



**ONE JIB  
Regular Board Meeting  
Agenda**

**Meeting #:** 2020-04  
**Date:** July 14 2020, 9:00 a.m.  
**Location:** Zoom Virtual Meeting

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8. Closed Session - Education Session - Code of Conduct and Municipal Conflict of Interest with John Mascarin, Partner, Aird & Berlis LLP - solicitor-client	
9. Reconvene in Public Session	
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11. Meeting Outcomes
12. Authorizing Motion
13. Adjournment
14. Next Meeting: September 16, 2020 - 9:00 a.m.



**ONE JIB**

**Regular Board Meeting**

**Minutes**

**Meeting #:** 2020-03  
**Date:** June 23, 2020, 9:00 a.m.  
**Location:** Zoom Virtual Meeting

Members Present:

Board Chair Hughes

Board Vice-Chair James

A. Basdeo

J. Dowty

H. Franken

J. Giles

M. Melinyshyn

S. Rettie

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

S. Han, WeirFoulds LLP, Legal Counsel

D. Kelly, Board Secretary

C. Macdonald, Manager of Investments, ONE Investment

K. Taylor, Chief Investment Officer, ONE Investment

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**1. Chair's Welcome**

Board Chair Hughes welcomed all to the third ONE JIB meeting.

**2. Disclosures of Pecuniary Interest**

There were no disclosures of pecuniary interest.

**3. Minutes of Previous Meetings**

**3.a Business Arising from Minutes**

There were three items from the May 19 and May 20, 2020 meetings that will be addressed by items on this agenda regarding the work of the Nominating Committee to fill the vacant Treasurer position on this Board, additional analysis on benchmarks for the Global Bond fund and HISA, and a sensitivity analysis for the equity weights which will be discussed later in this agenda.

**3.b Approval of Minutes**

**Moved by** Board Member Basdeo

THAT the minutes of the May 19, 2020 ONE JIB meeting be approved as circulated.

**Carried**

**Moved by** Board Vice-Chair James

THAT the minutes of the May 20, 2020 ONE JIB meeting be approved as circulated.

**Carried**

**4. Board Committee Reports**

**4.a Nominating Committee**

**Moved by** Board Member Rettie

THAT the Board adopt the recommendation of the Nominating Committee contained in its report dated June 9, 2020 and appoint Mike Melinyshyn, Chief Financial Officer, Town of Innisfil, as a Board Member for the term ending April 1, 2021.

**Carried**

**5. Delegations**

There were no delegations.

**6. Strategy and Policy**

**6.a Benchmarks for Prudent Investor Funds**

Keith Taylor, Chief Investment Officer, ONE Investment, made a presentation on the benchmarks for prudent investor funds report.

**Moved by** Board Member Franken

THAT the Board adopt recommendation number 1.1 in the report (June 23, 2020) from Keith Taylor, Chief Investment Officer, to approve the benchmarks set out in the report for the Prudent Investor investment options.

**Carried**

**Moved by** Board Member Giles

THAT the Board adopt recommendation 1.2 of the report (June 23, 2020) from Keith Taylor, Chief Investment Officer, that ONE Investment is authorized and instructed to continue to review and monitor the approved benchmarks and their use by ONE JIB, including with respect to fees and costs. If a modification is warranted, ONE Investment will so advise ONE JIB.

**Carried**

**6.b Sensitivity Analysis**

Keith Taylor, Chief Investment Officer, ONE Investment, made a presentation on the sensitivity analysis for investment allocations.

**Moved by** Board Member Rettie

THAT the Board adopt the recommendation in the report (June 23, 2020) from Keith Taylor, Chief Investment Officer, and receive the report for information.

**Carried**

## 7. Investment Oversight

### 7.a Investment Plans

#### 7.a.1 Town of Bracebridge

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

**Moved by** Board Vice-Chair James

THAT Section 7.3 of Bracebridge's and each of the other Founding Municipalities' Investment Plans approved by ONE JIB be amended to provide that:

1. 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;
2. where the Long-Term Funds are invested in underlying funds, the External Portfolio Managers may use derivatives in the management of the underlying funds, provided that notice has been given to ONE Investment and ONE JIB of the proposed derivative use and intended purpose; and
3. derivatives may be used for the investment of Long-Term Funds where they are fully covered by a backing asset (e.g. for currency or other hedging, to change portfolio duration or in covered call strategies).

**Carried**

**Moved by** Board Member Rettie

THAT the Board adopt recommendation 1 in the report (June 23, 2020) from Keith Taylor, Chief Investment Officer and Colin Macdonald, Manager of Investments, and approve the Town of Bracebridge's Investment Plan (Attachment 1), as amended (section 7.3).

**Carried**

**Moved by** Board Member Franken

THAT the Board adopt recommendations 2, 3 and 4 in the report (June 23, 2020) from Keith Taylor, Chief Investment Officer and Colin Macdonald, Manager of Investments, as follows:

2. The Chief Investment Officer notify the Board of any in-year changes to Bracebridge's Investment Policy Statement and any related implications for the Investment Plan
3. The Chief Investment Officer review the Investment Plan in Q1, 2021 and present a revised Investment Plan for approval by Q2 2021, and
4. The Chief Investment Officer develop a performance report for Bracebridge Council for the Board's consideration by Q1, 2021.

**Carried**

#### **Transition Plans**

**Moved by** Board Vice-Chair James

THAT the Board directs ONE Investment staff to work with Founding Municipalities to make appropriate adjustments to the transition plans in Appendix D of the Founding Municipalities' Investment Plans to ensure that the values committed to Prudent Investor are met on or before the settlement date. Further that ONE Investment staff report to the ONE JIB at its next meeting on the transition.

**Carried**

**Moved by** Board Member Giles

THAT the Board recess for approximately 10 minutes.

**Carried**

The Board recessed at 10:34 a.m. and reconvened at 10:47 a.m.

**7.a.2 Town of Huntsville**

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

It was noted that the Town has amended its Municipal Client Questionnaire and updated its MNRI amount.

**Moved by** Board Vice-Chair James

THAT the Board adopt recommendation 1 in the report (June 23, 2020) from Keith Taylor, Chief Investment Officer and Colin Macdonald, Manager of Investments, and approve the Town of Huntsville's Investment Plan (Attachment 1), as amended (section 7.3).

**Carried**

**Moved by** Board Member Rettie

THAT the Board adopt recommendations 2, 3 and 4 and 5 in the report (June 23, 2020) from Keith Taylor, Chief Investment Officer and Colin Macdonald, Manager of Investments, as follows:

2. The Board receive Huntsville’s revised Municipal Client Questionnaire for information (Attachment 2)
3. The Chief Investment Officer notify the Board of any in-year changes to Huntsville’s Investment Policy Statement and any related implications for the Investment Plan
4. The Chief Investment Officer review the Investment Plan in Q1, 2021 and present a revised Investment Plan for approval by Q2 2021, and
5. The Chief Investment Officer develop a performance report for Huntsville Council for the Board’s consideration by Q1, 2021.

**Carried**

**7.a.3 Town of Innisfil**

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



**Moved by** Board Member Melinyshyn

THAT the Board adopt recommendation 1 in the report (June 23, 2020) from Keith Taylor, Chief Investment Officer and Colin Macdonald, Manager of Investments, and approve the Town of Innisfil's Investment Plan (Attachment 1), as amended (section 7.3).

**Carried**

**Moved by** Board Member Franken

THAT the Board adopt recommendations 2, 3 and 4 in the report (June 23, 2020) from Keith Taylor, Chief Investment Officer and Colin Macdonald, Manager of Investments, as follows:

2. The Chief Investment Officer notify the Board of any in-year changes to Innisfil's Investment Policy Statement and any related implications for the Investment Plan
3. The Chief Investment Officer review the Investment Plan in Q1, 2021 and present a revised Investment Plan for approval by Q2 2021, and
4. The Chief Investment Officer develop a performance report for Innisfil Council for the Board's consideration by Q1, 2021.

**Carried**

#### **7.a.4 City of Kenora**

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

**Moved by** Board Member Melinyshyn

THAT the Board adopt recommendation 1 in the report (June 23, 2020) from Keith Taylor, Chief Investment Officer and Colin Macdonald, Manager of Investments, and approve the City of Kenora's Investment Plan (Attachment 1), as amended (section 7.3).

**Carried**

**Moved by** Board Member Basdeo

THAT the Board adopt recommendations 2, 3 and 4 in the report (June 23, 2020) from Keith Taylor, Chief Investment Officer and Colin Macdonald, Manager of Investments, as follows:

2. The Chief Investment Officer notify the Board of any in-year changes to Kenora's Investment Policy Statement and any related implications for the Investment Plan
3. The Chief Investment Officer review the Investment Plan in Q1, 2021 and present a revised Investment Plan for approval by Q2 2021, and
4. The Chief Investment Officer develop a performance report for Kenora Council for the Board's consideration by Q1, 2021.

**Carried**

#### **7.a.5 District of Muskoka**

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

**Moved by** Board Vice-Chair James

THAT the Board adopt recommendation 1 in the report (June 23, 2020) from Keith Taylor, Chief Investment Officer and Colin Macdonald, Manager of Investments, and approve the District of Muskoka's Investment Plan (Attachment 1), as amended (section 7.3).

**Carried**

**Moved by** Board Member Giles

That the Board adopt recommendations 2, 3 and 4 in the report (June 23, 2020) from Keith Taylor, Chief Investment Officer and Colin Macdonald, Manager of Investments, as follows:

2. The Chief Investment Officer notify the Board of any in-year changes to Muskoka's Investment Policy Statement and any related implications for the Investment Plan

3. The Chief Investment Officer review the Investment Plan in Q1, 2021 and present a revised Investment Plan for approval by Q2 2021, and
4. The Chief Investment Officer develop a performance report for Muskoka Council for the Board's consideration by Q1, 2021.

**Carried**

#### **7.a.6 Town of Whitby**

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

**Moved by** Board Member Rettie

THAT the Board adopt recommendation 1 in the report (June 23, 2020) from Keith Taylor, Chief Investment Officer and Colin Macdonald, Manager of Investments, and approve the Town of Whitby's Investment Plan (Attachment 1), as amended (section 7.3).

**Carried**

**Moved by** Board Member Melinyshyn

That the Board adopt recommendations 2, 3 and 4 in the report (June 23, 2020) from Keith Taylor, Chief Investment Officer and Colin Macdonald, Manager of Investments, as follows:

2. The Chief Investment Officer notify the Board of any in-year changes to Whitby's Investment Policy Statement and any related implications for the Investment Plan
3. The Chief Investment Officer review the Investment Plan in Q1, 2021 and present a revised Investment Plan for approval by Q2 2021, and
4. The Chief Investment Officer develop a performance report for Whitby Council for the Board's consideration by Q1, 2021.

**Carried**

#### **8. Other Business**

There was no other business.

**9. Meeting Outcomes**

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

1. Welcomed new Board Member, Mike Melinyshyn.
2. Approved Benchmarks for Prudent Investor Funds.
3. Received the Sensitivity Analysis report.
4. Approved Investment Plans as amended for all Founding Municipalities.

**10. Authorizing Motion**

**Moved by** Board Member Basdeo

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**

**11. Adjournment**

**Moved by** Board Member Giles

THAT the Board adjourn its meeting.

**Carried**

The meeting adjourned at 12:01 p.m.

**12. Next Meeting: July 14, 2020 - 9:00 a.m.**

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Denis Kelly, Board Secretary

## **Guardian Capital LP Signs United Nations Principles of Responsible Investing**

Guardian Capital LP is pleased to announce our recent signing of the United Nations Principles of Responsible Investing (UN PRI). As a signatory, we now have an obligation to follow the Principles listed below:

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

Our journey to becoming a signatory began in the spring of 2018 when our UK subsidiary, GuardCap Asset Management Limited, signed the UN PRI. Our progress towards signing has been measured and deliberate. It has involved several meetings with our investment staff along with the ramping up of our ESG research efforts and resources. Our evolution is not yet complete, but as a quality-oriented investment manager, we had already incorporated many of the Environmental, Social, and Governance factors into our research process. The ESG research, as envisioned under the UN PRI, adds a new layer to our research and understanding of the companies in which we invest. The UN PRI does not prescribe for the exclusion of any particular type of company or industry; rather, it requires that we are informed on the ESG issues, and that we are comfortable with the activities and practices of the companies that we hold.

As many will know, Guardian has been involved in the management of Responsible Investment Portfolios for many years under the Guardian Ethical Management (GEM) strategies. The signatory status of the UN PRI does not change our approach to these portfolios and they will continue to operate as they have in the past.

Guardian Capital LP manages portfolios for defined benefit and defined contribution pension plans, insurance companies, foundations, endowments and third-party mutual funds. Guardian Capital LP is a wholly-owned subsidiary of Guardian Capital Group Limited, a publicly traded firm, the shares of which are listed on the Toronto Stock Exchange. For further information on Guardian Capital LP, please visit [www.guardiancapital.com](http://www.guardiancapital.com).

To: ONE Joint Investment Board  
From: Keith Taylor, Chief Investment Officer  
Date: July 14, 2020  
Re: Overview of Global Equity Mandate  
Report: 20-021

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## 1. RECOMMENDATIONS

It is recommended that:

The Board receive this report for information.

## 2. SUMMARY

Mawer Investment Management Ltd. (Mawer) was selected to provide exposure to the global equity market for ONE JIB.

## 3. BACKGROUND

### **An extensive search was conducted to engage an investment manager to provide exposure to the global equity market**

The Investment Advisory Committee (IAC) provided advice to ONE Investment on the choice of a global equity fund manager.

On March 14, 2019 manager selection interviews were conducted. The selection of a manager for the global equity asset class was a key decision for ONE's Prudent Investment Program offering, as it provides a new investment exposure that offers municipal investors the potential for better returns and broader diversification. The selection of the mandate and the investment manager were key considerations when ONE was designing the Prudent Investment Program offering.

## 4. ANALYSIS

### **Exposure to the global equity market provides risk diversification opportunities**

Global equities offer better growth and broader diversification benefits than Canadian equities.

The manager selection process focused on three key attributes:

- (1) Exposure to emerging markets (to provide improved growth potential);
- (2) Broad diversification; and,
- (3) Strong downside protection - an investment approach that tends to perform well in weak markets.

These attributes are well-suited to the investment preferences and risk profile of the municipal

investors.

### **Mawer's investment approach focuses on value and growth with an extensive bottom-up selection process**

Mawer was selected as the manager for the ONE Global Equity Fund based on the fit between this approach and the needs of ONE JIB's prudent investor funds offering.

Mawer is a 'bottom up manager' that uses fundamental analysis to select equities. Their investment process can be simplified with the following phrase: "good business, good management and good price." They are best characterized as a 'quality' investor where value and growth are both investment considerations. They do thorough analysis and spend roughly 80% of their time on intensive company analysis. This includes management interviews, a review of financials, a review of Environmental, Social and Governance (ESG) risk factors, and a forensic accounting review. Mawer is very proactive about talking to management and suppliers at prospective investment targets. They refresh their analysis at least annually.

Mawer can hold up to 20% of the portfolio in emerging market equities. They do not look solely at where a company is registered or where its head office is but will also review the company's geographic sources of revenues.

Furthermore, in the manager interviews they demonstrated that social responsibility and doing 'the right thing' influences their investment choices. They require an ESG review prior to investing in any company and embrace good environmental policies. This feature is attractive to municipal investors. In September 2019, Mawer became a United Nations-supported Principles for Responsible Investing (UNPRI) signatory; UNPRI is the world's leading proponent of responsible investing.

### **Mawer adheres to a standardized, methodological approach**

Mawer has a very structured process that includes qualitative and quantitative analysis for determining companies to hold in the portfolio. Individual position sizes is capped at 6% and otherwise determined by the relative attractiveness of the investment opportunity according to their comprehensive analysis. Industry weight is capped at 20%. The portfolio is formally reviewed on a quarterly basis to ensure appropriate positions. Broadly speaking, they demonstrated a clear, systematic, and thorough investment approach, which tends to perform well when markets are weakest. Their ability to clearly explain their strategy and approach instills confidence. Mawer's global equity fund is appropriate for the Prudent Investment Program offering, and their approach will resonate with municipal investors.

Drafted by: Keith Taylor, Chief Investment Officer

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



# ONE Investment

## Mawer Global Equity Fund

Patrick Fournell, CFA, MBA    Director, Institutional Portfolio Manager  
Anum Siddiqui, CFA, CAIA    Institutional Client Management  
July 14, 2020

**MAWER**  
Be Boring. Make Money.™



# Agenda

1. Firm overview
2. Investment philosophy
3. Research team
4. Investment process & risk management
5. Performance
6. Client service

# We have strong roots



Founded in Calgary in 1974



100% independently owned



Single investment philosophy

*Be Boring. Make Money.™*

# We are even stronger today

\$59B

Assets under  
management

3

Office locations  
Calgary, Toronto,  
Singapore

60

Owners

99%

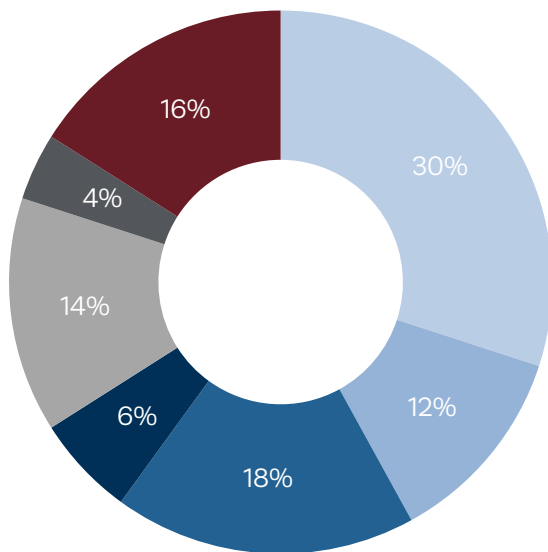
Client retention\*

*Our strength and structure promote long-term decision making in the best interests of clients*

All figures as of March 31, 2020 \*Annualized rate over the past 10 years; Institutional clients only

4

# We are focused



## Mandates

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- International Equity
- U.S. Equity
- Global Equity
- Global Small Cap Equity\*
- Emerging Markets Equity
- EAFE Large Cap Equity
- Canadian Mid-Large Cap Equity\*
- Canadian Small Cap Equity\*
- Fixed Income

As at March 31, 2020 \*Closed to new institutional investors

# We are long-term business owners

- Wealth-creating companies
- Excellent management teams
- Discount to intrinsic value



*A common sense investment philosophy*

# We are different



**Paul Moroz**  
Chief Investment Officer,  
Portfolio Manager



**Christian Deckart**  
Deputy Chief Investment Officer,  
Portfolio Manager



**Jim Hall**  
Chairman,  
Portfolio Manager

<b>Industry Experience:</b>	17 Years	22 Years	26 Years
<b>Joined Mawer:</b>	2004	2013	1997

*Significant cognitive diversity within Research:  
32 people, 11 countries, 15 languages, 18 educational backgrounds*

# We work differently

## Culture

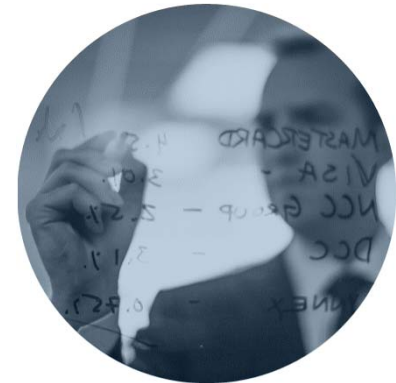
- Built on candor, curiosity, and trust
- Common lexicon and behaviors
- Continual improvement

## Long-term focus

- Commitment to independence
- Continuous succession planning
- Consistent investment platform since 1974

## Structure

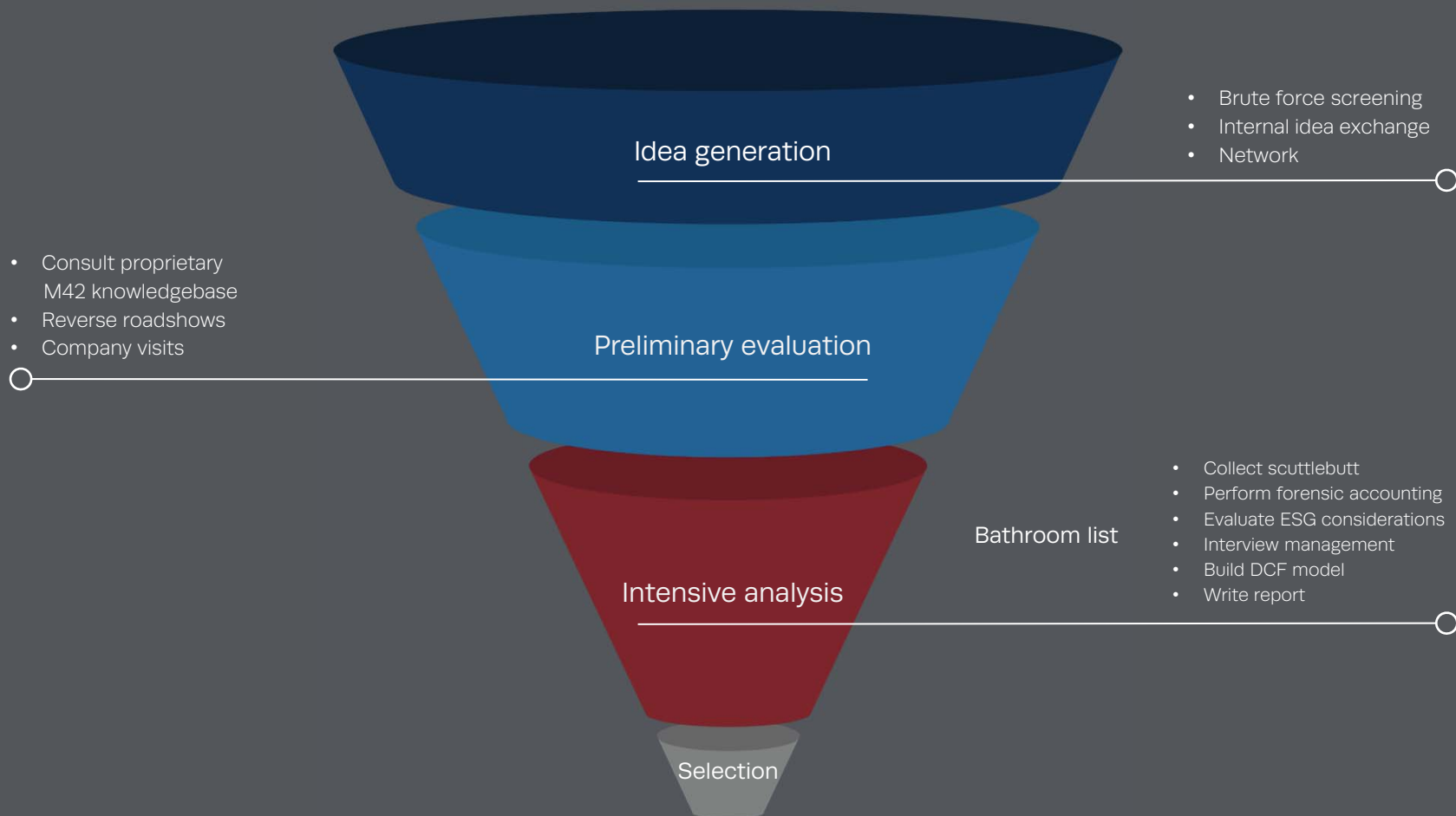
- Generalists, with a single firm wide investment philosophy
- Flat, meritocracy based
- Effective decision-making (leader decides with input)



*Resulting in >95% employee retention\* and greater team stability*

\*Past 10 years, retirements excluded

# We are bottom-up investors

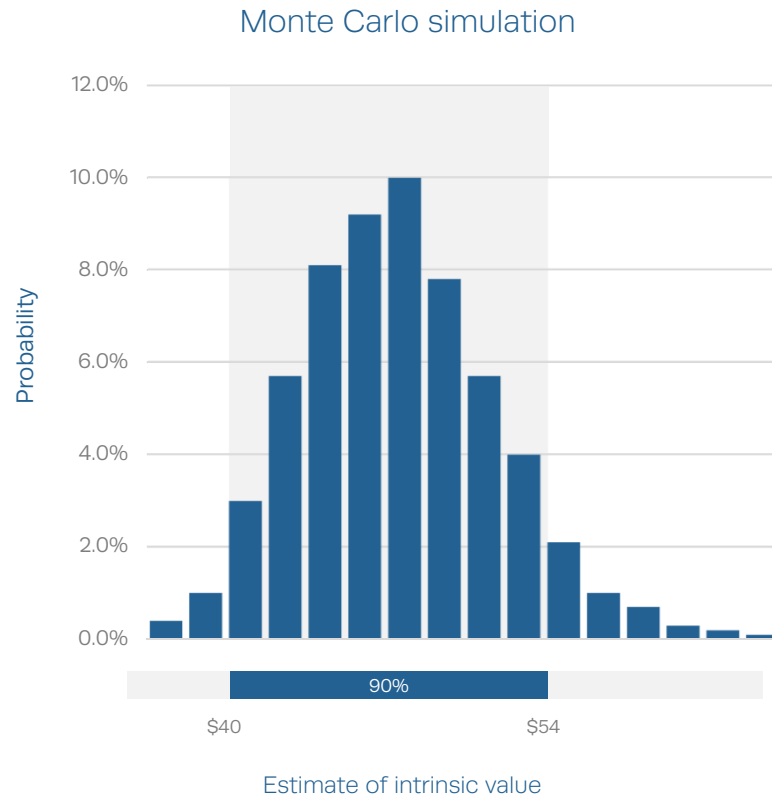




# We embrace uncertainty

## Projections and ranges

- Income statement
- Balance sheet
- Statement of cash flows

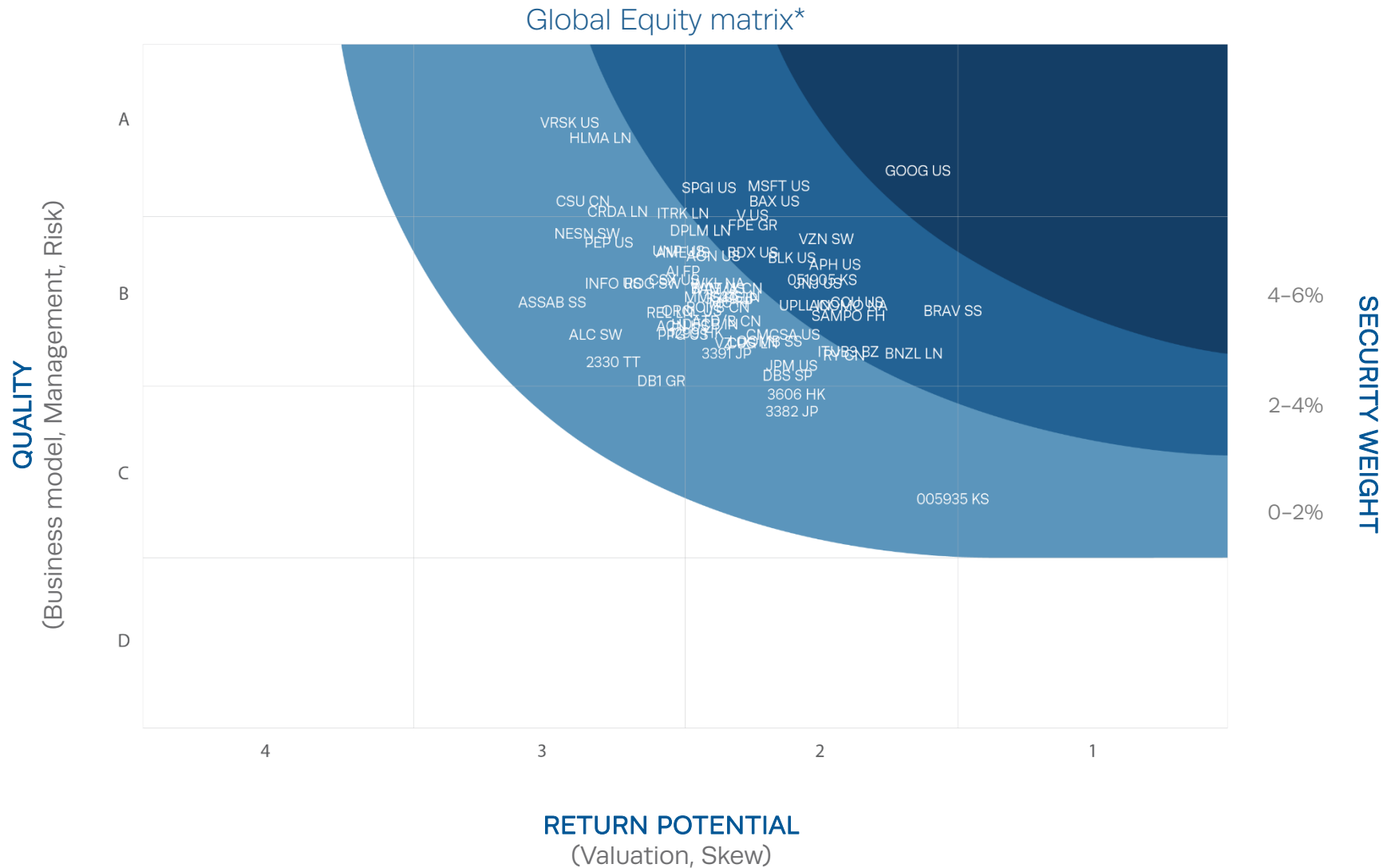


## Outputs

- Fair value range
- Expected probabilities for different outcomes
- Buy & sell review points

*We focus on putting the odds in our clients' favor*

# We weight stocks on merit



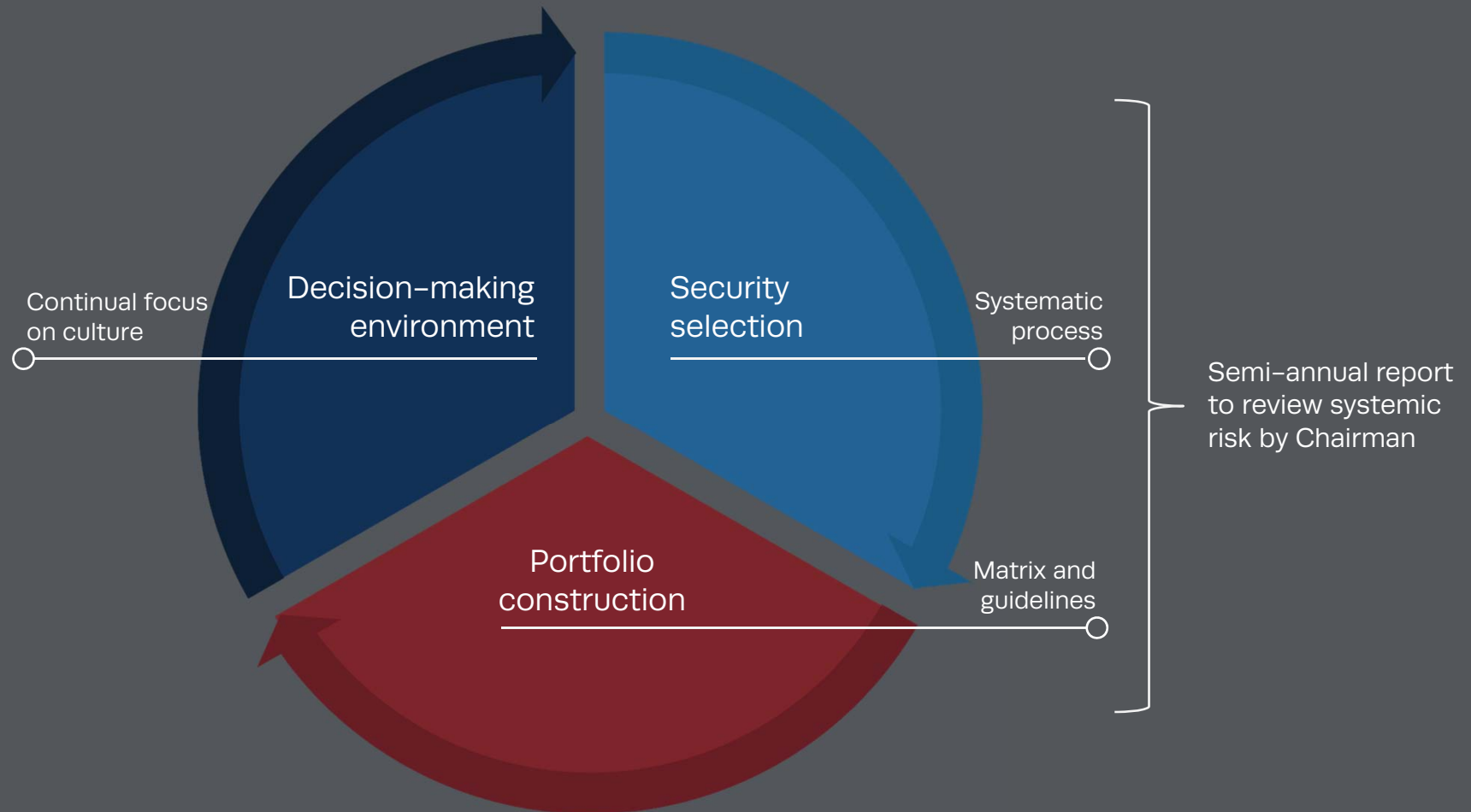
\*For illustrative purposes, data is historical

# We seek resilience

## Global Equity portfolio construction guidelines

Market capitalization	All cap
Number of securities	50-80
Maximum security weight	6%
Maximum industry weight	20%
Sector minimums	None
Maximum cash weight	10%
Maximum country weight (ex-U.S.)	25%
Maximum U.S. weight	75%
Maximum Emerging Markets weight	20%
Currency hedging	None

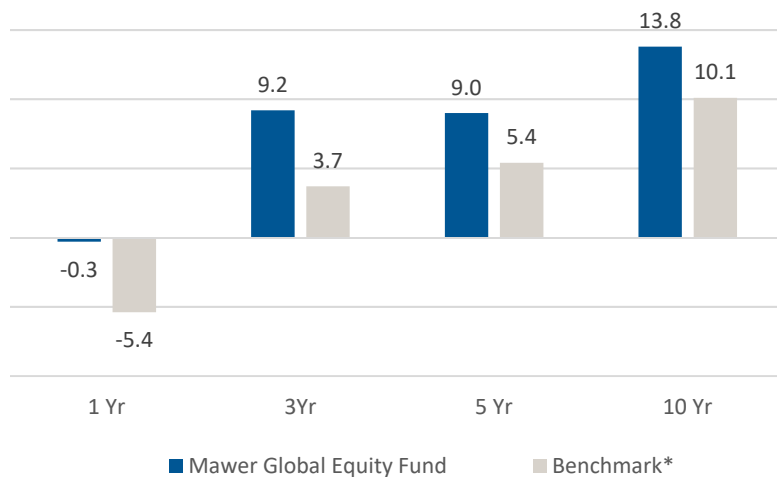
# We continuously assess and manage risk



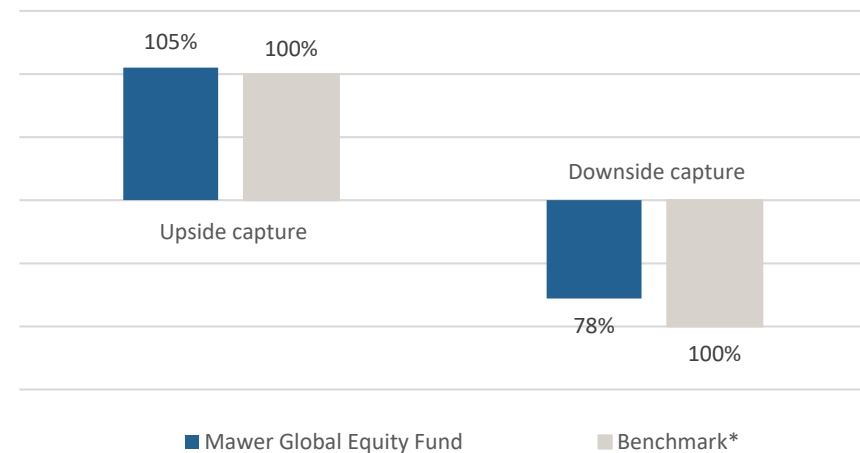
# Performance (%)

As at March 31, 2020

Gross annualized performance



Upside/Downside capture (10 Yr)



Calendar year returns	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Mawer Global Equity Fund	22.3	5.7	19.1	0.9	23.1	15.9	36.0	18.3	4.6	7.8
Benchmark*	20.2	-1.3	15.8	3.1	18.9	14.4	35.2	13.3	-3.2	5.9
<b>Excess returns</b>	<b>+2.1</b>	<b>+6.9</b>	<b>+3.2</b>	<b>-2.2</b>	<b>+4.2</b>	<b>+1.5</b>	<b>+0.8</b>	<b>+5.1</b>	<b>+7.8</b>	<b>+1.9</b>

\*MSCI ACWI (net dividends reinvested); Prior to October 2016, MSCI World (net dividends reinvested)

See appendix slide titled "Disclaimer" for additional details on benchmarks used, upside and downside capture ratios, and performance calculations

# Why Mawer?

## Culture

- Built on candor, curiosity, and trust
- Effective decision-making
- Best ideas win

## Organizational stability

- Independence
- Team consistency
- Long-term focus

## Proven approach

- Single investment focus
- Systematic, probabilistic approach
- Resiliency



*Be Boring. Make Money.™*



# Appendix

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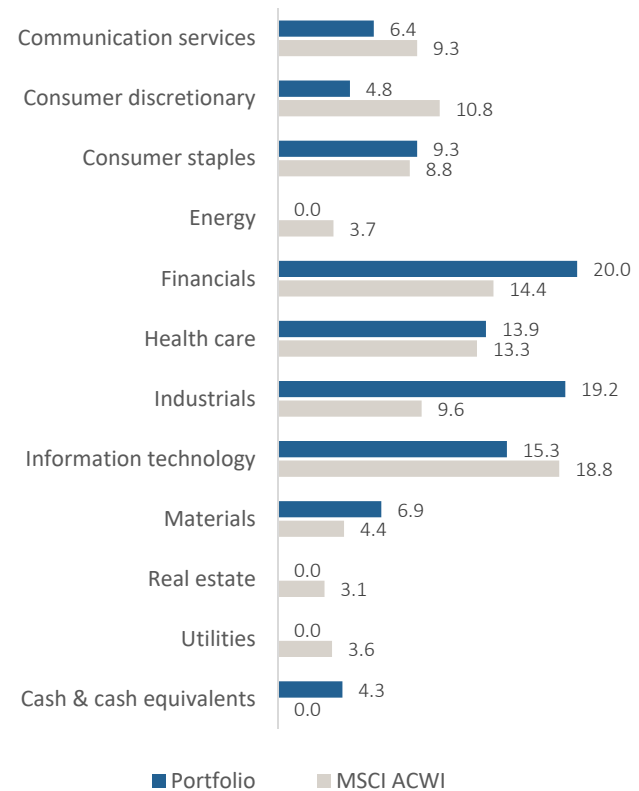
# Portfolio characteristics

As at March 31, 2020

## Top 10 companies (%)

Microsoft Corporation	4.3
Aon Plc	3.8
Wolters Kluwer NV	3.7
Novartis AG	3.7
Roche Holding AG	3.5
Alphabet Inc.	3.1
S&P Global, Inc.	3.1
Air Liquide SA	3.1
Johnson & Johnson	3.1
Visa Inc.	3.0
<b>Total</b>	<b>34.2</b>

## Sector weights (%)



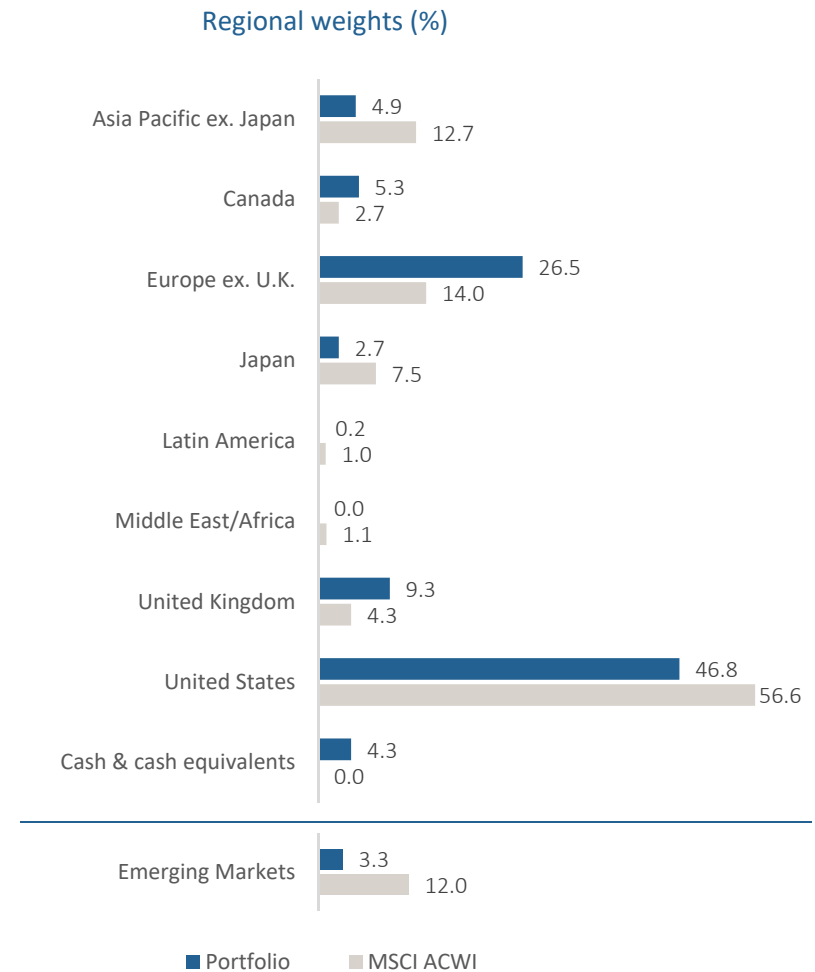


# Portfolio characteristics

As at March 31, 2020

Characteristics	Portfolio	MSCI ACWI
ROE (%)	25.3	20.0
Forward P/E	18.2	15.2
Dividend yield (%)	2.1	2.9
Active share (%)	85.2	
Annual turnover (%)	25.9	

Market cap	#	Weight (%)
\$0 to \$3 billion	6	2.1
\$3 to \$10 billion	11	8.3
\$10 to \$100 billion	30	44.9
\$100 billion and over	19	40.5
Cash & cash equivalents		4.3
<b>Total</b>	<b>66</b>	<b>100.0</b>
Median:	\$36.0 billion	



# Portfolio Activity in 2020

- **Portfolio considerations.** Much of our work during Q1 has focused on evaluating the “survivability” of the businesses we own.
- We’ve tried to shift away from where we perceive risks to be more acute to where we see opportunities.
- We’ve emphasized internet- or software-based businesses that should benefit from behavioural shifts accelerated by the economic shutdown and where growth may effectively be pulled forward and we’ve added to existing holdings with more defensive characteristics.

## Examples of initiations

Intercontinental Exchange Inc (United States)  
Amazon.com Inc (United States)

Insperity Inc (United States)  
Adyen NV (Netherlands)

## Examples of eliminations

Becton Dickinson and Co (United States)  
Royal Bank of Canada (Canada)

Itau Unibanco Holding SA (Brazil)  
Suncor Energy Inc (Canada)

- Bank positions in the portfolio have been trimmed given a confluence of risk factors: the prospect of lower interest rates for longer, a global recession, and greater credit risks.
- We decreased our positions in businesses where debt is of greater concern, and we trimmed our positions in companies whose business models may be structurally weakened in a post-coronavirus world.
- We’re staying balanced and diversified, both in terms of the portfolio and our decision-making. The middle of a storm is not the time to fix your ship. The ship should be fortified before you set sail from harbor.

# Responsible Investing Policy

## Our Principles

Mawer is a signatory of the United Nations Principles of Responsible Investment. Mawer's responsible investing decisions are guided by five key principles:

1. Mawer's primary objective is to maximize long-term, risk adjusted returns for clients.
2. ESG factors can impact the sustainable competitive advantage and the risk/return profile of our investments.
3. Integrating ESG factors into Mawer's investment process increases the odds of investment success.
4. Engaged ownership is an important responsibility Mawer fulfils on behalf of our clients.
5. We strive to lead by example and, as a corporate citizen, improve our own ESG practices.



# Biography

## Patrick Fournell, CFA, MBA

Director, Institutional Portfolio Manager

Patrick Fournell is an institutional portfolio manager at Mawer Investment Management Ltd., which he joined in 2014. Based in Toronto, Mr. Fournell is responsible for the management of institutional client investment portfolios.

Prior to joining Mawer, Mr. Fournell was a director of consultant relations at MFS Investment Management, as well as a vice president at McLean Budden for seven years where he was also a product specialist and member of the firm's international equity strategy. Previously, he worked for eight years as a consultant in the U.S. and Canada, first at Hewitt Associates (now Aon Hewitt), and subsequently at Mercer Investment Consulting. He began his career as a pension analyst at Noranda (now Glencore Canada Corporation).

Mr. Fournell has investment experience since 1993, and is a CFA charterholder. He received a Bachelor of Mathematics degree from the Université de Montréal with a major in Actuarial Science, an MBA in finance and economics from the University of Chicago, and completed investment-related executive programs at Harvard University and the London Business School. He is a member of the CFA Institute and the CFA Society Toronto.



# Biography

## Anum Siddiqui, CFA, CAIA

### Institutional Client Management

Anum Siddiqui is a member of the institutional client management team at Mawer Investment Management Ltd., which she joined in 2020. She is responsible for the management and servicing of institutional clients.

Prior to joining Mawer, Mrs. Siddiqui was an investment consultant at Ellement Consulting Group, where she advised institutional clients and conducted investment manager research across public and private asset classes. Previously, she worked at Morningstar Canada and Willis Towers Watson in research and consulting capacities.

Mrs. Siddiqui received a Bachelor of Commerce in finance from Concordia University. She is a Chartered Financial Analyst (CFA) and Chartered Alternative Investment Analyst (CAIA) charterholder, with investment experience since 2012. She is a member of the CFA Institute, CFA Society Toronto, and CAIA Association.



# Disclaimers

## **Benchmark:**

MSCI ACWI (net dividends reinvested). Prior to October 2016, MSCI World (net dividends reinvested). Rationale for Change: MSCI ACWI (net) Index is a better representation of the mandate in our opinion. Past benchmark does not include Emerging Markets whereas the fund has holdings in these markets consistent with its prospectus and investment policy statement.

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## **Performance:**

Fund returns are reported in Canadian dollars and calculated gross of management fees and net of operating expenses; rates of return for greater than one year have been annualized. In comparison, index returns do not incur management fees or operating expenses. Fund returns are calculated by Mawer Investment Management Ltd. Index returns are supplied by a third party—we believe the data to be accurate, however, cannot guarantee its accuracy. Index returns sourced from FTSE Russell, TD Securities, FactSet and BMO Capital Markets.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund facts and the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Mawer Mutual Funds are managed by Mawer Investment Management Ltd.

## **Upside/Downside Capture Ratios:**

Upside/Downside Capture Ratios are calculated by taking the Fund's returns over the period during months when the benchmark had a positive / negative returns and dividing it by the benchmark returns during those same months. Index returns are supplied by a third party – we believe the data to be accurate, however, cannot guarantee its accuracy.

## **Emerging Markets:**

Emerging Markets classification is based on the MSCI Country Classification Standard.

References to specific securities are presented for informational purposes only. Information relating to investment approaches or individual investments should not be construed as advice or endorsement. Any views expressed were prepared based upon the information available at the time and are subject to change. All information is subject to possible correction. In no event shall Mawer Investment Management Ltd. be liable for any damages arising out of, or in any way connected with, the use or inability to use this information appropriately.

This document is for use by accredited/professional investors only. Publication date: June 30, 2020

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Be Boring. Make Money.<sup>™</sup>



# REPORT

To: ONE Joint Investment Board  
From: Evelyn Foo, Chief Compliance Officer  
Date: July 14, 2020  
Re: Appointment of PwC as Auditors of the Prudent Investor Funds  
Report: 20-022

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## 1. RECOMMENDATIONS

It is recommended that:

The Board receive the report for information.

## 2. SUMMARY

The new Prudent Investment Program funds require an annual audit of a specialized nature. The ONE Investment Board has approved the audit firm of Price Waterhouse Coopers (PwC).

## 3. BACKGROUND

**The Ontario Securities Commission (OSC) requires an annual audit of the newly created ONE Investment Prudent Investment Program funds.**

ONE Investment has been granted an exemption by the OSC to create and administer investment funds as an Investment Fund Manager. Each investment fund is subject to an annual audit to ensure compliance with the applicable securities regulations. Each investment fund is considered a separate entity with tax calculations that must be addressed at the fund level as they are considered trusts under the *Income Tax Act*. Each investment fund must flow out amounts to its beneficiaries so that it is not tax liable.

## 4. ANALYSIS

**ONE Investment has approved PwC as the auditors for the ONE Investment's Prudent Investment Program offerings.**

Following the recommendation of the ONE Investment Audit Committee, the ONE Investment Board approved the retention of PwC at its meeting on June 5, 2020.

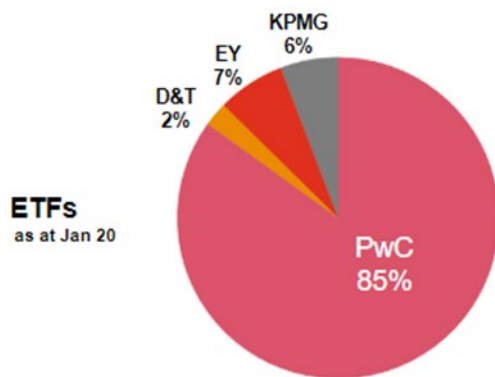
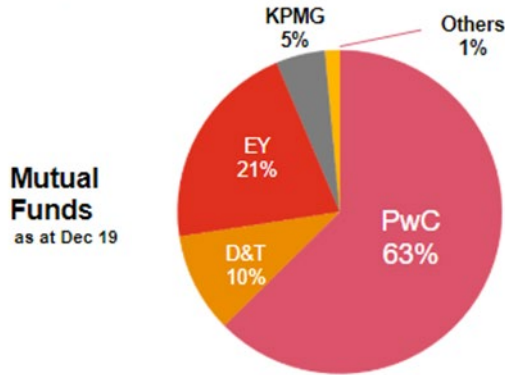
**Annual audits demonstrate a high level of accountability and transparency.**

The choice of the firm to conduct the audit of these funds is a significant decision. The audit will provide assurance to the ONE Investment Board, ONE JIB and the participating municipalities that transactions are being appropriately included, best practices are incorporated, and the fund comply with securities regulations.



PwC audits 63% of Canadian mutual funds by assets under management (AUM)  
PwC is a leading audit provider to exchange-traded funds (ETFs) and structured products, serving approximately 85% of ETFs by AUM.

**Canadian audit market share by assets under management**



**Top 20 asset and wealth management clients**

- AGF
- ATB (Compass)
- BMO Financial Group
- Beutel Goodman
- Capital International
- TF
- Dimensional
- Fidelity
- Desjardins
- Franklin Templeton
- IA Clarington
- Invesco
- MD
- Northwest & Ethical
- PIMCO Canada
- Primerica
- RBC
- Russell
- Scotia/Dynamic
- SEI

PwC has a working relationship with ONE Investment’s custodian and recordkeeper  
PwC has a long working history with CIBC Mellon. Some of their clients with CIBC Mellon include:

- |            |            |           |               |
|------------|------------|-----------|---------------|
| Brandywine | Cumberland | AGF Funds | Fiera Capital |
| Invesco    | SEI        | Canoe     | T. Rowe Price |

**PwC has an extensive track record of working in the public sector, specifically auditing government agencies**

- City of Toronto (and more than 30 related entities)
- City of Sudbury (and more than 5 related entities)
- Metrolinx
- Ministry of Transportation
- Ontario Provincial Controllers Division
- Public Works and Government Services Canada

- Toronto Transit Commission
- Greater Toronto Airports Authority
- Ontario Power Generation
- Ontario Capital Growth Corporation
- Infrastructure Ontario
- Toronto Parking Authority
- Toronto Community Housing Corporation
- Ministry of Economic Development, Employment, & Infrastructure

The combination of expertise in the investment fund space and their experience in the public sector position PwC to service the new Prudent Investor funds well.

Drafted by: Evelyn Foo, Chief Compliance Officer

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