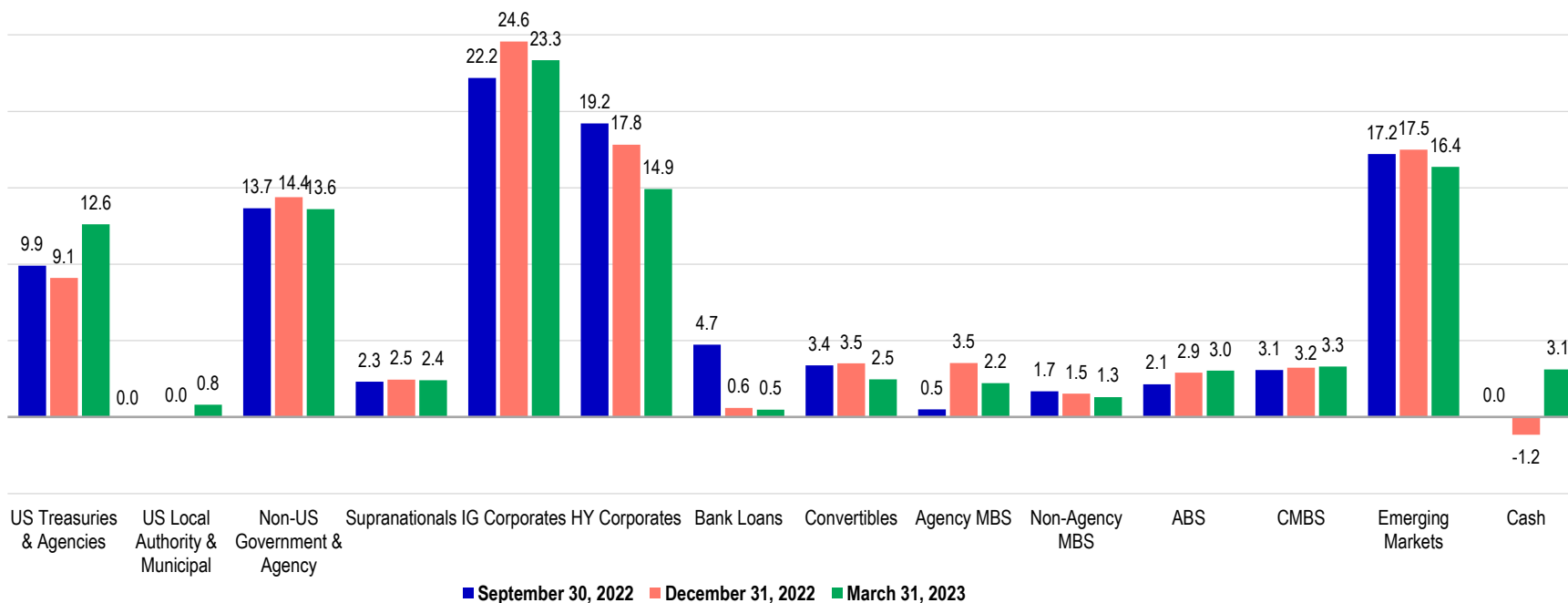
Strategic Fixed Income Strategy

Sector Allocation: Diversified Portfolio of Liquid Exposures

378

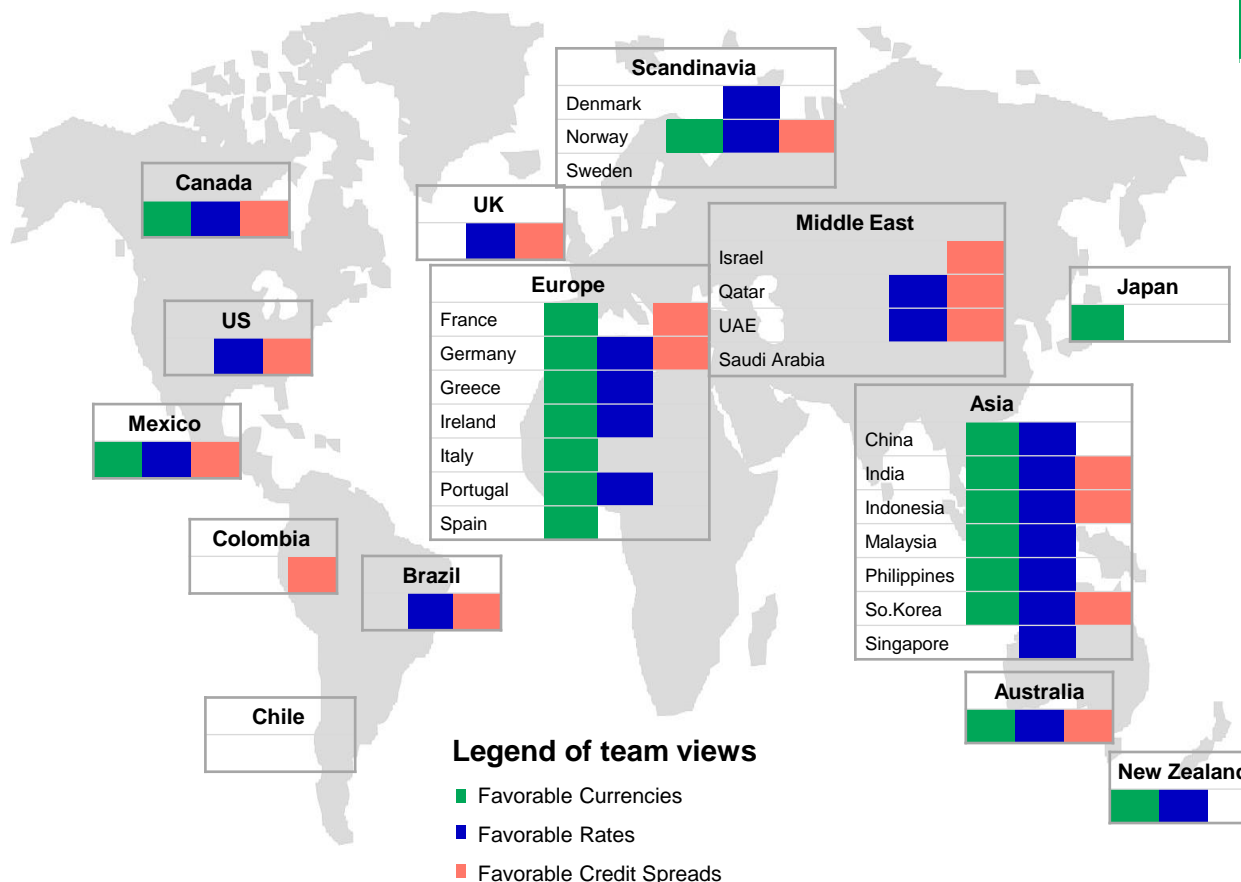
Strategic Fixed Income Strategy

Characteristics	September 2022	December 2022	March 2023
Average Rating	BAA1	A3	A3
Yield to Worst	5.72	5.64	4.78
Current Yield	4.24	4.20	4.16
Effective Duration	4.65	4.86	5.13



Source: Manulife Investment Management as of March 31, 2023
Investment decisions are subject to change.

We believe balancing risk with yield while preserving quality, stability, and liquidity is important amid global uncertainty and market volatility.



As of March 31, 2023.

Global Outlook

Macroeconomic environment:

- Risks to global economic growth remain elevated and we anticipate a moderation in economic activity as central banks near the end of monetary policy tightening cycles amid a potential peak in inflation.
- The lagged impacts of higher interest rates remain uncertain but are expected to weigh on consumer spending, and housing and labor markets, over the medium-term.
- Volatility will likely remain elevated as markets and investors continue to navigate unclear economic and geopolitical landscape in 2023.

Opportunities:

- We are monitoring 1) changes to central bank monetary policy and forward guidance, 2) global economic, employment and inflation data, 3) broader tightening of financial conditions, and 4) elevated geopolitical tension, to make further shifts to the portfolio:
- Industry, issuer and quality rotations within corporate credit.
- Potential increase global government, securitized, and select emerging market exposures.
- Seek to actively manage currency exposures in the short-term, while maintaining longer-term view for a weaker US dollar.

Appendix

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Strategic Fixed Income Strategy

Representative portfolio characteristics as of March 31, 2023

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Characteristic	Strategic Fixed Income (C\$) Strategy	Bloomberg Multiverse Index
Average Rating ¹	A3	A1
Average Coupon (%)	3.92	2.61
Average Life (Years)	7.12	8.48
Yield to Maturity (%)	4.84	3.79
Yield to Worst (%)	4.81	3.79
Effective Duration (Years)	5.22	6.69

Top Ten Issuers	Portfolio Weight (%)
United States Treasury Note/Bond	12.56
Indonesia Treasury Bond	2.81
Mexican Bonos	1.90
Norway Government Bond	1.65
Korea Treasury Bond	1.48
Fannie Mae Pool	1.26
Occidental Petroleum Corp	1.13
Malaysia Government Bond	1.10
Government Of Canada	1.09
Japan Government Five Year Bond	1.09
Total	26.06

Sector Allocation (%)	Strategic Fixed Income (C\$) Strategy	Bloomberg Multiverse Index
US Government	13.39	16.77
US Treasuries	12.57	16.06
US Agency	0.00	0.46
Municipal	0.82	0.25
Credit	41.41	19.27
IG Corporates	23.29	16.69
HY Corporates	15.14	2.58
Bank Loans	0.43	0.00
Convertibles	2.54	0.00
Equities	0.00	0.00
Securitized	9.85	13.50
Agency MBS	2.08	10.63
Non-Agency MBS	1.44	0.00
ABS	2.98	2.17
CMBS	3.35	0.70
Non-US Developed	16.19	34.61
Govt and Agency	13.73	32.49
Supranationals	2.46	2.12
Emerging Markets	17.55	15.85
Emerging Markets — USD	7.21	3.13
Emerging Markets — Non USD	10.34	12.72
Cash/Other	1.61	0.00

In CAD

¹ Average Rating is a Manulife IM proprietary average taking the average rating from Moody's, S&P, and Fitch.

Holdings, sector weightings, market capitalisation and portfolio characteristics are subject to change at any time and are for illustrative and reference purpose only. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities and sectors listed. This information is supplemental to the GIPS-compliant presentation included as a part of this material.

Christopher M. Chapman, CFA

Senior Portfolio Manager, Head of Global Multi-Sector Fixed Income, Manulife Investment Management

Chris is co-leader of the company's global multi-sector fixed-income strategies, responsible for portfolio management, global sovereign debt, portfolio construction, and currency and risk management. Previously, he was a portfolio manager for global multi-sector fixed-income and, prior to that, he was a senior investment analyst and trader with the team. Earlier in his career, he worked in several other areas of the firm, including as an investment risk analyst on the quantitative research team. Chris began his career at State Street Bank. He holds the Certified Financial Analyst designation and is a member of the CFA Society Boston.

Education: B.S.B.A., Management, Stonehill College; M.S.F., Boston College

Joined the company: 2005

Began career: 1999

Thomas C. Goggins

Senior Portfolio Manager, Global Multi-Sector Fixed Income, Manulife Investment Management

Tom is responsible for portfolio management, global bond research, security selection, and risk management for the company's global multi-sector fixed-income strategies. Prior to joining the company, Tom held positions at Putnam Investments, Transamerica Investments, SAC Capital, and Fontana Capital.

Education: B.B.A., University of Wisconsin; M.A., Finance and Accounting, J.L. Kellogg Graduate School of Management at Northwestern University

Joined the company: 1995; rejoined in 2009

Began career: 1987

Kisoo Park

Senior Portfolio Manager, Global Multi-Sector Fixed Income, Manulife Investment Management

Kisoo is responsible for portfolio management, global bond research, and currency management for the company's global multi-sector fixed-income strategies. He joined the firm from a hedge fund firm based in Hong Kong, where he was a founding member and COO. Prior to that, he was the CIO, responsible for tactical asset allocation investing in global equities, fixed-income, commodities, foreign exchange, and interest-rate asset classes at Prince Asset Management, Hong Kong. Earlier in his career, Kisoo held positions at Bank of Montreal, Fleet National Bank, Morgan Stanley, and Bank of New England, where he began his career specializing in treasury products, foreign exchange, and interest-rate trading.

Education: B.A., Economics, Tufts University; Executive Business Diploma, University of Chicago, Graduate School of Business

Joined the company: 2011

Began career: 1986

Brad Lutz, CFA

Portfolio Manager, Global Multi-Sector Fixed-Income, Manulife Investment Management

Brad is a portfolio manager on the firm's global multi-sector fixed-income team but will remain a portfolio manager on the preferred income team while he transitions to the new role. Previously, he was a senior investment analyst, supporting the company's fixed-income strategies and providing expertise in the power and utility, aerospace and defense, and industrials segments. Earlier in his career, he had the same areas of responsibility at Declaration Management & Research, an affiliate of Manulife Investment Management. Prior to joining the firm, Brad worked for Summit Investment Partners, where he had research, trading, and portfolio management responsibilities for high-yield and investment-grade corporate bonds and, prior to that, he was with Pacholder Associates as a high-yield credit analyst. Brad holds the Chartered Financial Analyst designation.

Education: B.S., Finance, Miami University

Joined the company: 2002

Began career: 1992

Sherri N. Tilley

Client Portfolio Manager, Global Multi-Sector Fixed Income, Manulife Investment Management

Sherri is a client portfolio manager on the global multi-sector fixed-income team, where she supports the investment and client-facing teams in the effective communication and positioning of the firm's global multi-sector capabilities with clients, prospects, and consultants. Previously, she was a senior product specialist at Bank of New York Mellon's Insight Investment, where she supported taxable and tax-exempt fixed-income strategies through communications for a variety of audiences. Prior to that, Sherri held several roles throughout Bank of New York Mellon Investment Management, including time spent as product manager and portfolio analyst at Standish Mellon Asset Management.

Education: B.S.B.A., Finance, Northeastern University; M.S., Investment Management, Boston University

Joined the company: 2022

Began career: 2008

Mark Bischoff, CFA

Managing Director, Relationship Management, Manulife Investment Management

Mark is responsible for managing Canadian institutional and subadvisory client relationships. Prior to joining the firm, he was principal at State Street Global Advisors (SSgA) in Canada, where he was responsible for business development, relationship management, and SSgA's sales and marketing efforts in the province of Ontario. Mark holds the Chartered Financial Analyst designation and is a member of both the Institutional Asset Management Committee of the CFA Society Toronto and the Ontario Regional Council of the Association of Canadian Pension Management. Mark is also a licensed Life and A&S insurance agent with the Financial Services Commission of Ontario.

Education: B.Com., University of Toronto

Joined the company: 2010

Began career: 1994

Strategic Income Pool Fund

Benchmark definitions

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Index	Definition
Bloomberg Multiverse Index	The Bloomberg Multiverse Index provides a broad-based measure of the global fixed income bond market. The index represents the union of the Global Aggregate Index and the Global High Yield Index and captures investment grade and high yield securities in all eligible currencies.
Bloomberg Multiverse Index Hedged	The Bloomberg Multiverse Index provides a broad-based measure of the global fixed income bond market. The index represents the union of the Global Aggregate Index and the Global High Yield Index and captures investment grade and high yield securities in all eligible currencies, hedged to Canadian dollar.
FTSE Canada Universe Bond Index	The FTSE Canada Universe Bond Index is a market capitalization-weighted index designed to be a broad measure of the Canadian investment-grade, fixed income market, including Government of Canada, provincial and corporate bonds with maturities of more than one year and a credit rating of BBB or higher.
Bloomberg US Aggregate Bond Index	The Bloomberg US Aggregate Bond Index represents securities that are US domestic, taxable, dollar-denominated. The index covers the US investment-grade fixed-rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.
BofA Merrill Lynch Global Corporate Index	The BofA Merrill Lynch Global Corporate Index tracks the performance of investment grade corporate debt publicly issued in the major domestic and eurobond markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date and a fixed coupon schedule.
BofA Merrill Lynch Global High Yield Index	The BofA Merrill Lynch Global High Yield Index tracks the performance of USD, CAD, GBP and EUR denominated below investment grade corporate debt publicly issued in the major domestic or Eurobond markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date.
JP Morgan CEMBI Diversified Index	The JP Morgan Corporate Emerging Markets Bond Index (CEMBI) is a market capitalization weighted index consisting of liquid USD-denominated emerging market corporate bonds.
JP Morgan EMBI Global Diversified Index	JP Morgan EMBI Global Diversified Index is a uniquely weighted index that tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities, including Brady bonds, loans and Eurobonds.
JP Morgan GBI GBI-EM Global Diversified Index	The JPMorgan GBI-EM is a comprehensive emerging markets debt benchmark that track local currency bonds issued by Emerging Market governments.

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Manulife Investment Management is the global wealth and asset management segment of Manulife Financial Corporation. We draw on more than a century of financial stewardship to partner with clients across our institutional, retail, and retirement businesses globally. Our specialist approach to money management includes the highly differentiated strategies of our fixed-income, specialized equity, multi-asset solutions, and private markets teams—along with access to specialized, unaffiliated asset managers from around the world through our multimanager model.

Additional information about Manulife Investment Management may be found at www.manulifeim.com/institutional.

The gross returns provided are shown gross of advisory and investment management fees and other expenses an investor would incur which would reduce returns, but net of transaction costs, unless otherwise noted. The net returns shown reflect the deduction of monthly accrued investment management fees from the gross returns. The monthly management fee accruals used are estimates based on historical assets under management and are subject to change based on actual fees billed. Past performance is not indicative of future results. Unless otherwise noted, returns greater than one year are annualized; calendar year

returns for each one-year period end in December. Discrepancies may occur due to rounding.

Performance information shown is generally for discretionary strategies/solutions and managed by an entity which is GIPS compliant and falls under the definition of a corresponding GIPS firm. Some investment strategies/solutions may not be included in a GIPS compliant firm under certain circumstances, e.g., SMA/UMA business in Canada or UMA models in the US.

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REPORT

To: ONE Joint Investment Board
 From: Keith Taylor, Chief Investment Officer, ONE Investment
 Date: June 1, 2023
 Re: Town of Huntsville's Annual Investment Plan Review
 Report: ONE JIB 2023-019

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the Town of Huntsville's Investment Policy Statement (Attachment 1).
2. Receive the Town of Huntsville's Municipal Client Questionnaire (Attachment 2).
3. Approve the Town of Huntsville's proposed Investment Plan (Attachment 3).
4. Provide approval for an anticipated mid-year MNRI contribution of \$1 million to be allocated to the Target Date 10+ Year Outcome.

2. SUMMARY

Huntsville has updated its Municipal Client Questionnaire (MCQ) to provide information on its MNRI and the investment horizons associated with its reserve balances. The time horizon associated with MNRI balances is largely unchanged, and the Town will not be contributing additional MNRI at this time. The updated Investment Plan does not currently require changes to investment allocations.

Huntsville is expected to make a mid-year contribution of \$1 million that reflects the local share in a hospital to be built. Council is currently evaluating financing options related to this long-term capital commitment. The contribution to MNRI is anticipated later this year when council has greater clarity on the financing options. With approval in principle from ONE JIB, the incremental MNRI could be invested in the Target Date 10+ Year Outcome, which has an investment horizon that is appropriate for these reserves. The overall allocation to equities in this Investment Plan is 41.7%, which will increase to 44.8% with the mid-year contribution.

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	\$ 0.7	7.7
ONE Canadian Equity Fund	1.2	12.5
ONE Global Equity Fund	2.8	29.2
ONE Canadian Government Bond Fund	0.7	7.6
ONE Canadian Corporate Bond Fund	0.7	7.6
ONE Global Bond Fund	3.4	35.4
Total	\$ 9.7	100.0

3. BACKGROUND

Huntsville's annual Investment Policy Statement (IPS) review resulted in minor housekeeping changes that will have no material impact on the Investment Plan

The Town completed its annual IPS review on March 29, 2023. Council approved modifications to the IPS. The modifications were housekeeping items consistent with the ONE JIB IPS template. The modifications clarify language and give ONE JIB more flexibility to modify the product offerings used in the Prudent Investment Program.

There are no changes being proposed to the Investment allocations at this time

The overall time horizon of reserves is largely unchanged, and investment allocations remain appropriate as a result. The Treasurer noted that Council is discussing several capital projects that may require near-term funding, but nothing has yet been approved. Huntsville currently has an allocation of \$3.7 million in the Target Date 3-5 Year Outcome that provides some flexibility to address any near-term spending needs that arise from these discussions. Table 1 below, which was informed by Section 4.1 of the MCQ, provides a summary of the time horizons associated with MNRI.

Table 1: MNRI by Type, Category and Time Horizon, adapted from MCQ section 4.1 (\$ thousands)

Reserve Type	Brief Description	MNRI	Less than 3 years	3 to 5 years	5-10 years	10+ years
Capital Reserves & Special Projects	Target Date – Planned Projects	\$4,047		\$2,850		\$1,213
Development Charge Reserve Funds	Target Date – Growth Related Projects	\$851		\$851		
Other Obligatory Reserve Funds	Target Date – Federal Gas Tax, Parking, Parkland CIL, Development Contributions	\$978			\$978	
Contingency	Contingency Reserves – Modest Growth Expected	\$3,768			\$2,863	\$904
Total		\$9,660	\$0	\$3,701	\$3,842	\$2,117

Huntsville will not be making any contribution or withdrawal from MNRI at this time, but is anticipating a \$1 million contribution later in the year

Council is currently evaluating financing options related to the local share in a hospital to be built. The Treasurer noted that they do not yet have sufficient clarity to commit the incremental MNRI at this time, but it is anticipated that this will lead to a contribution of \$1 million in MNRI later in the year. The time horizon associated with this capital project is very long, and allocations to the Target Date 10+ Year Outcome would be appropriate. Huntsville's MCQ summarizes the anticipated contributions and drawdowns of MNRI over the next ten years, as shown in Table 2 below.

Table 2: Forecast contributions and withdrawals - adapted from MCQ 4.2 (\$ thousands)

Type	Next year	2 years	3 to 5 years	5 to 10 years	Greater than 10 years
Anticipated MNRI Drawdowns			(\$1,700)	(\$2,000)	(\$1,000)
Anticipated MNRI Contributions	\$1,000				
Net change in MNRI	\$1,000	\$0	(\$1,700)	(\$2,000)	(\$1,000)

4. ANALYSIS

The mapping to Outcomes and resulting asset allocation is consistent with Huntsville's cashflow forecasts, risk tolerances and objectives

The Investment Plan has allocated \$3.7 million to the Target Date 3-5 Years Outcome that may be used to fund capital projects, several of which are under consideration by Council. While there is some uncertainty about the total spending on these capital projects, the Treasurer believes this allocation remains appropriate. Additionally, it was noted that MNRI previously allocated in the 2022 Investment Plan to the Target Date 3-5 Year Outcome to refurbish the municipal pool will no longer be required, providing additional flexibility to fund near-term capital projects under consideration by Council. Monies invested in the Target Date 3-5 Year Outcome are invested with an emphasis primarily on capital preservation due to the relatively short investment horizon.

Huntsville has identified additional capital spending needs beyond the next five years, resulting in a \$2.2 million allocation to longer-term target date outcomes. These reserves can be invested with a higher risk profile, which may potentially allow the investments to generate higher investment returns. An additional \$3.7 million allocation to the Contingency Outcome provides flexibility for the Town to address future unplanned spending needs.

Mapping the MNRI to outcomes relied on the MCQ and discussions with the Treasurer to ensure a common understanding of the uses and purposes of the MNRI. Asset allocations (Table 3 below) and fund allocations (Tables 4 and 5 below) were determined using the ONE JIB's Outcomes Framework. As noted in the background section, additional MNRI contributions are expected later in the year, totaling \$1 million, related to the local share in a hospital to be built. As this contribution has not been confirmed, it has not been reflected in the tables in this report.

Table 3: Proposed Outcome Mapping and Asset Allocation

Outcome	Total Invested (\$ millions)	Portfolio Weight (%)	HISA (%)	Fixed Income (%)	Equities (%)	Total (%)
Contingency	\$ 3.8	39.0	-	40	60	100
Target Date 3-5 Years	3.7	38.3	20	70	10	100
Target Date 5-10 Years	1.0	10.1	-	50	50	100
Target Date 10+ Years	1.2	12.6	-	25	75	100
Total	\$ 9.7	100.0				

Table 4: Proposed Pooled Fund-Level Allocation

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	\$ 0.7	7.66
ONE Canadian Equity Fund	1.2	12.5
ONE Global Equity Fund	2.8	29.2
ONE Canadian Government Bond Fund	0.7	7.6
ONE Canadian Corporate Bond Fund	0.7	7.6
ONE Global Bond Fund	3.4	35.4
Total \$	\$ 9.7	100.0

Table 25: Proposed Pooled Fund Allocations by Outcome (values in \$ millions)

Outcome	ONE HISA	ONE Canadian Equity Fund	ONE Global Equity Fund	ONE Canadian Govt Bond Fund	ONE Canadian Corporate Bond Fund	ONE Global Bond Fund	Total
Contingency	-	\$ 0.7	\$ 1.6	\$ 0.2	\$ 0.2	\$ 1.1	\$ 3.8
Target Date 3-5 Years	0.7	0.1	0.3	0.4	0.4	1.8	3.7
Target Date 5-10 Years	-	0.1	0.3	0.1	0.1	0.3	1.0
Target Date 10+ Years	-	0.3	0.6	0.0	0.0	0.2	1.2
Total \$	\$ 0.7	\$ 1.2	\$ 2.8	\$ 0.7	\$ 0.7	\$ 3.4	\$ 9.7

5. CONCLUSION

The proposed Investment Plan is consistent with Huntsville's IPS. The proposed asset mix and fund allocations reflect the investment objectives and risk preferences expressed in its IPS and MCQ. As a result, the Investment Plan is appropriate for the Town's time horizons, and available MNRI.

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

Town of Huntsville

Investment Plan

Date: June 1, 2023

A blue triangle with a yellow diagonal line running from the top-left corner to the bottom-right corner.

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

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1. Definitions

Act	Act means the <i>Municipal Act, 2001</i> , S.O. 2001, c. 25, as amended from time to time.
Agent	Agent means any administrator, Custodian, payment servicer, External Portfolio Manager, investment counsel, consultant, banker, broker, dealer or other service provider engaged or appointed by ONE JIB and authorized by ONE JIB to exercise any of the functions of ONE JIB, in the manner and to the extent provided in the Regulation, pursuant to a written agreement with ONE Investment and, without limiting the generality of the foregoing, Agent includes ONE Investment.
Asset Allocation	Asset Allocation means the proportions of each Asset Allocation (or Asset Class) in an investment portfolio. The primary Asset Allocations (or Asset Classes) are cash and cash-equivalent instruments, fixed income, equities and equity-equivalent securities. These primary Asset Allocations (or Asset Classes) can be further subdivided into government and corporate bonds, large and smaller cap equities and other widely recognized asset categories. ONE Investment generally uses the term “Asset Allocation” to refer to the percentage, at the applicable time, of an investment portfolio comprised of cash, fixed income and equities.
Asset Class	Asset Class means the type of asset category in an investment portfolio. The primary Asset Classes (or Asset Allocations) are cash, cash-equivalent instruments, fixed income equities and equity-equivalent securities. These primary Asset Classes (or Asset Allocations) can be further subdivided into government and corporate bonds, large and small cap equities and other widely recognized asset categories. This term can be used interchangeably with Asset Allocation (defined above).
Asset Weight	Asset Weight means the actual percentage of HISA and/or of a particular Fund in comparison to the entire amount invested in a particular Outcome and also means the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in a particular Outcome. This term also includes the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in the investment portfolio.
Authorizing By-law	Authorizing By-law means, with respect to a Participating Municipality, the by-law under which it (i) adopts and undertakes to maintain its IPS, (ii) authorizes the entering into of the ONE JIB Agreement with ONE JIB and the other Participating Municipalities, (iii) approves its completed MCQ, (iv) authorizes the establishment of a Code of Conduct for ONE JIB, and (v)

delegates to ONE JIB the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

Note: an Authorizing By-law of a Participating Municipality can, at the option of council, also be constituted as the Prudent Investor Enabling By-law by specifying a specific future date, agreed to by ONE JIB, as the date on which the PI Standard will apply to the Participating Municipality under Section 418.1 of the Act.

Benchmark	Benchmark means an independently verifiable index that is representative of a specific securities market. For the most part the Benchmark is a relevant market index e.g., the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc. against which investment performance can be compared. ONE Investment generally selects recognized and widely used performance benchmarks which measure total returns expressed in Canadian dollars. ONE Investment may use a single index or a blended index made up of one or more indices.
CFA Institute	CFA Institute means the not-for-profit professional association that administers the Chartered Financial Analyst (CFA) and the Certificate in Investment Performance Measurement (CIPM) curricula and examination programs worldwide, publishes research, conducts professional development programs, and sets voluntary, ethics-based professional and performance reporting standards for the investment industry.
Chief Compliance Officer (CCO)	Chief Compliance Officer means a duly qualified individual who is the most senior officer responsible for the design and implementation of the compliance program for ONE Investment and for the ONE Prudent Investment Program.
Chief Investment Officer (CIO)	Chief Investment Officer means a duly qualified individual who is the most senior person responsible to oversee investments and who advises ONE JIB as to the recommended Outcomes for Participating Municipalities to comply with their IPSs.
Credit Risk	Credit Risk means the possibility that a borrower will not repay a loan or meet other contractual obligations in full on time. One example of credit risk is the risk that a lender may not receive the borrowed principal and interest when due. Another example of credit risk, sometimes referred to as counterparty credit risk, is the risk that a party to a derivatives contract will default and fail to fulfill its obligations.
Custodian	Custodian means a specialized financial institution appointed to have custody and safekeeping of financial assets. Global Custodians may hold assets for their clients in jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

Derivative	A derivative means a contract between two or more parties the value of which is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.
Drift	Drift means the deviation from Target Weight. Drift is cause for concern or a trigger for Rebalancing when it reaches or exceeds a certain magnitude for a specified period of time.
ESG (Environmental, Social and Governance Factors)	ESG factors mean “indicators used to analyse a (investee) company’s prospects” which are based on measures of its performance on environmental, social, and corporate governance criteria. According to the United Nations Principles of Responsible Investment, environmental issues relate to “the quality and functioning of the natural environment and natural systems”, social issues relate to “the rights, well-being and interest of people and communities”, and governance issues relate to “the governance of companies and other investee entities.”
External Portfolio Managers	External Portfolio Managers means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a ONE Investment Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.
Funds	Funds mean the pooled investment Funds offered as part of the ONE Prudent Investment Program and includes the ONE Canadian Equity Fund, the ONE Global Equity Fund, the ONE Canadian Bond Fund, the ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund, each of which is a Fund. Each Fund constitutes an Investment Fund and a Pooled Fund (defined below).
In-Kind	In-Kind means assets/securities instead of cash. In certain cases Participating Municipalities may transfer securities to ONE JIB as part of their MNRI instead of remitting only cash to ONE JIB. As these securities mature ONE JIB would invest the proceeds into the Outcomes specified in the relevant Investment Plan.
Internal Controls	Internal Controls mean a system of controls that may include authorities, policies, procedures, separation and segregation of duties, compliance checks, performance measurement and attribution, reporting protocols, measures for safekeeping of property and data, and the audit process.
Investment Fund	Investment Fund means a pool of money belonging to many investors that is used to collectively purchase stocks, bonds or other securities. This term includes a Fund (defined above) and a Pooled Fund (defined below).
Investment Plan	Investment Plan means the investment plan for a Participating Municipality applicable to its Long-Term Funds and investments that the Participating Municipality does not require immediately, as adopted and maintained by ONE

JIB under the Regulation, as the Investment Plan may be amended from time to time.

Investment Policy Statement (IPS)	Investment Policy Statement means the investment policy applicable to a Participating Municipality's investments adopted and maintained by the council of the Participating Municipality for Long-Term Funds under the Regulation, and for Short-Term Funds, as the IPS may be amended from time to time. The IPS may also apply to the money and investments held by the Participating Municipality for the benefit of persons other than the Participating Municipality itself and may make reference to any source of money in which the Participating Municipality may have an indirect interest but which the Participating Municipality has no authority to invest.
Legal List Securities	Legal List Securities mean the securities that are prescribed from time to time in Part I of the Regulation.
Leverage	Leverage means using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage tends to increase investment risks.
Local Distribution Corporation	Local Distribution Corporation or LDC means a corporation incorporated under section 142 of the Ontario <i>Electricity Act, 1998</i> , as amended from time to time.
Long-Term Funds	Long-Term Funds mean money that the Participating Municipality has defined as long-term and characterized as money that is not required immediately.
Money Not Required Immediately (MNRI)	Money Not Required Immediately means money that is not required immediately by a Participating Municipality, the control and management of which has been given to ONE JIB. There is no universal definition of MNRI and it is at the discretion of each Participating Municipality to determine its MNRI in a way that is appropriate for its circumstances.
Municipal Client Questionnaire (MCQ)	Municipal Client Questionnaire means a document which is completed by the Treasurer of each Participating Municipality, and which includes information on municipal investments and risk preferences that must be reviewed annually.
Municipality	Municipality means the Town of Huntsville.
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 Huntsville'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 Huntsville.

3. Responsibility for Plan

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

4. Investment Context

4.1 Investment Goals and Objectives

Returns on investments have an impact on Huntsville'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 Huntsville'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 Huntsville has an obligation for a specific project at a specific time.

Huntsville 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 Huntsville'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 Huntsville are aligned with the Outcome Frameworks adopted by ONE JIB.

Huntsville'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 Huntsville's current goals, objectives, circumstances and risk tolerance, and helps direct how investment allocations will be determined. The allocation of Huntsville's MNRI in this Plan is consistent with the details as disclosed in Huntsville's IPS and MCQ.

While individually Huntsville's reserve and reserve funds require liquidity, collectively they provide Huntsville 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 Huntsville in Table 1 above. The MNRI of Huntsville 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 Huntsville in this Investment Plan.

4.2 Comments by Chief Investment Officer

The annual review process evaluated the time horizon on which MNRI may be required by the Town. While there remains uncertainty about the timing of some near-term spending needs, the overall time horizon involved remains broadly similar to the previous year. The Town will not be contributing additional MNRI as part of this annual Investment Plan update.

The Treasurer noted that there are several capital projects that are being considered by council but not yet approved. An allocation of \$3.7 million to the Target Date 3-5 Outcome continues to be appropriate considering these uncertainties. The Chief Investment Officer is not recommending any changes in the allocation of Huntsville's MNRI at this time, and no trading will be required to implement changes related to this Investment Plan update. The recommended overall exposure to equity within the consolidated portfolio remains approximately 41.7%.

The Chief Investment Officer notes that there is a high probability that the Town will make a mid-year contribution to MNRI. The Treasurer expects to make a contribution to MNRI of \$1 million within the next year related to a capital project that has yet to be finalized. Council is currently considering how to fund the local share of a hospital to be built, which is a long-term capital project. A contribution to MNRI is anticipated when council formalizes plans about how to fund this long-term project. The Chief Investment Officer is recommending the ONE JIB provide approval to receive a \$1 million mid-year contribution to MNRI and allocate it to the 10+ Year Target Date Outcome. If and when this mid-year contribution is made, the overall allocation to equities in the consolidated holdings will increase to 44.8%, which is an appropriate level for the Town considering their current needs and circumstances. None of the tables in this Investment Plan reflect this anticipated mid-year MNRI contribution.

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 Huntsville are taken into consideration when assigning asset allocations for Huntsville 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 Huntsville'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 have contributed to elevated inflation levels.
- Efforts by the Bank of Canada and other central banks to reduce inflationary pressures led to sharply higher interest rates in 2022. The Bank of Canada increased its overnight lending rate by 4.0% last year, in one of the sharpest movements in interest rates in modern history.
- There is some risk that aggressive rate hikes could lead to an economic recession.
- 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 Huntsville's MCQ dated May 19, 2023 have been allocated into investment Outcome categories as shown in Table 2 below.

*Table 2 – Investment Allocations based on MCQ updated on May 19, 2023**

Outcome	Allocation (\$)	Allocation Weight (%)
Contingency	\$ 3,767,000	39.0
Target Date 3-5 Years	3,701,000	38.3
Target Date 5-10 Years	978,377	10.1
Target Date 10+ Years	1,214,000	12.6
Overall	\$ 9,660,377	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 March 31, 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 Huntsville's circumstances will be used for each Outcome. Descriptions of these Outcomes, ONE Prudent Investment Program funds and the asset allocations for each Outcome are shown in Appendix B.

5.3 Contingency Outcome

The allocation to the Contingency Outcome will be approximately \$ 3.8 million.

Contingency monies may be drawn upon to meet unexpected needs and infrequent events. Emphasis on the preservation of purchasing power is a key consideration, and therefore growth in the value of investments is emphasized. Details of the allocation of the Contingency Outcome are shown in Table 3. These monies will be invested according to the asset mix set out in Table 3 and will be rebalanced to ensure a consistent risk profile – rebalancing is explained in more detail in section 6.4. Further detail about the Contingency Outcome can also be found in Appendix B. All income will be reinvested to facilitate continued long-term growth in the assets until they are needed.

Table 3 - Contingency Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	55	60	65	
ONE Canadian Equity Fund		18		S&P/TSX Composite Index
ONE Global Equity Fund		42		MSCI ACWI (All Country World Index)
Fixed Income	35	40	45	
ONE Canadian Government Bond Fund		6		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		6		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		28		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C.

5.4 Target Date Outcome

Huntsville identified reserves that would be appropriate for Target Date Outcomes. Most of Huntsville's MNRI will be allocated to Target Date Outcomes, which will be allocated in a way that reflects the expected time horizon of balances and reserves. The monies invested in Target Date Outcomes will be split into separate Target Date allocations that collectively reflect the need for liquidity and growth and the time horizon in which the funds will be required. The allocation to the Target Date Outcomes will be approximately \$5.9 million and divided among the various target date outcomes accordingly:

- Target Date 3-5 Year – \$ 3.7 million
- Target Date 5-10 Year – \$ 1.0 million
- Target Date 10+ Years – \$ 1.2 million

Target Date Outcomes will be managed with the objective of providing for the return of principal, income and capital gains at a target date in the future. All income will be reinvested.

Approximately \$3.7 million (about 38% 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 4 below.

Table 4 - Target Date 3-5 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Cash	17	20	23	
ONE HISA		20		Bank of Canada 1 Year GIC Rate
Equity	8	10	12	
ONE Canadian Equity Fund		3		S&P/TSX Composite Index
ONE Global Equity Fund		7		MSCI ACWI (All Country World Index)
Fixed Income	66	70	74	
ONE Canadian Government Bond Fund		10.5		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

Huntsville has smaller allocations to longer time horizon Target Date Outcomes Approximately 10%, or \$1.0 million, of MNRI will be invested in the Target Date 5–10 Year Outcome. Details of the allocation for this Outcome are in Table 5 below. Further detail about the Target Date 5-10 Year Outcome allocations can also be found in Appendix B.

Amounts will be allocated to the Target Date 5–10 Year Outcomes to reflect the intended time horizon and risk profile for reserve accounts where near term liquidity is less relevant. The Target Date 5–10 Year Outcome has a 50% allocation to equities, which should help monies invested in this outcome to achieve growth. As monies invested in this Outcome typically reflect reserves for future capital projects, growth is the value of investments is important to help offset the impact of inflation and pre-construction changes on project costs.

Table 5 - Target Date 5-10 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	45	50	55	
ONE Canadian Equity Fund		15		S&P/TSX Composite Index
ONE Global Equity Fund		35		MSCI ACWI (All Country World Index)
Fixed Income	45	50	55	
ONE Canadian Government Bond Fund		7.5		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		7.5		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		35		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

Approximately 13%, or \$1.2 million of MNRI will be invested in the Target Date 10+ Year Outcome, which is intended to fund longer-term capital projects. There is a high probability that the Town will make a mid year MNRI contribution of \$1 million to reflect Huntsville's local share in a hospital to be built. If this contribution takes place, the allocation to the Target Date 10+ Year

Outcome will increase to \$2.2 million. This Target Date Outcome has an overall allocation to equity of about 75%, which should provide an opportunity for the monies invested to grow in value. More detail on the allocations for the Target Date 10+ Year Outcome are shown in Table 6.

As these monies may be used for construction/development projects in the future, growth is highly relevant as it will help preserve the purchasing power for monies invested. The need for investment returns to at least match inflation is a key consideration for monies allocated to this longer dated target date outcome.

Table 6 - Target Date 10+ Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	71	75	59	
ONE Canadian Equity Fund		22.5		S&P/TSX Composite Index
ONE Global Equity Fund		52.5		MSCI ACWI (All Country World Index)
Fixed Income	21	25	29	
ONE Canadian Government Bond Fund		3.75		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		3.75		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		17.5		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

5.5 Projected Investment Returns

This section has not been updated.

5.6 Non-Liquid Assets

a. Legacy Investments / Strategic Investments

Huntsville's investment in Lakeland Holdings Ltd, an LDC, has a strategic purpose beyond generating investment returns. While this investment is part of the responsibility of ONE JIB, it is subject to a restriction set out in Huntsville's IPS such that ONE JIB has agreed not to dispose of or deal with that investment without Huntsville's consent. Table 7 below describes the investment in Lakeland Holdings Ltd Shares.

Table 7 - Huntsville's LDC Holdings as at December 31, 2022

Investment in Local Distribution Company	Amount
Lakeland Holdings Ltd.	<u>\$13,486,047</u>

b. Transitional Investments

This section does not apply

5.7 Other Accounts

Huntsville has no other accounts ONE JIB must consider.

6. Applicable ONE JIB Policies

Besides those listed below, there may also be constraints specific to each externally managed portfolio that govern how they are invested by the external investment manager.

6.1 Environmental, Social and Governance (ESG) Investing

ONE JIB supports ESG investing and incorporates those principles into its investment decision-making through its due diligence processes when choosing and evaluating External Portfolio Managers. External Portfolio Managers are assessed for their ESG policies. ONE JIB recognizes the practical difficulties of negative screening, whereby securities are excluded based on the nature of their business. ONE JIB's preference is to integrate social responsibility into the investment process with the intent of influencing companies to change their behaviour where appropriate. ONE JIB's approach will necessarily vary by External Portfolio Manager based on a number of factors, including the degree of control exercised by ONE JIB, contractual restrictions and the nature of the investment. Accommodating all requests for specific ESG considerations may not be possible due to availability, costs or other factors.

6.2 Securities Lending

Investment Funds that are controlled by an External Portfolio Manager may engage in securities lending if their policies permit such an action.

6.3 Derivatives

ONE JIB does not intend that derivatives be used in the investment of Long-Term Funds for speculative purposes or to apply leverage to the portfolios for non-hedging purposes. In certain cases, Long-Term Money is invested in underlying funds where the External Portfolio Manager is authorized under the constituting documents of such underlying funds to use derivatives. In such cases, the External Portfolio Manager shall provide written notice of its intended use of derivatives and the contents of such notice shall be satisfactory to ONE JIB. Generally, use of derivatives will be permitted where for so long as the derivative instrument or agreement is outstanding, the investment portfolio has a long position or other offsetting position in the underlying asset. For example, derivative instruments may be used for currency hedging, to change portfolio duration or in covered call strategies.

6.4 Rebalancing

Each investment Outcome will have target weights assigned for each asset class and investment holding, which collectively represent the intended asset allocation for the Outcome. Minimum and maximum weights will also be assigned for asset class allocations, and these weights will guide the rebalancing process. Each account's asset allocation will be monitored and rebalanced by ONE Investment in accordance with ONE JIB's Rebalancing Policy and this Investment Plan.

7. Implementation

7.1 Custodian

All investments under the control and management of ONE JIB, except for Municipally-owned electricity assets, shall be held for safekeeping by ONE Investment's Custodian.

7.2 Transition Plan (including transitional investments)

This section does not apply

7.3 Accommodating Cashflow Needs

a. Investment Income and Rebates

Income from investments will be automatically reinvested and cashflow needs of Huntsville are expected to be financed with the sale of units of the investment pools. Any fee discounts that apply to Huntsville are intended to be reinvested into the Target Date 10+ Years Outcome or as otherwise directed by the Treasurer.

a. Anticipated mid-year cashflow requests

The Treasurer indicated their intention to make a mid-year MNRI contribution of \$1 million to reflect Huntsville's local share in a hospital to be built. As the financing decisions related to this project are currently under discussion, the contribution will take place when there is greater certainty about the details. Based on current information, the Chief Investment Officer recommends that this incremental MNRI be allocated to the Target Date 10+ Year Outcome. It is recommended that the ONE JIB provide approval in principle for this anticipated mid-year contribution.

b. Unanticipated mid-year cashflow requests

Upon receipt of an updated MCQ from Huntsville 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 The Municipality'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. As appropriate, the ONE JIB may consider how to implement such changes in a pragmatic way and will give guidance on how such changes to the allocations and Outcomes should be implemented.

Cash Outcome

Asset Class	% Weight		
	Min	Target	Max
Cash	100	100	100
ONE HISA		100	
Total		100	

Stable Return Outcome

Asset Class	% Weight		
	Min	Target	Max
Cash	8	10	12
ONE HISA		10	
Equity	26	30	34
ONE Canadian Equity Fund		9	
ONE Global Equity Fund		21	
Fixed Income	55	60	65
ONE Canadian Government Bond Fund		9	
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
Cash	17	20	23		0			0	
ONE HISA		20			0			0	
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	66	70	74	45	50	55	21	25	29
ONE Canadian Government Bond Fund		10.5			7.5			3.75	
ONE Canadian Corporate Bond Fund		10.5			7.5			3.75	
ONE Global Bond Fund		49			35			17.5	
Total		100			100			100	

Appendix C: Performance Benchmarks for ONE Investment Funds

- The table below details the benchmarks to be used for the performance evaluation of the ONE Investment Pools.
- Blended benchmarks for the prudent investor Outcomes will be used in proportion to their target asset allocation weights.

ONE HISA	Bank of Canada 1 Year GIC Rate
ONE Canadian Equity Fund	S&P/TSX Composite Total Return Index
ONE Global Equity Fund	MSCI ACWI (net)
ONE Canadian Government Bond Fund	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

Benchmarks used for ONE Investment Funds may be revised at a future date and may be adjusted as appropriate to reflect changes in the underlying investment mandates approved by the ONE JIB.

Municipal Client Questionnaire (MCQ)

Review and update the MCQ annually in conjunction with the review of the Investment Policy Statement.

However, 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 Huntsville

1.2 ADDRESS: 37 Main Street E, Huntsville, ON, P1H 1A1

1.3 TREASURER INFORMATION

i. Name: Julia McKenzie

ii. Phone Number: (705) 789- 1751 iii. Email: Julia.McKenzie@huntsville.ca

1.4 PRIMARY DAY-TO-DAY CONTACT INFORMATION*

i. Name: Julia McKenzie

ii. Title: Director of Financial Services / Treasurer

iii. Phone Number: (705) 789- 1751 iv. Email: Julia.McKenzie@huntsville.ca

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

Municipal Client Questionnaire (MCQ)

2. INVESTMENT KNOWLEDGE AND EXPERIENCE

2.1. Which statement best describes the Municipal staff (person most responsible for managing investments)'s level of investment knowledge and experience with financial markets and products?

- ☐ Very limited knowledge
- ☐ Basic knowledge and minimal experience
- ☒ Good knowledge and some investment experience
- ☐ Strong knowledge and experience
- ☐ Advanced knowledge and extensive experience

Does Municipal staff (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

Municipal Client Questionnaire (MCQ)

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)?

		Investment Objective	Risk Tolerance	Tolerance for short-term (1 year) losses
<input type="checkbox"/>	Lower risk/return	Capital preservation is the main objective. Willingness to accept lower returns to reduce the likelihood of losses	Conservative Approach: A small chance of loss of capital over a 5-year period	Less than 5% decline
<input checked="" type="checkbox"/>	Moderate risk/return	Achieve moderate growth without excessive risk to capital	Moderate chance of loss of capital over a 5-year period	5-15% decline
<input type="checkbox"/>	Higher risk/return	Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns	Greater uncertainty of outcomes with potential of higher returns over a 5-year period	More than 15% decline

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?

Municipal Client Questionnaire (MCQ)

Sections 4 and 5 of this Questionnaire asks about the Municipality's assets, liabilities and cash flow and is not limited to MNRI. It is intended to assist ONE Investment in obtaining an understanding of the Municipality's financial circumstances, including its cash flow needs.

4. FINANCIAL INFORMATION

4.1 Please provide a table 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. As such, 'zero to 18 months' 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
Capital Reserves & Special Projects	Target Date – Planned Projects	\$4,047,209		\$2,849,921		\$1,213,092
Development Charges Reserve Funds	Target Date – Growth Related Projects	\$867,079		\$851,275		
Other Obligatory Reserve Funds	Target Date – Federal Gas Tax, Parking, Parkland Cash-in-Lieu, Development Contributions	\$978,377			\$978,377	
Contingency	Contingency Reserves – Modest Growth Expected	\$3,767,710			\$2,863,460	\$904,250
Total		\$9,660,375		\$3,701,196	\$3,841,837	\$2,117,342

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			(\$1,700,000)	(\$2,000,000)	(\$1,000,000)
Anticipated MNRI Contributions	\$1,000,000				
Net change in MNRI	\$1,000,000	\$0	(\$1,700,000)	(\$2,000,000)	(\$1,000,000)

4.3 Do the MNRI drawdown forecasts in 4.2 reflect:

☐ Drawdowns of current reserve balances

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

4.4 If the Municipality has completed a capital budget and asset management plan, how many years does this forecast extend?

☐ Less than 3 years

☐ 3-5 Years

☒ 5-10 Years

☐ 10 years or more

Funding/Expenditure Analysis

4.5 How does the Municipality manage unanticipated requests for funding? Can you characterize the probability that the municipality may need to draw down MNRI to fund unexpected budget shortfalls?

In the past there have not been significant anticipated requests that could not be funded through existing balances, there is no expectations base don what we know of at the moment that would lead us to believe there would be shortfalls in the budget.

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)

Municipal pool to be refurbished (2025/2026); Operations Facility to be built/purchased (replace existing Madill Yard Building) 2023/2025 approval TBD, estimated amount of the project TBD, would need to secure debt financing and grant opportunities to proceed.

Municipal Client Questionnaire (MCQ)

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:

None at this time, would be applying for grants for both the pool project and the Operations Facility. If the new Operations Centre proceeds, debt financing would need to be used to fund this project, it is too early to determine the amounts needed.

5. PORTFOLIO INFORMATION

5.1

MNRI details as at March 31, 2022	
Managed by ONE JIB). Value as at (DD/MM/YY) 31 / 03/22	\$ 9,660,377
Pledged (in kind) Securities (Bonds, GIC's, PPN's, etc.). Value as at (DD/MM/YY) __/____/____	\$N/A
Expected Contributions (withdrawals) of MNRI Date funds to be remitted/paid: (DD/MM/YY) ____/____/____	None at this time
Locked in portion (LDC shares or notes) (Lakeland Holdings Ltd. Shares) Value as at (DD/MM/YY) 31/12/2022 ____	\$ 13,486,047
Total MNRI *	\$ 23,146,424
* The market value of securities may change between the date they are pledged to the ONE JIB and the date they are contributed to the ONE JIB.	

5.2 The Municipality may pledge less liquid securities to ONE JIB as part of MNRI. Please identify

Municipal Client Questionnaire (MCQ)

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:

6. EXISTING INVESTMENTS

6.1. Please provide a table showing your current investments deemed MNRI and their characteristics.

Security / Investment	Type	Manager/Institution	Book Value	Market Value	Coupons (If applicable)	Maturity Date (If applicable)
N/A – Existing Client						

6.2. Describe your overall investment strategy

Growth

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.

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: 19 day of May, 2023

Julia McKenzie

Signed with ConsignO Cloud (2023/05/19)
Verify with verifio.com or Adobe Reader.



JULIA MCKENZIE

Name and Signature of Treasurer

Second Signature (if Required)

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)



CORPORATE POLICY -INVESTMENT POLICY STATEMENT

SECTION: Budget & Financial	EFFECTIVE DATE: April 24, 2023
SUBJECT: INVESTMENT POLICY STATEMENT	POLICY NUMBER: Budget-Financial-30

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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 Money investments and adopted by ONE JIB under the Regulation, as it may be amended from time to time.

Investment Policy Statement (IPS): means the investment policy applicable to the Municipality's investments adopted and maintained by the Council of the Municipality for Long-Term Money under the Regulation, and for Short-Term Money, as the same may be amended from time to time. The IPS may also apply to the money and investments held by the Municipality for the benefit of persons other than the Municipality itself and may make reference to source(s) of money in which the Municipality may have an indirect interest but which the Municipality has no authority to invest.

JIB: is short for Joint Investment Board and means a joint municipal service board that is established under section 202 of the Act by two or more municipalities for the purposes of Part II of the Regulation.

Legal List Securities: means the securities and other investments and financial instruments that are included from time to time in Part I of the Regulation.

Leverage: means an investment strategy of using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage also tends to increase investment risks.

Local Distribution Corporation or LDC: means a corporation incorporated under section 142 of the *Electricity Act, 1998*.

Long-Term Money: means money that the municipality has defined as long-term and characterized as money that is not required immediately by the Municipality as described in section 5.2. Monies that are Long Term Money will be invested in accordance with the Prudent Investor Standard.

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 Huntsville.

ONE JIB: means ONE Joint Investment Board, established by certain founding municipalities under section 202 of the Act as a JIB for purposes of Part II of the Regulation, which is the duly appointed JIB for the Municipality, as constituted from time to time and which acts in accordance with the Act, the Regulation, the ONE JIB Agreement, including the Terms of Reference, this IPS and the Investment Plan.

ONE JIB Agreement: means the agreement effective as of July 2, 2020, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Municipality's Long-Term Money.

Outcome: in the context of the municipality's IPS the word 'outcome' is used interchangeably with 'solutions'. Investment outcomes are a set of investment allocations with varying risk/return characteristics. The outcomes assigned to each investor are intended to reflect the needs and circumstances of the municipality. MNRI may be invested into several outcomes based on the characteristics of the municipality's accounts/reserves and its saving and spending needs.

ONE JIB's Outcome Framework: a set of Investment Outcomes designed by ONE JIB to categorize the potential goals of investing MNRI. Each Outcome has a unique Asset Allocation with risk/return characteristics that are aligned with the intended use of the money assigned to the outcome.

Participating Municipality: means from time to time each of the municipalities for whom ONE JIB acts as the JIB under the terms of the ONE JIB Agreement.

Pooled Fund: means a unit trust established under a trust instrument, generally not available to the public, in which institutional, sophisticated or high net worth investors contribute monies that are invested and managed by an External Portfolio Manager. Monies are pooled or combined with monies of other investors.

Portfolio: means any collection of funds that are grouped together and required for specific purposes.

Proxy Voting: means a legal transfer to another party of a shareholder's right to vote thereby allowing shareholders who cannot attend meetings to participate. External Portfolio Managers usually vote proxies on behalf of their clients.

Prudent Effective Date: means July 2, 2020, the date on which the prudent investor regime applies to the Municipality.

Prudent Investor Standard: means the standard that applies when the Municipality invests money that it does not require immediately under section 418.1 of the Act. It requires the Municipality to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and the standard does not restrict the securities in which the Municipality can invest. The Prudent Investor Standard makes use of Modern Portfolio Theory and applies the standard of prudence to the entire portfolio

in respect of the Municipality's Long-Term Money rather than to individual securities. It identifies the fiduciary's central consideration as the trade-off between risk and return as found in the CFA Institute Standards of Practice Handbook.

Regulation: means Ontario Regulation 438/97.

Risk: means the uncertainty of future investment returns or chance of loss of capital.

Risk Tolerance: means the financial ability and willingness to absorb a loss in return for greater potential for gains.

Securities Lending: means loaning a security to another market participant. The borrower is required to deliver to the lender, as security for the loan, acceptable collateral with value greater than the value of the securities loaned. The Securities Lending program is managed by the Custodian or another appointed agent on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional marginal returns on the total portfolio.

Short-Term Money: means money that is required immediately by the Municipality as described in section 5.1 and which remains under the control and management of the Municipality. The money can be invested in appropriate Legal List Securities.

Sinking Fund: means a fund established to fulfil the requirements to make annual contributions in respect of various debenture issues wherein money is to be regularly set aside for the payment of the principal of the debentures at maturity.

Sinking Fund Required Contributions (Annual Sinking Fund Requirement): means the amount of money to be set aside each year for deposit into a sinking fund or a retirement fund, as applicable, for each sinking fund and term debenture issue in accordance with the Municipality's debenture by-laws.

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 (by-law 2020-53 Prudent Investor Enabling) pursuant to which the Municipality authorized the establishment of guidelines for the prudent management of the Municipality's MNRI pursuant to section 418.1 of the Act.

In addition to the Municipality's MRI and MNRI, the Municipality is from time to time entrusted with the management of money and investments for a third-party beneficiary ("third-party trust funds").

There are also source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Such source(s) of money, referred to in this IPS as "designated funds", are listed in Schedule A attached hereto. The designated funds are identified in this IPS for the sole purpose of enabling the Municipality to better see, on an aggregated basis, the various financial assets in which the Municipality has an interest. The Municipality is not responsible for the investment activities or performance of designated funds.

The goals of this IPS are to:

- Define and assign responsibilities for investment of MRI and MNRI;
- Describe the Municipality's responsibilities with respect to third-party trust funds and designated funds
- Ensure compliance with the applicable legislation;
- Direct ONE JIB as to the Municipality's investment goals and risk tolerance;
- Provide guidance and limitations regarding the investments and their underlying risks;
- Establish a basis of evaluating investment performance and the underlying risks; and,
- Establish a reporting standard to Council.

This IPS applies to employees of the Municipality, to ONE JIB and to the employees of ONE Investment. ONE JIB, the Treasurer, and any agent or advisor providing services to ONE JIB in connection with the investment of the portfolio shall accept and strictly adhere to this IPS.

2.2 Governing Legislation

Investments of MRI will, in accordance with this IPS, only be made in Legal List Securities.

Investments of MNRI are governed by the Prudent Investor Standard in accordance with Section 418.1 of the Act. This standard is similar to that which governs trustees and pension fund administrators and creates a fiduciary responsibility. Prudent investment in compliance with the Act and the Regulation enhances the potential for the Municipality to earn improved risk-adjusted rates of return.

Money and investments that the Municipality holds as third-party trust funds or has an interest in as designated funds will be subject to applicable legislation and any related agreements or instruments.

The Act provides that the Municipality, and therefore ONE JIB, must consider the following criteria in planning investments of MNRI, in addition to other criteria relevant to the circumstances:

- General economic conditions;

- The possible effect of inflation or deflation;
- The role that each investment plays within the Municipality's total portfolio of investments;
- The expected total return from income and the appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital.

2.3 Prudent Investor Standard

For MNRI, the standard to be used by the Municipality and ONE JIB shall be the Prudent Investor Standard as required by section 418.1 of the Act and Part II of the Regulation in the context of managing the Municipality's MNRI and investments thereof. Investments shall be made with the care, skill, diligence, and judgment, taking into account the prevailing circumstances, that persons of prudence, discretion and integrity would exercise in the management of investments, considering the necessity of preserving capital as well as the need for income and appreciation of capital. The Act includes a duty to obtain the advice that a prudent investor would obtain under comparable circumstances.

Officers, employees and investment agents acting in accordance with written procedures and the IPS and exercising due diligence shall take all necessary actions to optimize performance of investments on a portfolio basis, taking into account the prescribed risk and other parameters set out in this IPS and market factors. The Municipality's staff acting in accordance with written procedures and this IPS, shall be relieved of personal responsibility for an investment's performance, provided underperformance relative to expectations is reported to Council and the liquidation or sale of investments is carried out in accordance with this IPS.

3. MONEY REQUIRED IMMEDIATELY AND MONEY NOT REQUIRED IMMEDIATELY

3.1 Determination of MNRI and MRI

Determination of the Municipality's MNRI is the responsibility of Council. In making the determination, Council may consider:

- the time horizon within which the monies are needed to meet financial obligations;
- the purpose for which the monies have been collected or set aside and are to be used;
- the source of the money; 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 18 (eighteen) months from the date of receipt of such money by the Municipality.

For certainty, all money and investments of the Municipality that have not been identified as MNRI (other than third-party trust funds and any designated funds referenced in Section 2.1) shall be deemed for purposes of this IPS to be MRI.

Determination of the Municipality's MNRI and MRI may be modified at any time and from time to time by action of Council and with respect to specific money by the Treasurer in accordance with the provisions of Section 6.2.

Any changes in this IPS regarding the Municipality's MNRI and MRI must be communicated immediately in writing to ONE JIB.

3.2 Overview of Portfolios

The Municipality's portfolios represent funds required for specific purposes. A high-level description of each of these portfolios and their objectives is provided in Section 5 below. This IPS applies to the following money of the Municipality, its agencies, boards and commissions including:

- MRI which is invested in Legal List Securities; and/or
- MNRI which is invested under the Prudent Investor Standard.

4. ROLES AND RESPONSIBILITIES

4.1 Role of ONE JIB

ONE JIB has been appointed by the Municipality in accordance with the requirements of the Act and the Regulation and on the terms and conditions set out in the ONE JIB Agreement (Appendix I).

ONE JIB exercises control and management of the Municipality's MNRI and the investments made by it in accordance with the objectives and risk tolerance established in this IPS.

Among the responsibilities of ONE JIB are the following:

- Reviewing this IPS;
- Adopting and maintaining an Investment Plan that complies with this IPS;
- Engaging External Portfolio Managers, Custodians, administrators and other investment professionals (Agents);
- Allocating the money and investments under its control and management among External Portfolio Managers and their funds in compliance with this IPS;
- Monitoring the performance of the Agents; and,
- Reporting to the Municipality.

The foregoing is subject to the more detailed terms and conditions contained in the ONE JIB Agreement.

4.2 Role of Municipal Staff

This IPS is approved and adopted by Council with input from the Treasurer, and from ONE JIB with respect to MNRI. MRI of the Municipality, and any third-party

trust funds referenced in Section 2.1, remain under the control and management of the Treasurer.

Consistent with this IPS, the Treasurer is responsible for the implementation of the investment program and the establishment of investment procedures which shall include:

- Investment management of MRI and any third-party trust funds referenced in Section 2.1 by, or under the direction of, the Treasurer;
- The deposit or withdrawal of MNRI, under the explicit delegation of authority regarding MNRI, and the investment thereof, to ONE JIB, which is responsible for the control and management of such funds and investments; and,
- A system of controls exercised by the Treasurer to regulate the activities of 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 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 Huntsville's Short-Term Portfolio shall comply with the Municipality's Conflict of Interest guidelines and any relevant professional codes of conduct (e.g., the CPA Code of Professional Conduct).

ONE JIB, in its capacity as a joint municipal service board, in addition to being a local board of each member Municipality is subject to a Code of Conduct as required by the Municipal Act, 2001 (the "Act"). This Code of Conduct applies to the Chair and the other Members of ONE JIB acting in their capacity as Members of ONE JIB.

5. INVESTMENT

5.1 MRI: Short-Term Money

The Municipality's MRI is described in this IPS as Short-Term Money. Short-Term Money consists of money that is needed to meet the short-term financial obligations of the Municipality coming due within 18 (eighteen) months from the date of receipt of such money and are controlled and managed by the Treasurer.

5.1.1 Short-Term Moneys: Investment Objectives

The main focus of the investment of Short-Term Money is cash management, and the interest income generated by the investment of these monies contribute to municipal revenues. To the extent possible, the Municipality shall attempt to match its investments with anticipated obligations.

Capital preservation is the paramount objective for short-term investments, and these investments need to be highly liquid. Consequently, only high quality, short-term investments that are also Legal List Securities will be held in this portfolio. The Municipality may invest in fully liquid money market securities and deposit accounts. The Municipality aims to maximize returns subject to the constraints set out in Part I of the Regulation, as amended from time to time, with a view to preserving capital and to further manage risk through diversification by issuer and credit quality.

The investment objectives for short term money, ranked in priority, are as follows:

a) Security of Principal

The primary objective for MRI is to ensure the security of principal. To minimize the risk of loss, investments shall be subject to minimum credit ratings and shall be diversified by maturity, type of investment and issuer. Investing activities will be reviewed on a regular basis as actual, revised and forecasted operating and capital plans are completed. Maturity dates should be structured so that investment cash inflows occur when needed.

b) Liquidity Requirements

Liquidity is measured by the ease with which securities can be converted to cash to meet forecast spending. The investments that are eligible under Ontario's Eligible Investments and Related Financial Agreements Regulation possess different features and thus market prices will vary depending on market conditions, as well as the particular features of the type of investment.

To ensure adequate liquidity, the Municipality's investments shall be diversified by holding securities of various terms to maturity and by various types of investments and issuers and to the extent possible, the term of such investments shall match the forecasted requirements for such monies to meet expenditures.

c) Rate of Return

The Municipality's money shall be invested to maximize the rate of return within acceptable risk levels while respecting the security of principal, legal constraints and the liquidity needs of each investment portfolio.

The composition of each portfolio, including its term to maturity and type of investments, shall be adjusted within the guidelines of this Policy to take advantage of market opportunities. Such changes shall be made with the periodic interest rate outlook and target portfolio structure approved by the Treasurer.

5.1.2 Short-Term Money: Eligible Investments

Short Term Money may be invested in high quality, short-term investments that are also Legal List Securities available from banks, dealers and other financial institutions. Investments issued or guaranteed by approved institutions will be permitted by this Policy, as deemed eligible by Ontario Regulation 438/97 or as authorized by subsequent provincial regulations. 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.

5.2 **MNRI: Long-Term Money**

The Municipality's MNRI is described in Section 3.1 as Long-Term money. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the Long-Term Money and the investments made therewith.

From time to time, the Municipality may require money immediately to meet financial obligations and may require ONE JIB to liquidate one or more investments in order to generate money to meet those obligations. ONE JIB will select the investment(s) to be liquidated. The timing of such liquidation will be determined by ONE JIB in consultation with the Treasurer.

5.2.1 **Long-Term Money: Investment Objectives**

In setting the objectives noted below, the Municipality has taken into account the following considerations:

- Preservation of capital;
- Adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements;
- Diversification by asset class, market, sector, issuer, credit quality and term to maturity;
- Income and capital appreciation; and,
- Macro risks, such as inflation, economic growth and interest rates.

The municipality's Investment objectives for its Long-Term money (MNRI) can be achieved via allocations to the Outcomes defined within the ONE JIB's Outcome Framework. Table 1 provides a summary of this framework.

Table 1:

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon
------------------	------------------	-----------	---------------------------	--------------------

Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years
Stable Return	Stable Return	Income Generation; To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk; emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)
	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 money is to be managed by ONE JIB in a way that balances the investment objectives with a level of risk that is appropriate for the municipality. The MNRI invested with ONE JIB will be broadly diversified to help reduce the volatility of investment returns. Returns have an impact on revenues, as well as a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. To the extent possible, the Long-Term Money's investment horizons are aligned with the Municipality's obligations and cash flow requirements and may consist of liquid and non-liquid securities based on future cash flow requirements.

5.2.2 Long-Term Money: Eligible Investments

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

Additionally, nothing in this IPS prevents Long-Term Money from being held in cash, short term money market instruments, or overnight deposits.

5.2.3 Long-Term Money: Sinking Funds

This section has intentionally been left blank.

5.2.4 Long-Term Money: 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 Money/MNRI held by ONE JIB. Specific details of this investment shall be approved by Council in its sole and absolute discretion, and ONE JIB shall adhere to all terms and conditions as directed by the Municipality. More specifically, ONE JIB shall be prohibited from selling, transferring, assigning, or pledging the LDC shares.

LDC shares are considered restricted, special assets and remain in the custody of the Huntsville. LDC shares are to be viewed as separate standalone investments with the subject matter expertise and administrative functions remaining under the purview of Huntsville. 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 Huntsville.

The investment in LDC shares will not be included in calculations regarding asset mix/allocations or other constraints that apply to the Long-Term Money.

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 monies are not under the control or management of ONE JIB.

5.4 Investment Management

5.4.1 Investment Management of Short-Term Money

The investment of Short-Term Funds shall be controlled and managed by the Treasurer.

5.4.2 Investment Management of Long-Term Money

The investment of Long-Term Money shall be controlled and managed by ONE JIB in accordance with this IPS.

Competent External Portfolio Managers shall be appointed by ONE JIB, and they shall enter into an agreement with ONE Investment that complies with this IPS and Part II of the Regulation and provide compliance and performance reports. In accordance with the applicable regulatory requirements, ONE JIB shall make any External Portfolio Manager changes deemed in the best interest of the Municipality. For each External Portfolio Manager, ONE Investment shall agree on a set of operational guidelines including constraints, discretion limits, diversification and quality standards, and performance expectations, which are documented in each External Portfolio Manager's guidelines.

5.5 Transition to Prudent Investor Regime

This section has intentionally been left blank.

5.6 Investment Constraints

5.6.1 Environmental, Social and Governance (ESG) Investing

The Town of Huntsville supports ESG investing for Short-Term and Long-Term Money. The Town believes that well-managed companies are those that demonstrate high ethical and environmental standards and respect for their employees, human rights, and the communities in which they do business, and that these actions contribute to long term financial performance.

The Town has chosen to monitor the developments of ESG factors and will reconsider its approach to ESG investing for the Short-Term Portfolio as and when appropriate to do so. For the investment of Long-Term Money, ONE JIB is required to explore how External Portfolio Managers are implementing responsible investing principles at the time of hiring and during periodic reviews. It may report on results periodically, if requested.

5.6.2 Securities Lending

Securities lending is not permitted for short term. Investments directly held by the municipality. The municipality may hold externally managed investment portfolios that engage in securities lending.

For the investment of Long-Term Money, the Municipality may invest in pooled funds, and other investment funds that are managed by an External Portfolio Manager who may engage in Securities Lending if the policies of the External Portfolio Manager permit such an action.

5.6.3 Derivatives

Derivatives may not be used for speculative purposes. They may be used for the investment of Long-Term Money where they are fully covered by a backing asset, e.g., as for currency or other hedging, to change portfolio duration or in covered call strategies.

5.6.4 Use of Leverage

Nothing in this IPS prevents the use of leverage, provided it is prudent to do so. Leverage is inherent in the use of certain types of investment strategies and instruments. Where leverage is employed, ONE JIB (for MNRI) and the Treasurer (for MRI) shall have in place monitoring procedures to manage overall exposure to any counterparty. Leverage is not a strategy currently employed by ONE JIB but may be considered at a later date.

5.6.5 Pooled Funds

All investment strategies may be pursued directly through holdings of corporate and government issuers and indirectly via pooled funds and investment funds or any combination thereof. The investment strategies may also include allocations to cash or short-term investment vehicles.

5.6.6 Currency Hedging

The Municipality's funding requirements are in Canadian dollars. However, some exposure to foreign currencies in the Long-Term Portfolio may be advantageous to provide diversification and potentially enhance returns. Therefore, it shall not be a violation of this IPS for investments in global mandates to be unhedged, in whole or in part, where the diversification benefits embedded in the currency exposure are considered to be beneficial or desirable by ONE JIB.

5.7 Performance Monitoring, Rebalancing and Management

5.7.1 Short-Term Money

The Treasurer shall have ultimate authority for all investment transactions and to ensure that all investments are made in accordance with this.

5.7.2 Long-Term Money

For the investment of Long-Term Money, ONE JIB shall establish parameters for monitoring investments and rebalancing through policy or directly within the investment plan.

Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. At minimum, ONE JIB shall provide reporting described in Section 6.7 that shows the Municipality's holdings, declares compliance with this IPS, and shows External Portfolio Manager performance.

6. ADMINISTRATIVE POLICIES

6.1 Flow of Money and Annual Municipal Budget

6.1.1 Transfer to ONE JIB as Part of Annual Review Process

On an annual basis, as part of the Municipality's Annual Review process, the Municipality shall identify the amount, if any, of Long-Term Money that it holds. Any Long-Term Money not already under the control and management of ONE JIB shall be transferred to ONE JIB as soon as practicable.

6.1.2 Transfer to Municipality as Part of Annual Review Process

On an annual basis, ONE JIB shall be notified by the Treasurer as to the amount, if any, required by the Municipality from the Long-Term Money then under the control and management of ONE JIB for the Municipality's operational purposes. Such amount shall be deemed to be Short-Term Money and shall be returned to the Municipality in a lump sum or by way of periodic payments, as directed by the Treasurer.

6.2 Flow of Money Otherwise than through the Budget Process

6.2.1 Surplus Funds

The Short-Term Funds capture revenues received by the Municipality during each year after the approval of the Municipality's budget for the year. Any amounts deemed to be MNRI by the [Treasurer] at any such time during the year shall be transferred to ONE JIB to be under its management and control as Long-Term 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 to direct ONE JIB to return any amounts determined by the Treasurer to be required to meet expenditures for unexpected contingencies not anticipated by the Municipality's budget in force for that year, provided however

that the aggregate of the amounts to be returned to the Municipality under this Section 6.2.2 during the year shall not exceed 25% of the Long-Term Money under the control and management of ONE JIB as at the date that the Municipality approved its budget for the year (the Budgeted Long-Term Money). In determining the Budgeted Long-Term Money for purposes of calculating the 25% limit, any Long-Term Money to be transferred to the control and management of ONE JIB in accordance with that year's Annual Review pursuant to Section 6.1.1 shall be included and any amount to be returned by ONE JIB to the Municipality pursuant to Section 6.1.2 shall be excluded.

6.3 Valuation of Investments

Investments shall be valued according to the values provided by the Custodian(s). For the investment of Long-Term Money, values of unitized vehicles shall be valued according to the unit values published by the Custodian. Other investments shall be valued at their market value when that is available from regular public trading. If a market valuation of an investment is not available, then a fair value shall be supplied by the External Portfolio Manager to the Custodian no less frequently than quarterly.

6.4 Voting Rights

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 Money, the Custodian shall be acceptable to ONE Investment. For Short-Term Money the Custodian shall be acceptable to ONE Investment if ONE Investment is administering the investment of the Municipality's Short-Term Money, otherwise the Custodian shall be acceptable to the Municipality.

6.7 Reporting

6.7.1 Short-Term Money

For the investment of Short-Term Money, the Treasurer shall report at least annually to Council, the report to be in a form and contain such content as Council may request. This may include investment performance during the period covered

and any other information required under the Regulation and that the Treasurer may consider to be pertinent.

6.7.2 Long-Term Money

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of Long-Term Money at least annually. This report shall include the following.

- Investment performance during the period covered by the report;
- Asset mix of the total portfolio;
- A listing of individual investments held at the fund level at the end of the reporting period showing, where appropriate, book value, market value, realized/unrealized gains/losses and actual income received;
- A list of all transactions including the security name, trade date, and the purchase and/or sale price;
- A statement by the Treasurer as to whether all investments were made in accordance with the IPS and as to whether all investments were made in accordance with the Investment Plan; and
- Any other pertinent information in the opinion of the Treasurer.

All securities invested on behalf of the Municipality by ONE JIB or with the assistance of ONE Investment shall be held for safekeeping in the name of the Municipality by a Custodian.

7. APPROVAL, SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE

7.1 Revocation / Amendment of Previous Investment Policy

Amendment to the previous policy as outlined in report CORP-2022-06, and approved through motion GC4-22.

7.2 Modifications to the IPS

At least annually, Council shall review the IPS and update it, if required. In the course of reviewing the IPS, Council may request comments from the Treasurer with respect to the investment of Short-Term Money and from ONE JIB with respect to the investment of Long-Term Money.

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

At a minimum, the annual IPS review will consider:

- the adequacy of funding for capital works;
- the Municipality's ability to reduce other spending;
- flexibility of the timeframe to payout; and
- sensitivity to loss.

7.3 Effective Date

This IPS is adopted by Council of the Municipality effective April 25, 2023

The Treasurer is directed to sign a copy of this IPS to evidence approval and to deliver a copy of this IPS to ONE JIB.

Schedule A

Third-Party Trust Funds and Designated Funds

Third-Party Trust Funds

Care and maintenance trust funds under the *Funeral, Burial and Cremation Services Act, 2002* which are to be invested pursuant to the *Trustee Act*.

Designated Funds

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

Reserve Funds of the Huntsville Business Improvement Area (BIA)

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

Appendix I: ONE JIB Agreement

REPORT

To: ONE Joint Investment Board
 From: Keith Taylor, Chief Investment Officer, ONE Investment
 Date: June 1, 2023
 Re: Town of Innisfil's Annual Investment Plan Review
 Report: ONE JIB 2023-018

1. RECOMMENDATIONS

It is recommended that the Board:

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

2. SUMMARY

Innisfil has updated its Municipal Client Questionnaire (MCQ) to provide information on its MNRI and the investment horizons associated with its reserve balances. The Town will be contributing an additional \$5 million to MNRI as part of the annual review. This contribution of MNRI will be allocated to the Target Date 3-5 Year Outcome to help provide for an anticipated drawdown of MNRI within the next 5 years. This will partially provide for the anticipated drawdowns at this time. The time horizon associated with MNRI balances remains long, but there remains considerable uncertainty about the investment horizon associated with MNRI. The Treasurer is reluctant to make more significant changes to the allocation of MNRI in the investment outcomes until there is more clarity on certain issues. The overall allocation to equities in this Investment Plan is 49.5%, declining 4.5% due to the new allocation to the Target Date 3-5 Year Outcome.

The proposed investment allocations, which reflect consolidated holdings across ONE Investment Outcomes with the MNRI the contribution of \$5 million, are presented below:

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	\$ 1.0	2.1
ONE Canadian Equity Fund	7.2	14.8
ONE Global Equity Fund	16.8	34.6
ONE Canadian Government Bond Fund	3.5	7.3
ONE Canadian Corporate Bond Fund	3.5	7.3
ONE Global Bond Fund	16.5	33.9
Total	\$ 48.5	100.0

3. BACKGROUND

Innisfil's annual Investment Policy Statement (IPS) review resulted in minor housekeeping changes that will have no material impact on the Investment Plan

The Town completed its annual IPS review on May 10, 2023. Council approved modifications to the IPS. The modifications were housekeeping items consistent with the ONE JIB IPS template. The modifications clarify language and give ONE JIB more flexibility to modify the product offerings used in the Prudent Investment Program.

The Town will be contributing \$5 million to MNRI this year, increasing the Town's total MNRI to \$48.5 million

The largest portion of Innisfil's MNRI relates to growth-related reserves, the majority of which have a very long investment horizon. The investment horizons provided by the Town in the MCQ indicate an investment horizon of more than 10 years for a large portion of reserves, but the Treasurer noted considerable uncertainty related to the timeline in which the funds may be required. The Investment Plan includes an allocation to the Target date 5-10 Year Outcome, to reflect the uncertainty related to the timing of the drawdowns. The \$5 million contribution to MNRI will be allocated to the Target Date 3-5 Year Outcome to provide for some of the expected drawdowns within the next five years. Table 1 below summarizes the type and investment horizon of reserves as disclosed in Innisfil's MCQ.

Table 1: MNRI by Type, Category and Time Horizon, adapted from MCQ section 4.1 (\$ thousands)

Reserve Type	Description	MNRI Amount	Investment Horizon of MNRI		
			2026-2027	2028-2031	10+ years
Asset Renewal	Asset renewal reserve funds. Largest RF is the Capital Reserve Fund, which is where the Town's 1% capital levy is directed.	-	-	-	-
Growth	DCs & other externally restricted funds, such as Cash-in-lieu of Parkland. It also includes our ARS (Alternative Revenue Source) reserve fund, which is where our OLG gaming revenues are directed. The largest component of the ARS funds is to be used to fund the non-growth (BTE) share of growth projects.	38,888	15,030	6,517	17,341
Operating Reserves	Tax rate stabilization reserve and inspection stabilization reserve	8,649	56	61	8,533
Total		47,537	15,085	6,578	25,874

Innisfil forecasts withdrawals of \$25 million within the next 5 years, which are partially provided for in this Investment Plan

Innisfil's updated reserve forecasts identify about \$25 million in MNRI to be drawn down over the next 5 years, but the Treasurer noted there is considerable uncertainty about the ultimate timeline involved. The \$5 million contribution of new MNRI will be allocated to the Target Date 3-5 Year Outcome to provide for these potential drawdowns. Larger allocations to the Target Date 3-5 Year Outcome may be required in the future, when there is greater visibility about the potential drawdowns of MNRI. Table 2 below summarizes the Town's anticipated contributions and withdrawals of MNRI.

Table 2: Forecast contributions and withdrawals - adapted from MCQ 4.2 (\$ thousands)

Type	2025	2026	2027	2028	2029	2030	2031
Opening MNRI	47,537	47,537	46,043	32,452	22,613	23,453	44,876
Anticipated Contributions & Drawdowns		(1,494)	(13,591)	(9,839)	840	21,422	(19,001)
MNRI Balance		46,043	32,452	22,613	23,453	44,876	25,874

4. ANALYSIS

The proposed mapping to Outcomes and resulting asset allocation is consistent with Innisfil's time horizon, risk tolerances and objectives

The Town expects significant growth over the next 10 years, which will affect its reserve balances and expenditures, but faces considerable uncertainty about the timing of its cashflows. As a growing community with new development planned, it will be affected by the changes resulting from Bill 23. The Treasurer and staff continue to evaluate how this legislation will affect development charge reserves, which has created uncertainty for Innisfil's reserve balance forecasts.

An additional source of uncertainty for the Town involves the Orbit project, a large high-rise residential community and transportation hub. This project will involve significant expenditures by the Town, but it is still in the planning stages, with financing for the project yet to be finalized. As planning for the Orbit project progresses, visibility regarding the Town's anticipated future reserve balances will improve. The Investment Plan has addressed this uncertainty by allocating 35.9% of MNRI to the Contingency Outcome and 53.8% to the Target Date 5-10 Year Outcome.

While the likely horizon of some capital reserves extends beyond ten years, allocating reserve balances to the 5-10 year target date outcome is appropriate considering the timing uncertainty involved. The \$5 million contribution to MNRI will be allocated to the Target Date 3-5 Year Outcome to provide for drawdowns anticipated within the next five years, with the remainder of MNRI allocated to Outcomes with higher risk profiles. Mapping the MNRI to Outcomes relied on the MCQ and discussions with the Treasurer to ensure a common understanding of the uses and purpose of the MNRI. Asset allocations (Table 3 below) and fund allocations (Tables 4 and 5 below) were determined using the ONE JIB's Outcomes Framework.

Table 3: Proposed Outcome Mapping and Asset Allocation

Outcome	Total Invested (\$ millions)	Portfolio Weight (%)	HISA (%)	Fixed Income (%)	Equities (%)	Total (%)
Contingency	\$ 17.4	35.9	-	40	60	100
Target Date 3-5 Years	5.0	10.3	20	70	10	100
Target Date 5-10 Years	26.1	53.8	-	50	50	100
Total	\$ 48.5	100.0				

Table 4: Proposed Pooled Fund-Level Allocation

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	\$ 1.0	2.1
ONE Canadian Equity Fund	7.2	14.8
ONE Global Equity Fund	16.8	34.6
ONE Canadian Government Bond Fund	3.5	7.3
ONE Canadian Corporate Bond Fund	3.5	7.3
ONE Global Bond Fund	16.5	33.9
Total \$	\$ 48.5	100.0

Table 25: Proposed Pooled Fund Allocations by Outcome (values in \$ millions)

Outcome	ONE HISA	ONE Canadian Equity Fund	ONE Global Equity Fund	ONE Canadian Govt Bond Fund	ONE Canadian Corporate Bond Fund	ONE Global Bond Fund	Total
Contingency	-	\$ 3.13	\$ 7.31	\$ 1.04	\$ 1.04	\$ 4.9	\$ 17.4
Target Date 3-5 Years	1.00	0.15	0.35	0.53	0.53	2.5	5.0
Target Date 5-10 Years	-	3.92	9.15	1.96	1.96	9.1	26.1
Total \$	\$ 1.0	\$ 7.2	\$ 16.8	\$ 3.5	\$ 3.5	\$ 16.5	\$ 48.5

5. CONCLUSION

The proposed Investment Plan is consistent with the Town's IPS. The proposed asset mix and

fund allocations reflect the investment objectives and risk preferences expressed in its IPS and MCQ. As a result, the Investment Plan is appropriate for the Town's objectives, risk tolerance, time horizons, and available MNRI.

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



Town of Innisfil

Investment Plan

Date: June 1, 2023

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



Style Definition: TOC 1

Style Definition: TOC 2

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1. Definitions

Act	Act means the <i>Municipal Act, 2001</i> , S.O. 2001, c. 25, as amended from time to time.
Agent	Agent means any administrator, Custodian, payment servicer, External Portfolio Manager, investment counsel, consultant, banker, broker, dealer or other service provider engaged or appointed by ONE JIB and authorized by ONE JIB to exercise any of the functions of ONE JIB, in the manner and to the extent provided in the Regulation, pursuant to a written agreement with ONE Investment and, without limiting the generality of the foregoing, Agent includes ONE Investment.
Asset Allocation	Asset Allocation means the proportions of each Asset Allocation (or Asset Class) in an investment portfolio. The primary Asset Allocations (or Asset Classes) are cash and cash-equivalent instruments, fixed income, equities and equity-equivalent securities. These primary Asset Allocations (or Asset Classes) can be further subdivided into government and corporate bonds, large and smaller cap equities and other widely recognized asset categories. ONE Investment generally uses the term "Asset Allocation" to refer to the percentage, at the applicable time, of an investment portfolio comprised of cash, fixed income and equities.
Asset Class	Asset Class means the type of asset category in an investment portfolio. The primary Asset Classes (or Asset Allocations) are cash, cash-equivalent instruments, fixed income equities and equity-equivalent securities. These primary Asset Classes (or Asset Allocations) can be further subdivided into government and corporate bonds, large and small cap equities and other widely recognized asset categories. This term can be used interchangeably with Asset Allocation (defined above).
Asset Weight	Asset Weight means the actual percentage of HISA and/or of a particular Fund in comparison to the entire amount invested in a particular Outcome and also means the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in a particular Outcome. This term also includes the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in the investment portfolio.
Authorizing By-law	Authorizing By-law means, with respect to a Participating Municipality, the by-law under which it (i) adopts and undertakes to maintain its IPS, (ii) authorizes the entering into of the ONE JIB Agreement with ONE JIB and the other Participating Municipalities, (iii) approves its completed MCQ, (iv) authorizes the establishment of a Code of Conduct for ONE JIB, and (v)

delegates to ONE JIB the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

Note: an Authorizing By-law of a Participating Municipality can, at the option of council, also be constituted as the Prudent Investor Enabling By-law by specifying a specific future date, agreed to by ONE JIB, as the date on which the PI Standard will apply to the Participating Municipality under Section 418.1 of the Act.

Benchmark	Benchmark means an independently verifiable index that is representative of a specific securities market. For the most part the Benchmark is a relevant market index e.g., the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc. against which investment performance can be compared. ONE Investment generally selects recognized and widely used performance benchmarks which measure total returns expressed in Canadian dollars. ONE Investment may use a single index or a blended index made up of one or more indices.
CFA Institute	CFA Institute means the not-for-profit professional association that administers the Chartered Financial Analyst (CFA) and the Certificate in Investment Performance Measurement (CIPM) curricula and examination programs worldwide, publishes research, conducts professional development programs, and sets voluntary, ethics-based professional and performance reporting standards for the investment industry.
Chief Compliance Officer (CCO)	Chief Compliance Officer means a duly qualified individual who is the most senior officer responsible for the design and implementation of the compliance program for ONE Investment and for the ONE Prudent Investment Program.
Chief Investment Officer (CIO)	Chief Investment Officer means a duly qualified individual who is the most senior person responsible to oversee investments and who advises ONE JIB as to the recommended Outcomes for Participating Municipalities to comply with their IPSs.
Credit Risk	Credit Risk means the possibility that a borrower will not repay a loan or meet other contractual obligations in full on time. One example of credit risk is the risk that a lender may not receive the borrowed principal and interest when due. Another example of credit risk, sometimes referred to as counterparty credit risk, is the risk that a party to a derivatives contract will default and fail to fulfill its obligations.
Custodian	Custodian means a specialized financial institution appointed to have custody and safekeeping of financial assets. Global Custodians may hold assets for their clients in jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

Derivative	A derivative means a contract between two or more parties the value of which is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.
Drift	Drift means the deviation from Target Weight. Drift is cause for concern or a trigger for Rebalancing when it reaches or exceeds a certain magnitude for a specified period of time.
ESG (Environmental, Social and Governance Factors)	ESG factors mean “indicators used to analyse a (investee) company’s prospects” which are based on measures of its performance on environmental, social, and corporate governance criteria. According to the United Nations Principles of Responsible Investment, environmental issues relate to “the quality and functioning of the natural environment and natural systems”, social issues relate to “the rights, well-being and interest of people and communities”, and governance issues relate to “the governance of companies and other investee entities.”
External Portfolio Managers	External Portfolio Managers means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a ONE Investment Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.
Funds	Funds mean the pooled investment Funds offered as part of the ONE Prudent Investment Program and includes the ONE Canadian Equity Fund, the ONE Global Equity Fund, the ONE Canadian Bond Fund, the ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund, each of which is a Fund. Each Fund constitutes an Investment Fund and a Pooled Fund (defined below).
In-Kind	In-Kind means assets/securities instead of cash. In certain cases Participating Municipalities may transfer securities to ONE JIB as part of their MNRI instead of remitting only cash to ONE JIB. As these securities mature ONE JIB would invest the proceeds into the Outcomes specified in the relevant Investment Plan.
Internal Controls	Internal Controls mean a system of controls that may include authorities, policies, procedures, separation and segregation of duties, compliance checks, performance measurement and attribution, reporting protocols, measures for safekeeping of property and data, and the audit process.
Investment Fund	Investment Fund means a pool of money belonging to many investors that is used to collectively purchase stocks, bonds or other securities. This term includes a Fund (defined above) and a Pooled Fund (defined below).
Investment Plan	Investment Plan means the investment plan for a Participating Municipality applicable to its Long-Term Funds and investments that the Participating Municipality does not require immediately, as adopted and maintained by ONE

JIB under the Regulation, as the Investment Plan may be amended from time to time.

Investment Policy Statement (IPS)	Investment Policy Statement means the investment policy applicable to a Participating Municipality's investments adopted and maintained by the council of the Participating Municipality for Long-Term Funds under the Regulation, and for Short-Term Funds, as the IPS may be amended from time to time. The IPS may also apply to the money and investments held by the Participating Municipality for the benefit of persons other than the Participating Municipality itself and may make reference to any source of money in which the Participating Municipality may have an indirect interest but which the Participating Municipality has no authority to invest.
Legal List Securities	Legal List Securities mean the securities that are prescribed from time to time in Part I of the Regulation.
Leverage	Leverage means using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage tends to increase investment risks.
Local Distribution Corporation	Local Distribution Corporation or LDC means a corporation incorporated under section 142 of the Ontario <i>Electricity Act, 1998</i> , as amended from time to time.
Long-Term Funds	Long-Term Funds mean money that the Participating Municipality has defined as long-term and characterized as money that is not required immediately.
Money Not Required Immediately (MNRI)	Money Not Required Immediately means money that is not required immediately by a Participating Municipality, the control and management of which has been given to ONE JIB. There is no universal definition of MNRI and it is at the discretion of each Participating Municipality to determine its MNRI in a way that is appropriate for its circumstances.
Municipal Client Questionnaire (MCQ)	Municipal Client Questionnaire means a document which is completed by the Treasurer of each Participating Municipality, and which includes information on municipal investments and risk preferences that must be reviewed annually.
Municipality	Municipality means the Town of Innisfil.
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 Innisfil'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 Innisfil.

3. Responsibility for Plan

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

4. Investment Context

4.1 Investment Goals and Objectives

Returns on investments have an impact on Innisfil'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 Innisfil'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 Innisfil has an obligation for a specific project at a specific time.

Innisfil 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 Innisfil'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 Innisfil are aligned with the Outcome Frameworks adopted by ONE JIB.

Innisfil'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 Innisfil's current goals, objectives, circumstances and risk tolerance, and helps direct how investment allocations will be determined. The allocation of Innisfil's MNRI in this Plan is consistent with the details as disclosed in Innisfil's IPS and MCQ.

While individually Innisfil's reserve and reserve funds require liquidity, collectively they provide Innisfil 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 Innisfil in Table 1 above. The MNRI of Innisfil 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 Innisfil in this Investment Plan.

4.2 Comments by Chief Investment Officer

Overall, Innisfil's investment horizon is long, and its asset management planning reflects significant infrastructure investment as the Town grows. Significant capital spending will be involved, though there is notable uncertainty in the timeline for spending on growth-related projects. The Town's budgeting and internal cashflow analysis are relatively conservative, identifying when MNRI may be required for projects, but typically not fully incorporating the potential for external funding of projects or the potential use of debt financing. The overall assessment of the Chief Investment Officer is that, despite the uncertainty about the timing of MNRI drawdowns in the future, the Town seems to have a great deal of flexibility to address its spending needs.

One of the investment considerations for Innisfil is to achieve growth with above-inflation returns. Due to the longer-term time horizon involved for most of Innisfil's accounts and the need for returns to exceed inflation, a large allocation to equities is appropriate. Innisfil has cashflow flexibility in the coming years, and there is a significant portion of MNRI that will not be needed for at least five years. While the investment horizon of MNRI is long, the Treasurer does not have sufficient visibility beyond a 10-year horizon and is comfortable mapping reserves related to longer-term capital projects to the Target Date 5-10 Year Outcome.

Innisfil's MCQ identified the potential for up to \$25 million of MNRI to be drawn down within the next 5 years, but the context provided by the Treasurer suggested that there is considerable uncertainty about both the size and timing involved. Staff are currently evaluating the impact of Bill 23 on the Town's municipal reserves, which creates uncertainty for financial planning. Additionally, the Orbit project, a high-rise residential community project and transportation hub, is still in the planning stages, with financing decisions yet to be finalized.

The Treasurer was comfortable allocating this year's \$5 million contribution to MNRI to the Target Date 3-5 Year Outcome to provide for some nearer term drawdowns, but was reluctant to reallocate MNRI from longer investment horizon outcomes at this time due to the uncertainties involved. At the time of writing, the recommended overall exposure to equity within the portfolios was targeted at 49.5%, which is an appropriate level for Innisfil.

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 Innisfil are taken into consideration when assigning asset allocations for Innisfil 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 Innisfil'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 have contributed to elevated inflation levels.
- Efforts by the Bank of Canada and other central banks to reduce inflationary pressures led to sharply higher interest rates in 2022. The Bank of Canada increased its overnight lending rate by 4.0% last year, in one of the sharpest movements in interest rates in modern history.
- There is some risk that aggressive rate hikes could lead to an economic recession.
- 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 Innisfil's MCQ dated May 19, 2023 have been allocated into investment Outcome categories as shown in Table 2 below.

Table 2 – Investment Allocations based on MCQ updated on May 19, 2023*

Outcome	Allocation (\$)	Allocation Weight (%)
Contingency	\$ 17,411,204	35.9
Target Date 3-5 Years	5,000,000	10.3
Target Date 5-10 Years	26,133,300	53.8
Overall	\$ 48,544,503	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 May 31st, 2021. 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 Innisfil's circumstances will be used for each Outcome. Descriptions of these Outcomes, ONE Prudent Investment Program funds and the asset allocations for each Outcome are shown in Appendix B.

5.3 Contingency Outcome

The allocation to the Contingency Outcome will be approximately \$ 17.4 million.

Contingency monies may be drawn upon to meet unexpected needs and infrequent events. Emphasis on the preservation of purchasing power is a key consideration, and therefore growth in the value of investments is emphasized. Details of the allocation of the Contingency Outcome are shown in Table 3. These monies will be invested according to the asset mix set out in Table 3 and will be rebalanced to ensure a consistent risk profile – rebalancing is explained in more detail in section 6.4. Further detail about the Contingency Outcome can also be found in Appendix B. All income will be reinvested to facilitate continued long-term growth in the assets until they are needed.

Table 3 - Contingency Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	55	60	65	
ONE Canadian Equity Fund		18		S&P/TSX Composite Index
ONE Global Equity Fund		42		MSCI ACWI (All Country World Index)
Fixed Income	35	40	45	
ONE Canadian Government Bond Fund		6		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		6		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		28		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C.

5.4 Target Date Outcome

Innisfil identified reserves that would be appropriate for Target Date Outcomes. Most of Innisfil's MNRI will be allocated to Target Date Outcomes, which will be allocated in a way that reflects the expected time horizon of balances and reserves. The monies invested in Target Date Outcomes will be split into separate Target Date allocations that collectively reflect the need for liquidity and

growth and the time horizon in which the funds will be required. The allocation to the Target Date Outcomes will be approximately \$ 31.1 million and divided among the various target date outcomes accordingly:

- Target Date 3-5 Year – \$ 5.0 million
- Target Date 5-10 Year – \$ 26.1 million

Target Date Outcomes will be managed with the objective of providing for the return of principal, income and capital gains at a target date in the future. All income will be reinvested.

The 2023 contribution of MNRI totalling \$5.0 million (about 10% 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 4 below.

Table 4 - Target Date 3-5 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Cash	17	20	23	
ONE HISA		20		Bank of Canada 1 Year GIC Rate
Equity	8	10	12	
ONE Canadian Equity Fund		3		S&P/TSX Composite Index
ONE Global Equity Fund		7		MSCI ACWI (All Country World Index)
Fixed Income	66	70	74	
ONE Canadian Government Bond Fund		10.5		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

MNRI allocated to Target Date Outcomes primarily reflect development charge reserves, most of which will not be required for at least 5 years. Approximately 53%, or \$26.1 million, of MNRI will be invested in the Target Date 5–10 Year Outcome. Details of the allocation for this Outcome are in Table 5 below. Further detail about the Target Date 5-10 Year Outcome allocations can also be found in Appendix B.

Amounts will be allocated to the Target Date 5–10 Year Outcomes to reflect the intended time horizon and risk profile for reserve accounts where near term liquidity is less relevant. The Target Date 5–10 Year Outcome has a 50% allocation to equities, which should help monies invested in this outcome to achieve growth. As monies invested in this Outcome typically reflect reserves for future capital projects, growth is the value of investments is important to help offset the impact of inflation and pre-construction changes on project costs.

Table 5 - Target Date 5-10 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	45	50	55	
ONE Canadian Equity Fund		15		S&P/TSX Composite Index
ONE Global Equity Fund		35		MSCI ACWI (All Country World Index)
Fixed Income	45	50	55	
ONE Canadian Government Bond Fund		7.5		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		7.5		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		35		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

5.5 Projected Investment Returns

This section has not been updated.

5.6 Non-Liquid Assets

a. Legacy Investments / Strategic Investments

Innisfil's investment in Innpower Corporation, a LDC, and Innterprises Inc, an LDC Affiliate, have 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 Innisfil's IPS such that ONE JIB has agreed not to dispose of or deal with that investment without Innisfil's consent. Table 6 below describes these investments.

Table 6 - Innisfil's Legacy Investments

Investment	Type	Value of Investment
Innpower Corporation	Local Distribution Company (LDC)	\$ 30,429,740
Innterprises Inc.	LDC Affiliate	\$ 23,722

b. Transitional Investments

This section does not apply

5.7 Other Accounts

Innisfil has no other accounts ONE JIB must consider.

6. Applicable ONE JIB Policies

Besides those listed below, there may also be constraints specific to each externally managed portfolio that govern how they are invested by the external investment manager.

6.1 Environmental, Social and Governance (ESG) Investing

ONE JIB supports ESG investing and incorporates those principles into its investment decision-making through its due diligence processes when choosing and evaluating External Portfolio Managers. External Portfolio Managers are assessed for their ESG policies. ONE JIB recognizes the practical difficulties of negative screening, whereby securities are excluded based on the nature of their business. ONE JIB's preference is to integrate social responsibility into the investment process with the intent of influencing companies to change their behaviour where appropriate. ONE JIB's approach will necessarily vary by External Portfolio Manager based on a number of factors, including the degree of control exercised by ONE JIB, contractual restrictions and the nature of the investment. Accommodating all requests for specific ESG considerations may not be possible due to availability, costs or other factors.

6.2 Securities Lending

Investment Funds that are controlled by an External Portfolio Manager may engage in securities lending if their policies permit such an action.

6.3 Derivatives

ONE JIB does not intend that derivatives be used in the investment of Long-Term Funds for speculative purposes or to apply leverage to the portfolios for non-hedging purposes. In certain cases, Long-Term Money is invested in underlying funds where the External Portfolio Manager is authorized under the constituting documents of such underlying funds to use derivatives. In such cases, the External Portfolio Manager shall provide written notice of its intended use of derivatives and the contents of such notice shall be satisfactory to ONE JIB. Generally, use of derivatives will be permitted where for so long as the derivative instrument or agreement is outstanding, the investment portfolio has a long position or other offsetting position in the underlying asset. For example, derivative instruments may be used for currency hedging, to change portfolio duration or in covered call strategies.

6.4 Rebalancing

Each investment Outcome will have target weights assigned for each asset class and investment holding, which collectively represent the intended asset allocation for the Outcome. Minimum and maximum weights will also be assigned for asset class allocations, and these weights will guide the rebalancing process. Each account's asset allocation will be monitored and rebalanced by ONE Investment in accordance with ONE JIB's Rebalancing Policy and this Investment Plan.

7. Implementation

7.1 Custodian

All investments under the control and management of ONE JIB, except for Innisfil-owned electricity assets, shall be held for safekeeping by ONE Investment's Custodian.

7.2 Transition Plan (including transitional investments)

This section does not apply

7.3 Accommodating Cashflow Needs**a. Investment Income and Rebates**

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

a. Anticipated mid-year cashflow requests

Innisfil 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 Innisfil 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 The Municipality'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. As appropriate, the ONE JIB may consider how to implement such changes in a pragmatic way and will give guidance on how such changes to the allocations and Outcomes should be implemented.

Cash Outcome

Asset Class	% Weight		
	Min	Target	Max
Cash	100	100	100
ONE HISA		100	
Total		100	

Stable Return Outcome

Asset Class	% Weight		
	Min	Target	Max
Cash	8	10	12
ONE HISA		10	
Equity	26	30	34
ONE Canadian Equity Fund		9	
ONE Global Equity Fund		21	
Fixed Income	55	60	65
ONE Canadian Government Bond Fund		9	
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
Cash	17	20	23		0			0	
ONE HISA		20			0			0	
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	66	70	74	45	50	55	21	25	29
ONE Canadian Government Bond Fund		10.5			7.5			3.75	
ONE Canadian Corporate Bond Fund		10.5			7.5			3.75	
ONE Global Bond Fund		49			35			17.5	
Total		100			100			100	

Appendix C: Performance Benchmarks for ONE Investment Funds

- The table below details the benchmarks to be used for the performance evaluation of the ONE Investment Pools.
- Blended benchmarks for the prudent investor Outcomes will be used in proportion to their target asset allocation weights.

ONE HISA	Bank of Canada 1 Year GIC Rate
ONE Canadian Equity Fund	S&P/TSX Composite Total Return Index
ONE Global Equity Fund	MSCI ACWI (net)
ONE Canadian Government Bond Fund	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

Benchmarks used for ONE Investment Funds may be revised at a future date and may be adjusted as appropriate to reflect changes in the underlying investment mandates approved by the ONE JIB.



Corporate Policy		CP.7.1.6
Section	7	Financial
Subsection	1	General
Subject	6	Investment Policy Statement
Approval Authority: 2023.05.10-CR-01	Effective Date: May 10, 2023	

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

May 10, 2023

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Town of Innisfil

Investment Policy Statement

OVERVIEW

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

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

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

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

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

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

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

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

1. 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 Money under the Regulation, and for Short-Term Money, as the same may be amended from time to time. The IPS may also apply to the money and investments held by the Municipality for the benefit of persons other than the Municipality itself and may make reference to source(s) of money in which the Municipality may have an indirect interest but which the Municipality has no authority to invest.

JIB: is short for Joint Investment Board and means a joint municipal service board that is established under section 202 of the Act by two or more municipalities for the purposes of Part II of the Regulation.

Legal List Securities: means the securities and other investments and financial instruments that are included from time to time in Part I of the Regulation.

Leverage: means an investment strategy of using borrowed money—specifically, the use of various financial instruments or borrowed capital to increase the potential return of an investment. Typically leverage also tends to increase investment risks.

Local Distribution Corporation or LDC: means a corporation incorporated under section 142 of the *Electricity Act, 1998*.

Long-Term Money: means money that the municipality has defined as long-term and characterized as money that is not required immediately (MNRI) by the Municipality as

described in section 5.2. Monies that are Long Term Money will be invested in accordance with the Prudent Investor Standard.

Modern Portfolio Theory: means a theory of portfolio management that looks towards the portfolio as a whole, rather than towards the prudence of each investment in the portfolio. This is found in the CFA Institute Standards of Practice Handbook.

Municipality: means The Town of Innisfil.

ONE JIB: means ONE Joint Investment Board, established by certain founding municipalities under section 202 of the Act as a JIB for purposes of Part II of the Regulation, which is the duly appointed JIB for the Municipality, as constituted from time to time and which acts in accordance with the Act, the Regulation, the ONE JIB Agreement, including the Terms of Reference, this IPS and the Investment Plan.

ONE JIB Agreement: means the agreement effective as of July 2, 2020, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Municipality's Long-Term Money.

Outcome: in the context of the municipality's IPS the word 'outcome' is used interchangeably with 'solutions'. Investment outcomes are a set of investment allocations with varying risk/return characteristics. The outcomes assigned to each investor are intended to reflect the needs and circumstances of the municipality. MNRI may be invested into several outcomes based on the characteristics of the municipality's accounts/reserves and its saving and spending needs.

ONE JIB's Outcome Framework: a set of Investment Outcomes designed by ONE JIB to categorize the potential goals of investing MNRI. Each Outcome has a unique Asset Allocation with risk/return characteristics that are aligned with the intended use of the money assigned to the outcome.

Participating Municipality: means from time to time each of the municipalities for whom ONE JIB acts as the JIB under the terms of the ONE JIB Agreement.

Pooled Fund: means a unit trust established under a trust instrument, generally not available to the public, in which institutional, sophisticated or high net worth investors contribute -monies that are invested and managed by an External Portfolio Manager. Monies are pooled or combined with monies of other investors.

Portfolio: means any collection of funds that are grouped together and required for specific purposes.

Proxy Voting: means a legal transfer to another party of a shareholder's right to vote thereby allowing shareholders who cannot attend meetings to participate. External Portfolio Managers usually vote proxies on behalf of their clients.

Prudent Effective Date: means July 2, 2020 the date on which the prudent investor regime applies to the Municipality.

Prudent Investor Standard: means the standard that applies when the Municipality invests money that it does not require immediately under section 418.1 of the Act. It

requires the Municipality to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and the standard does not restrict the securities in which the Municipality can invest. The Prudent Investor Standard makes use of Modern Portfolio Theory and applies the standard of prudence to the entire portfolio in respect of the Municipality's Long-Term Money rather than to individual securities. It identifies the fiduciary's central consideration as the trade-off between risk and return as found in the CFA Institute Standards of Practice Handbook.

Regulation: means Ontario Regulation 438/97.

Risk: means the uncertainty of future investment returns or chance of loss of capital.

Risk Tolerance: means the financial ability and willingness to absorb a loss in return for greater potential gains.

Securities Lending: means loaning a security to another market participant. The borrower is required to deliver to the lender, as security for the loan, acceptable collateral with value greater than the value of the securities loaned. The Securities Lending program is managed by the Custodian or another appointed agent on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional marginal returns on the total portfolio.

Short-Term Money: means money that is required immediately by the Municipality as described in section 5.1 and which remains under the control and management of the Municipality. The money can be invested in appropriate Legal List Securities.

Sinking Fund: means a fund established to fulfil the requirements to make annual contributions in respect of various debenture issues wherein money is to be regularly set aside for the payment of the principal of the debentures at maturity.

Sinking Fund Required Contributions (Annual Sinking Fund Requirement): means the amount of money to be set aside each year for deposit into a sinking fund or a retirement fund, as applicable, for each sinking fund and term debenture issue in accordance with the Municipality's debenture by-laws.

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 Prudent Investor Enabling By-law 053-20, pursuant to which the

Municipality authorized the establishment of guidelines for the prudent management of the Municipality's MNRI pursuant to section 418.1 of the Act.

In addition to the Municipality's MRI and MNRI, the Municipality is from time to time entrusted with the management of money and investments for a third-party beneficiary ("third party trust funds").

There are also source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Such source(s) of money, referred to in this IPS as "designated funds", are listed in Schedule A attached hereto. The designated funds are identified in this IPS for the sole purpose of enabling the Municipality to better see, on an aggregated basis, the various financial assets in which the Municipality has an interest. The Municipality is not responsible for the investment activities or performance of designated funds.

The goals of this IPS are to:

- Define and assign responsibilities for investment of MRI and MNRI;
- Describe the Municipality's responsibilities with respect to third party trust funds and designated funds
- Ensure compliance with the applicable legislation;
- Direct ONE JIB as to the Municipality's investment goals and risk tolerance;
- Provide guidance and limitations regarding the investments and their underlying risks;
- Establish a basis of evaluating investment performance and the underlying risks; and,
- Establish a reporting standard to Council.

This IPS applies to employees of the Municipality, to ONE JIB and to the employees of ONE Investment. ONE JIB, the Treasurer and any agent or advisor providing services to ONE JIB in connection with the investment of the portfolio shall accept and strictly adhere to this IPS.

2.2 Governing Legislation

Investments of MRI will, in accordance with this IPS, only be made in Legal List Securities.

Investments of MNRI are governed by the Prudent Investor Standard in accordance with Section 418.1 of the Act. This standard is similar to that which governs trustees and pension fund administrators and creates a fiduciary responsibility. Prudent investment in compliance with the Act and the Regulation enhances the potential for the Municipality to earn improved risk-adjusted rates of return.

Money and investments that the Municipality holds as third-party trust funds or has an interest in as designated funds will be subject to applicable legislation and any related agreements or instruments.

The Act provides that the Municipality, and therefore ONE JIB, must consider the following criteria in planning investments of MNRI, in addition to other criteria relevant to the circumstances:

- General economic conditions;
- The possible effect of inflation or deflation;
- The role that each investment plays within the Municipality's total portfolio of investments;
- The expected total return from income and the appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital.

2.3 Prudent Investor Standard

For MNRI, the standard to be used by the Municipality and ONE JIB shall be the Prudent Investor Standard as required by section 418.1 of the Act and Part II of the Regulation in the context of managing the Municipality's MNRI and investments thereof. Investments shall be made with the care, skill, diligence, and judgment, taking into account the prevailing circumstances, that persons of prudence, discretion and integrity would exercise in the management of investments, considering the necessity of preserving capital as well as the need for income and appreciation of capital. The Act includes a duty to obtain the advice that a prudent investor would obtain under comparable circumstances.

Officers, employees and investment agents acting in accordance with written procedures and the IPS and exercising due diligence shall take all necessary actions to optimize performance of investments on a portfolio basis, taking into account the prescribed risk and other parameters set out in this IPS and market factors. The Municipality's staff acting in accordance with written procedures and this IPS, shall be relieved of personal responsibility for an investment's performance, provided underperformance relative to expectations is reported to Council and the liquidation or sale of investments is carried out in accordance with this IPS.

3. MONEY REQUIRED IMMEDIATELY AND MONEY NOT REQUIRED IMMEDIATELY

3.1 Determination of MNRI and MRI

Determination of the Municipality's MNRI is the responsibility of Council. In making the determination, Council may consider:

- the time horizon within which the monies are needed to meet financial obligations
- the purpose for which the monies have been collected or set aside and are to be used
- the source of the money; 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 -money by the Treasurer in accordance with the provisions of Section 6.2.

Any changes in this IPS regarding the Municipality's MNRI and MRI must be communicated immediately in writing to ONE JIB.

3.2 Overview of Portfolios

The Municipality's portfolios represent funds required for specific purposes. A high-level description of each of these portfolios and their objectives is provided in Section 5 below. This IPS applies to the following money of the Municipality, its agencies, boards and commissions including:

- MRI which is invested in Legal List Securities; and/or
- MNRI which is invested under the Prudent Investor Standard.

4. ROLES AND RESPONSIBILITIES

4.1 Role of ONE JIB

ONE JIB has been appointed by the Municipality in accordance with the requirements of the Act and the Regulation and on the terms and conditions set out in the ONE JIB Agreement (Appendix I).

ONE JIB exercises control and management of the Municipality's MNRI and the investments made by it in accordance with the objectives and risk tolerance established in this IPS.

Among the responsibilities of ONE JIB are the following:

- Reviewing this IPS;
- Adopting and maintaining an Investment Plan that complies with this IPS;
- Engaging External Portfolio Managers, Custodians, administrators and other investment professionals (Agents);
- Allocating the money and investments under its control and management among External Portfolio Managers and their funds in compliance with this IPS;
- Monitoring the performance of the Agents; and,
- Reporting to the Municipality.

The foregoing is subject to the more detailed terms and conditions contained in the ONE JIB Agreement.

4.2 Role of Municipal Staff

This IPS is approved and adopted by Council with input from the Treasurer, and from ONE JIB with respect to MNRI. MRI of the Municipality, and any third-party trust funds referenced in Section 2.1, remain under the control and management of the Treasurer.

Consistent with this IPS, the Treasurer is responsible for the implementation of the investment program and the establishment of investment procedures which shall include:

- Investment management of MRI and any third-party trust funds referenced in Section 2.1 by, or under the direction of, the Treasurer;
- The deposit or withdrawal of MNRI, under the explicit delegation of authority regarding MNRI, and the investment thereof, to ONE JIB, which is responsible for the control and management of such funds and investments; and,
- A system of controls exercised by the Treasurer to regulate the activities of staff in the Financial Services.

No person including, without limitation, ONE JIB, may engage in an investment transaction except as provided under the terms of this IPS.

In the management of MRI of the Municipality, and any third-party trust funds referenced in Section 2.1, the Treasurer may engage one or more agents and service providers. ONE Investment can assist with the investment of the Municipality's MRI, in Legal List Securities, and with the investment of third party trust funds, in accordance with the terms of the applicable trust, if permitted, at the request of the Municipality.

4.3 Ethics and Conflicts of Interest

Individuals who are responsible for the Municipality's Short-Term Portfolio shall comply with the Municipality's Conflict of Interest guidelines and any relevant professional codes of conduct (e.g., the CPA Code of Professional Conduct).

ONE JIB, in its capacity as a joint municipal service board, in addition to being a local board of each member Municipality is subject to a Code of Conduct as required by the Municipal Act, 2001 (the "Act"). This Code of Conduct applies to the Chair and the other Members of ONE JIB acting in their capacity as Members of ONE JIB.

5. INVESTMENT

5.1 MRI: Short-Term Money

The Municipality's MRI is described in this IPS as Short-Term Money. Short-Term Money consists of money that is needed to meet the short-term financial obligations of the Municipality coming due within 24 months from the date of receipt of such money and are controlled and managed by the Treasurer.

5.1.1 Short-Term Money: Investment Objectives

The main focus of the investment of Short-Term Money is cash management, and the interest income generated by the investment of these monies contribute to municipal revenues. To the extent possible, the Municipality shall attempt to match its investments with anticipated obligations.

Capital preservation is the paramount objective for short-term investments, and these investments need to be highly liquid. Consequently, only high quality, short-term investments that are also Legal List Securities will be held in this portfolio. The Municipality may invest in fully liquid money market securities and deposit accounts. The Municipality aims to maximize returns subject to the constraints set out in Part I of the Regulation, as amended from time to time, with a view to preserving capital and to further manage risk through diversification by issuer and credit quality.

The investment objectives for short term money, ranked in priority, are as follows:

a) Security of Principal

The primary objective for MRI is to ensure the security of principal. To minimize the risk of loss, investments shall be subject to minimum credit ratings and shall be diversified by maturity, type of investment and issuer. Investing activities will be reviewed on a regular basis as actual, revised and forecasted operating and capital plans are completed. Maturity dates should be structured so that investment cash inflows occur when needed.

b) Liquidity Requirements

Liquidity is measured by the ease with which securities can be converted to cash to meet forecast spending. The investments that are eligible under Ontario's Eligible Investments and Related Financial Agreements Regulation possess different features and thus market prices will vary depending on market conditions, as well as the particular features of the type of investment.

To ensure adequate liquidity, the Municipality's investments shall be diversified by holding securities of various terms to maturity and by various types of investments and issuers and to the extent possible, the term of such investments shall match the forecasted requirements for such monies to meet expenditures.

c) Rate of Return

The Municipality's money shall be invested to maximize the rate of return within acceptable risk levels while respecting the security of principal, legal constraints and the liquidity needs of each investment portfolio.

The composition of each portfolio, including its term to maturity and type of investments, shall be adjusted within the guidelines of this Policy to take advantage of market opportunities. Such changes shall be made with the periodic interest rate outlook and target portfolio structure approved by the Treasurer.

5.1.2 Short-Term Money: 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:

- ONE Investment High Interest Savings Account;
- ONE Investment Money Market Portfolio;
- ONE Investment Canadian Government Bond Portfolio; and,
- GICs, bonds, and other investments as permitted within the Legal List.

ONE Investment products noted above are subject to the Municipality entering into the prescribed Agency Agreement with LAS and CHUMS.

5.2 MNRI: Long-Term Money

The Municipality's MNRI is described in Section 3.1 as Long-Term Money. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the Long-Term Money and the investments made therewith.

From time to time, the Municipality may require money immediately to meet financial obligations and may require ONE JIB to liquidate one or more investments in order to generate money to meet those obligations. ONE JIB will select the investment(s) to be liquidated. The timing of such liquidation will be determined by ONE JIB in consultation with the Treasurer.

5.2.1 Long-Term Money: Investment Objectives

In setting the objectives noted below, the Municipality has taken into account the following considerations:

- Preservation of capital;
- Adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements;
- Diversification by asset class, market, sector, issuer, credit quality and term to maturity;
- Income and capital appreciation; and,
- Macro risks, such as inflation, economic growth and interest rates.

The municipality's Investment objectives for its Long-Term money (MNRI) can be achieved via allocations to the Outcomes defined within the ONE JIB's Outcome Framework. Table 1 provides a summary of this framework.

Table 1:

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years
Stable Return	Stable Return	Income Generation; To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk; emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)
	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 money is managed by ONE JIB in a way that balances the investment risk objectives with a level of risk that is appropriate for the municipality. The MNRI invested with ONE JIB will be broadly diversified to help balance volatility of investment returns. Returns have an impact on revenues, as well as a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. To the extent possible, the Long-Term Money's investment horizons are aligned with the Municipality's obligations and cash flow requirements and may consist of liquid and non-liquid securities based on future cash flow requirements.

5.2.2 Long-Term Money: Eligible Investments

Eligible investments for Long-Term Money include any Pooled Fund or other collective investment vehicle or institutional investment management product sponsored or managed by ONE Investment for the Prudent Investment Program

(Prudent Investment Offering), provided always that the products and the selection of products comply in all material respects with the IPS.

Additionally, nothing in this IPS prevents Long-Term Money from being held in cash, short term money market instruments, or overnight deposits.

5.2.3 Long-Term Money: Sinking Funds

Not applicable.

5.2.4 Long-Term Money: Local Distribution Corporation (LDC) Securities

The direct investment in LDC shares and/or promissory notes, as may be applicable, prior to July 2, 2020, shall be permitted and included as part of the Long-Term Money/MNRI held by ONE JIB. Specific details of this investment shall be approved by Council in its sole and absolute discretion, and ONE JIB shall adhere to all terms and conditions as directed by the Municipality. More specifically, ONE JIB shall be prohibited from selling, transferring, assigning, or pledging the LDC shares.

LDC shares are considered restricted, special assets and remain in the custody of the Town of Innisfil. 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. These assets are not marketable securities and were acquired by the Town pursuant to separate legislative provisions and shareholder agreement(s). 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.

The investment in LDC shares will not be included in calculations regarding asset mix/allocations or other constraints that apply to the Long-Term Money.

5.2.5 Long-Term Money:

Not applicable.

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 monies are not under the control or management of ONE JIB.

5.4 Investment Management

5.4.1 *Investment Management of Short-Term Money*

The investment of Short-Term Funds shall be controlled and managed by the Treasurer.

5.4.2 *Investment Management of Long-Term Money*

The investment of Long-Term Money shall be controlled and managed by ONE JIB in accordance with this IPS.

Competent External Portfolio Managers shall be appointed by ONE JIB and they shall enter into an agreement with ONE Investment that complies with this IPS and Part II of the Regulation and provide compliance and performance reports. In accordance with the applicable regulatory requirements, ONE JIB shall make any External Portfolio Manager changes deemed in the best interest of the Municipality. For each External Portfolio Manager, ONE Investment shall agree on a set of operational guidelines including constraints, discretion limits, diversification and quality standards, and performance expectations, which are documented in each External Portfolio Manager's guidelines.

5.5 Transition to Prudent Investor Regime

This section is not applicable.

5.6 Investment Constraints

5.6.1 *Environmental, Social and Governance (ESG) Investing*

The Municipality supports ESG investing for Short-Term and Long-Term Money. The Municipality believes that well-managed companies are those that demonstrate high ethical and environmental standards and respect for their employees, human rights, and the communities in which they do business, and that these actions contribute to long term financial performance. The Municipality has chosen to monitor the developments of ESG factors and will reconsider its approach to ESG investing for the Short-Term Portfolio as and when appropriate to do so.

For the investment of Long-Term Money, ONE JIB is required to explore how External Portfolio Managers are implementing responsible investing principles at the time of hiring and during periodic reviews. It may report on results periodically, if requested.

5.6.2 Securities Lending

Securities lending is not permitted for short term investments directly held by the municipality. The municipality may hold externally managed investment portfolios that engage in securities lending.

For the investment of Long-Term Money, the Municipality may invest in pooled funds, and other investment funds that are managed by an External Portfolio Manager who may engage in Securities Lending if the policies of the External Portfolio Manager permit such an action.

5.6.3 Derivatives

Derivatives may not be used for speculative purposes. They may be used for the investment of Long-Term Money where they are fully covered by a backing asset, e.g., as for currency or other hedging, to change portfolio duration or in covered call strategies.

5.6.4 Use of Leverage

Nothing in this IPS prevents the use of leverage, provided it is prudent to do so. Leverage is inherent in the use of certain types of investment strategies and instruments. Where leverage is employed, ONE JIB (for MNRI) and the Treasurer (for MRI) shall have in place monitoring procedures to manage overall exposure to any counterparty. Leverage is not a strategy currently employed by ONE JIB but may be considered at a later date.

5.6.5 Pooled Funds

All investment strategies may be pursued directly through holdings of corporate and government issuers and indirectly via pooled funds and investment funds or any combination thereof. The investment strategies may also include allocations to cash or short-term investment vehicles.

5.6.6 Currency Hedging

The Short-Term Portfolio will not utilize currency hedging.

The Municipality's funding requirements are in Canadian dollars. However, some exposure to foreign currencies in the Long-Term Portfolio may be advantageous to provide diversification and potentially enhance returns. Therefore, it shall not be a violation of this IPS for investments in global mandates to be unhedged, in whole or in part, where the diversification benefits embedded in the currency exposure are considered to be beneficial or desirable by ONE JIB.

5.7 Performance Monitoring, Rebalancing and Management

5.7.1 Short-Term Money

The Treasurer shall monitor the performance, rebalance asset mix and manage short-term funds in a manner that achieves the investment objectives set out in this IPS.

5.7.2 Long-Term Money

For the investment of Long-Term Money, ONE JIB shall establish parameters for monitoring investments and rebalancing through policy or directly within the investment plan.

Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. At minimum, ONE JIB shall provide reporting described in Section 6.7.2 that shows the Municipality's holdings, declares compliance with this IPS and shows External Portfolio Manager performance.

6. ADMINISTRATIVE POLICIES

6.1 Flow of Money and Annual Municipal Budget

6.1.1 Transfer to ONE JIB as Part of Annual Review Process

On an annual basis, as part of the Municipality's Annual Review process, the Municipality shall identify the amount, if any, of Long-Term Money that it holds. Any Long-Term Money not already under the control and management of ONE JIB shall be transferred to ONE JIB as soon as practicable.

6.1.2 Transfer to Municipality as Part of Annual Review Process

On an annual basis, ONE JIB shall be notified by the Treasurer as to the amount, if any, required by the Municipality from the Long-Term Money then under the control and management of ONE JIB for the Municipality's operational purposes. Such amounts shall be deemed to be Short-Term Money and shall be returned to the Municipality in a lump sum or by way of periodic payments, as directed by the Treasurer.

6.2 Flow of Money Otherwise than through the Budget Process

6.2.1 Surplus Funds

The Short-Term Funds capture revenues received by the Municipality during each year after the approval of the Municipality's budget for the year. Any amounts deemed to be MNRI by the Treasurer at any such time during the year shall be transferred to ONE JIB to be under its management and control as Long-Term Money. Amounts so transferred will be recorded annually in the Investment Plan and allocated by ONE JIB in accordance with the Investment Plan.

6.2.2 Contingencies

The Treasurer is authorized, to direct ONE JIB to return any amounts determined by the Treasurer to be required to meet expenditures for unexpected contingencies not anticipated by the Municipality's budget in force for that year, provided however that the aggregate of the amounts to be returned to the Municipality under this Section 6.2.2 during the year shall not exceed 25% of the Long-Term Money under the control and management of ONE JIB as at the date that the Municipality approved its budget for the year (the Budgeted Long-Term Money). In determining the Budgeted Long-Term Money for purposes of calculating the 25% limit, any Long-Term Money to be transferred to the control and management of ONE JIB in accordance with that year's Annual Review pursuant to Section 6.1.1 shall be included and any amount to be returned by ONE JIB to the Municipality pursuant to Section 6.1.2 shall be excluded.

6.3 Valuation of Investments

Investments shall be valued according to the values provided by the Custodian(s). For the investment of Long-Term Money, values of unitized vehicles shall be valued according to the unit values published by the Custodian. Other investments shall be valued at their market value when that is available from regular public trading. If a market valuation of an investment is not available, then a fair value shall be supplied by the External Portfolio Manager to the Custodian no less frequently than quarterly.

6.4 Voting Rights

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 Money, the Custodian shall be acceptable to ONE Investment. For Short-Term Money the Custodian shall be acceptable to ONE Investment if ONE Investment is administering the investment of the Municipality's Short-Term Money, otherwise the Custodian shall be acceptable to the Municipality.

6.7 Reporting

6.7.1 Short-Term Money

For the investment of Short-Term Money, the Treasurer shall report at least annually to Council, and the report to be a form and contain such content as Council may request. The report to Council shall include investment performance during the period covered and any other information required under the Regulation and that the Treasurer may consider to be pertinent.

6.7.2 Long-Term Money

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of Long-Term Money at least annually. This report shall include the following.

- Investment performance during the period covered by the report;
- Asset mix of the total portfolio;
- A listing of individual investments held at the fund level at the end of the reporting period showing, where appropriate, book value, market value, realized/unrealized gains/losses and actual income received;
- A list of all transactions including the security name, trade date, and the purchase and/or sale price;
- A statement by the Treasurer as to whether all investments were made in accordance with the IPS and as to whether all investments were made in accordance with the Investment Plan; and
- Any other pertinent information in the opinion of the Treasurer.

All securities invested on behalf of the Municipality by ONE JIB or with the assistance of ONE Investment shall be held for safekeeping in the name of the Municipality by a Custodian.

7. APPROVAL, SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE

7.1 Revocation / Amendment of Previous Investment Policy

This Policy replaces the existing Investment Policy CP.7.1.6.

7.2 Modifications to the IPS

At least annually Council shall review the IPS and update it, if required. In the course of reviewing the IPS, Council may request comments from the Treasurer with respect to the investment of Short-Term Money and from ONE JIB with respect to the investment of Long-Term Money.

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

At a minimum, the annual IPS review will consider:

- the adequacy of funding for capital works;

- the Municipality's ability to reduce other spending;
- flexibility of the timeframe to payout; and
- sensitivity to loss.

7.3 Effective Date

This IPS is adopted by Council of the Town effective May 10, 2023. The Treasurer is directed to sign a copy of this IPS to evidence approval and to deliver a copy of this IPS to ONE JIB.

A Webb

Signed by:

Audrey Webb

Treasurer

May 10, 2023

Date

REVISION HISTORY

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

Schedule A**Third Party Trust Funds and Designated Funds****Third Party Trust Funds**

Not applicable.

Designated Funds

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

Appendix I: ONE JIB Agreement

Municipal Client Questionnaire (MCQ)

Review and update the MCQ annually in conjunction with the review of the Investment Policy Statement.

However, update the MCQ within 90 days if:

- a. There is a significant change in the municipality's financial circumstances, or
- b. There is a significant change in the municipality's "money not required immediately"

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

1. CLIENT INFORMATION

1.1 NAME OF MUNICIPALITY: Town of Innisfil

1.2 ADDRESS: 2101 Innisfil Beach Road, Innisfil, ON, L9S 1A1

1.3 TREASURER INFORMATION

- i. Name: Audrey Webb
- ii. Phone Number: (705) 436-3740 - x2302 iii. Email: awebb@innisfil.ca

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1.4 PRIMARY DAY-TO-DAY CONTACT INFORMATION*

- i. Name: Mike Melinyshyn
- ii. Title: CFO/Director of Corporate Service & Innovation
- iii. Phone Number: (705) 436-3740 - x2301 iv. Email: mmelinyshyn@innisfil.ca

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

Municipal Client Questionnaire (MCQ)

2. INVESTMENT KNOWLEDGE AND EXPERIENCE

2.1. Which statement best describes the Municipal staff (person most responsible for managing investments)'s level of investment knowledge and experience with financial markets and products?

- ☐ Very limited knowledge
- ☐ Basic knowledge and minimal experience
- ☒ Good knowledge and some investment experience
- ☐ Strong knowledge and experience
- ☐ Advanced knowledge and extensive experience

Does Municipal staff (person most responsible for managing investments) have prior investment industry education/designations/experience? Please describe:

The Treasurer has basic knowledge and experience.

The CFO has a good knowledge and some investment experience

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



Municipal Client Questionnaire (MCQ)

Municipal Client Questionnaire (MCQ)

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)?

		Investment Objective	Risk Tolerance	Tolerance for short-term (3 year) losses*
<input type="checkbox"/>	Lower risk/return	Capital preservation is the main objective. Willingness to accept lower returns to reduce the likelihood of losses	Conservative Approach: A small chance of loss of capital over a 5-year period	Less than 5% decline
<input checked="" type="checkbox"/>	Moderate risk/return	Achieve moderate growth without excessive risk to capital	Moderate chance of loss of capital over a 5-year period	5-15% decline
<input type="checkbox"/>	Higher risk/return	Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns	Greater uncertainty of outcomes with potential of higher returns over a 5-year period	More than 15% decline

* these percentages is for illustrative purposes only and 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?

Municipal Client Questionnaire (MCQ)

Sections 4 and 5 of this Questionnaire asks about the Municipality's assets, liabilities and cash flow and is not limited to MNRI. It is intended to assist ONE Investment in obtaining an understanding of the Municipality's financial circumstances, including its cash flow needs.

4. FINANCIAL INFORMATION

4.1 Please provide a table 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. As such, 'zero to 18 months' 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
	See Attached					

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		See Attached			
Anticipated MNRI Contributions					
Net change in MNRI					

4.3 Do the MNRI drawdown forecasts in 4.2 reflect:

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

4.4 If the Municipality has completed a capital budget and asset management plan, how many years does this forecast extend?

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

Funding/Expenditure Analysis

4.5 How does the Municipality manage unanticipated requests for funding? Can you characterize the probability that the municipality may need to draw down MNRI to fund unexpected budget shortfalls?

In the Town's analysis of MNRI we have set aside funds categorized as "short-term" to address unplanned funding requests.

While we have a high level understanding that funding will be needed, the amount and timing is unknown.

I would suggest that the probability in drawing down MNRI at an amount different from 4.2 is low.

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)

In 2026 & 2027, capital works related to Arena redevelopment, new Firehall and Orbit related infrastructure

Municipal Client Questionnaire (MCQ)

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:

Potential impacts related to Bill 23 that would result in less DC revenues and require more Town tax levy funds.

The Town is in the process of updating our DCBS, which will include analysis of the Bill 23 impacts and related shortfalls.

5. PORTFOLIO INFORMATION

5.1

MNRI details	
Invested in ONE JIB Outcomes. Value as at (DD/MM/YY) <u>18</u> / <u>05</u> / <u>23</u>	\$ 44,037,896
Pledged (in kind) Securities (Bonds, GIC's, PPN's, etc.). Value as at (DD/MM/YY) <u> </u> / <u> </u> / <u> </u>	\$
Expected Contributions (withdrawals) of MNRI Date funds to be remitted/paid: (DD/MM/YY) <u>01</u> / <u>07</u> / <u>23</u>	\$ 5,000,000
Locked in portion (LDC shares or notes) Value as at (DD/MM/YY) <u>31</u> / <u>12</u> / <u>22</u>	\$ 30,429,740 - InnPower 23,722 - Innterprises Inc.
Total MNRI *	\$ 79,491,358
* The market value of securities may change between the date they are pledged to the ONE JIB and the date they are contributed to the ONE JIB.	

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:

Municipal Client Questionnaire (MCQ)

6. EXISTING INVESTMENTS

6.1. Please provide a table showing your current investments deemed MNRI and their characteristics.

Security/Investment	Type	Manager/Institution	Book Value	Market Value	Maturity Date (If applicable)
		All MNRI investments are with ONE JIB			

6.2. Describe your overall investment strategy or investment objectives.

Preservation of capital, adequate liquidity to meet financial obligations

Diversification, Income/capital appreciation

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.



Municipal Client Questionnaire (MCQ)

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.

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 19th day of May, 2023

A Webb

Audrey Webb, Treasurer

Name and Signature of Treasurer

Second Signature (if Required)

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)

4.1 Summary of Municipal Accounts for Invesment Planning Purposes

Reserve Type	Description	MRI (%)	MNRI (%)	MRI Amount	MNRI Amount	Investment Horizon of MNRI				Total Available Cash
						0-24 months (to Dec 2025)	(2026-2027)	(2028-2031)	10+ years	
Asset Renewal	Asset renewal reserve funds. Largest RF is the Capital Reserve Fund, which is where our 1% capital levy is directed to.			32,641,700	0	0	0			32,641,700
Growth	DCs & other externally restricted funds, such as Cash-in-lieu of Parkland. It also includes our ARS(Alternative Revenue Source) reserve fund, which is where our OLG gaming revenues are directed towards. The largest component of the ARS funds is to be used to fund the non-growth(BTE) share of growth projects.			31,893,008	38,887,845		9,617,630	(41,620,038)	70,890,253	70,780,853
Operating Reserves	Tax rate stabilization reserve and inspection stabilization reserve			465,170	8,649,302		55,636	60,772	8,532,894	9,114,472
				64,999,878	47,537,147	0	9,673,266	(41,559,266)	79,423,148	112,537,025

4.2 Cash Flow Projections

MNRI Type									
	2023	2024	2025	2026	2027	2028	2029	2030	2031
Opening MNRI		47,537,147	47,537,147	47,537,147	51,272,927	37,863,881	28,186,162	55,713,811	75,499,461
Anticipated MNRI Contributions(Drawdowns)				3,735,780	(13,409,046)	(9,677,719)	27,527,648	19,785,651	3,923,687
Net change in MNRI	0	0	0	3,735,780	(13,409,046)	(9,677,719)	27,527,648	19,785,651	3,923,687
	0	47,537,147	47,537,147	51,272,927	37,863,881	28,186,162	55,713,811	75,499,461	79,423,148

REPORT

To: ONE Joint Investment Board
 From: Keith Taylor, Chief Investment Officer, ONE Investment
 Date: June 1, 2023
 Re: City of Thunder Bay Annual Investment Plan Review
 Report: ONE JIB 2023-017

1. RECOMMENDATIONS

It is recommended that the Board:

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

2. SUMMARY

The City of Thunder Bay has completed its first annual review process and provided an updated Municipal Client Questionnaire (MCQ), which provides information on its MNRI and the investment horizons associated with its reserve balances. The time horizon associated with MNRI balances is largely unchanged, and the City will not be contributing additional MNRI at this time. The updated Investment Plan does not currently require changes to investment allocations.

The overall allocation to equities in this Investment Plan is 43.3%, which reflects a relatively conservative investment allocation. The proposed investment allocations, which reflect consolidated holdings across ONE Investment Outcomes, are shown in the table below:

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	\$ 10.0	8.7
ONE Canadian Equity Fund	14.9	13.0
ONE Global Equity Fund	34.7	30.3
ONE Canadian Government Bond Fund	8.2	7.2
ONE Canadian Corporate Bond Fund	8.2	7.2
ONE Global Bond Fund	38.5	33.6
Total	\$ 114.5	100.0

3. BACKGROUND

Thunder Bay's annual Investment Policy Statement (IPS) review resulted in minor housekeeping changes that will have no material impact on the Investment Plan

The City of Thunder Bay completed its annual IPS review on May 15, 2023. Council approved modifications to the IPS. The modifications were housekeeping items consistent with the ONE JIB IPS template. The modifications clarify language and give ONE JIB more flexibility to modify the product offerings used in the Prudent Investment Program.

Thunder Bay will not be making any contribution or withdrawal of MNRI this year and the investment horizons associated with municipal reserves are largely unchanged

Thunder Bay's MCQ did not include contributions or withdrawals from MNRI as part of the annual update process. The overall time horizon of reserves is largely unchanged, and investment allocations remain appropriate as a result. Thunder Bay's MNRI totals \$114.5 million. Table 1 below, which was informed by Section 4.1 of the MCQ, provides a summary of the time horizon associated with MNRI.

Table 1: MNRI by Type, Category and Time Horizon, adapted from MCQ section 4.1 (\$ thousands)

Reserve Type	Brief Description	MNRI Amount	Investment Horizon of MNRI			
			2 years to 3 years	3-5 years	5-10 years	10+ years
Capital Reserves	Program Reserves and Capital Reserves	\$75,620.1	\$9,223.2	\$14,689.1	\$35,978.6	\$15,729.2
Obligatory Reserve Funds	Building Permit Reserve Fund, Gas Tax Reserve Funds, Ontario Community Infrastructure Fund, Subdivider Contributions	\$7,585.5	\$385.1	\$4,178.1	\$2,668.4	\$353.8
Stabilization & Contingency	Operating Reserve Funds, Vested Property Rehabilitation Reserve	\$31,993.0	\$3,681.6	\$5,185.0	\$18,658.8	\$4,467.6
MNRI Total		\$115,198.6	\$13,289.9	\$24,052.3	\$57,305.8	\$20,550.6

The majority of Thunder Bay's MNRI has an investment horizon that exceeds five years

The City's investment horizon is long, as almost 70% of MNRI has an investment horizon that exceeds five years. The Treasurer noted uncertainty about the timing and magnitude of some drawdowns identified in the MCQ, especially the anticipated near-term drawdowns. Drawdowns identified as having an investment horizon of less than three years include spending on capital projects that may be delayed or may not materialize. Table 2 shows the current estimates of potential drawdowns from or contributions to MNRI for Thunder Bay.

Table 2: Forecast contributions and withdrawals - adapted from MCQ 4.2 (\$ thousands)

Type	Next year	< 3 years	3-5 Years	5-10 Years	Greater than 10 Years
Anticipated MNRI Drawdowns	-	(\$13,289.9)	(\$24,052.3)	(\$57,305.8)	(\$20,550.6)
Anticipated MNRI Contributions	-	-	-	-	-
Net change in MNRI	-	(\$13,289.9)	(\$24,052.3)	(\$57,305.8)	(\$20,550.6)

4. ANALYSIS

The mapping of MNRI to Outcomes and resulting asset allocation is consistent with Thunder Bay's cashflow forecasts, risk tolerances and objectives

The City has a significant number of planned capital projects over the next 10 years and has a long investment horizon. About \$16.1 million of capital project reserves have a time horizon greater than 10 years, which will allow the municipality to assume a higher risk profile on those funds. Reserves with a 5-to-10-year horizon can be invested at moderate risk levels, and reserves with shorter time horizons can be invested in less volatile securities, which will lower the portfolio's overall risk profile significantly. The updated MCQ indicates larger potential drawdowns within the next three years than the previous Investment Plan, but the Treasurer noted considerable uncertainty about the size and timeline of these potential drawdowns. This has been taken into consideration when assigning the investment allocations. No additional MNRI has been allocated to the Cash Outcome in the Investment Plan due to this uncertainty about potential near-term drawdowns.

Mapping the MNRI to outcomes relied on the MCQ and discussions with the Treasurer to ensure a common understanding of the uses and purposes of the MNRI. Asset allocations (Table 3 below) and fund allocations (Tables 4 and 5 below) were determined using the ONE JIB's Outcomes Framework.

Table 3: Proposed Outcome Mapping and Asset Allocation

Outcome	Total Invested (\$ millions)	Portfolio Weight (%)	HISA (%)	Fixed Income (%)	Equities (%)	Total (%)
Cash	\$ 3.6	3.2	100	-	-	100
Contingency	25.1	21.9	-	40	60	100
Target Date 3-5 Years	31.7	27.7	20	70	10	100
Target Date 5-10 Years	37.0	32.3	-	50	50	100
Target Date 10+ Years	17.1	15.0	-	25	75	100
Total	\$ 114.5	100.0				

Table 4: Proposed Pooled Fund-Level Allocation

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	\$ 10.0	8.7
ONE Canadian Equity Fund	14.9	13.0
ONE Global Equity Fund	34.7	30.3
ONE Canadian Government Bond Fund	8.2	7.2
ONE Canadian Corporate Bond Fund	8.2	7.2
ONE Global Bond Fund	38.5	33.6
Total \$	\$ 114.5	100.0

Table 15: Proposed Pooled Fund Allocations by Outcome (values in \$ millions)

Outcome	ONE HISA	ONE Canadian Equity Fund	ONE Global Equity Fund	ONE Canadian Govt Bond Fund	ONE Canadian Corporate Bond Fund	ONE Global Bond Fund	Total
Cash	\$ 3.6	-	-	-	-	-	\$ 3.6
Contingency	-	4.5	10.5	1.5	1.5	7.0	25.1
Target Date 3-5 Years	6.3	1.0	2.2	3.3	3.3	15.5	31.7
Target Date 5-10 Years	-	5.5	12.9	2.8	2.8	12.9	37.0
Target Date 10+ Years	-	3.9	9.0	0.6	0.6	3.0	17.1
Total \$	\$ 10.0	\$ 14.9	\$ 34.7	\$ 8.2	\$ 8.2	\$ 38.5	\$ 114.5

5. CONCLUSION

The proposed Investment Plan is consistent with Thunder Boy's IPS. The proposed asset mix and fund allocations reflect the investment objectives and risk preferences expressed in its IPS and MCQ. As a result, the Investment Plan is appropriate for the City's time horizons and available MNRI.

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

City of Thunder Bay

Investment Plan

Date: June 1, 2023

A blue triangle with a yellow diagonal line running from the top-left corner to the bottom-right corner.

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1. Definitions

Act	Act means the <i>Municipal Act, 2001</i> , S.O. 2001, c. 25, as amended from time to time.
Agent	Agent means any administrator, Custodian, payment servicer, External Portfolio Manager, investment counsel, consultant, banker, broker, dealer or other service provider engaged or appointed by ONE JIB and authorized by ONE JIB to exercise any of the functions of ONE JIB, in the manner and to the extent provided in the Regulation, pursuant to a written agreement with ONE Investment and, without limiting the generality of the foregoing, Agent includes ONE Investment.
Asset Allocation	Asset Allocation means the proportions of each Asset Allocation (or Asset Class) in an investment portfolio. The primary Asset Allocations (or Asset Classes) are cash and cash-equivalent instruments, fixed income, equities and equity-equivalent securities. These primary Asset Allocations (or Asset Classes) can be further subdivided into government and corporate bonds, large and smaller cap equities and other widely recognized asset categories. ONE Investment generally uses the term "Asset Allocation" to refer to the percentage, at the applicable time, of an investment portfolio comprised of cash, fixed income and equities.
Asset Class	Asset Class means the type of asset category in an investment portfolio. The primary Asset Classes (or Asset Allocations) are cash, cash-equivalent instruments, fixed income equities and equity-equivalent securities. These primary Asset Classes (or Asset Allocations) can be further subdivided into government and corporate bonds, large and small cap equities and other widely recognized asset categories. This term can be used interchangeably with Asset Allocation (defined above).
Asset Weight	Asset Weight means the actual percentage of HISA and/or of a particular Fund in comparison to the entire amount invested in a particular Outcome and also means the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in a particular Outcome. This term also includes the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in the investment portfolio.
Authorizing By-law	Authorizing By-law means, with respect to a Participating Municipality, the by-law under which it (i) adopts and undertakes to maintain its IPS, (ii) authorizes the entering into of the ONE JIB Agreement with ONE JIB and the other Participating Municipalities, (iii) approves its completed MCQ, (iv) authorizes the establishment of a Code of Conduct for ONE JIB, and (v)

delegates to ONE JIB the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

Note: an Authorizing By-law of a Participating Municipality can, at the option of council, also be constituted as the Prudent Investor Enabling By-law by specifying a specific future date, agreed to by ONE JIB, as the date on which the PI Standard will apply to the Participating Municipality under Section 418.1 of the Act.

Benchmark	Benchmark means an independently verifiable index that is representative of a specific securities market. For the most part the Benchmark is a relevant market index e.g., the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc. against which investment performance can be compared. ONE Investment generally selects recognized and widely used performance benchmarks which measure total returns expressed in Canadian dollars. ONE Investment may use a single index or a blended index made up of one or more indices.
CFA Institute	CFA Institute means the not-for-profit professional association that administers the Chartered Financial Analyst (CFA) and the Certificate in Investment Performance Measurement (CIPM) curricula and examination programs worldwide, publishes research, conducts professional development programs, and sets voluntary, ethics-based professional and performance reporting standards for the investment industry.
Chief Compliance Officer (CCO)	Chief Compliance Officer means a duly qualified individual who is the most senior officer responsible for the design and implementation of the compliance program for ONE Investment and for the ONE Prudent Investment Program.
Chief Investment Officer (CIO)	Chief Investment Officer means a duly qualified individual who is the most senior person responsible to oversee investments and who advises ONE JIB as to the recommended Outcomes for Participating Municipalities to comply with their IPSs.
Credit Risk	Credit Risk means the possibility that a borrower will not repay a loan or meet other contractual obligations in full on time. One example of credit risk is the risk that a lender may not receive the borrowed principal and interest when due. Another example of credit risk, sometimes referred to as counterparty credit risk, is the risk that a party to a derivatives contract will default and fail to fulfill its obligations.
Custodian	Custodian means a specialized financial institution appointed to have custody and safekeeping of financial assets. Global Custodians may hold assets for their clients in jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

Derivative	A derivative means a contract between two or more parties the value of which is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.
Drift	Drift means the deviation from Target Weight. Drift is cause for concern or a trigger for Rebalancing when it reaches or exceeds a certain magnitude for a specified period of time.
ESG (Environmental, Social and Governance Factors)	ESG factors mean “indicators used to analyse a (investee) company’s prospects” which are based on measures of its performance on environmental, social, and corporate governance criteria. According to the United Nations Principles of Responsible Investment, environmental issues relate to “the quality and functioning of the natural environment and natural systems”, social issues relate to “the rights, well-being and interest of people and communities”, and governance issues relate to “the governance of companies and other investee entities.”
External Portfolio Managers	External Portfolio Managers means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a ONE Investment Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.
Funds	Funds mean the pooled investment Funds offered as part of the ONE Prudent Investment Program and includes the ONE Canadian Equity Fund, the ONE Global Equity Fund, the ONE Canadian Bond Fund, the ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund, each of which is a Fund. Each Fund constitutes an Investment Fund and a Pooled Fund (defined below).
In-Kind	In-Kind means assets/securities instead of cash. In certain cases Participating Municipalities may transfer securities to ONE JIB as part of their MNRI instead of remitting only cash to ONE JIB. As these securities mature ONE JIB would invest the proceeds into the Outcomes specified in the relevant Investment Plan.
Internal Controls	Internal Controls mean a system of controls that may include authorities, policies, procedures, separation and segregation of duties, compliance checks, performance measurement and attribution, reporting protocols, measures for safekeeping of property and data, and the audit process.
Investment Fund	Investment Fund means a pool of money belonging to many investors that is used to collectively purchase stocks, bonds or other securities. This term includes a Fund (defined above) and a Pooled Fund (defined below).
Investment Plan	Investment Plan means the investment plan for a Participating Municipality applicable to its Long-Term Funds and investments that the Participating Municipality does not require immediately, as adopted and maintained by ONE

JIB under the Regulation, as the Investment Plan may be amended from time to time.

Investment Policy Statement (IPS)	Investment Policy Statement means the investment policy applicable to a Participating Municipality's investments adopted and maintained by the council of the Participating Municipality for Long-Term Funds under the Regulation, and for Short-Term Funds, as the IPS may be amended from time to time. The IPS may also apply to the money and investments held by the Participating Municipality for the benefit of persons other than the Participating Municipality itself and may make reference to any source of money in which the Participating Municipality may have an indirect interest but which the Participating Municipality has no authority to invest.
Legal List Securities	Legal List Securities mean the securities that are prescribed from time to time in Part I of the Regulation.
Leverage	Leverage means using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage tends to increase investment risks.
Local Distribution Corporation	Local Distribution Corporation or LDC means a corporation incorporated under section 142 of the Ontario <i>Electricity Act, 1998</i> , as amended from time to time.
Long-Term Funds	Long-Term Funds mean money that the Participating Municipality has defined as long-term and characterized as money that is not required immediately.
Money Not Required Immediately (MNRI)	Money Not Required Immediately means money that is not required immediately by a Participating Municipality, the control and management of which has been given to ONE JIB. There is no universal definition of MNRI and it is at the discretion of each Participating Municipality to determine its MNRI in a way that is appropriate for its circumstances.
Municipal Client Questionnaire (MCQ)	Municipal Client Questionnaire means a document which is completed by the Treasurer of each Participating Municipality, and which includes information on municipal investments and risk preferences that must be reviewed annually.
Municipality	Municipality means the City of Thunder Bay.
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 Thunder Bay'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 Thunder Bay.

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 Thunder Bay's IPS.

4. Investment Context

4.1 Investment Goals and Objectives

Returns on investments have an impact on Thunder Bay'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 Thunder Bay'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 Thunder Bay has an obligation for a specific project at a specific time.

Thunder Bay 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 Thunder Bay'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 Thunder Bay are aligned with the Outcome Frameworks adopted by ONE JIB.

Thunder Bay'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 Thunder Bay's current goals, objectives, circumstances and risk tolerance, and helps direct how investment allocations will be determined. The allocation of Thunder Bay's MNRI in this Plan is consistent with the details as disclosed in Thunder Bay's IPS and MCQ.

While individually Thunder Bay's reserve and reserve funds require liquidity, collectively they provide Thunder Bay 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 Thunder Bay in Table 1 above. The MNRI of Thunder Bay 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 Thunder Bay in this Investment Plan.

4.2 Comments by Chief Investment Officer

The Chief Investment Officer is not recommending any changes in the allocation of MNRI to the investment Outcomes at this time. The updated MCQ and discussion with the Treasurer noted only minor changes in the investment horizon of municipal reserves compared to last year's update. Additionally, the City will not make additional contributions or withdrawals from MNRI this year.

The City's modelling of cashflows affecting MNRI balances indicated more drawdowns within a 5-year time frame versus last year's plan. The numbers include unconfirmed spending items, where there remains uncertainty about the timing and size of spending. The Treasurer did not have sufficient confidence about these drawdowns to justify repositioning the outcome allocations. As a result, the allocation of investments in the Investment Plan will remain unchanged at this time.

Aside from the funding for the specified near-term needs, the City has the flexibility to assume a moderate risk profile for the consolidated portfolio, with its investment allocations also being influenced by the long time horizon associated with the MNRI. 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 43.3%.

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 Thunder Bay are taken into consideration when assigning asset allocations for Thunder Bay 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 Thunder Bay'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 an 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 have contributed to elevated inflation levels.
- Efforts by the Bank of Canada and other central banks to reduce inflationary pressures led to sharply higher interest rates in 2022. The Bank of Canada increased its overnight lending rate by 4.0% last year, in one of the sharpest movements in interest rates in modern history.
- There is some risk that aggressive rate hikes could lead to an economic recession.
- 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 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 Thunder Bay's MCQ dated May 17, 2023 have been allocated into investment Outcome categories as shown in Table 2 below.

*Table 2 – Investment Allocations based on MCQ updated on May 17, 2023**

Outcome	Allocation (\$)	Allocation Weight (%)
Cash	\$ 3,649,877	3.2%
Contingency	25,077,162	21.9%
Target Date 3-5 Years	31,667,701	27.7%
Target Date 5-10 Years	36,979,505	32.3%
Target Date 10+ Years	17,147,757	15.0%
Total	\$ 114,522,002	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 April 30th, 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 Thunder Bay's circumstances will be used for each Outcome. Descriptions of these Outcomes, ONE Prudent Investment Program funds and the asset allocations for each Outcome are shown in Appendix B.

5.3 Cash Outcome

The allocation to the Cash Outcome will be approximately \$ 3.6 million.

Cash allocations are appropriate for Thunder Bay's relatively short-term funding needs. As the monies are anticipated to be drawn down within three years, it is most appropriate to invest these monies such that there is minimal potential for capital loss. Longer-term investments are able to assume more risk and potentially absorb capital losses as there is ample time for investment growth to allow the investment value to recover. Details of the allocation of the Cash Outcome are found in Table 3. Further detail about the Cash Outcome allocations can also be found in Appendix B. Monies in the Cash Outcome are expected to be reclassified as MRI over the next few years. All interest earned in the Cash Outcome will be reinvested in the Cash Outcome:

Table 3 - Cash Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Cash	100	100	100	
ONE HISA		100		Bank of Canada 1 Year GIC Rate
Total		100		

Further discussion on benchmarks is included in Appendix C

5.4 Contingency Outcome

The allocation to the Contingency Outcome will be approximately \$ 25.1 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

Thunder Bay identified reserves that would be appropriate for Target Date Outcomes. Most of Thunder Bay's MNRI will be allocated to Target Date Outcomes, which will be allocated in a way

that reflects the expected time horizon of balances and reserves. The monies invested in Target Date Outcomes will be split into separate Target Date allocations that collectively reflect the need for liquidity and growth and the time horizon in which the funds will be required. The allocation to the Target Date Outcomes will be approximately \$ 85.8 million, and divided among the various target date outcomes accordingly:

- Target Date 3-5 Year – \$31.7 million
- Target Date 5-10 Year – \$ 37.0 million
- Target Date 10+ Years – \$ 17.1 million

Target Date Outcomes will be managed with the objective of providing for the return of principal, income and capital gains at a target date in the future. All income will be reinvested.

Approximately \$31.7 million (about 28% 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	
Cash	17	20	23	
ONE HISA		20		Bank of Canada 1 Year GIC Rate
Equity	8	10	12	
ONE Canadian Equity Fund		3		S&P/TSX Composite Index
ONE Global Equity Fund		7		MSCI ACWI (All Country World Index)
Fixed Income	66	70	74	
ONE Canadian Government Bond Fund		10.5		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

Approximately 32%, or \$37.0 million, of MNRI will be invested in the Target Date 5–10 Year Outcome. Details of the allocation for this Outcome are in Table 6 below. Further detail about the Target Date 5-10 Year Outcome allocations can also be found in Appendix B.

Amounts will be allocated to the Target Date 5–10 Year Outcomes to reflect the intended time horizon and risk profile for reserve accounts where near term liquidity is less relevant. The Target Date 5–10 Year Outcome has a 50% allocation to equities, which should help monies invested in this outcome to achieve growth. As monies invested in this Outcome typically reflect reserves for future capital projects, growth is the value of investments is important to help offset the impact of inflation and pre-construction changes on project costs.

Table 6 - Target Date 5-10 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	45	50	55	
ONE Canadian Equity Fund		15		S&P/TSX Composite Index
ONE Global Equity Fund		35		MSCI ACWI (All Country World Index)
Fixed Income	45	50	55	
ONE Canadian Government Bond Fund		7.5		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		7.5		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		35		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

Approximately 15%, or \$17.1 million of MNRI will be invested in the Target Date 10+ Year Outcome, which is intended to fund longer-term capital projects. This Target Date Outcome has an overall allocation to equity of about 75%, which should provide an opportunity for the monies invested to grow in value. More detail on the allocations for the Target Date 10+ Year Outcome are shown in Table 7.

As these monies may be used for construction/development projects in the future, growth is highly relevant as it will help preserve the purchasing power for monies invested. The need for investment returns to at least match inflation is a key consideration for monies allocated to this longer dated target date outcome.

Table 7 - Target Date 10+ Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	71	75	59	
ONE Canadian Equity Fund		22.5		S&P/TSX Composite Index
ONE Global Equity Fund		52.5		MSCI ACWI (All Country World Index)
Fixed Income	21	25	29	
ONE Canadian Government Bond Fund		3.75		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		3.75		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		17.5		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

5.6 Projected Investment Returns

This section has not been updated.

5.7 Non-Liquid Assets

a. Legacy Investments / Strategic Investments

Thunder Bay's investment in Thunder Bay Hydro Corporation has a strategic purpose beyond generating investment returns. While this investment is part of the responsibility of ONE JIB, it is subject to restrictions set out in Thunder Bay's IPS such that ONE JIB has agreed not to dispose of

or deal with that investment without Thunder Bay's consent. Table 8 below describes the investment in Thunder Bay Hydro Corporation shares and promissory notes.

Table 8 - Thunder Bay's LDC Holdings

Investment in Local Distribution Company	Amount (\$)
Thunder Bay Hydro Corporation - Shares	68,801,768
Thunder Bay Hydro Corporation - Promissory Notes	40,471,021
Total	<u>109,272,789</u>

b. Transitional Investments

This section does not apply

5.8 Other Accounts

Thunder Bay has no other accounts ONE JIB must consider.

6. Applicable ONE JIB Policies

Besides those listed below, there may also be constraints specific to each externally managed portfolio that govern how they are invested by the external investment manager.

6.1 Environmental, Social and Governance (ESG) Investing

ONE JIB supports ESG investing and incorporates those principles into its investment decision-making through its due diligence processes when choosing and evaluating External Portfolio Managers. External Portfolio Managers are assessed for their ESG policies. ONE JIB recognizes the practical difficulties of negative screening, whereby securities are excluded based on the nature of their business. ONE JIB's preference is to integrate social responsibility into the investment process with the intent of influencing companies to change their behaviour where appropriate. ONE JIB's approach will necessarily vary by External Portfolio Manager based on a number of factors, including the degree of control exercised by ONE JIB, contractual restrictions and the nature of the investment. Accommodating all requests for specific ESG considerations may not be possible due to availability, costs or other factors.

6.2 Securities Lending

Investment Funds that are controlled by an External Portfolio Manager may engage in securities lending if their policies permit such an action.

6.3 Derivatives

ONE JIB does not intend that derivatives be used in the investment of Long-Term Funds for speculative purposes or to apply leverage to the portfolios for non-hedging purposes. In certain cases, Long-Term Money is invested in underlying funds where the External Portfolio Manager is

authorized under the constituting documents of such underlying funds to use derivatives. In such cases, the External Portfolio Manager shall provide written notice of its intended use of derivatives and the contents of such notice shall be satisfactory to ONE JIB. Generally, use of derivatives will be permitted where for so long as the derivative instrument or agreement is outstanding, the investment portfolio has a long position or other offsetting position in the underlying asset. For example, derivative instruments may be used for currency hedging, to change portfolio duration or in covered call strategies.

6.4 Rebalancing

Each investment Outcome will have target weights assigned for each asset class and investment holding, which collectively represent the intended asset allocation for the Outcome. Minimum and maximum weights will also be assigned for asset class allocations, and these weights will guide the rebalancing process. Each account's asset allocation will be monitored and rebalanced by ONE Investment in accordance with ONE JIB's Rebalancing Policy and this Investment Plan.

7. Implementation

7.1 Custodian

All investments under the control and management of ONE JIB, except for Municipally-owned electricity assets, shall be held for safekeeping by ONE Investment's Custodian.

7.2 Transition Plan (including transitional investments)

This section does not apply

7.3 Accommodating Cashflow Needs

a. Investment Income and Rebates

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

a. Anticipated mid-year cashflow requests

Thunder Bay 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 Thunder Bay 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 Thunder Bay'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. As appropriate, the ONE JIB may consider how to implement such changes in a pragmatic way and will give guidance on how such changes to the allocations and Outcomes should be implemented.

Cash Outcome

Asset Class	% Weight		
	Min	Target	Max
Cash	100	100	100
ONE HISA		100	
Total		100	

Stable Return Outcome

Asset Class	% Weight		
	Min	Target	Max
Cash	8	10	12
ONE HISA		10	
Equity	26	30	34
ONE Canadian Equity Fund		9	
ONE Global Equity Fund		21	
Fixed Income	55	60	65
ONE Canadian Government Bond Fund		9	
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
Cash	17	20	23		0			0	
ONE HISA		20			0			0	
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	66	70	74	45	50	55	21	25	29
ONE Canadian Government Bond Fund		10.5			7.5			3.75	
ONE Canadian Corporate Bond Fund		10.5			7.5			3.75	
ONE Global Bond Fund		49			35			17.5	
Total		100			100			100	

Appendix C: Performance Benchmarks for ONE Investment Funds

- The table below details the benchmarks to be used for the performance evaluation of the ONE Investment Pools.
- Blended benchmarks for the prudent investor Outcomes will be used in proportion to their target asset allocation weights.

ONE HISA	Bank of Canada 1 Year GIC Rate
ONE Canadian Equity Fund	S&P/TSX Composite Total Return Index
ONE Global Equity Fund	MSCI ACWI (net)
ONE Canadian Government Bond Fund	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

Benchmarks used for ONE Investment Funds may be revised at a future date and may be adjusted as appropriate to reflect changes in the underlying investment mandates approved by the ONE JIB.

Municipal Client Questionnaire (MCQ)

Review and update the MCQ annually in conjunction with the review of the Investment Policy Statement.

However, update the MCQ within 90 days if:

- a. There is a significant change in the municipality's financial circumstances, or
- b. There is a significant change in the municipality's "money not required immediately"

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

1. CLIENT INFORMATION

1.1 NAME OF MUNICIPALITY: The Corporation of the City of Thunder Bay

1.2 ADDRESS: 500 Donald St E, Thunder Bay, ON P7C 5K4

1.3 TREASURER INFORMATION

- i. Name: Emma Westover (Acting Treasurer until June 30, 2023)
- ii. Phone Number: () _____ - _____ iii. Email: _____

1.4 PRIMARY DAY-TO-DAY CONTACT INFORMATION*

- i. Name: Emma Westover
- ii. Title: Director Financial Services
- iii. Phone Number: (807) 630 ____ - 1280 ____ iv. Email: emma.westover@thunderbay.ca

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



Municipal Client Questionnaire (MCQ)

2. INVESTMENT KNOWLEDGE AND EXPERIENCE

2.1. Which statement best describes the Municipal staff (person most responsible for managing investments)'s level of investment knowledge and experience with financial markets and products?

- ☐ Very limited knowledge
- ☐ Basic knowledge and minimal experience
- ☒ Good knowledge and some investment experience
- ☐ Strong knowledge and experience
- ☐ Advanced knowledge and extensive experience

Does Municipal staff (person most responsible for managing investments) have prior investment industry education/designations/experience? Please describe:

No formal investment education or designation. Municipal investment experience would include working with Investment Managers and Advisors for the City's previous Legal List Portfolio.

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



Municipal Client Questionnaire (MCQ)

Municipal Client Questionnaire (MCQ)

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)?

		Investment Objective	Risk Tolerance	Tolerance for short-term (3 year) losses*
<input type="checkbox"/>	Lower risk/return	Capital preservation is the main objective. Willingness to accept lower returns to reduce the likelihood of losses	Conservative Approach: A small chance of loss of capital over a 5-year period	Less than 5% decline
<input checked="" type="checkbox"/>	Moderate risk/return	Achieve moderate growth without excessive risk to capital	Moderate chance of loss of capital over a 5-year period	5-15% decline
<input type="checkbox"/>	Higher risk/return	Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns	Greater uncertainty of outcomes with potential of higher returns over a 5-year period	More than 15% decline

* these percentages is for illustrative purposes only and 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?

Please see section 5.2.1 of the IPS for Long Term Money investment objectives, risk tolerances and liquidity preferences for target date, contingency, stable return and cash outcomes.

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 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



Municipal Client Questionnaire (MCQ)

decide is appropriate. As such, 'zero to 18 months' column of MNRI in the template might not be applicable for all municipalities.

Summary of Municipal Accounts for Investment Planning Purposes (values in \$ thousands)

Reserve Type	Brief Description	MNRI Amount	Investment Horizon of MNRI			
			Less than 3 years	3 to 5 years	5 to 10 years	10+ years
Capital Reserves	Program Reserves and Capital Reserves	75,620.1	9,223.2	14,689.1	35,978.6	15,729.2
Obligatory Reserve Funds	Building Permit Reserve Fund, Gas Tax Reserve Funds, Ontario Community Infrastructure Fund, Subdivider Contributions	7,585.5	385.1	4,178.2	2,668.4	353.8
Stabilization & Contingency	Operating Reserve Funds, Vested Property Rehabilitation Reserve	31,993.0	3,681.6	5,185.0	18,658.8	4,467.6
Total		115,198.6	13,289.9	24,052.3	57,305.8	20,550.6

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.)

Summary of potential drawdowns/additions to MNR (values in \$ thousands)

Type	Next year	2 years	3 to 5 years	5 to 10 years	Greater than 10 years
Anticipated MNRI Drawdowns		(\$13,289.9)	(\$24,052.3)	(\$57,305.8)	(\$20,550.6)
Anticipated MNRI Contributions					
Net change in MNRI		(\$13,289.9)	(\$24,052.3)	(\$57,305.8)	(\$20,550.60)

Although the table above indicates the City would withdraw funds, the City does not anticipate draw down of the portfolio in the specified terms. The Chart is based on information on-hand at this time and is a conservative representation of cash flows to assist ONE JIB in informing the investment allocation. As part of the annual update, the City will review the MCQ and IPS for amendments if applicable, for Council approval.

4.3 Do the MNRI drawdown forecasts in 4.2 reflect:

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

4.4 If the Municipality has completed a capital budget and asset management plan, how many years does this forecast extend?

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

Funding/Expenditure Analysis

4.5 How does the Municipality manage unanticipated requests for funding? Can you characterize the probability that the municipality may need to draw down MNRI to fund unexpected budget shortfalls?

Unanticipated requests for funding must be approved by Council and every effort is made to minimize these requests outside of the budget process. Financial Services monitors reserve fund commitments and therefore is aware of uncommitted and committed reserve fund balances. It is unlikely that the City will need to draw down MNRI for unexpected budget shortfalls.



Municipal Client Questionnaire (MCQ)

4.6 Is there a particular year when the Municipality had unusual, large expected capital expenditure(s)?

☒ Yes ☐ No

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

From 2012 to 2017 there were significant capital expenses related to the Wastewater Treatment Plan as a result of a severe rainfall event in May 2012.

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 cash flow forecast includes estimated commitments for potential significant projects which may be contingent upon Council decisions. However, the forecast is conservative and therefore in the next 24 months it is not expected that MNRI would be materially impacted. Due to the timing of potential Council decisions, awarding contracts and any construction and/or project work beginning, it is not expected that significant amounts of money would be required in the next 24 months. The City will update ONE JIB immediately should cash flow forecasts be significantly different than expected.

5. PORTFOLIO INFORMATION

5.1

MNRI details as at April 30, 2023	
Invested in ONE JIB Outcomes. Value as at (DD/MM/YY) <u>30/04/23</u>	\$114,522,002
Pledged (in kind) Securities (Bonds, GIC's, PPN's, etc.). Value as at (DD/MM/YY) <u> / / </u>	\$0
Expected Contributions (withdrawals) of MNRI Date funds to be remitted/paid: (DD/MM/YY) <u> / / </u>	\$0
Locked in portion (LDC shares or notes) Value as at (DD/MM/YY) <u>31/12/21</u>	\$109,272,789
Total MNRI *	\$223,794,791
* The market value of securities may change between the date they are pledged to the ONE JIB and the date they are contributed to the ONE JIB.	

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



Municipal Client Questionnaire (MCQ)

- ☐ The Municipality has the following investments as pledged securities that represent a portion of MNRI:



Municipal Client Questionnaire (MCQ)

6. EXISTING INVESTMENTS

6.1. Please provide a table showing your current investments deemed MNRI and their characteristics.

Security/Investment	Type	Manager/Institution	Book Value	Market Value	Maturity Date (if applicable)

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.

None at this time.



Municipal Client Questionnaire (MCQ)

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.

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 17 day of may, 2023

Emma Westover


Name and Signature of Treasurer

Second Signature (if Required)

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)

SECTION:	FINANCIAL SERVICES
DEPARTMENT/DIVISION:	CORPORATE SERVICES & LONG TERM CARE (FINANCIAL SERVICES)
SUBJECT:	INVESTMENT POLICY STATEMENT

POLICY STATEMENT

It is the policy of The Corporation of the City of Thunder Bay to govern the management of the Corporation's investment portfolio.

PURPOSE

To establish a formal written Investment Policy Statement that summarizes and defines the investment objectives, risk tolerance and liquidity needs and investment horizon for the City's investment portfolio.

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.

City: means The Corporation of the City of Thunder Bay.

Credit Risk: means the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations. That is, the risk that a lender may not receive the owed principal and interest.

Custodian: means a specialized financial institution that is responsible for safeguarding a municipality's investments and is not engaged in "traditional" commercial or consumer/retail banking. Global custodians hold investments for their clients in multiple jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

Derivative: A derivative is a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common

underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.

Environmental, Social and Governance (ESG) Investing: means considering and integrating ESG factors into the investment process, rather than eliminating investments based on ESG factors alone. Integrating ESG information can lead to more comprehensive analysis of a company.

External Portfolio Managers: means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a Pooled Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.

Interest Rate Risk: refers to the possibility that the value of a bond or other fixed- income investment will suffer as the result of a change in interest rates. Interest rate risk can be managed to help improve investment outcomes.

Internal Controls: means a system of controls that may include authorities, policies, procedures, separation and segregation of duties, compliance checks, performance measurement and attribution, reporting protocols, measures for safekeeping of property and data, and the audit process.

Investment Plan: means the investment plan applicable to the Long-Term Money investments and adopted by ONE JIB under the Regulation, as it may be amended from time to time.

Investment Policy Statement (IPS): means the investment policy applicable to the Municipality's investments adopted and maintained by the Council of the Municipality for Long-Term Money under the Regulation, and for Short-Term Money, as the same may be amended from time to time. The IPS may also apply to the money and investments held by the Municipality for the benefit of persons other than the Municipality itself and may make reference to source(s) of money in which the Municipality may have an indirect interest but which the Municipality has no authority to invest.

JIB: is short for Joint Investment Board and means a joint municipal service board that is established under section 202 of the Act by two or more municipalities for the purposes of Part II of the Regulation.

Legal List Securities: means the securities and other investments and financial instruments that are included from time to time in Part I of the Regulation.

Leverage: means an investment strategy of using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage also tends to increase investment risks.

Local Distribution Corporation or LDC: means a corporation incorporated under section 142 of the *Electricity Act, 1998*.

Long-Term Money: means money that the municipality has defined as long-term and characterized as money that is not required immediately by the Municipality as described in section 5.2. Monies that are Long-Term Money will be invested in accordance with the Prudent Investor Standard.

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 City of Thunder Bay.

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 March 2, 2022, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Municipality's Long-Term Money.

Outcome: in the context of the municipality's IPS the word 'outcome' is used interchangeably with 'solutions'. Investment outcomes are a set of investment allocations with varying risk/return characteristics. The outcomes assigned to each investor are intended to reflect the needs and circumstances of the municipality. MNRI may be invested into several outcomes based on the characteristics of the municipality's accounts/reserves and its saving and spending needs.

ONE JIB's Outcome Framework: a set of Investment Outcomes designed by ONE JIB to categorize the potential goals of investing MNRI. Each Outcome has a unique Asset Allocation with risk/return characteristics that are aligned with the intended use of the money assigned to the outcome.

Participating Municipality: means from time to time each of the municipalities for whom ONE JIB acts as the JIB under the terms of the ONE JIB Agreement.

Pooled Fund: means a unit trust established under a trust instrument, generally not available to the public, in which institutional, sophisticated or high net worth investors contribute monies that are invested and managed by an External Portfolio Manager. Monies are pooled or combined with monies of other investors.

Portfolio: means any collection of funds that are grouped together and required for specific purposes.

Proxy Voting: means a legal transfer to another party of a shareholder's right to vote thereby allowing shareholders who cannot attend meetings to participate. External Portfolio Managers usually vote proxies on behalf of their clients.

Prudent Effective Date: means the date on which the prudent investor regime applies to the Municipality.

Prudent Investor Standard: means the standard that applies when the Municipality invests money that it does not require immediately under section 418.1 of the Act. It requires the Municipality to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and the standard does not restrict the securities in which the Municipality can invest. The Prudent Investor Standard makes use of Modern Portfolio Theory and applies the standard of prudence to the entire portfolio in respect of the Municipality's Long-Term Money rather than to individual securities. It identifies the fiduciary's central consideration as the trade-off between risk and return as found in the CFA Institute Standards of Practice Handbook.

Regulation: means Ontario Regulation 438/97.

Risk: means the uncertainty of future investment returns or chance of loss of capital.

Risk Tolerance: means the financial ability and willingness to absorb a loss in return for greater potential for gains.

Securities Lending: means loaning a security to another market participant. The borrower is required to deliver to the lender, as security for the loan, acceptable collateral with value greater than the value of the securities loaned. The Securities Lending program is managed by the Custodian or another appointed agent on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional marginal returns on the total portfolio.

Short-Term Money: means money that is required immediately by the Municipality as described in section 5.1 and which remains under the control and management of the Municipality. The money can be invested in appropriate Legal List Securities.

Sinking Fund: means a fund established to fulfil the requirements to make annual contributions in respect of various debenture issues wherein money is to be regularly set aside for the payment of the principal of the debentures at maturity.

Sinking Fund Required Contributions (Annual Sinking Fund Requirement): means the amount of money to be set aside each year for deposit into a sinking fund or a retirement fund, as applicable, for each sinking fund and term debenture issue in accordance with the Municipality's debenture by-laws.

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.

Tbaytel: means the Municipal Service Board, established by The Corporation of the City of Thunder Bay By-law #257-2004, to govern, control, maintain, operate and manage the City's provision of telecommunication services.

Treasurer: means the position of City Treasurer.

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 10/2022 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 a direct or 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. Designated funds listed in Schedule A are not considered by the Municipality to be MNRI and are in no way subject to the control or management of ONE JIB.

The goals of this IPS are to:

- Define and assign responsibilities for investment of MRI and MNRI;
- Describe the Municipality's responsibilities with respect to third-party trust funds and designated funds
- Ensure compliance with the applicable legislation;
- Direct ONE JIB as to the Municipality's investment goals and risk tolerance;
- Provide guidance and limitations regarding the investments and their underlying risks;
- Establish a basis of evaluating investment performance and the underlying risks; and,
- Establish a reporting standard to Council.

This IPS applies to employees of the Municipality, to ONE JIB and to the employees of ONE Investment. ONE JIB, the Treasurer, and any agent or advisor providing services to ONE

JIB in connection with the investment of the portfolio shall accept and strictly adhere to this IPS.

2.2 Governing Legislation

Investments of MRI will, in accordance with this IPS, only be made in Legal List Securities.

Investments of MNRI are governed by the Prudent Investor Standard in accordance with Section 418.1 of the Act. This standard is similar to that which governs trustees and pension fund administrators and creates a fiduciary responsibility. Prudent investment in compliance with the Act and the Regulation enhances the potential for the Municipality to earn improved risk-adjusted rates of return.

Money and investments that the Municipality holds as third-party trust funds or has an interest in as designated funds will be subject to applicable legislation and any related agreements or instruments.

The Act provides that the Municipality, and therefore ONE JIB, must consider the following criteria in planning investments of MNRI, in addition to other criteria relevant to the circumstances:

- General economic conditions;
- The possible effect of inflation or deflation;
- The role that each investment plays within the Municipality's total portfolio of investments;
- The expected total return from income and the appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital.

2.3 Prudent Investor Standard

For MNRI, the standard to be used by the Municipality and ONE JIB shall be the Prudent Investor Standard as required by section 418.1 of the Act and Part II of the Regulation in the context of managing the Municipality's MNRI and investments thereof. Investments shall be made with the care, skill, diligence, and judgment, taking into account the prevailing circumstances, that persons of prudence, discretion and integrity would exercise in the management of investments, considering the necessity of preserving capital as well as the need for income and appreciation of capital. The Act includes a duty to obtain the advice that a prudent investor would obtain under comparable circumstances.

Officers, employees and investment agents acting in accordance with written procedures and the IPS and exercising due diligence shall take all necessary actions to optimize performance of investments on a portfolio basis, taking into account the prescribed risk and other parameters set out in this IPS and market factors

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

There is no widely accepted definition of MRI or MNRI and no guidance is provided in the applicable legislation. Some, like the Toronto Investment board, have used a time-based definition (funds needed within 18 months) as their definition. The municipality has the responsibility to define the basis of MNRI in a way that is most appropriate for their circumstances.

The Municipality has defined MRI as monies required within 18 months.

For certainty, all money and investments of the Municipality that have not been identified as MNRI (other than third-party trust funds and any designated funds referenced in Section 2.1) shall be deemed for purposes of this IPS to be MRI.

Determination of the Municipality's MNRI and MRI may be modified at any time and from time to time by action of Council and with respect to specific money by the Treasurer in accordance with the provisions of Section 6.2.

Any changes in this IPS regarding the Municipality's MNRI and MRI must be communicated immediately in writing to ONE JIB.

3.2 Overview of Portfolios

The Municipality's portfolios represent funds required for specific purposes. A high-level description of each of these portfolios and their objectives is provided in Section 5 below. This IPS applies to the following money of the Municipality, its agencies, boards and commissions including:

- MRI which is invested in Legal List Securities; and/or
- MNRI which is invested under the Prudent Investor Standard.

4. ROLES AND RESPONSIBILITIES

4.1 Role of ONE JIB

ONE JIB has been appointed by the Municipality in accordance with the requirements of the Act and the Regulation and on the terms and conditions set out in the ONE JIB Agreement (Appendix I).

ONE JIB exercises control and management of the Municipality's MNRI and the investments made by it in accordance with the objectives and risk tolerance established in this IPS.

Among the responsibilities of ONE JIB are the following:

- Reviewing this IPS;
- Adopting and maintaining an Investment Plan that complies with this IPS;
- Engaging External Portfolio Managers, Custodians, administrators and other investment professionals (Agents);
- Allocating the money and investments under its control and management among External Portfolio Managers
- 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 municipal staff.

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 Corporation of the City of Thunder Bay's Short-Term Portfolio shall comply with the City of Thunder Bay's Employee Code of Conduct 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 Money

The Municipality's MRI is described in this IPS as Short-Term Money. Short-Term Money consists of money that is needed to meet the short-term financial obligations of the Municipality and are controlled and managed by the Treasurer.

5.1.1 Short-Term Monies: Investment Objectives

The main focus of the investment of Short-Term Money is cash management, and the interest income generated by the investment of these monies contribute to municipal revenues. To the extent possible, the Municipality shall attempt to match its investments with anticipated obligations.

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 Money: Eligible Investments

Short Term Money may be invested in high quality, short-term investments that are also Legal List Securities available from banks, dealers and other financial institutions. Investments issued or guaranteed by approved institutions will be permitted by this

Policy, as deemed eligible by Ontario Regulation 438/97 or as authorized by subsequent provincial regulations. 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.

For MRI, the Municipality has established a High Interest Savings Account (“HISA”) with the ONE Investment Program that can be utilized for the management of cash flows. The City will communicate on-going cash management requirements with ONE Investment. The cash management will take into consideration the current interest rate environment and the impact of potential realized gains or losses in the Portfolio.

5.2 MNRI: Long-Term Money

The Municipality’s MNRI is described in Section 3.1 as Long-Term money. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the Long-Term Money and the investments made therewith.

From time to time, the Municipality may require money immediately to meet financial obligations and may require ONE JIB to liquidate one or more investments in order to generate money to meet those obligations. ONE JIB will select the investment(s) to be liquidated. The timing of such liquidation will be determined by ONE JIB in consultation with the Treasurer.

5.2.1 Long-Term Money: Investment Objectives

In setting the objectives noted below, the Municipality has taken into account the following considerations:

- Preservation of capital;
- Adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements;
- Diversification by asset class, market, sector, issuer, credit quality and term to maturity;
- Income and capital appreciation; and,
- Macro risks, such as inflation, economic growth and interest rates.

The municipality’s Investment objectives for its Long-Term money (MNRI) can be achieved via allocations to the Outcomes defined within the ONE JIB’s Outcome Framework. Table 1 provides a summary of this framework.

Table 1:

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years
Stable Return	Stable Return	Income Generation; To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)
Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk; emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)
	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 money is to be managed by ONE JIB in a way that balances the investment objectives with a level of risk that is appropriate for the municipality. The MNRI invested with ONE JIB will be broadly diversified to help reduce the volatility of investment returns. Returns have an impact on revenues, as well as a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. To the extent possible, the Long-Term Money's investment horizons are aligned with the Municipality's obligations and cash flow requirements and may consist of liquid and non-liquid securities based on future cash flow requirements.

5.2.2 Long-Term Money: Eligible Investments

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

Additionally, nothing in this IPS prevents Long-Term Money from being held in cash, short term money market instruments, or overnight deposits.

5.2.3 Long-Term Money: Sinking Funds

The Municipality does not hold any sinking funds.

5.2.4 Long-Term Money: Local Distribution Corporation (LDC) Securities

The Thunder Bay Hydro Corporation is wholly owned by the City and provides regulated and unregulated electric utility services and complimentary commercial services. Thunder Bay Hydro Corporation includes its majority-owned subsidiary SYNERGY NORTH Corporation and its wholly-owned subsidiaries Thunder Bay Hydro Utility Services Inc. and Thunder Bay Hydro Renewable Power Incorporated. The investment in Thunder Bay Hydro Corporation included in the City's 2021 Consolidated Financial Statements is \$109.3 million. Included in this investment is a promissory note of \$26.5 million.

The LDC shares and the promissory note are considered restricted, special assets and remain in the custody of the City. The LDC shares and the promissory note are to be viewed as separate standalone investments with the subject matter expertise and administrative functions remaining under the purview of the City. Council retains direct, de facto control of the LDC shares and the promissory note 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 the LDC shares will be undertaken solely by the City.

The investment in the LDC shares and the promissory note will not be included in calculations regarding asset mix/allocations or other constraints that apply to the Long-Term Money.

ONE JIB is prohibited from selling, transferring, assigning or pledging either the LDC shares or the promissory note without the authority of the Municipality.

5.2.5 Long-Term Money:

The Municipality does not hold any other Long-Term Funds.

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 monies are not under the control or management of ONE JIB.

5.4 Investment Management

5.4.1 Investment Management of Short-Term Money

The investment of Short-Term Funds shall be controlled and managed by the Treasurer.

5.4.2 Investment Management of Long-Term Money

The investment of Long-Term Money shall be controlled and managed by ONE JIB in accordance with this IPS.

Competent External Portfolio Managers shall be appointed by ONE JIB, and they shall enter into an agreement with ONE Investment that complies with this IPS and Part II of the Regulation and provide compliance and performance reports. In accordance with the applicable regulatory requirements, ONE JIB shall make any External Portfolio Manager changes deemed in the best interest of the Municipality. For each External Portfolio Manager, ONE Investment shall agree on a set of operational guidelines including constraints, discretion limits, diversification and quality standards, and performance expectations, which are documented in each External Portfolio Manager's guidelines.

5.5 Transition to Prudent Investor Regime

Until the Prudent Effective Date, the Municipality will continue to control and manage its MRI, MNRI and investments in Legal List Securities. Some Legal List investments were made with MRI and some with MNRI.

Upon and after the Prudent Effective Date, the control and management of money and investments that are determined to be not required immediately shall be given to ONE JIB. Nothing in this IPS requires that such investments need be liquidated or disposed of. It is not contrary to this IPS for investments that the Municipality does not require immediately to be held, and to continue to be held by, ONE JIB in instruments such as term deposits, guaranteed investment certificates or principal protected notes issued by a financial institution. They can be held to maturity and invested upon receipt of cash proceeds.

Management of third-party trust funds and any designated funds is not directly affected by the Prudent Effective Date.

5.6 Investment Constraints

5.6.1 Environmental, Social and Governance (ESG) Investing

The Corporation of the City of Thunder Bay supports ESG investing for Short-Term and Long-Term Money. 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.

For the investment of Long-Term Money, ONE JIB is required to explore how External Portfolio Managers are implementing responsible investing principles at the time of hiring and during periodic reviews. It may report on results periodically, if requested.

5.6.2 *Securities Lending*

For the investment of Short-Term Money securities lending is not permitted.

For the investment of Long-Term Money, the Municipality may invest in pooled funds, and other investment funds that are managed by an External Portfolio Manager who may engage in Securities Lending if the policies of the External Portfolio Manager permit such an action.

5.6.3 *Derivatives*

Derivatives may not be used for speculative purposes. They may be used for the investment of Long-Term Money where they are fully covered by a backing asset, e.g., as for currency or other hedging, to change portfolio duration or in covered call strategies.

5.6.4 *Use of Leverage*

Nothing in this IPS prevents the use of leverage, provided it is prudent to do so. Leverage is inherent in the use of certain types of investment strategies and instruments. Where leverage is employed, ONE JIB (for MNRI) and the Treasurer (for MRI) shall have in place monitoring procedures to manage overall exposure to any counterparty. Leverage is not a strategy currently employed by ONE JIB but may be considered at a later date.

5.6.5 *Pooled Funds*

All investment strategies may be pursued directly through holdings of corporate and government issuers and indirectly via pooled funds and investment funds or any combination thereof. The investment strategies may also include allocations to cash or short-term investment vehicles.

5.6.6 *Currency Hedging*

The Short-Term Portfolio will not utilize currency hedging.

The Municipality's funding requirements are in Canadian dollars. However, some exposure to foreign currencies in the Long-Term Portfolio may be advantageous to provide diversification and potentially enhance returns. Therefore, it shall not be a

violation of this IPS for investments in global mandates to be unhedged, in whole or in part, where the diversification benefits embedded in the currency exposure are considered to be beneficial or desirable by ONE JIB.

5.6.7 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 Money

The Municipality holds a High Interest Savings Account ("HISA") with the ONE Investment Program that can be utilized for the management of cash flows. The City will communicate on-going cash management requirements with ONE Investment. The cash management will take into consideration the current interest rate environment and the impact of potential realized gains or losses in the Portfolio. Refer to the Investment Policy for Short-Term Funds outlined in Appendix II.

5.7.2 Long-Term Money

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.

For the investment of Long-Term Money, ONE JIB shall establish parameters for monitoring investments and rebalancing through policy or directly within the investment plan.

Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. At minimum, ONE JIB shall provide reporting described in Section 6.7 that shows the Municipality's holdings, declares compliance with this IPS, and shows External Portfolio Manager performance.

6. ADMINISTRATIVE POLICIES

6.1 Flow of Money and Annual Municipal Budget

6.1.1 Transfer to ONE JIB as Part of Annual Review Process

On an annual basis, as part of the Municipality's Annual Review process, the Municipality shall identify the amount, if any, of Long-Term Money that it holds. Any Long-Term Money

not already under the control and management of ONE JIB shall be transferred to ONE JIB as soon as practicable.

6.1.2 *Transfer to Municipality as Part of Annual Review Process*

On an annual basis, ONE JIB shall be notified by the Treasurer as to the amount, if any, required by the Municipality from the Long-Term Money then under the control and management of ONE JIB for the Municipality's operational purposes. Such amount shall be deemed to be Short-Term Money and shall be returned to the Municipality in a lump sum or by way of periodic payments, as directed by the Treasurer.

6.2 *Flow of Money Otherwise than through the Budget Process*

6.2.1 *Surplus Funds*

The Short-Term Funds capture revenues received by the Municipality during each year after the approval of the Municipality's budget for the year. Any amounts deemed to be MNRI by the Treasurer at any such time during the year shall be transferred to ONE JIB to be under its management and control as Long-Term 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 to direct ONE JIB to return any amounts determined by the Treasurer to be required to meet expenditures for unexpected contingencies not anticipated by the Municipality's budget in force for that year, provided however that the aggregate of the amounts to be returned to the Municipality under this Section 6.2.2 during the year shall not exceed 25% of the Long-Term Money under the control and management of ONE JIB as at the date that the Municipality approved its budget for the year (the Budgeted Long-Term Money). In determining the Budgeted Long-Term Money for purposes of calculating the 25% limit, any Long-Term Money to be transferred to the control and management of ONE JIB in accordance with that year's Annual Review pursuant to Section 6.1.1 shall be included and any amount to be returned by ONE JIB to the Municipality pursuant to Section 6.1.2 shall be excluded.

6.3 *Valuation of Investments*

Investments shall be valued according to the values provided by the Custodian(s). For the investment of Long-Term Money, values of unitized vehicles shall be valued according to the unit values published by the Custodian. Other investments shall be valued at their market value when that is available from regular public trading. If a market valuation of an investment is not available, then a fair value shall be supplied by the External Portfolio Manager to the Custodian no less frequently than quarterly.

6.4 Voting Rights

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 Money, the Custodian shall be acceptable to ONE Investment. For Short-Term Money the Custodian shall be acceptable to ONE Investment if ONE Investment is administering the investment of the Municipality's Short-Term Money, otherwise the Custodian shall be acceptable to the Municipality.

6.7 Reporting

6.7.1 Short-Term Money

For the investment of Short-Term Money, the Treasurer shall report at least annually to Council, the report to be in a form and contain such content as Council may request. The report to Council shall include investment performance during the period covered and any other information required under the Regulation and that the Treasurer may consider to be pertinent.

6.7.2 Long-Term Money

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of Long-Term Money at least annually. This report shall include the following.

- Investment performance during the period covered by the report;
- Asset mix of the total portfolio;
- A listing of individual investments held at the fund level at the end of the reporting period showing, where appropriate, book value, market value, realized/unrealized gains/losses and actual income received;
- A list of all transactions including the security name, trade date, and the purchase and/or sale price;

- A statement by the Treasurer as to whether all investments were made in accordance with the IPS and as to whether all investments were made in accordance with the Investment Plan; and
- Any other pertinent information in the opinion of the Treasurer.

All securities invested on behalf of the Municipality by ONE JIB or with the assistance of ONE Investment shall be held for safekeeping in the name of the Municipality by a Custodian.

7. SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE

7.1 Modifications to the IPS

At least annually, Council shall review the IPS and update it, if required. In the course of reviewing the IPS, Council may request comments from the Treasurer with respect to the investment of Short-Term Money and from ONE JIB with respect to the investment of Long-Term Money.

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

At a minimum, the annual IPS review will consider:

- the adequacy of funding for capital works;
- the Municipality's ability to reduce other spending;
- flexibility of the timeframe to payout; and
- sensitivity to loss.

7.2 Effective Date

This policy will be effective on the date of Council ratification.

Schedule A**Third-Party Trust Funds and Designated Funds****Third-Party Trust Funds**

The Corporation of the City of Thunder Bay holds Trust Funds as outlined in the Trust Funds Financial Statements for the year ended December 31st audited by external auditors annually. Included are care and maintenance trust funds under the *Funeral, Burial and Cremation Services Act, 2002* which are to be invested pursuant to the *Trustee Act*.

Designated Funds

The Municipality holds the following designated fund.

Tbaytel

REFERENCES

Section 418, Municipal Act 2001
Ontario Regulation 438/97 and Ontario Regulation 655/05, as amended.
Report R 6/2022

Appendix I: ONE JIB Agreement

Appendix II: Investment Policy for Short-Term Money

APPROVED BY:	X	Date:	X
Replacing/Amending:	X		
Originating Department:	Corporate Services & Long Term Care (Financial Services)		
Contact:	Director – Financial Services		
Departmental Procedural Manual:	N/A		
Affected Departments:	N/A		

To: ONE Joint Investment Board
 From: Keith Taylor, Chief Investment Officer, ONE Investment
 Date: June 1, 2023
 Re: Town of Whitby Annual Investment Plan Review
 Report: ONE JIB 2023-020

1. RECOMMENDATIONS

It is recommended that the Board:

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

2. SUMMARY

The Town of Whitby has updated its Municipal Client Questionnaire (MCQ) to provide information on its MNRI, and the investment horizons associated with its reserve balances. As part of its annual review process, Town staff identified that the overall MNRI has remained largely unchanged, and the Town will not be making a cash contribution to MNRI. Allocations to the Investment Outcomes are shifting from the Target 5-10 and Target 10+ timing horizon to the Target 3-5 timing horizon to better align with the large growth-related capital projects proposed within the next five years. The proposed changes in the Investment Plan will decrease the overall allocation to equities. Equity allocations in this Investment Plan will be 39.3% of invested MNRI, down from 45.7% previously.

The proposed investment allocations, which reflect consolidated holdings across ONE Investment Outcomes, are presented below:

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	\$23.6	13.8
ONE Canadian Equity Fund	20.2	11.8
ONE Global Equity Fund	47.1	27.5
ONE Canadian Government Bond Fund	12.0	7.0
ONE Canadian Corporate Bond Fund	12.0	7.0
ONE Global Bond Fund	56.2	32.8
Total	\$171.1	100.0

3. BACKGROUND

The Town's annual Investment Policy Statement (IPS) review resulted in some minor housekeeping changes that have no material impact on the Investment Plan

The Town completed its annual IPS review on April 24, 2023. Council approved minor housekeeping modifications to the IPS consistent with ONE JIB's IPS template. The modifications clarify language and give ONE JIB more flexibility to modify the product offerings used in the Prudent Investment Program.

The Town will not be making any cash contributions to MNRI this year and will also not be withdrawing funds this year

The Town expects strong population growth over the next 10 years, which will require significant spending on infrastructure. The timeline in which funds will be needed to fund the Town's growth-related capital projects is uncertain, creating uncertainty for the Town's investment horizons. The Town is currently in the process of constructing a new sports complex and a new arterial roadway along with other large capital projects in the 3-5-year horizon.

Approximately \$71 million will be required in the next 5 years, the majority of which is growth-related. For example, 53% of the current MNRI related to development charge reserves is expected to be required in the next 5 years. The Town's share of its capital growth program will primarily be funded from the Growth Reserve Fund (included in the Capital Reserves) and the Canada Community Benefits Reserve Fund (included in Other Obligatory Reserve Funds). Staff have indicated uncertainty related to exact timing and cost of the relevant projects, which may end up extending the planning horizon.

Further detail on the Town's MNRI can be found in section 4.1 of the MCQ, which is shown in Table 1 below.

Table 1: MNRI by Type Category and Time Horizon, adapted from MCQ section 4.1 (\$ thousands)

Reserve Type	Description	MNRI Amount	Less than 3 years	3 to 5 years	5 to 10 years	10+ years
Asset Management Reserve	Long Term Reserve to support the Asset Management Plan	\$28,533			\$14,533	\$14,000
Capital Reserves	Growth Reserve Fund to support the Town's share of the Capital Growth Program, Various Program Reserves & mid-term requirements from the Asset Management Reserve	\$33,230	\$5,000	\$17,470	\$10,000	\$766
Development Charges Reserve Funds	Development Charges	\$44,548	\$10,162	\$13,261	\$17,192	\$3,932

Reserve Type	Description	MNRI Amount	Less than 3 years	3 to 5 years	5 to 10 years	10+ years
Other Obligatory Reserve Funds	Canada Community Building RF, Building Permit Revenue RF, Parking CIL RF, Parks CIL RF, Gravel Pit Reserve, Development Future Specified Contributions	\$46,995	\$13,817	\$11,390		\$21,788
Contingency	Engineering Development Fee Reserve, Planning Development Fee Reserve, Bad Debt Allowance Reserve, Contingencies Reserve, Winter Control Reserve, Engineering Fees and Planning Fees	\$11,301				\$11,301
Total		\$164,608	\$28,979	\$42,121	\$41,726	\$51,782

Numbers may not sum due to rounding.

The majority of the Town's MNRI has an investment horizon that exceeds five years

Although the Town's growth plan is advancing, 57% of its MNRI will not be required within the next five years. While Table 1 shows over \$51 million with a time horizon of 10 years or longer, cash flow forecasts become more uncertain as the time horizon becomes longer. Table 2 shows the expected contributions and withdrawals of MNRI over the next 10 years. Furthermore, it indicates the Town may need to withdraw funds before 2026; however, there is some uncertainty about the timing and amounts of these drawdowns.

Table 2: Forecasted Contributions and Withdrawals, adapted from MCQ 4.2 (\$ thousands)

Type	Next Year	2 years	3 to 5 years	5 to 10 years	Greater than 10 years
Anticipated MNRI Drawdowns	-	(\$28,979)	(\$42,121)	(\$41,726)	(\$51,782)
Anticipated MNRI Contributions	-	-	-	-	-
Net Change in MNRI	-	(\$28,979)	(\$42,121)	(\$41,726)	(\$51,782)

Numbers contained within may not sum due to rounding.

The Town's remaining Principal Protected Notes are set to mature in 2024

The 2022 Investment Plan included \$1 million of Principal Protected Notes as pledged securities. These notes mature in 2024, and for the purposes of the 2023 Investment Plan have been reclassified as MRI since maturity is less than 2 years.

4. ANALYSIS

There are no proposed new contributions, however the overall portfolio is to be realigned to reflect changes in the Town's cashflow forecast

Although the Town's MNRI invested in the Outcomes Framework totals \$171 million up to March 31, 2023, Table 4.1 in the MCQ shows the Town's MNRI at \$164.6. This lower MNRI number used by Town staff for internal planning purposes reflects a valuation date of December 31, 2022 and the Town does not plan on changing the total amount invested in MNRI at this time. No contributions or withdrawals are proposed for this year.

The Investment Plan includes proposed transactions to shift money from longer term investments to shorter term investments. The Investment Plan includes an increase of \$17.9 million to Target 3-5 Date Year Outcome, an increase of \$0.85 million to the Contingency Outcome and decreases of \$6.3 million from Asset Management Reserve Outcome, \$6.9 million from Target Date 5-10 Year Outcome and \$5.6 million from Target Date 10+ Outcome. These shifts align with the Town's current Capital Forecast and the proposed forecasted growth of the municipality.

The proposed mapping to Outcomes and resulting asset allocation are consistent with the time horizon in the Town's cash flow forecasts.

The Town has a significant number of planned capital projects over the next 10 years, mostly growth-related projects. Portions of the asset management reserves, capital reserves and obligatory reserves with a time horizon greater than 10 years allow the Town to assume a higher risk profile on those funds. The reserves with a 5-10-year horizon provide enough time to assume a moderate level of risk, and the reserves with a shorter time horizon can be invested for lower volatility and a lower risk profile.

Mapping the MNRI to Outcomes relied on the MCQ and discussions with the Commissioner of Financial Services & Treasurer to ensure a common understanding of the uses and purposes of the MNRI. Asset allocations (Table 3 below) and fund allocations (Table 4 and 5 below) were determined using the ONE JIB's Outcomes Framework.

Table 3: Proposed Outcome Mapping and Asset Allocation

Outcome	Total Invested (\$ millions)	Portfolio Weight (%)	HISA (%)	Fixed Income (%)	Equities (%)	Total (%)
Cash	\$10.3	6.0	100	-	-	100
Contingency	11.4	6.7	-	40	60	100
Asset Mgmt Reserves	14.1	8.2	-	10	90	100
Target Date 3-5 Years	66.6	38.9	20	70	10	100
Target Date 5-10 Years	42.0	24.6	-	50	50	100
Total	\$171.1	100.0				

Table 4: Proposed Pooled Fund-Level Allocation

ONE Investment Funds & HISA	Total Invested (\$ millions)	Portfolio Weight (%)
ONE HISA	\$23.6	13.8
ONE Canadian Equity Fund	20.2	11.8
ONE Global Equity Fund	47.1	27.5
ONE Canadian Government Bond Fund	12.0	7.0
ONE Canadian Corporate Bond Fund	12.0	7.0
ONE Global Bond Fund	56.2	32.8
Total \$	\$171.1	100.0

Table 5: Proposed Pooled Fund Allocations by Outcome (values in \$ millions)

Outcome	ONE HISA	ONE Canadian Equity Fund	ONE Global Equity Fund	ONE Canada Govt Bond Fund	ONE Canadian Corporate Bond Fund	ONE Global Bond Fund	Total
Cash	\$10.3	-	-	-	-	-	\$10.3
Stable Return	-	-	-	-	-	-	-
Contingency	-	2.05	4.79	0.68	0.68	3.2	11.4
Asset Mgmt Reserves	-	3.81	8.88	0.21	0.21	1.0	14.1
Target Date 3-5 Years	13.32	2.00	4.66	6.99	6.99	32.6	66.6
Target Date 5-10 Years	-	6.30	14.70	3.15	3.15	14.7	42.0
Target Date 10+ Years	-	6.01	14.02	1.00	1.00	4.7	26.7
Total \$	\$23.6	\$20.2	\$47.1	\$12.0	\$12.0	\$56.2	\$171.1

5. CONCLUSION

The proposed Investment Plan is consistent with the Town's IPS. The proposed asset mix and fund allocations reflect the investment objectives and risk preferences expressed in its IPS and MCQ. As a result, the Investment Plan is appropriate for the Town's objectives, risk tolerance, time horizons and available MNRI.

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

Town of Whitby

Investment Plan

Date: June 1, 2023

A blue triangle with a yellow diagonal line running from the top-left corner to the bottom-right corner.

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

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1. Definitions

Act	Act means the <i>Municipal Act, 2001</i> , S.O. 2001, c. 25, as amended from time to time.
Agent	Agent means any administrator, Custodian, payment servicer, External Portfolio Manager, investment counsel, consultant, banker, broker, dealer or other service provider engaged or appointed by ONE JIB and authorized by ONE JIB to exercise any of the functions of ONE JIB, in the manner and to the extent provided in the Regulation, pursuant to a written agreement with ONE Investment and, without limiting the generality of the foregoing, Agent includes ONE Investment.
Asset Allocation	Asset Allocation means the proportions of each Asset Allocation (or Asset Class) in an investment portfolio. The primary Asset Allocations (or Asset Classes) are cash and cash-equivalent instruments, fixed income, equities and equity-equivalent securities. These primary Asset Allocations (or Asset Classes) can be further subdivided into government and corporate bonds, large and smaller cap equities and other widely recognized asset categories. ONE Investment generally uses the term “Asset Allocation” to refer to the percentage, at the applicable time, of an investment portfolio comprised of cash, fixed income and equities.
Asset Class	Asset Class means the type of asset category in an investment portfolio. The primary Asset Classes (or Asset Allocations) are cash, cash-equivalent instruments, fixed income equities and equity-equivalent securities. These primary Asset Classes (or Asset Allocations) can be further subdivided into government and corporate bonds, large and small cap equities and other widely recognized asset categories. This term can be used interchangeably with Asset Allocation (defined above).
Asset Weight	Asset Weight means the actual percentage of HISA and/or of a particular Fund in comparison to the entire amount invested in a particular Outcome and also means the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in a particular Outcome. This term also includes the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in the investment portfolio.
Authorizing By-law	Authorizing By-law means, with respect to a Participating Municipality, the by-law under which it (i) adopts and undertakes to maintain its IPS, (ii) authorizes the entering into of the ONE JIB Agreement with ONE JIB and the other Participating Municipalities, (iii) approves its completed MCQ, (iv) authorizes the establishment of a Code of Conduct for ONE JIB, and (v)

delegates to ONE JIB the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

Note: an Authorizing By-law of a Participating Municipality can, at the option of council, also be constituted as the Prudent Investor Enabling By-law by specifying a specific future date, agreed to by ONE JIB, as the date on which the PI Standard will apply to the Participating Municipality under Section 418.1 of the Act.

Benchmark	Benchmark means an independently verifiable index that is representative of a specific securities market. For the most part the Benchmark is a relevant market index e.g., the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc. against which investment performance can be compared. ONE Investment generally selects recognized and widely used performance benchmarks which measure total returns expressed in Canadian dollars. ONE Investment may use a single index or a blended index made up of one or more indices.
CFA Institute	CFA Institute means the not-for-profit professional association that administers the Chartered Financial Analyst (CFA) and the Certificate in Investment Performance Measurement (CIPM) curricula and examination programs worldwide, publishes research, conducts professional development programs, and sets voluntary, ethics-based professional and performance reporting standards for the investment industry.
Chief Compliance Officer (CCO)	Chief Compliance Officer means a duly qualified individual who is the most senior officer responsible for the design and implementation of the compliance program for ONE Investment and for the ONE Prudent Investment Program.
Chief Investment Officer (CIO)	Chief Investment Officer means a duly qualified individual who is the most senior person responsible to oversee investments and who advises ONE JIB as to the recommended Outcomes for Participating Municipalities to comply with their IPSs.
Credit Risk	Credit Risk means the possibility that a borrower will not repay a loan or meet other contractual obligations in full on time. One example of credit risk is the risk that a lender may not receive the borrowed principal and interest when due. Another example of credit risk, sometimes referred to as counterparty credit risk, is the risk that a party to a derivatives contract will default and fail to fulfill its obligations.
Custodian	Custodian means a specialized financial institution appointed to have custody and safekeeping of financial assets. Global Custodians may hold assets for their clients in jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

Derivative	A derivative means a contract between two or more parties the value of which is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.
Drift	Drift means the deviation from Target Weight. Drift is cause for concern or a trigger for Rebalancing when it reaches or exceeds a certain magnitude for a specified period of time.
ESG (Environmental, Social and Governance Factors)	ESG factors mean “indicators used to analyse a (investee) company’s prospects” which are based on measures of its performance on environmental, social, and corporate governance criteria. According to the United Nations Principles of Responsible Investment, environmental issues relate to “the quality and functioning of the natural environment and natural systems”, social issues relate to “the rights, well-being and interest of people and communities”, and governance issues relate to “the governance of companies and other investee entities.”
External Portfolio Managers	External Portfolio Managers means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a ONE Investment Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.
Funds	Funds mean the pooled investment Funds offered as part of the ONE Prudent Investment Program and includes the ONE Canadian Equity Fund, the ONE Global Equity Fund, the ONE Canadian Bond Fund, the ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund, each of which is a Fund. Each Fund constitutes an Investment Fund and a Pooled Fund (defined below).
In-Kind	In-Kind means assets/securities instead of cash. In certain cases Participating Municipalities may transfer securities to ONE JIB as part of their MNRI instead of remitting only cash to ONE JIB. As these securities mature ONE JIB would invest the proceeds into the Outcomes specified in the relevant Investment Plan.
Internal Controls	Internal Controls mean a system of controls that may include authorities, policies, procedures, separation and segregation of duties, compliance checks, performance measurement and attribution, reporting protocols, measures for safekeeping of property and data, and the audit process.
Investment Fund	Investment Fund means a pool of money belonging to many investors that is used to collectively purchase stocks, bonds or other securities. This term includes a Fund (defined above) and a Pooled Fund (defined below).
Investment Plan	Investment Plan means the investment plan for a Participating Municipality applicable to its Long-Term Funds and investments that the Participating Municipality does not require immediately, as adopted and maintained by ONE

JIB under the Regulation, as the Investment Plan may be amended from time to time.

Investment Policy Statement (IPS)	Investment Policy Statement means the investment policy applicable to a Participating Municipality's investments adopted and maintained by the council of the Participating Municipality for Long-Term Funds under the Regulation, and for Short-Term Funds, as the IPS may be amended from time to time. The IPS may also apply to the money and investments held by the Participating Municipality for the benefit of persons other than the Participating Municipality itself and may make reference to any source of money in which the Participating Municipality may have an indirect interest but which the Participating Municipality has no authority to invest.
Legal List Securities	Legal List Securities mean the securities that are prescribed from time to time in Part I of the Regulation.
Leverage	Leverage means using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage tends to increase investment risks.
Local Distribution Corporation	Local Distribution Corporation or LDC means a corporation incorporated under section 142 of the Ontario <i>Electricity Act, 1998</i> , as amended from time to time.
Long-Term Funds	Long-Term Funds mean money that the Participating Municipality has defined as long-term and characterized as money that is not required immediately.
Money Not Required Immediately (MNRI)	Money Not Required Immediately means money that is not required immediately by a Participating Municipality, the control and management of which has been given to ONE JIB. There is no universal definition of MNRI and it is at the discretion of each Participating Municipality to determine its MNRI in a way that is appropriate for its circumstances.
Municipal Client Questionnaire (MCQ)	Municipal Client Questionnaire means a document which is completed by the Treasurer of each Participating Municipality, and which includes information on municipal investments and risk preferences that must be reviewed annually.
Municipality	Municipality means the Town of Whitby.
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 Whitby'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 Whitby.

3. Responsibility for Plan

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

4. Investment Context

4.1 Investment Goals and Objectives

Returns on investments have an impact on Whitby'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 Whitby'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 Whitby has an obligation for a specific project at a specific time.

Whitby 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 Whitby'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 Whitby are aligned with the Outcome Frameworks adopted by ONE JIB.

Whitby'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 Whitby's current goals, objectives, circumstances and risk tolerance, and helps direct how investment allocations will be determined. The allocation of Whitby's MNRI in this Plan is consistent with the details as disclosed in Whitby's IPS and MCQ.

While individually Whitby's reserve and reserve funds require liquidity, collectively they provide Whitby 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 Whitby in Table 1 above. The MNRI of Whitby 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 Whitby in this Investment Plan.

4.2 Comments by Chief Investment Officer

The Town of Whitby is experiencing rapid growth, with projected population growth of 40% by 2032. Town planning includes significant investments in infrastructure to support this growth. While the Town currently has significant financial flexibility, the majority of its MNRI reflects ‘development charges’ which will help fund infrastructure spending as the Town grows. The spending of these ‘development charges’ is tied to developers’ progress on completing projects, which means that the Town has only limited visibility on when these monies will ultimately be spent. While this creates a level of uncertainty related to cashflow planning, the Town has considerable financial flexibility that should allow them to invest with a relatively long investment horizon.

The remaining \$1 million of principal protected notes that reflect MNRI held as in-kind securities will be reclassified as MRI as the notes will mature in 2024.

The Town of Whitby will not be making additional contributions or withdrawals of MNRI as part of the annual review, but the Investment Plan includes relocation of existing MNRI between the investment outcomes. These transactions collectively will increase allocations to the Target Date 3-5 Year Outcome while reducing allocations to outcomes with longer investment horizons. The Town is currently planning to construct a new sports complex and a new arterial roadway, along with other large capital projects in the 3-5 year horizon, and larger allocations to the Target Date 3-5 Year Outcome will help fund these commitments. Due to the size of these capital projects, external financing options are also being considered by the Town.

As disclosed in last year’s Investment Plan, there is some potential uncertainty related to the Town’s holdings in Elexicon Energy Inc., and there remains a possibility that an existing shareholder may divest, providing Whitby with the option to increase their holdings in this legacy investment. There was no update relating to this, but it remains a source of notable uncertainty. If this materializes, it could lead to a significant drawdown in MNRI.

At the time of writing, the recommended overall exposure to equity within the portfolios was about 39.3%, down from 45.7% in the prior year’s Investment Plan. This level of equity exposure is appropriate for the Town considering its circumstances and needs Town. A diversified portfolio with a meaningful equity allocation should allow for capital growth to help the returns keep up with inflation while maintaining a reasonable risk profile.

5. Investment Portfolio

5.1 Asset Allocations

Asset allocations for each Outcome are typically expected to be relatively stable until the next annual review. Any contributions or withdrawals of MNRI must be communicated to ONE JIB formally as outlined in Appendix A.

The goals, objectives, constraints and circumstances of Whitby are taken into consideration when assigning asset allocations for Whitby 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 Whitby'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 have contributed to elevated inflation levels.
- Efforts by the Bank of Canada and other central banks to reduce inflationary pressures led to sharply higher interest rates in 2022. The Bank of Canada increased its overnight lending rate by 4.0% last year, in one of the sharpest movements in interest rates in modern history.
- There is some risk that aggressive rate hikes could lead to an economic recession.
- 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 Whitby's MCQ dated May 18, 2023 have been allocated into investment Outcome categories as shown in Table 2 below.

Table 2 – Investment Allocations based on MCQ updated on 18 May 2023*

Outcome	Allocation (\$)	Allocation Weight (%)
Cash	\$10,262,342	6.0
Contingency	11,400,000	6.7
Asset Mgmt Reserves	14,100,000	8.2
Target Date 3-5 Years	66,600,000	38.9
Target Date 5-10 Years	42,000,000	24.6
Target Date 10+ Years	26,700,000	15.6
Total	\$171,062,342	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 March 31st, 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 Whitby's circumstances will be used for each Outcome. Descriptions of these Outcomes, ONE Prudent Investment Program funds and the asset allocations for each Outcome are shown in Appendix B.

5.3 Cash Outcome

The allocation to the Cash Outcome will be approximately \$ 10.3 million, unchanged vs. the existing allocations.

Cash allocations are appropriate for Whitby's relatively short-term funding needs. As the monies are anticipated to be drawn down within three years, it is most appropriate to invest these monies such that there is minimal potential for capital loss. Longer-term investments are able to assume more risk and potentially absorb capital losses as there is ample time for investment growth to allow the investment value to recover. Details of the allocation of the Cash Outcome are found in Table 3. Further detail about the Cash Outcome allocations can also be found in Appendix B. Monies in the Cash Outcome are expected to be reclassified as MRI over the next few years. All interest earned in the Cash Outcome will be reinvested in the Cash Outcome:

Table 3 - Cash Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Cash	100	100	100	Bank of Canada 1 Year GIC Rate
ONE HISA		100		
Total		100		

Further discussion on benchmarks is included in Appendix C

5.4 Contingency Outcome

The allocation to the Contingency Outcome will be approximately \$ 11.4 million, increasing by about \$850,000 as part of the Investment Plan update.

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 Asset Management Reserves Outcome

The allocation to the Asset Management Reserve Outcome will be approximately \$ 14.1 million, decreasing by about \$ 6.3 million as part of the Investment Plan update.

The Asset Management Reserve Outcome is specifically designed as an Outcome suitable for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to fund asset management reserves. The very long-term nature of asset management reserves allows this Outcome to emphasize long-term growth, and as such, it has a significant allocation to equities. Details of the allocation of Whitby's Asset Management Reserves Outcome are shown in Table 5. Further detail about the Asset Management Reserves Outcome allocations can also be found in Appendix B. All income generated by this outcome will be reinvested. Monies invested in this Outcome will be invested based on the following asset mix and will be rebalanced to ensure a consistent risk profile.

Table 5 - Asset Management Reserve Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	88	90	92	
ONE Canadian Equity Fund		27		S&P/TSX Composite Index
ONE Global Equity Fund		63		MSCI ACWI (All Country World Index)
Fixed Income	8	10	12	
ONE Canadian Government Bond Fund		1.5		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		1.5		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		7		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C.

5.6 Target Date Outcome

Whitby identified reserves that would be appropriate for Target Date Outcomes. Most of Whitby's MNRI will be allocated to Target Date Outcomes, which will be allocated in a way that reflects the expected time horizon of balances and reserves. The monies invested in Target Date Outcomes will be split into separate Target Date allocations that collectively reflect the need for liquidity and growth and the time horizon in which the funds will be required. The allocation to the Target Date Outcomes will be approximately \$ 135 million and divided among the various target date outcomes accordingly:

- Target Date 3-5 Year – \$ 66.6 million (an increase of \$17.9 million)
- Target Date 5-10 Year – \$ 42.0 million (a decrease of \$6.9 million)
- Target Date 10+ Years – \$ 26.7 million (a decrease of \$5.6 million)

Target Date Outcomes will be managed with the objective of providing for the return of principal, income and capital gains at a target date in the future. All income will be reinvested.

Approximately \$ 66.6 million (about 39% 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 6 below.

Table 6 - Target Date 3-5 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Cash	17	20	23	
ONE HISA		20		Bank of Canada 1 Year GIC Rate
Equity	8	10	12	
ONE Canadian Equity Fund		3		S&P/TSX Composite Index
ONE Global Equity Fund		7		MSCI ACWI (All Country World Index)
Fixed Income	66	70	74	
ONE Canadian Government Bond Fund		10.5		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

Approximately 25%, or \$42 million, of MNRI will be invested in the Target Date 5–10 Year Outcome. Details of the allocation for this Outcome are in Table 7 below. Further detail about the Target Date 5-10 Year Outcome allocations can also be found in Appendix B.

Amounts will be allocated to the Target Date 5–10 Year Outcomes to reflect the intended time horizon and risk profile for reserve accounts where near term liquidity is less relevant. The Target Date 5–10 Year Outcome has a 50% allocation to equities, which should help monies invested in this outcome to achieve growth. As monies invested in this Outcome typically reflect reserves for future

capital projects, growth is the value of investments is important to help offset the impact of inflation and pre-construction changes on project costs.

Table 7 - Target Date 5-10 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	45	50	55	
ONE Canadian Equity Fund		15		S&P/TSX Composite Index
ONE Global Equity Fund		35		MSCI ACWI (All Country World Index)
Fixed Income	45	50	55	
ONE Canadian Government Bond Fund		7.5		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		7.5		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		35		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

Approximately 16%, or \$ 26.7 million of MNRI will be invested in the Target Date 10+ Year Outcome, which is intended to fund longer-term capital projects. This Target Date Outcome has an overall allocation to equity of about 75%, which should provide an opportunity for the monies invested to grow in value. More detail on the allocations for the Target Date 10+ Year Outcome are shown in Table 8.

As these monies may be used for construction/development projects in the future, growth is highly relevant as it will help preserve the purchasing power for monies invested. The need for investment returns to at least match inflation is a key consideration for monies allocated to this longer dated target date outcome.

Table 8 - Target Date 10+ Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Equity	71	75	59	
ONE Canadian Equity Fund		22.5		S&P/TSX Composite Index
ONE Global Equity Fund		52.5		MSCI ACWI (All Country World Index)
Fixed Income	21	25	29	
ONE Canadian Government Bond Fund		3.75		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		3.75		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		17.5		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

5.7 Projected Investment Returns

This section has not been updated.

5.8 Non-Liquid Assets

a. Legacy Investments / Strategic Investments

Whitby's investment in Elexicon Energy Inc, 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 Whitby's IPS such that ONE JIB has agreed not to dispose of or deal with that investment without Whitby's consent. Table 9 below describes the investment in Elexicon Energy Inc.

Table 9 - Whitby's LDC Holdings

<u>Investment in Local Distribution Company</u>	<u>Amount (\$)</u>
Elexicon Energy Inc	<u>78,401,600</u>

b. Transitional Investments

This section does not apply

5.9 Other Accounts

Whitby has no other accounts ONE JIB must consider.

6. Applicable ONE JIB Policies

Besides those listed below, there may also be constraints specific to each externally managed portfolio that govern how they are invested by the external investment manager.

6.1 Environmental, Social and Governance (ESG) Investing

ONE JIB supports ESG investing and incorporates those principles into its investment decision-making through its due diligence processes when choosing and evaluating External Portfolio Managers. External Portfolio Managers are assessed for their ESG policies. ONE JIB recognizes the practical difficulties of negative screening, whereby securities are excluded based on the nature of their business. ONE JIB's preference is to integrate social responsibility into the investment process with the intent of influencing companies to change their behaviour where appropriate. ONE JIB's approach will necessarily vary by External Portfolio Manager based on a number of factors, including the degree of control exercised by ONE JIB, contractual restrictions and the nature of the investment. Accommodating all requests for specific ESG considerations may not be possible due to availability, costs or other factors.

6.2 Securities Lending

Investment Funds that are controlled by an External Portfolio Manager may engage in securities lending if their policies permit such an action.

6.3 Derivatives

ONE JIB does not intend that derivatives be used in the investment of Long-Term Funds for speculative purposes or to apply leverage to the portfolios for non-hedging purposes. In certain cases, Long-Term Money is invested in underlying funds where the External Portfolio Manager is authorized under the constituting documents of such underlying funds to use derivatives. In such cases, the External Portfolio Manager shall provide written notice of its intended use of derivatives and the contents of such notice shall be satisfactory to ONE JIB. Generally, use of derivatives will be permitted where for so long as the derivative instrument or agreement is outstanding, the investment portfolio has a long position or other offsetting position in the underlying asset. For example, derivative instruments may be used for currency hedging, to change portfolio duration or in covered call strategies.

6.4 Rebalancing

Each investment Outcome will have target weights assigned for each asset class and investment holding, which collectively represent the intended asset allocation for the Outcome. Minimum and maximum weights will also be assigned for asset class allocations, and these weights will guide the rebalancing process. Each account's asset allocation will be monitored and rebalanced by ONE Investment in accordance with ONE JIB's Rebalancing Policy and this Investment Plan.

7. Implementation

7.1 Custodian

All investments under the control and management of ONE JIB, except for Whitby-owned electricity assets, shall be held for safekeeping by ONE Investment's Custodian.

7.2 Transition Plan (including transitional investments)

This section does not apply.

7.3 Accommodating Cashflow Needs

a. Investment Income and Rebates

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

a. Anticipated mid-year cashflow requests

Whitby 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 Whitby 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 The Municipality'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. As appropriate, the ONE JIB may consider how to implement such changes in a pragmatic way and will give guidance on how such changes to the allocations and Outcomes should be implemented.

Cash Outcome

Asset Class	% Weight		
	Min	Target	Max
Cash	100	100	100
ONE HISA		100	
Total		100	

Stable Return Outcome

Asset Class	% Weight		
	Min	Target	Max
Cash	8	10	12
ONE HISA		10	
Equity	26	30	34
ONE Canadian Equity Fund		9	
ONE Global Equity Fund		21	
Fixed Income	55	60	65
ONE Canadian Government Bond Fund		9	
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
Cash	17	20	23		0			0	
ONE HISA		20			0			0	
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	66	70	74	45	50	55	21	25	29
ONE Canadian Government Bond Fund		10.5			7.5			3.75	
ONE Canadian Corporate Bond Fund		10.5			7.5			3.75	
ONE Global Bond Fund		49			35			17.5	
Total		100			100			100	

Appendix C: Performance Benchmarks for ONE Investment Funds

- The table below details the benchmarks to be used for the performance evaluation of the ONE Investment Pools.
- Blended benchmarks for the prudent investor Outcomes will be used in proportion to their target asset allocation weights.

ONE HISA	Bank of Canada 1 Year GIC Rate
ONE Canadian Equity Fund	S&P/TSX Composite Total Return Index
ONE Global Equity Fund	MSCI ACWI (net)
ONE Canadian Government Bond Fund	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

Benchmarks used for ONE Investment Funds may be revised at a future date and may be adjusted as appropriate to reflect changes in the underlying investment mandates approved by the ONE JIB.

Municipal Client Questionnaire (MCQ)

Review and update the MCQ annually in conjunction with the review of the Investment Policy Statement.

However, update the MCQ within 90 days if:

- a. There is a significant change in the municipality's financial circumstances, or
- b. There is a significant change in the municipality's "money not required immediately"

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

1. CLIENT INFORMATION

1.1 NAME OF MUNICIPALITY: The Corporation of the Town of Whitby

1.2 ADDRESS: 575 Rossland Rd East, Whitby, ON L1N 2M8

1.3 TREASURER INFORMATION

i. Name: Fuwing Wong

ii. Phone Number: (905) 430- 4314 iii. Email: wongf@whitby.ca

1.4 PRIMARY DAY-TO-DAY CONTACT INFORMATION*

i. Name: Bren Bozzer

ii. Title: Senior Financial Analyst

iii. Phone Number: (905) 444- 1954 iv. Email: bozzerb@whitby.ca

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

Municipal Client Questionnaire (MCQ)

2. INVESTMENT KNOWLEDGE AND EXPERIENCE

2.1. Which statement best describes the Municipal staff (person most responsible for managing investments)'s level of investment knowledge and experience with financial markets and products?

- ☐ Very limited knowledge
- ☐ Basic knowledge and minimal experience
- ☒ Good knowledge and some investment experience
- ☐ Strong knowledge and experience
- ☐ Advanced knowledge and extensive experience

Does Municipal staff (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.

Municipal Client Questionnaire (MCQ)

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)?

		Investment Objective	Risk Tolerance	Tolerance for short-term (1 year) losses
<input type="checkbox"/>	Lower risk/return	Capital preservation is the main objective. Willingness to accept lower returns to reduce the likelihood of losses	Conservative Approach: A small chance of loss of capital over a 5-year period	Less than 5% decline
<input checked="" type="checkbox"/>	Moderate risk/return	Achieve moderate growth without excessive risk to capital	Moderate chance of loss of capital over a 5-year period	5-15% decline
<input type="checkbox"/>	Higher risk/return	Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns	Greater uncertainty of outcomes with potential of higher returns over a 5-year period	More than 15% decline

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?

Please see section 5.2.1 of the IPS for the Long Term Funds investment objectives, risk tolerances and liquidity

Preferences for target date, contingency & stable return outcomes.

Municipal Client Questionnaire (MCQ)

Sections 4 and 5 of this Questionnaire asks about the Municipality's assets, liabilities and cash flow and is not limited to MNRI. It is intended to assist ONE Investment in obtaining an understanding of the Municipality's financial circumstances, including its cash flow needs.

4. FINANCIAL INFORMATION

4.1 Please provide a table 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. As such, 'zero to 18 months' column of MNRI in the template might not be applicable for all municipalities.

Summary of Municipal Accounts for Investment Planning Purposes

(Dollar amounts in thousands)

Reserve Type	Brief Description	MNRI Amount	Investment Horizon of MNRI			
			Less than 3 years	3 to 5 years	5 to 10 years	10+ years
Asset Management Reserve	Long Term Reserve to support the Asset Management Plan	\$28,533			\$14,533	\$14,000
Capital Reserves	Growth Reserve Fund to support the Town's share of the Capital Growth Program, Various Program Reserves & mid-term requirements from the Asset Management Reserve	\$33,230	\$5,000	\$17,470	\$10,000	\$760
Development Charges Reserve Funds	Development Charges	\$44,548	\$10,162	\$13,261	\$17,192	\$3,932
Other Obligatory Reserve Funds	Canada Community Building RF, Building Permit Revenue RF, Parking CIL RF, Parks CIL RF, Gravel Pit Reserve, Development Future Specified Contributions	\$46,995	\$13,817	\$11,390		\$21,788
Contingency	Engineering Development Fee Reserve, Planning Development Fee Reserve, Bad Debt Allowance Reserve, Contingencies Reserve, Winter Control Reserve, Engineering Fees and Planning Fees	\$11,301				\$11,301
Total		\$164,608	\$28,979	\$42,121	\$41,726	\$51,782

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.) (table shows dollar amounts in thousands)

Type	Next year	2 years	3 to 5 years	5 to 10 years	Greater than 10 years
Anticipated MNRI Drawdowns	\$0	(\$28,979)	(\$42,121)	(\$41,726)	(\$51,782)
Anticipated MNRI Contributions	\$0	\$0	\$0	\$0	\$0
Net change in MNRI	\$0	(\$28,979)	(\$42,121)	(\$41,726)	(\$51,782)

4.3 Do the MNRI drawdown forecasts in 4.2 reflect:

☐ Drawdowns of current reserve balances

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

4.4 If the Municipality has completed a capital budget and asset management plan, how many years does this forecast extend?

☐ Less than 3 years

☐ 3-5 Years

☐ 5-10 Years

☒ 10 years or more

Funding/Expenditure Analysis

4.5 How does the Municipality manage unanticipated requests for funding? Can you characterize the probability that the municipality may need to draw down MNRI to fund unexpected budget shortfalls?

Unanticipated funding requests are managed through the Capital and Operating budget monitoring policies. The budget monitoring process is ongoing and continuous throughout the year. It is not likely that MNRI will need to be drawn down to fund expected budget shortfalls.

4.6 Is there a particular year when the Municipality had unusual, large expected capital expenditure(s)?

☒ Yes

☐ No

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

Increased growth related projects and major capital builds over the next 10 years, including the construction of the new Whitby Sports Complex and the construction of the new Mid-Arterial Roadway over the next 5 years.

Municipal Client Questionnaire (MCQ)

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:

Forecasted Reserve and Reserve Fund balances include the impact of any capital funding related to anticipated and approved large capital grants. They also include the impact of any current or future long term debt financing employed to fund capital projects.

5. PORTFOLIO

INFORMATION

5.1

MNRI details as at March 31, 2022	
Managed by ONE JIB).	\$ 171,063,342
Value as at (DD/MM/YY) 31 / 03/22	
Pledged (in kind) Securities (Bonds, GIC's, PPN's, etc.).	na
Value as at (DD/MM/YY) / /	
Expected Contributions (withdrawals) of MNRI	\$0
Date funds to be remitted/paid: (DD/MM/YY) / /	
Locked in portion (LDC shares or notes) (Elexicon Shares)	\$ 78,401,600
Value as at (DD/MM/YY) / /	
Total MNRI *	\$ 249,464,942
* The market value of securities may change between the date they are pledged to the ONE JIB and the date they are contributed to the ONE JIB.	

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:

Municipal Client Questionnaire (MCQ)

6. EXISTING INVESTMENTS

6.1. Please provide a table showing your current investments deemed MNRI and their characteristics.

Security / Investment	Type	Manager/Institution	Book Value	Market Value	Coupons (If applicable)	Maturity Date (If applicable)
<i>N/A – Existing Client</i>						

6.2. Describe your overall investment strategy

Moderate Growth

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.

Principle Protected Notes held in-kind as transitional investments mature in 2024 and will be reclassified as MRI.



INVESTMENT

Municipal Client Questionnaire (MCQ)

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.

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 18th day of May, 2023

Fuwing Wong

Name and Signature of Treasurer

Second Signature (if Required)

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)



Town of Whitby Policy

Policy Title:	Investment Policy
Policy Number:	F 100
Reference:	<i>Municipal Act, 2001</i> Eligible Investments, Regulation 438/97 and Council Resolution #106-23
Date Approved:	June 4, 2018
Date Revised:	April 3, 2023
Approval:	Council
Point of Contact:	Financial Services – Treasury Services

Policy Statement

It is the policy of The Corporation of the Town of Whitby (the "Town") to invest municipal funds in a manner which will provide the highest return within risk tolerances that are appropriate for the Town. Investments must comply with the Municipal Act, 2001, Sections 418-420 and Eligible Investments, Regulation 438/97 (Appendix B).

Purpose

To provide investment guidelines which govern the investment of the Town's Long-Term Money or "Money that is Not Required Immediately" ("MNRI") and also Short-Term Money or "Money that is Required Immediately" ("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.

The Investment Policy Statement ("IPS") governs the investment of the Town's MNRI and MRI. It is intended, among other things, to direct the Treasurer in the investment of MRI and to direct ONE JIB in the investment of MNRI pursuant to which the Town authorized the establishment of guidelines for the prudent management of the Town's MNRI pursuant to section 418.1 of the Act.

In addition to the Town's MRI and MNRI, the Town is from time to time entrusted with the management of money and investments for a third-party beneficiary ("Third-Party Trust Funds").

There are also source(s) of money in which the Town may have an indirect interest but which the Town currently has no authority to invest. Such source(s) of money, referred to in this IPS as "Designated Funds", are listed in Schedule A attached hereto. The Designated Funds are identified in this IPS for the sole purpose of enabling the Town to better see, on an aggregated basis, the various financial assets in which the Town has

an interest. The Town is not responsible for the investment activities or performance of Designated Funds.

Scope

The IPS, as outlined, applies to all investment of Working Capital, Reserves, Reserve Funds, sinking funds, trust funds and any new funds created by the Town unless specifically exempted.

The goals of this IPS is to:

- Define and assign responsibilities for investment of MRI and MNRI;
- Direct ONE JIB as to the Town's investment goals and risk tolerance;
- Describe the Town's responsibilities with respect to third party trust funds;
- Ensure compliance with the applicable legislation;
- Direct ONE JIB as to the Town's investment goals and risk tolerance;
- Provide guidance and limitations regarding the investments and their underlying risks;
- Describe the Town's responsibilities with respect to Third-Party Trust Funds and Designated Funds;
- Establish a basis of evaluating investment performance and the underlying risks; and,
- Establish a reporting standard to Council.

This IPS applies to employees of the Town, to ONE JIB and to the employees of ONE Investment. ONE JIB, the Treasurer, and any agent or advisor providing services to ONE JIB in connection with the investment of the portfolio shall accept and strictly adhere to this IPS.

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1. Definitions

The following capitalized terms are defined terms which have the meanings set out below:

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

Agent: means any administrator, custodian, payment servicer, 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: means a specific category of assets or investments, such as cash, fixed income, equities, alternative investments, real estate etc.

Asset Mix (or Asset Allocation): means the proportion of each asset class in a portfolio. 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) entering into an Initial Formation Agreement; (ii) the establishment of ONE JIB; (iii) the approval of the Client Questionnaire and the adoption of the IPS; and (iv) entering into 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: means a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.

Environmental, Social and Governance (ESG) Investing: means considering and integrating ESG factors into the investment process, rather than eliminating investments based on ESG factors alone. Integrating ESG information can lead to 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 Town's investments adopted and maintained by the Council of the Town for Long-Term Money under the Regulation, and for Short-Term Money, as the same may be amended from time to time. The IPS may also apply to the money and investments held by the Town for the benefit of persons other than the Town itself and may make reference to source(s) of money in which the Town may have an indirect interest but which the Town has no authority to invest.

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, S.O. 1998, c. 15, Sched. A., as amended.

Long-Term Money: means money that the Town has defined as long-term and characterized as money that is not required immediately by the Town as described in section 5.2. Monies that are Long Term Money will be invested in accordance with the Prudent Investor Standard.

Modern Portfolio Theory: means a theory of portfolio management that looks towards the portfolio as a whole, rather than towards the prudence of each investment in the portfolio. This is found in the CFA Institute Standards of Practice Handbook.

ONE JIB: means ONE Joint Investment Board, established by certain founding municipalities under section 202 of the Act as a JIB for purposes of Part II of the Regulation, which is the duly appointed JIB for the Town, as constituted from time to time and which acts in accordance with the Act, the Regulation, the ONE JIB Agreement, including the Terms of Reference, this IPS and the Investment Plan.

ONE JIB Agreement: means the agreement effective as of July 2, 2020, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Town's Long-Term Money.

Outcome: in the context of the Town'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 Town. MNRI may be invested into several Outcomes based on the characteristics of the Town's accounts/reserves and its saving and spending needs.

ONE JIB's Outcome Framework: a set of Investment Outcomes designed by the ONE JIB to categorize the potential goals of investing MNRI. Each Outcome has a unique Asset Allocation with risk/return characteristics that are aligned with the intended use of the money assigned to the outcome.

Pooled Fund: means a unit trust established under a trust instrument, generally not available to the public, in which institutional, sophisticated or high net worth investors contribute monies that are invested and managed by an External Portfolio Manager. Monies are pooled or combined with monies of other investors.

Portfolio: means any collection of funds that are grouped together and required for specific purposes.

Proxy Voting: means a legal transfer to another party of a shareholder's right to vote thereby allowing shareholders who cannot attend meetings to participate. External Portfolio Managers usually vote proxies on behalf of their clients.

Prudent Effective Date: means July 2, 2020, the date on which the prudent investor regime applies to the Town.

Prudent Investor Standard: means the standard that applies when the Town invests money that it does not require immediately under section 418.1 of the Act. It requires the Town to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and the standard does not restrict the securities in which the Town can invest. The Prudent Investor Standard makes use of Modern Portfolio Theory and applies the standard of prudence to the entire portfolio in respect of the Town's Long-Term Money rather than to individual securities. It identifies the fiduciary's central consideration as the trade-off between risk and return as found in the CFA Institute Standards of Practice Handbook.

Regulation: means Ontario Regulation 438/97.

Risk: means the uncertainty of future investment returns or chance of loss of capital.

Risk Tolerance: means the financial ability and willingness to absorb a loss in return for greater potential for gains.

Securities Lending: means loaning a security to another market participant. The borrower is required to deliver to the lender, as security for the loan, acceptable collateral with value greater than the value of the securities loaned. The Securities Lending program is managed by the Custodian or another appointed agent on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional marginal returns on the total portfolio.

Short-Term Money: means money that is required immediately by the Town as described in section 5.1 and which remains under the control and management of the Town. The money can be invested in appropriate Legal List Securities.

Sinking Fund: means a fund established to fulfil the requirements to make annual contributions in respect of various debenture issues wherein money is to be regularly set aside for the payment of the principal of the debentures at maturity.

Sinking Fund Required Contributions (Annual Sinking Fund Requirement): means the amount of money to be set aside each year for deposit into a sinking fund or a retirement fund, as applicable, for each sinking fund and term debenture issue in accordance with the Town's debenture by-laws.

Sinking Fund Required Earnings: means the investment earnings needed for the Sinking Fund Contributions to continue to grow to a value sufficient to repay the principal at maturity for each issue of sinking fund and term debentures.

Sinking Fund Excess Earnings: means the investment earnings in excess of the required earnings.

2. PURPOSE AND LEGISLATIVE FRAMEWORK

2.1. Governing Legislation

Investments of MRI will, in accordance with this IPS, only be made in Legal List Securities. The primary objectives of the Short-Term investment program, in priority order, shall be: Preservation of Capital, Maintenance of Liquidity, earning a Competitive Rate of Return and Legality of Investments. This will be achieved by investing in eligible legal list securities, high credit quality rated bonds to mitigate credit risk, highly liquid assets to respond to cash flow requirements and seeking the best ongoing return possible subject to the constraints of this Policy, respectively.

Investments of Long-Term Money or, MNRI are governed by the Prudent Investor Standard in accordance with Section 418.1 of the Act. This standard is similar to that which governs trustees and pension fund administrators and creates a fiduciary responsibility. Prudent investment in compliance with the Act and the Regulation enhances the potential for the Town to earn improved risk-adjusted rates of return.

Money and investments that the Town 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 Town, and therefore ONE JIB, must consider the following criteria in planning investments of MNRI, in addition to other criteria relevant to the circumstances:

- General economic conditions;
- The possible effect of inflation or deflation;
- The role that each investment plays within the Town's total portfolio of investments;
- The expected total return from income and the appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital.

2.2. Prudent Investor Standard

For MNRI, the standard to be used by the Town and ONE JIB shall be the Prudent Investor Standard as required by section 418.1 of the Act and Part II of the Regulation in the context of managing the Town's MNRI and investments thereof. Investments shall be made with the care, skill, diligence, and judgment, taking into account the prevailing circumstances,

that persons of prudence, discretion and integrity would exercise in the management of investments, considering the necessity of preserving capital as well as the need for income and appreciation of capital. The Act includes a duty to obtain the advice that a prudent investor would obtain under comparable circumstances.

Officers, employees, and investment agents acting in accordance with written procedures and the IPS and exercising due diligence shall take all necessary actions to optimize performance of investments on a portfolio basis, taking into account the prescribed risk and other parameters set out in this IPS and market factors. The Town's staff acting in accordance with written procedures and this IPS, shall be relieved of personal responsibility for an investment's performance, provided underperformance relative to expectations is reported to Council and the liquidation or sale of investments is carried out in accordance with this IPS.

3. MONEY REQUIRED IMMEDIATELY AND MONEY NOT REQUIRED IMMEDIATELY

3.1. Determination of MNRI and MRI

Determination of the Town's MNRI is the responsibility of Council. In making the determination, Council may consider:

- the time horizon within which the monies are needed to meet financial obligations;
- the purpose for which the monies have been collected or set aside and are to be used;
- the source of the money; or
- any combination of the foregoing

MNRI will be comprised of money that is to be used to meet financial obligations that become due more than 24 months from the date of receipt of such money by the Town.

For certainty, all money and investments of the Town that have not been identified as MNRI (other than Third-Party Trust Funds and any Designated Funds referenced in Section 2.1) shall be deemed for purposes of this IPS to be MRI.

Determination of the Town's MNRI and MRI may be modified at any time and from time to time by action of Council and with respect to specific monies by the Treasurer in accordance with the provisions of Section 6.2.

Any changes in this IPS regarding the Town's MNRI and MRI must be communicated immediately in writing to ONE JIB.

3.2. Overview of Portfolios

The Town's portfolios represent funds required for specific purposes. A high-level description of each of these portfolios and their objectives is provided in Section 5 below. This IPS applies to the following money of the Town, its agencies, boards and commissions including:

- MRI which is invested in Legal List Securities; and/or,
- MNRI which is invested under the Prudent Investor Standard.

4. ROLES AND RESPONSIBILITIES

4.1. Role of ONE JIB

ONE JIB has been appointed by the Town in accordance with the requirements of the Act and the Regulation and on the terms and conditions set out in the ONE JIB Agreement.

ONE JIB exercises control and management of the Town's MNRI and the investments made by it in accordance with the objectives and risk tolerance established in this IPS.

Among the responsibilities of ONE JIB are the following:

- Reviewing this IPS;
- Adopting and maintaining an Investment Plan that complies with this IPS;
- Engaging External Portfolio Managers, Custodians, Administrators and other investment professionals (Agents);
- Allocating the money and investments under its control and management among External Portfolio Managers and their funds in compliance with this IPS;
- Monitoring the performance of the Agents; and,
- Reporting to the Town.

The foregoing is subject to the more detailed terms and conditions contained in the ONE JIB Agreement.

4.2. Role of Municipal Staff

This IPS is approved and adopted by Council with input from the Treasurer, and from ONE JIB with respect to MNRI. MRI of the Town, 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 Town staff when investing MRI.

No person including, without limitation, ONE JIB, may engage in an investment transaction except as provided under the terms of this IPS.

In the management of MRI of the Town, and any Third-Party Trust Funds referenced in Section 2.1, the Treasurer may engage one or more agents and service providers. ONE Investment can assist with the investment of the Town's MRI, in Legal List Securities, and with the investment of Third-Party Trust Funds, in accordance with the terms of the applicable trust, if permitted, at the request of the Town.

4.3. Ethics and Conflicts of Interest

Individuals who are responsible for the Town's Short-Term Portfolio shall comply with the Town's Conflict of Interest guidelines and any relevant sections of professional codes of conduct (e.g., the CPA Code of Professional Conduct).

ONE JIB, in its capacity as a joint municipal service board, 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. INVESTMENTS

5.1. MRI: Short-Term Money

The Town's MRI is described in this IPS as Short-Term Money. Short-Term Money consists of money that is needed to meet the short-term financial obligations coming due within 24 months from the date of receipt of such money and are controlled and managed by the Treasurer.

For clarification, any debenture or promissory note issued by a LDC to the Town, together with any payments or interest earned thereon, shall be considered Short-Term Money.

5.1.1. Short-Term Money: Investment Objectives

The main focus of the investment of Short-Term Monies is cash management, and interest income generated by investments is a contributor to municipal revenues. To the extent possible, the Town shall

attempt to match its investments with anticipated obligations. Capital preservation is the paramount objective for 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 Town may invest in fully liquid money market securities and deposit accounts. The Town aims to maximize returns subject to the constraints set out in Part I of the Regulation, as amended from time to time, with a view to preserving capital and to further manage risk through diversification by issuer and credit quality.

The investment objectives for Short-Term Money, ranked in priority, are as follows:

a) Security of Principal

The primary objective for MRI is to ensure the security of principal. To minimize the risk of loss, investments shall be subject to minimum credit ratings and shall be diversified by maturity, type of investment and issuer. Investing activities will be reviewed on a regular basis as actual, revised and forecasted operating and capital plans are completed. Maturity dates should be structured so that investment cash inflows occur when needed.

b) Liquidity Requirements

Liquidity is measured by the ease with which securities can be converted to cash to meet forecast spending. The investments that are eligible under Ontario's Eligible Investments and Related Financial Agreements Regulation possess different features and thus market prices will vary depending on market conditions, as well as the particular features of the type of investment.

To ensure adequate liquidity, the Town's investments shall be diversified by holding securities of various terms to maturity and by various types of investments and issuers and to the extent possible, the term of such investments shall match the forecasted requirements for such monies to meet expenditures.

c) Rate of Return

The Town's money shall be invested to maximize the rate of return within acceptable risk levels while respecting the security of principal, legal constraints and the liquidity needs of each investment portfolio.

The composition of each portfolio, including its term to maturity and type of investments, shall be adjusted within the guidelines of this 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 Money

The Town's MNRI is described in Section 3.1 as Long-Term Money. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the Long-Term Money and the investments made therewith.

From time to time, the Town may require money immediately to meet financial obligations and may require ONE JIB to liquidate one or more investments in order to generate money to meet those obligations. ONE JIB will select the investment(s) to be liquidated. The timing of such liquidation will be determined by ONE JIB in consultation with the Treasurer.

5.2.1. Long-Term Funds: Investment Objectives

In setting the objectives noted below, the Town has taken into account the following considerations:

- Preservation of capital;
- Adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements;
- Diversification by asset class, market, sector, issuer, credit quality and term to maturity;
- Income and capital appreciation; and,
- Macro risks, such as inflation, economic growth and interest rates.

The Town's Investment objectives for its Long-Term Money (MNRI) can be achieved via allocations to the Outcomes defined within the ONE JIB's Outcome Framework. Table 1 provides a summary of this framework.

Table 1: ONE JIB's Outcome Framework

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon
Cash	Cash	Preservation of Capital	Low risk; high liquidity	< 3 years
Stable Return	Stable Return	Income generation: To generate returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)

Contingency	Contingency	Contributions for unexpected and infrequent events	Higher risk; emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)
	Asset Mgt Reserves	Contributions to generate returns to fund asset management reserves	Higher risk; emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)
Target Date	Target Date 3-5 yrs	Preservation of capital	Low risk; high liquidity	3 – 5 years
	Target Date 5-10 yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 – 10 years
	Target Date 10+ yrs	Contributions toward capital projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long-term inflation-adjusted growth	> 10 years

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

5.2.2. Long-Term Money: Eligible Investments

Eligible investments for Long-Term Money include any pooled fund or other collective investment vehicle or institutional investment management product sponsored or managed by ONE Investment for the Prudent Investment Program (Prudent Investment Offering), provided always that the products and the selection of products comply in all material respects with the IPS.

Additionally, nothing in this IPS prevents Long-Term Money from being held in cash, short term money market instruments, or overnight deposits.

5.2.3. Long-Term Funds: Local Distribution Corporation (LDC)

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 Town. 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. These assets are not marketable securities and were acquired by the Town pursuant to separate legislative provisions and shareholder agreement(s). 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.

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.

5.2.4. Long-Term Funds: Other Portfolios

The Town does not currently have any other investment portfolios which require management by ONE JIB under the Prudent Investor Standard.

5.3. Third-Party Trust Funds and Designated Funds

In addition to the Town's own money, the Town is from time to time entrusted with Third-Party Trust Funds, and the responsibilities and obligations with respect thereto may be subject to other legislation and governed by other agreements and instruments. To the extent that there is any conflict or inconsistency between the provisions of this IPS and the terms and conditions contained in such other legislation, agreements or instruments applicable to Third-Party Trust Funds, the latter shall prevail.

The Municipality's Third-Party Trust Funds and the Designated Funds are listed in Appendix A.

For certainty, the third-party trust funds and the Designated Funds are not MNRI of the Town, and such monies are not under the control or management of ONE JIB.

5.4. Investment Management

5.4.1. Investment Management of Short-Term Money

The investment of Short-Term Money shall be controlled and managed by the Treasurer.

5.4.2. Investment Management of Long-Term Money

The investment of Long-Term Money shall be controlled and managed by ONE JIB in accordance with this IPS.

Competent External Portfolio Managers shall be appointed by ONE JIB, and they shall enter into an agreement with ONE Investment that complies with this IPS and Part II of the Regulation and provide compliance and performance reports. In accordance with the applicable regulatory requirements, ONE JIB shall make any External Portfolio Manager changes deemed in the best interest of the Town. 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.

5.4.3. Transition to Prudent Investor Regime

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 Town does not require immediately to be held, and to continue to be held by, ONE JIB in instruments such as term deposits, guaranteed investment certificates or principal protected notes issued by a financial institution. They can be held to maturity and invested upon receipt of cash proceeds. The Town holds Principal Protected Notes that have been identified as MNR that will be held to maturity.

Management of Third-Party Trust Funds and any Designated Funds is not directly affected by the Prudent Effective Date.

5.5. Investment Constraints

5.5.1. Environmental, Social and Governance (ESG) Investing

The Town supports ESG investing for Short-Term and Long-Term Money. The Town believes that well-managed companies are those that demonstrate high ethical and environmental standards and respect for their employees, human rights, and the communities in which they do business, and that these actions contribute to long term financial performance.

The Town has chosen to monitor the developments of ESG factors and will reconsider its approach to ESG investing for the Short-Term Portfolio as and when appropriate to do so.

For the investment of Long-Term Money, ONE JIB is required to explore how External Portfolio Managers are implementing responsible investing principles at the time of hiring and during periodic reviews. It may report on results periodically, if requested.

5.5.2. Securities Lending

For the investment of Short-Term Money, the Town 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 Money, the Town may invest in pooled funds, and other investment funds that are managed by an External Portfolio Manager who may engage in Securities Lending if the policies of the External Portfolio Manager permit such an action.

5.5.3. Derivatives

Derivatives may not be used for speculative purposes. They may be used for the investment of Long-Term Money where they are fully covered by a backing asset, e.g., as for currency or other hedging, to change portfolio duration or in covered call strategies.

5.5.4. 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.

5.5.5. Currency Hedging

The Short-Term Portfolio will not utilize currency hedging.

The Town's funding requirements are in Canadian dollars. However, some exposure to foreign currencies in the Long-Term Portfolio may be advantageous to provide diversification and potentially enhance returns. Therefore, it shall not be a violation of this IPS for investments in global mandates to be unhedged, in whole or in part, where the diversification benefits embedded in the currency exposure are considered to be beneficial or desirable by ONE JIB.

5.5.6. Prohibited Investments

In no event may investments be made through foreign direct investment in countries subject to Canadian or UN economic sanctions.

5.5.6.1. Letters of Credit

With respect to MRI investments, the Town will accept irrevocable Letters of Credit in the prescribed format issued by a Schedule I bank with a minimum Dominion Bond Rating Service (DBRS) rating of R-1 low or A (low) or Schedule II (as approved) bank with a minimum DBRS rating of R-1 middle or AA (low).

Letters of credit issued may be accepted from any of the five largest banks set out in Schedule I of the Bank Act listed below:

1. Bank of Montreal
2. The Bank of Nova Scotia
3. Canadian Imperial Bank of Commerce
4. Royal Bank of Canada
5. Toronto Dominion Bank

Letters of credit may be accepted from Schedule I or II banks meeting the minimum DBRS rating criteria on the approval of the Treasurer or designate.

If a Letter of Credit was previously accepted in accordance with this policy and the bank has since been downgraded and no longer meets the minimum requirements, the Town may request a new acceptable Letter of Credit.

5.6. Performance Monitoring, Rebalancing and Management

5.6.1. Short-Term Money

The Treasurer shall monitor the performance, rebalance asset mix, and manage short-term funds in a manner that achieves the investment objectives set out in this IPS. The Investment & Financial Analyst will provide regular performance reporting to the Treasurer on the portfolio, as required.

5.6.2. Long-Term Money

For the investment of Long-Term Money, ONE JIB shall establish parameters for monitoring investments and rebalancing through policy or directly within the investment plan.

Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. At minimum, ONE JIB shall provide reporting described in Section 6.7 that shows the Town's holdings, declares compliance with this IPS and shows External Portfolio Manager performance.

6. ADMINISTRATIVE POLICIES

6.1. Flow of Money and Annual Town Budget

6.1.1. Transfer to ONE JIB as Part of Annual Review Process

On an annual basis, as part of the Town's annual review process, the Town shall identify the amount, if any, of Long-Term Money that it holds. Any Long-Term Money not already under the control and management of ONE JIB shall be transferred to ONE JIB as soon as practicable.

6.1.2. Transfer to Town as Part of Annual Review Process

On an annual basis, as part of the Town's annual review process, ONE JIB shall be notified by the Treasurer as to the amount, if any, required by the Town from the Long-Term Money then under the control and management of ONE JIB for the Town's operational purposes. Such amount shall be deemed to be Short-Term Money and shall be returned to the Town in a lump sum or by way of periodic payments, as directed by the Treasurer.

6.2. Flow of Money Otherwise than through the Annual Review Process

6.2.1. Surplus Funds

The Short-Term Funds capture revenues received by the Town during each year after the approval of the Town's budget for the year. Any amounts deemed to be MNRI by the Treasurer at any such time during the year shall be transferred to ONE JIB to be under its management and control as 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 to direct ONE JIB to return any amounts determined by the Treasurer to be required to meet expenditures for unexpected contingencies not anticipated by the Town's budget in force for

that year, provided however that the aggregate of the amounts to be returned to the Town under this Section 6.2.2 during the year shall not exceed 25% of the Long-Term Money under the control and management of ONE JIB as at the date that the Town approved its budget for the year (the Budgeted Long-Term Money). In determining the Budgeted Long-Term Money for purposes of calculating the 25% limit, any Long-Term Money to be transferred to the control and management of ONE JIB in accordance with that year's Annual Review pursuant to Section 6.1.1 shall be included and any amount to be returned by ONE JIB to the Town pursuant to Section 6.1.2 shall be excluded.

6.3. Valuation of Investments

Investments shall be valued according to the values provided by the Custodian(s). For the investment of Long-Term Money, values of unitized vehicles shall be valued according to the unit values published by the Custodian. Other investments shall be valued at their market value when that is available from regular public trading. If a market valuation of an investment is not available, then a fair value shall be supplied by the External Portfolio Manager to the Custodian no less frequently than quarterly.

6.4. Voting Rights

Where External Portfolio Managers have been appointed, such External Portfolio Managers shall assume the responsibility of exercising voting rights and will report their voting policies to ONE JIB annually. The Town may access these policies at any time.

6.5. Internal Controls

The Treasurer shall establish an annual process of review of all investments made under this IPS. This review will provide internal control by assuring compliance with governing legislation and with policies and procedures established by the Treasurer. To the extent ONE JIB's input is needed, these requirements will be communicated in advance to ONE JIB.

6.6. Custodians

All investments and assets of the investment portfolios shall be held by a Custodian and any of the Custodian's sub-custodians or nominees. For Long-Term Money, the Custodian shall be acceptable to ONE Investment. For Short-Term Money the Custodian shall be acceptable to ONE Investment if ONE Investment is administering the investment of the Town's Short-Term Money, otherwise the Custodian shall be acceptable to the Town.

6.7. Reporting

6.7.1. Short-Term Money

For the investment of Short-Term Money, the Treasurer shall report at least annually to Council in a form and contain such content as Council may request. The report to Council shall include investment performance during the period covered and any other information as required under the Regulation and that the Treasurer may consider to be pertinent.

6.7.2. Long-Term Money

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of Long-Term Money at least annually. This report shall include the following.

- Investment performance during the period covered by the report;
- Asset mix of the total portfolio;
- A listing of individual investments held at the fund level at the end of the reporting period showing, where appropriate, book value, market value, realized/unrealized gains/losses and actual income received;
- A list of all transactions including the security name, trade date, and the purchase and/or sale price;
- A statement by the Treasurer as to whether all investments were made in accordance with the IPS and as to whether all investments were made in accordance with the Investment Plan; and
- Any other pertinent information in the opinion of the Treasurer.

All securities invested on behalf of the Town by ONE JIB or with the assistance of ONE Investment shall be held for safekeeping in the name of the Town by a custodian.

7. APPROVAL, SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE

7.1.Revocation / Amendment of Previous Investment Policy

Upon coming into effect, this IPS supersedes previously approved investment policies of the Town.

7.2.Modifications to the IPS

At least annually, Council shall review the IPS and update it, if required. In the course of reviewing the IPS, Council may request comments from the Treasurer with respect to the investment of Short-Term Money and from ONE JIB with respect to the investment of Long-Term Money.

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

At a minimum, the annual IPS review will consider:

- the adequacy of funding for capital works;

- the Town's ability to reduce other spending;
- flexibility of the timeframe to payout; and
- sensitivity to loss.

7.3. Effective Date

This IPS is adopted by Council of the Town effective July 2, 2020. The Treasurer is directed to sign a copy of this IPS to evidence approval and to deliver a copy of this IPS to ONE JIB.

Signed by:

Fuwing Wong
Treasurer

2023-05-18
Date

APPENDICES

- Appendix A** Third-Party Trust Funds and Designated Funds
- Appendix B** Ontario Regulation 438/97 (Eligible Investments & Prudent Investment)
- Appendix C** Authorized Investments & Sector Limitations (Short Term Portfolio)
- Appendix D** Dominion Bond Ratings Service Credit Quality

This Policy is hereby approved by Council Resolution #106-23 on this 24th day of April, 2023.

REPORT

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: June 1, 2023
Re: Fund Manager Performance Review Q1 2023
Report: ONE JIB 2023-O21

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

This report summarizes the performance of the ONE Investment Prudent Investment Funds for the first quarter of 2023, including a brief overview of factors contributing to performance.

The key themes affecting financial markets in the first quarter included:

- 1) Macro-economic themes: Inflation figures trending lower but remaining above central bank targets amidst signs of economic growth and tight labour markets;
- 2) A changing interest rate outlook with many central banks poised to pause interest rate hikes; and
- 3) Stress in the banking sector that led to the failure of two US regional banks and the merger of Credit Suisse with UBS.

The tone in financial markets was positive in January and February as inflation figures continued to trend lower amidst signs of continued strong economic growth. However, the tone was dampened somewhat in March as developments in the banking sector surfaced. The failure of two US regional banks in mid-March caught many by surprise and highlighted risks that had not been fully appreciated by the markets. Central banks stepped in to provide liquidity to the banking sector, helping to ensure stability in the financial markets. These events had limited impact on equity markets, but in fixed income markets, credit spreads moved slightly higher while longer-term bond yields trended lower, leading to higher bond prices.

All the pooled funds had positive returns for a second consecutive quarter, as markets continue to bounce back after challenging performance in 2022. Equity markets were quite strong, encouraged by the outlook for continued economic growth, while fixed income returns were bolstered by falling longer-term bond yields. Performance of the funds over the last 12 months was more mixed, with some of the funds experiencing negative returns. The performance of the funds as of March 31, 2023, is summarized below.

	Quarter	1 Year
ONE Canadian Equity Fund	5.9%	-1.0%
ONE Global Equity Fund	7.3%	3.7%
ONE Canadian Corporate Bond Fund	2.5%	-0.7%
ONE Canadian Government Bond Fund	1.7%	0.4%
ONE Global Bond Fund	2.9%	-1.8%

3. BACKGROUND

ONE JIB and ONE Investment have a responsibility to review the performance of the fund managers

As outlined in ONE JIB's 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 fund 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.

After surging in 2022, inflation continues to trend lower, but remains well above central bank targets

Inflation surged in most major global economies in 2022, peaking in the United States and Canada at 9.1% and 8.1%, respectively, in June last year, but aggressive interest rate hikes in 2022 helped address these inflation pressures. Inflation figures have trended down steadily since last June, reaching 5.0% and 4.3%, respectively, in the United States and Canada by quarter end. While this remains above the central banks' 2% inflation target, the progress is encouraging.

There has been concern that rapidly rising interest rates could lead to a sharp slowdown in economic activity and the potential for an economic recession. Currently, labour markets continue to be tight, and economic activity continues to be robust. There is hope that inflation can be brought back to target levels without causing a recession and that a 'soft landing' for the economy can be engineered. As economic activity reacts to interest rate hikes with a significant lag, it is not yet clear if this can be achieved.

After aggressive interest rate hikes last year, central banks are poised to pause increases

The Bank of Canada became the first major global central bank to put further interest rate hikes on hold, indicating that it is confident that higher borrowing costs are working to slow demand. After raising interest rates by a total of 4.25% since the start of 2022, the Bank indicated that it would hold the policy rate at current levels, conditional on developments evolving broadly in line with its outlook. The US Federal Reserve Bank (Fed) continued to raise rates in the quarter, but at a slower pace. The Fed raised its policy rate by 25 basis points in February and was widely anticipated to increase rates by an additional 50 basis points in March. Due to the developing issues in the banking sector, only a 25 basis point rate hike was announced in March. While the Fed has not announced its intention to stop interest rate hikes, it is broadly understood that it is nearing the end of rate hikes, and financial markets are already anticipating that rate cuts are on the horizon. In Europe and the United Kingdom, further interest rate increases are still anticipated, but markets are anticipating that interest rates may start to fall later this year.

Turmoil within segments of the banking sector emerged in the quarter, highlighting risks to the outlook

The banking sector became a source of concern in March as two US regional banks failed and troubles at Credit Suisse resulted in it being acquired by UBS. These developments were completely unexpected, and many were surprised by how quickly they unfolded.

On March 8, Silicon Valley Bank announced that it would book \$1.8 billion in losses after selling investments to cover increasing withdrawals and would be raising additional capital. This alarmed investors and depositors, setting the stage for its collapse. The following day, depositors attempted to withdraw \$42 billion, and in the equity market, its share price fell 60%. It was a classic "bank run" that forced regulators to seize the bank the following morning. Banks are very stable businesses, but the business model requires confidence from investors and depositors. Once confidence is lost, banks may face liquidity issues if clients pull out their deposits and counterparties become reluctant to extend credit. This happened at Silicon Valley Bank with alarming speed.

Worries of bank runs spread to other banks, compelling regulators to step in. On March 12th, regulators announced that they had taken control of a second bank (Signature Bank), and the Fed announced a new lending program for banks to address the liquidity pressures that had rapidly emerged. This new lending program (Bank Term Funding Program) proved to be very effective in mitigating further problems. While there remains concern about further distress in US regional banks, these measures helped to provide liquidity, allowing for issues to be resolved in a more orderly manner. Credit spreads widened in mid-March based on these developments. This widening was partially offset by a fall in long-term government bond yields. More recently, financial markets have largely stabilized, and many indicators of financial conditions have improved.

These events have affected the capital market outlook. While the US Federal Reserve Bank remains focused on inflation levels and has continued to raise interest rates, the potential for further issues in the banking sector could prompt a change in its policy measures. As noted above, the issues facing regional banks may have already influenced the Fed's interest rate policy, reducing the size of March's rate hike. They may also give reason for the Fed to pause further interest rate hikes.

Funding costs for US banks have increased (as banks will need to offer higher deposit rates and credit spreads), and there is a risk that conditions in the sector could deteriorate further. Consequently, some pullback in lending is expected, particularly at US regional banks. The turmoil in the banking sector is primarily an issue for US regional banks and does not directly affect Canadian banks, nor do ONE Investment pooled funds hold securities that were directly affected by these events. That said, these events have highlighted risks that may influence the capital market outlook and fund performance. This remains a developing issue.

4. ANALYSIS

The ONE Canadian Equity Fund had returns of 5.8% in the quarter, outperforming its

benchmark

The ONE Canadian Equity Fund had strong performance for a second quarter in a row as equity markets continued to rebound from weak performance earlier in 2022. These results bring returns over a 12-month period to -1.4%. The fund outperformed its benchmark in the quarter and over the last 12 months.

The Canadian equity market showed broad-based strength in the quarter, with positive returns for all sectors except the Energy sector. The Energy sector, where the fund has a significant underweight exposure relative to the benchmark, had returns of about negative 2% in the quarter. The fund's light allocation to the sector is not an active investment choice of the manager but instead reflects the fund's structural underweight in the Energy and Materials sectors, which helps to dampen the volatility of returns for the fund.

The best performing sector for the Canadian equity market in the quarter was the Information Technology sector, with returns that exceeded 25%. Over the last year, this sector has been much weaker than other market sectors, so the rebound in share prices has significantly outpaced other sectors. The fund has an overweight exposure to this sector, so the sector's strength made a meaningful contribution to both absolute and index-relative fund performance. The fund's largest holding in the sector is CGI Group, representing about 5% of fund holdings. This holding had returns of 11.6%, underperforming the sector but outperforming the broader market.

While the fund outperformance in the quarter was primarily a result of sector selection, security selection also helped. The performance of one holding made a significant contribution to overall fund performance in the quarter. SNC Lavalin Group shares had returns of 39% in the quarter. As this holding represents 2% of the fund, its strong performance made a strong positive contribution to overall fund returns in the quarter.

The ONE Global Equity Fund performed well in the quarter, with returns of 7.3%

Global equity markets out-performed Canadian equities in the quarter, with the global equity fund producing returns of 7.3%, largely in line with the fund's benchmark. For the 12-month period ending March 31st, 2023, the fund's returns were 7.3%, outperforming its benchmark.

Almost all countries experienced positive returns in the quarter, although returns from certain regions outpaced others. Continental European markets tended to be some of the strongest markets with French and German exchanges experiencing returns more than 12% in the quarter, while US and Japanese stock markets saw returns in the range of 7%. Returns from other countries were lower, but since US, Japan and Europe (excluding UK) represent over 70% of the global equity universe, the returns of global equity markets in aggregate were very strong. The fund's heavy overweight exposure to Continental European equities benefitted from strong returns in France and Germany. Continental European equities represent 27% of fund holdings, double the allocation in the fund's benchmark.

Growth-oriented sectors in the global equity markets, like Information Technology, Communication Services, and Consumer Discretionary tended to have strong performance in the quarter, rebounding after weak performance in 2022. The Information Technology sector was the strongest, with returns of about 22% in the quarter. The Fund's performance was helped by

improving prospects for the sector, but the Fund had light exposure to this sector and had no exposure to Nvidia or Apple, large market capitalization companies with returns of 90% and 27%, respectively, in the quarter. The fund benefited from the sector's strength but was not able to fully participate in the sector's upside.

The manager's focus on stock selection helped performance in the quarter. Holdings of BMW's common and preferred shares, which together represent 4.5% of fund holdings, had returns of about 20%, helping overall fund performance. Alimentation Couche-Tard and CGI Inc., two Canadian holdings that collectively represent more than 7% of the fund, also helped overall fund performance with returns of 14% and 12%, respectively.

The ONE Canadian Government Bond Fund had returns of 1.7% in the quarter, with performance benefitting from a modestly lower yield curve

The ONE Canadian Government Bond Fund had returns of 1.7% in the quarter, largely in line with returns for its benchmarks. For the 12-month period ending March 31st, 2023, returns were 0.3%, slightly weaker than its benchmark. The fund's duration of 2.4 years remains similar to its benchmark, which is relatively short. The short duration implies that the fund returns are not overly sensitive to changes in interest rates. Modestly lower market interest rates helped fund performance in the quarter, but the short duration limited the upside. Security selection detracted from performance in the quarter, especially in provincial bonds, with Alberta and Ontario bonds underperforming.

The ONE Canadian Corporate Bond Fund had returns of 2.5% while returns over a 12-month period were negative 0.7%

The ONE Canadian Corporate Bond Fund had returns of 2.5% in the quarter and -0.7% for the 12-month period ending March 31, 2023. The returns over both periods matched the fund's benchmark returns. The fund's duration of 5.1 years remains similar to its benchmark, and more than twice the duration of the ONE Canadian Government Bond Fund. The ONE Canadian Corporate Bond Fund is therefore more sensitive to changes in interest rates and produced stronger returns in the first quarter of 2023 as interest rates fell modestly. This is the opposite pattern versus the trailing 12-month period, when rising market yields led to negative performance for the fund while the ONE Canadian Government Bond Fund was able to produce positive returns.

Security selection within financials had a positive contribution to performance, with returns from chartered bank bonds performing well. The portfolio's overweight to corporate bonds and underweight to federal bonds also helped performance, as spreads narrowed and corporate bonds outperformed, especially through the first two months of the year. This trend was partially offset by market movements in March, when credit spreads widened somewhat after issues surfaced in US regional banks.

The ONE Global Bond Fund had returns of 2.9% in the quarter, benefiting from lower yields, while returns over the trailing 12 months were -1.8%, primarily due to asset allocation

and currency hedging choices

The One Global Bond Fund returned 2.9% in the quarter as bond yields declined broadly across the world, with intermediate and long-term bond yields falling the most. These returns were in line with the returns from the fund's benchmark. Turmoil spreading across the global banking system led to a 'flight to quality' in global financial markets, where investors tend to favour lower-risk investments, which bolstered demand for bonds. This trend helped fund returns in the quarter.

The fund's light duration versus its benchmark detracted from index relative performance as yields declined across fixed income markets in the quarter, while losses on the currency hedges also had a small negative impact on performance. At quarter end, 81% of the foreign currency exposure of fund holdings was hedged back to the Canadian dollar, down 5.3% versus the prior quarter. The issues in the banking sector did not directly affect the fund's holdings in the quarter.

Over the 12-month period ending March 31, 2023, the fund experienced returns of -1.8%, underperforming its benchmark. This weak performance reflected several contributing factors. Rising yields over the period created a headwind for performance that led to returns slightly below zero for the fund's benchmark. The fund's underperformance resulted primarily from losses on the fund's currency hedges over the period. While the performance of fund holdings in the USA and Europe may have benefited from strength in the US dollar and Europe, up 8.1% and 5.9%, respectively versus the Canadian dollar in the quarter, currency hedges largely offset this upside. Additionally, the fund's heavy exposure to high-yield bonds contributed to the underperformance as credit spreads widened over the 12-month period.

The fund's unconstrained fixed income mandate means that the manager's allocations may differ significantly from the benchmark which affects index relative performance. The manager does not attempt to match benchmark performance but instead seeks to deliver a strong, consistent total investment return over a full market cycle.

Over recent months the ONE Global Bond has continued to reposition the investment exposure

The manager has been slowly adjusting the investment exposure of the fund in response to the changing macroeconomic backdrop. The fund's duration has typically been significantly lower than its benchmark, but over the last year, its duration has increased. As a result, the fund has been less sensitive to changes in interest rates, which has helped performance relative to the benchmark as interest rates rose sharply last year. With the prospects for interest rates to stabilize or potentially start falling, the manager has been increasing the duration of the fund. The fund's duration at quarter end was 5.1 years, up from 3.7 years a year earlier. The fund has also been decreasing exposure to high yield bonds over the last year, with exposure now closer to 21%, about 10% lower than a year ago. This continues to be a significant overweight relative to its benchmark, which has less than 6% exposure to high-yield bonds.

5. CONCLUSION

The first quarter review of manager performance did not identify any major performance issues that warranted concern. The performance of the ONE Prudent Investment funds was strong, with all funds producing positive returns and all funds having performance that matched or exceeded benchmark returns in the quarter. Despite some noise in the banking sector in the quarter, the

capital market outlook remains positive as economic growth remains robust and inflationary pressures continue to ease. There is a risk that the positive outlook could deteriorate in the coming quarters under certain scenarios. There remains a risk that economic growth, which tends to respond to interest rate hikes with a significant lag, may deteriorate, leading to a recession. There is also a risk that further turmoil in the banking sector could surface. 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