



**ONE JIB
Special Board Meeting
Agenda**

Date: July 19 2023, 10:00 a.m.

Location: AMO Office

200 University Avenue - Suite 801, Toronto, ON M5H 3C6

	Pages
1. Land Acknowledgement	
2. Disclosures of Pecuniary Interest	
3. Minutes of Previous Meeting	
3.a Approval of the June 1, 2023 Minutes	1 - 12
3.b Business Arising from the June 1, 2023 Minutes	
4. Board Committee Reports	
4.a New Products Committee Report (2023-01), June 21, 2023	13 - 17
5. Closed Session	
5.a Education Session under s. 239 (3.1) of the Municipal Act - Annual ONE JIB Template Review 2023	
6. Public Session	
7. Governance and Administrative Matters	
7.a Annual ONE JIB Template Review 2023	18 - 65
8. Meeting Outcomes	
9. Authorizing Motion	
10. Adjournment	

11. Next Meeting

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



ONE JIB

Regular Board Meeting

Minutes

Meeting #: 2023-02
Date: June 1, 2023, 11:00 a.m.
Location: AMO Office
200 University Avenue - Suite 801, Toronto, ON M5H 3C6

Members Present:

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

Others Present:

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

1. Chair's Welcome

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

Board Chair Hughes also introduced two new staff members to the Board. The first is Jennifer Hess, Manager of Investment Services, who is taking over for Colin Macdonald. He indicated that Jennifer comes to ONE Investment from the Town of Whitby, where she was the Manager of Development Finance and Long-Term Financial Planning.

Board Chair Hughes also introduced Jennie Song, the new Board Coordinator. Jennie recently graduated from Western University and has experience with the Town of Newmarket and the Town of Pelham.

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 the February 27, 2023, ONE JIB Meeting Minutes

Moved by Board Member Pountney

THAT the minutes of the February 27, 2023, ONE JIB Meeting be approved as circulated.

Carried

4.b Approval of the March 1, 2023, ONE JIB Meeting Minutes

Moved by Board Member Franken

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

Carried

4.c Business Arising from the February 27, 2023, and March 1, 2023, Meeting Minutes.

There was no business arising from the February 27, 2023, and March 1, 2023, ONE JIB Minutes.

5. Communications

There were no communications.

6. Delegations

6.a Presentation from John Mascarin, Aird & Berlis LLP, Integrity Commissioner

John Mascarin, Aird & Berlis LLP, Integrity Commissioner, made a presentation on the 2022-2023 Annual Report of the Integrity Commissioner.

6.b. 2022-2023 Annual Report of the Integrity Commissioner

Moved by Board Member Giles

THAT the Board receive the presentation from John Mascarin, Aird & Berlis, LLP, Integrity Commissioner and the 2022-2023 Annual Report of the Integrity Commissioner.

Carried

7. Board Committee Reports

There were no Board Committee Reports.

8. Consent Items

Moved by Board Member Melinyshyn

THAT the Board approve items 9.a, 9.b, 9.c, 11.a, 11.b, 11.c, and 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:

9.a. Audit Committee Update

- 9.b. 2022 Year End Pooled Funds Update
- 9.c. Terms of Reference and Procedure By-law Review
- 11.a. Neebing's Investment Plan Implementation Update
- 11.b. Municipal Performance Reports – Q1 2023
- 11.c. Compliance Reports – Asset Class and Target Weight Allocations Q1 2023
- 11.d. Fund Manager Presentation – Manulife (staff report only)

Carried

9. Governance and Administrative Matters

9.a Audit Committee Update (2023-O24) (consent)

Moved by Board Member Melinyshyn

THAT the Board adopt the recommendation to receive the report.

Carried

9.b 2022 Year End Pooled Funds Update (2023-O28) (consent)

Moved by Board Member Melinyshyn

THAT the Board adopt the recommendation to receive the report.

Carried

9.c Terms of Reference and Procedure By-Law Review (2023-O29) (consent)

Moved by Board Member Melinyshyn

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

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.

Carried

10. Strategy and Policy

10.a Strategic Plan – Report 2 – Large Municipality Offering (2023-030)

Judy Dezell, Co-President/Co-CEO, ONE Investment, made a presentation on the report on the Strategic Plan – Report 2 - Large Municipality Offering, for Q1 2023.

Moved by Board Member Rettie

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

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.

Carried

10.b Strategic Plan – Report 1 - Q1 2023 Progress (2023-025)

Judy Dezell, Co-President/Co-CEO, ONE Investment, made a presentation on the report on progress on the Strategic Plan in Q1 2023.

Moved by Board Member Dowty

THAT the Board receive the presentation and adopt the recommendation in the report to direct staff to report quarterly on the progress of the Futures List and Strategic Plan using the strategic reporting tool.

Carried

10.c Municipal Insights Report - Q2 2023 (2023-023)

Colin Macdonald, Manager of Policy, MFOA, made a presentation on the quarterly report on municipal insights.

Moved by Board Member Giles

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

Carried

10.d Annual ONE JIB Template Review Process 2023 (2023-022)

Jennifer Hess, Manager of Investment Services, provided a presentation on the report on the annual Template Review Process.

Moved by Board Member Franken

THAT the Board receive the presentation and adopt the recommendations in the report to:

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.

Carried

11. Investment Oversight

11.a Neebing's Investment Plan Implementation Update (2023-O14) (consent)

Moved by Board Member Melinyshyn

THAT the Board adopt the recommendation to receive the report.

Carried

11.b Municipal Performance Reports – Q1 2023 (2023-O15) (consent)

Moved by Board Member Melinyshyn

THAT the Board adopt the recommendation to receive the report.

Carried

11.c Compliance Reports – Asset Class and Target Weight Allocations Q1 2023 (2023-O27) (consent)

Moved by Board Member Melinyshyn

THAT the Board adopt the recommendation to receive the report.

Carried

Moved by Board Member Giles

THAT the Board recess for lunch.

Carried

The Board recessed at 12:13 p.m. and reconvened at 1:02 p.m.

11.d Global Fixed Income Manager Presentation by Manulife (2023-O16) (consent)

Moved by Board Member Melinyshyn

THAT the Board adopt the recommendation to receive the report.

Carried

Thomas Coggins, Senior Portfolio Manager, Global Multi-Sector Fixed Income, Sherri Tilley, Client Portfolio Manager, Global Multi-Sector Fixed Income, and Mark Bischoff, Managing Director, Relationship Management, Manulife Financial Management, made a presentation on the Global Fixed Income Fund.

Moved by Board Member Giles

THAT the Board receive the presentation from Manulife Financial Management.

Carried

Moved by Geri James

THAT the Board take a brief recess

Carried

The Board recessed at 2:11 p.m. and reconvened at 2:23 p.m.

11.e Town of Huntsville's Annual Investment Plan Review (2023-019)

Keith Taylor, Chief Investment Officer, presented on the report on the Town of Huntsville's Annual Investment Plan Review.

Moved by Board Member Melinyshyn

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

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 be Target Date 10+ Year Outcome.

Carried

11.f Town of Innisfil's Annual Investment Plan Review (2023-O18)

Keith Taylor, Chief Investment Officer, presented on the report on the Town of Innisfil's Annual Investment Plan Review.

Moved by Board Member Rettie

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

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).

Carried

11.g City of Thunder Bay Annual Investment Plan Review (2023-O17)

Keith Taylor, Chief Investment Officer, presented on the report on the City of Thunder Bay Annual Investment Plan Review.

Moved by Board member Pountney

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

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).

Carried

11.h Town of Whitby Annual Investment Plan Review (2023-O20)

(Board Chair Hughes noted that the last line in Table 3 of the Chief Investment Officer's report, on page 576 of the agenda package, inadvertently did not include the Target Date 10+ Year outcome which would now be included.)

Keith Taylor, Chief Investment Officer, presented on the report on the Town of Whitby Annual Investment Plan Review.

Moved by Board Member Franken

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

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

Carried

11.i Fund Manager Performance Review Q1 2023 (2023-021)

Keith Taylor, Chief Investment Officer, ONE Investment, presented on the report on the Fund Manager Performance Review – Q1 2023.

Moved by Board Member Giles

THAT the Board amend the recommendation by adding that Board confirms its members have reviewed the Fund Manager Performance Reports – Q1 2023 provided in the Resource Library.

Carried

Moved by Board Vice-Chair James

THAT the Board receive the presentation and adopt the recommendation to receive the report, 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. Received the Integrity Commissioner's presentation and his 2022-2023 Annual Report.
2. Approved the Consent Items and the recommendations contained in the related staff reports. The consent items included an update from the Audit Committee and the 2022 Year-End Pooled Funds report. They also included amendments to section 4.11 and 10.2 of ONE JIB's Terms of Reference, notice of comparable amendments to the Procedure By-law and direction to staff for a complete review of the Board's Terms of Reference and Procedure By-law. The consent items further included an update on the implementation of Neebing's Investment Plan, the quarterly municipal performance reports, and the standard compliance report.
3. Endorsed the use of an OCIO for a Large Municipal Offering and will communicate to the ONE Investment Board our endorsement of key principles for the fees associated with the Large Municipal Offering.
4. Directed staff to report quarterly on the progress of the Futures List and the Strategic Plan using the Strategic Reporting Tool.
5. Received the Municipal Insights Update for Q2.
6. Approved the proposed objectives, scope, timeline and workplan for the annual review of the ONE JIB Templates.
7. Received a presentation from Manulife on the Global Fixed Income Fund.
8. Adopted Annual Investment Plans for four of the Participating Municipalities - the Town of Huntsville, Town of Innisfil, City of Thunder Bay and Town of Whitby.
9. Received the fund manager performance review for Q1.

14. Authorizing Motion

Moved by Board Member Melinyshyn

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 Vice-Chair James

THAT the Board adjourn its meeting.

Carried

The meeting adjourned at 3:04 p.m.

16. Next Meeting: July 19th (10:00 am), special education session and regular meeting on September 6, 2023 (10:00 am – 3:00 pm).

Denis Kelly, Board Secretary



New Products Committee

Regular Committee Meeting - Open Session

Report

Meeting #: 2023-01
Date: June 21, 2023, 10:00 a.m.
Location: Hybrid (200 University Ave, Suite 801 / Zoom Virtual)

Members Present:

Committee Chair G. James, Board Vice-Chair
Committee Vice-Chair B. Hughes, Board Chair
J. Dowty
J. Giles
P. Judson
J. Pittini

Others Present:

J. Dezell, Co-President/Co-CEO, ONE Investment
D. Herridge, Co-President/Co-CEO, ONE Investment
S. Han, WeirFoulds, LLP, Legal Counsel
J. Hess, Manager of Investment Services, Municipal Finance Officers Association
D. Kelly, Board Secretary
K. Taylor, Chief Investment Officer, ONE Investment

1. Land Acknowledgement

Committee Chair James made the following statement on behalf of the Committee:

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 people whose presence continues to enrich our communities.

2. Disclosures of Pecuniary Interest

There were no disclosures of pecuniary interest.

3. Investment Oversight

3.a New Products Committee Workplan (2023-002)

Keith Taylor, Chief Investment Officer, ONE Investment, made a presentation on the New Products Committee Workplan report.

Moved in amendment by Committee Vice-Chair Hughes

THAT the Committee recommends replacement of Recommendation 3 in the staff report dated June 21, 2023 with the following:

3 (a) Direct ONE Investment staff to implement the approved changes to HISA and the mandate of the One Canadian Government Bond Fund expeditiously.

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

(c) Provide that:

- a. References to HISA in the Investment Plans be deemed to be references to the Canadian Government Bond Fund
- b. References to the Canadian Government Bond Fund in the Investment Plans be deemed to be references to the revised mandate of the Canadian Government Bond Fund
- c. The “Criteria” table describing the revised mandate for the Canadian Government Bond Fund be amended by deleting references to “corporate obligations” and “Canadian chartered banks” in the “Permitted Securities” part of the table in all relevant documents, to ensure consistency with the approved mandate.”

(d) Amend the Workplan in Recommendation 1 accordingly.

Carried

Moved by Committee Member Judson

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

The Committee recommends that ONE JIB:

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

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

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

- b. Changes to asset allocations for the Outcomes
- c. An implementation and transition plan
- d. A summary report on ONE JIB's overall investment strategy for the existing Prudent Investment Offering.

Carried

3.b Outsourced Chief Investment Officer Partner and Large Municipality Offering (2023-001)

Judy Dezell, Co-President/Co-CEO of ONE Investment, made a presentation on the Outsourced Chief Investment Officer Partner and Large Municipality Offering report.

Moved by Committee Member Giles

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

Carried

4. Closed Session

Outsourced Chief Investment Officer Partner and Large Municipality Offering

Moved by Committee Member Pittini

THAT the Committee move into closed session for the purpose of receiving confidential commercial or financial information that, if disclosed, could significantly prejudice the Board's competitive position or interfere significantly with contractual negotiations, under the authority of section 239 (2) (i) of the *Municipal Act*.

Carried

The Committee convened in closed session at 10:54 a.m.

The Committee reconvened in open session at 12:04 p.m.

5. **Reconvene in Public Session**

Moved by Committee Member Giles

THAT the Committee resume in public session.

Carried

Outsourced Chief Investment Officer Partner and Large Municipality Offering

Moved by Committee Member Pittini

THAT the Committee receive the confidential report and the confidential presentation relating to the Outsourced Chief Investment Officer Partner and Large Municipality Offering.

Carried

6. **Other Business**

There was no other business.

7. **Adjournment**

Moved by Committee Member Giles

THAT the Committee adjourn the meeting.

Carried

The meeting adjourned at 12:06 p.m.

Denis Kelly, Board Secretary



REPORT

To: ONE Joint Investment Board
From: Jennifer Hess, Manager of Investment Services, MFOA
Date: July 19, 2023
Re: Annual ONE JIB Template Review 2023
Report: ONE JIB 2023-O33

1. RECOMMENDATIONS

It is recommended that:

1. The report be received for information

2. SUMMARY

ONE Investment has developed three templates to document a municipality's investment policy, investment plan and current and future cash flows, reserves and spending requirements. ONE Investment and ONE JIB annually review these templates. The goal of this year's review is to streamline the templates to enable the Prudent Investment Program to scale efficiently. The Investment Plan Template will be the primary focus of this year's review, although changes to the Municipal Client Questionnaire will also be part of the review. The Investment Policy Statement was not included in this year's review, since changes were made during the 2022 review.

The process for streamlining the templates will involve a staff presentation at a ONE JIB education session, post-session feedback focusing on the investment plan, a meeting with participating municipalities to discuss the Municipal Client Questionnaire, and then public reports to ONE JIB in Fall 2023. Changes to the templates are likely to lead to the development of policies to replace sections of the investment plans.

3. BACKGROUND

ONE JIB has identified the core templates as a priority area for improvement

ONE JIB conducts an annual review of its templates. In the last two ONE JIB governance self-evaluations, ONE JIB members identified the templates as a priority area for improvement. Last year, ONE Investment used a consultative process with ONE JIB to ensure that member feedback was incorporated where possible before the revised templates were presented. Last year's review resulted in modest changes. But more significant revisions will be needed to enable the board to make decisions efficiently in an environment with more participating municipalities and very large participating municipalities.

The annual review this year has four objectives, with a goal of finding efficiencies for

scalability

The following objectives are the focus of this year's annual review:

- Assessing the templates for operational efficiency
- Minimizing unnecessary redundancy between the templates, policies and processes
- Developing documents that are clear and easy to use for municipalities
- Identifying and incorporating the information essential for ONE JIB's decision-making.

As the Prudent Investment Program continues to grow, streamlined documentation would improve overall operational efficiency by reducing staff workload, avoiding the possibility of contradictory information in different documents, and making it easier for ONE JIB to focus on key decisions.

Template feedback will be gathered from ONE JIB members and participating municipalities in Summer 2023, and reported back to ONE JIB at its September meeting

Due to its broader scope, this year's review is not expected to be completed until November 2023. Table 1 below outlines the project timeline.

Table 1 - Project Timeline

Step	Timeline	Description
Process Approved	June 1, 2023	Template review process steps and timelines approved
Education Session	July 19, 2023	Presentation on the legislative requirements, templates, impacts on process and administration.
Gather template feedback from ONE JIB members and Participating Municipalities	Summer 2023 (after education session)	Distribute templates and questionnaire soliciting feedback from ONE JIB and Participating Municipalities
Summary of feedback from ONE JIB members and participating municipalities and enabling policy review	September 6, 2023	<ol style="list-style-type: none">1. Summarize feedback on templates from ONE JIB members and participating municipalities.2. Implementing feedback received may require policy changes, which will be presented to ONE JIB prior to proposed template changes.
Revised Templates	November 29, 2023	Revised templates will be presented to ONE JIB

In order to compile the information for the September 6, 2023 meeting, any feedback from ONE JIB members should be emailed to Jennifer Hess by July 31, 2023. This tight timeframe is

required in order to meet the reporting deadlines for the September 6, 2023 ONE JIB meeting.

4. ANALYSIS

The current investment plan template will be evaluated to determine whether sections can be dropped, shortened, moved to policies or otherwise improved

Subsection 19(2) of *Ontario Regulation 438/97* provides “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”.

Staff have conducted a preliminary review of the templates and discussed the legislative requirements for an Investment Plan at a high level with ONE Investment’s legal counsel, WeirFoulds LLP. The findings of that discussion concluded that the legislation requirements for the Investment Plan are minimal, and the current investment plan template could be shortened significantly.

Staff plan to review the Investment Plan template using four questions:

The five questions are:

1. Is this section legislatively required?
2. Is this section or information duplicated somewhere else?
3. Is there a current policy or could there be a policy replacing this section?
4. Is the content of this section likely to change often?
5. Is this section in the Toronto Investment Plan?

The review will help staff determine which sections of the current investment plan template should remain as is, which sections could be modified, and which sections could be removed.

ONE Investment is recommending using policies or procedures to reduce the length of the Investment Plans and add clarity.

It is administratively better to have information in a single location, whether in a policy, procedure, template or website, rather than in multiple investment plans updated at different times. Should modifications be identified either through the annual template review or through legislative changes, updating a single location would reduce the risk of conflicting information or missing changes.

From a client perspective, streamlined templates improve readability and clarity. References to supporting information can be included in the template.

Research into the approach taken in other Investment Plans may also be used to inform recommendations to ONE JIB. Staff are continuing to search for municipal comparators outside

of the Province of Ontario. Within Ontario, the City of Toronto's Investment Plan Template is publicly available and will be considered. There are only two other municipalities in Ontario that are pursuing prudent investor through individual investment boards and available information is limited. Any new information discovered will be brought forward by staff at the September 6, 2023 ONE JIB meeting.

A recommendation for new policies to replace sections of the Investment Plans will be brought forward to the September 6, 2023 ONE JIB meeting.

The City of Toronto will be used as a municipal comparator and its Investment Plan Template is considerably shorter than the ONE JIB's

To provide a municipal comparison, the City of Toronto's Investment Plan template will be used to help facilitate discussion. The use of municipal comparators can help determine best practice standards.

The City of Toronto's Investment Plan template (Attachment 1) is seven pages long, in comparison to ONE JIB's 28 pages (Attachment 2).

Toronto's Investment Plan template includes two sections and two appendices:

- The Governance Section includes purpose, limitations, legal authority, review, roles and responsibilities, and portfolio overview.
- The Investments Section includes plan objective, return objective, rebalancing, recommended asset mix, investment management structure, active and passive investment management, and environmental, social and governance factors.
- Appendix A includes the transition plan and Appendix B includes mandate letters.

ONE Investment will also seek input on the Municipal Client Questionnaire (MCQ) from participating municipalities

Informal observation indicates client confusion about some sections of the MCQ. Municipalities differ in the structure, purposes and uses of their reserve and reserve funds that need to be translated into common MCQ terminology. To facilitate discussions at the August 2, 2023 Participating Municipalities' meeting, a questionnaire will be distributed in advance seeking their input.

Participating Municipalities have indicated that they would strongly prefer the MCQ form in a fillable PDF instead of the existing word format. A draft PDF form has been built using the current template and is attached as Attachment 3 of this report.

Feedback from participating municipalities on the MCQ will be presented to ONE JIB at the September 6, 2023 meeting

Depending on feedback from the Participating Municipalities, it may be beneficial to have two MCQ Templates: one for existing clients and one for new clients being onboarded (when additional supplementary information may be beneficial for the ONE JIB). Any changes that are proposed by the municipalities will be brought forward to ONE JIB at its September 6, 2023 meeting.

5. CONCLUSION

Presentation at the ONE JIB education session on July 19, 2023, comments received from the participating municipalities at the meeting on August 2, 2023 and written feedback from ONE JIB members will be used as input for a comprehensive review of the Investment Plan template and the Municipal Client Questionnaire template. The findings will be presented at the ONE JIB meeting on September 6, 2023. Further work will likely be required to revise the templates and develop or amend policies.

ATTACHMENTS

Attachment 1 – City of Toronto Investment Plan Template

Attachment 2 – Current ONE JIB Investment Plan Template

Attachment 3 – Current ONE JIB MCQ Template (fillable PDF format)

Drafted by: Jennifer Hess, Manager of Investment Services, MFOA

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

Revised Attachment 1

Toronto Investment Board Investment Plan – Long Term and Sinking Fund Assets

January 1, 2018

APPROVED on this day of , 2018

on behalf of Toronto Investment Board

Attachment 1

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Section 1 — Governance

1.01 Purpose

The purpose of this document is to guide the implementation of the Plan from its current asset mix to its target asset mix (Section 2.04 – Asset Mix). This document will also outline the transition from the current to target asset mix, and will then be used to guide the invested assets.

1.02 Limitations

As set by the Council-approved Statement of Investment Policies and Procedures for the City of Toronto Investment funds dated January 1, 2018.

1.03 Legal Authority

Ontario Regulation 360/15 under the City of Toronto Act, 2006.

1.04 Review

The Board will review and update the Investment Plan at least annually.

1.05 Roles and Responsibilities

Toronto Investment Board – Lead Decision Maker
Chief Financial Officer or Treasury Staff – Administer the Plan
RBC Investment and Treasury Services – Custodian of assets
Aon Hewitt – Consultant to the Toronto Investment Board

1.06 Portfolio Overview

a. Long Term Fund

The Long Term Fund will be used to meet the longer-term liabilities of Reserves and Reserve Funds, and other surplus funds not immediately required. The investment horizon will be in line with the nature of the underlying liabilities, currently ten years (approximately).

b. Sinking Fund

The Sinking Fund allows for the orderly repayment of debt issued by the City. The Sinking Fund is comprised of several sub-funds, which have a different required rate of return. As debt is issued by the City, each specific issue is assigned to a sub-fund. The City will then make annual contributions to this sub-fund, based on the expected return.

Attachment 1

Section 2 — Investments

2.01 Plan Objective

The City's overall investment objectives as being the following, in order of importance:

- Safety of principal
- Adequate liquidity
- Sufficient diversification
- Capital appreciation

2.02 Return Objective

Each of the portfolios is expected to achieve a gross return at least equal to the defined asset mix and respective composite benchmark (Section 2.04 – Asset Mix) measured over a moving four-year period.

2.03 Rebalancing

The asset mix will be monitored on a quarterly basis. Portfolios will be rebalanced to as close to the target portfolio as is reasonably possible when any one asset class exceeds the minimum or maximum defined range(s). All attempts will be made to manage the asset mix of the portfolio using cash flows. Otherwise rebalancing will be done through open market activity. The Board acknowledges varying market liquidity and expects transactions to be completed as soon as reasonably viable given the plan objective outlined above.

2.04 Recommended Asset Mix

Long Term Fund and Sinking Fund Asset Mix

Assets	Minimum %	Maximum %	Target Mix %	Benchmark Index
Global ACWI Equity	0.0	30.0	20.0	MSCI ACWI (CAD)
Total Equity	0.0	30.0	20.0	MSCI ACWI (CAD)
Canadian Universe Bonds	0.0	100.0	70.0	FTSE TMX Universe Bond Index
Total Fixed Income	50.0	100.0	70.0	FTSE TMX Universe Bond Index
Real Estate	0.0	10.0	5.0	
Infrastructure	0.0	10.0	5.0	
Total Real Assets	0.0	15.0	10.0	Canadian CPI + 5%
Cash¹	0.0	5.0	0.0	FTSE TMX 91-Day T-Bill Index

¹Excess cash (over maximum limit) shall be held in the Short Term Fund, not covered by this Investment Plan, until such time that the Investment Board has determined an appropriate allocation for these funds.

Attachment 1

2.05 Investment Management Structure

The investment management structure below provides a draft outline following implementation of the Recommended Asset Mix described in Section 2.04.

Asset Class	Long Term Fund	Sinking Fund
All Country World Index Equity ¹	Multi-Factor Passive Manager A	
	ACWI Manager A	
	ACWI Manager B	
	ACWI Manager C	
Fixed Income	Fixed Income Manager A	LDI Manager A
	Fixed Income Manager B	LDI Manager B
	<i>Fixed Income Manager C</i>	
Real Assets	Real Assets Manager A	
	Real Assets Manager B	
	<i>Real Assets Manager C</i>	

*Italics represent additional mandates that will be considered, but may not be implemented

¹Represents consolidation of regional (Canadian, US, EAFE and EM) portfolios in Section 2.04 – Asset Mix

2.06 Active and Passive Investment Management

The Investment Board believes that active management provides the best opportunity to meet the objectives of each of the plan while also protecting capital. The Investment Board; however, will consider both active and passive management options in the implementation of the Recommended Asset Mix (Section 2.04). The Investment Board would prefer that any active management strategies considered be ‘fee efficient.’

2.07 Environmental, Social and Governance Factors

The Investment Board should incorporate ESG factors into its investment decision-making through its due diligence processes when choosing Investment Managers. As such, when a prospective investment manager is assessed, or an existing Investment Manager is reviewed, the Investment Board will consider the Investment Manager’s ESG policies. The approach to ESG integration in the investment process will, however, vary both between and within asset classes based upon a number of factors, including the degree of control exercised by the Investment Board, contractual restrictions and the nature of the investment.

Attachment 1

Appendix A — Transition Plan

The purpose of the transition plan is to outline how the assets of the Long Term and Sinking Fund will move from its current asset mix to the asset mix set out in Section 2.04 – Recommended Asset Mix.

The Investment Board, in conjunction with its Consultant, will conduct investment manager searches for each of the asset classes identified in Section 2.04 – Recommended Asset Mix. Working with the Investment Board:

- The Consultant will conduct will provide a long list of investment managers for consideration;
- The Investment Board will approve a short list of investment managers for further consideration and due diligence, to be carried about by the Consultant and City staff;
- City staff will provide investment manager recommendations to the Investment Board for approval; and
- Each investment manager mandate will subject to contract negotiations.

An estimated funding schedule for the transition has been outlined below.

Following contract negotiations:

- Liquidate 10% (~\$467 million) of fixed income assets to begin funding equity and real assets

Six months following initial funding:

- Allocate a further 10% (~\$467 million) to equity and real assets

Afterwards, as bonds mature and/or cash flows come in:

- Fund remaining 10% (~\$467 million) of allocation to equity and real assets

Attachment 1

Appendix B — Mandate Letters

To be added

DRAFT

[NAME OF MUNICIPALITY]

Investment Plan

Date: **June 1, 2023**

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

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1. Definitions

Act	Act means the <i>Municipal Act, 2001</i> , S.O. 2001, c. 25, as amended from time to time.
Agent	Agent means any administrator, Custodian, payment servicer, External Portfolio Manager, investment counsel, consultant, banker, broker, dealer or other service provider engaged or appointed by ONE JIB and authorized by ONE JIB to exercise any of the functions of ONE JIB, in the manner and to the extent provided in the Regulation, pursuant to a written agreement with ONE Investment and, without limiting the generality of the foregoing, Agent includes ONE Investment.
Asset Allocation	Asset Allocation means the proportions of each Asset Allocation (or Asset Class) in an investment portfolio. The primary Asset Allocations (or Asset Classes) are cash and cash-equivalent instruments, fixed income, equities and equity-equivalent securities. These primary Asset Allocations (or Asset Classes) can be further subdivided into government and corporate bonds, large and smaller cap equities and other widely recognized asset categories. ONE Investment generally uses the term "Asset Allocation" to refer to the percentage, at the applicable time, of an investment portfolio comprised of cash, fixed income and equities.
Asset Class	Asset Class means the type of asset category in an investment portfolio. The primary Asset Classes (or Asset Allocations) are cash, cash-equivalent instruments, fixed income equities and equity-equivalent securities. These primary Asset Classes (or Asset Allocations) can be further subdivided into government and corporate bonds, large and small cap equities and other widely recognized asset categories. This term can be used interchangeably with Asset Allocation (defined above).
Asset Weight	Asset Weight means the actual percentage of HISA and/or of a particular Fund in comparison to the entire amount invested in a particular Outcome and also means the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in a particular Outcome. This term also includes the actual percentage of HISA and/or of a particular Asset Allocation in comparison to the entire amount invested in the investment portfolio.
Authorizing By-law	Authorizing By-law means, with respect to a Participating Municipality, the by-law under which it (i) adopts and undertakes to maintain its IPS, (ii) authorizes the entering into of the ONE JIB Agreement with ONE JIB and the other Participating Municipalities, (iii) approves its completed MCQ, (iv) authorizes the establishment of a Code of Conduct for ONE JIB, and (v) delegates to ONE JIB the authority to appoint its Integrity Commissioner and its Closed Meeting Investigator.

Note: an Authorizing By-law of a Participating Municipality can, at the option of council, also be constituted as the Prudent Investor Enabling By-law by

specifying a specific future date, agreed to by ONE JIB, as the date on which the PI Standard will apply to the Participating Municipality under Section 418.1 of the Act.

Benchmark	Benchmark means an independently verifiable index that is representative of a specific securities market. For the most part the Benchmark is a relevant market index e.g., the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc. against which investment performance can be compared. ONE Investment generally selects recognized and widely used performance benchmarks which measure total returns expressed in Canadian dollars. ONE Investment may use a single index or a blended index made up of one or more indices.
CFA Institute	CFA Institute means the not-for-profit professional association that administers the Chartered Financial Analyst (CFA) and the Certificate in Investment Performance Measurement (CIPM) curricula and examination programs worldwide, publishes research, conducts professional development programs, and sets voluntary, ethics-based professional and performance reporting standards for the investment industry.
Chief Compliance Officer (CCO)	Chief Compliance Officer means a duly qualified individual who is the most senior officer responsible for the design and implementation of the compliance program for ONE Investment and for the ONE Prudent Investment Program.
Chief Investment Officer (CIO)	Chief Investment Officer means a duly qualified individual who is the most senior person responsible to oversee investments and who advises ONE JIB as to the recommended Outcomes for Participating Municipalities to comply with their IPSs.
Credit Risk	Credit Risk means the possibility that a borrower will not repay a loan or meet other contractual obligations in full on time. One example of credit risk is the risk that a lender may not receive the borrowed principal and interest when due. Another example of credit risk, sometimes referred to as counterparty credit risk, is the risk that a party to a derivatives contract will default and fail to fulfill its obligations.
Custodian	Custodian means a specialized financial institution appointed to have custody and safekeeping of financial assets. Global Custodians may hold assets for their clients in jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").
Derivative	A derivative means a contract between two or more parties the value of which is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.

Drift	Drift means the deviation from Target Weight. Drift is cause for concern or a trigger for Rebalancing when it reaches or exceeds a certain magnitude for a specified period of time.
ESG (Environmental, Social and Governance Factors)	ESG factors mean “indicators used to analyse a (investee) company’s prospects” which are based on measures of its performance on environmental, social, and corporate governance criteria. According to the United Nations Principles of Responsible Investment, environmental issues relate to “the quality and functioning of the natural environment and natural systems”, social issues relate to “the rights, well-being and interest of people and communities”, and governance issues relate to “the governance of companies and other investee entities.”
External Portfolio Managers	External Portfolio Managers means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a ONE Investment Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.
Funds	Funds mean the pooled investment Funds offered as part of the ONE Prudent Investment Program and includes the ONE Canadian Equity Fund, the ONE Global Equity Fund, the ONE Canadian Bond Fund, the ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund, each of which is a Fund. Each Fund constitutes an Investment Fund and a Pooled Fund (defined below).
In-Kind	In-Kind means assets/securities instead of cash. In certain cases Participating Municipalities may transfer securities to ONE JIB as part of their MNRI instead of remitting only cash to ONE JIB. As these securities mature ONE JIB would invest the proceeds into the Outcomes specified in the relevant Investment Plan.
Internal Controls	Internal Controls mean a system of controls that may include authorities, policies, procedures, separation and segregation of duties, compliance checks, performance measurement and attribution, reporting protocols, measures for safekeeping of property and data, and the audit process.
Investment Fund	Investment Fund means a pool of money belonging to many investors that is used to collectively purchase stocks, bonds or other securities. This term includes a Fund (defined above) and a Pooled Fund (defined below).
Investment Plan	Investment Plan means the investment plan for a Participating Municipality applicable to its Long-Term Funds and investments that the Participating Municipality does not require immediately, as adopted and maintained by ONE JIB under the Regulation, as the Investment Plan may be amended from time to time.

Investment Policy Statement (IPS)	Investment Policy Statement means the investment policy applicable to a Participating Municipality's investments adopted and maintained by the council of the Participating Municipality for Long-Term Funds under the Regulation, and for Short-Term Funds, as the IPS may be amended from time to time. The IPS may also apply to the money and investments held by the Participating Municipality for the benefit of persons other than the Participating Municipality itself and may make reference to any source of money in which the Participating Municipality may have an indirect interest but which the Participating Municipality has no authority to invest.
Legal List Securities	Legal List Securities mean the securities that are prescribed from time to time in Part I of the Regulation.
Leverage	Leverage means using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage tends to increase investment risks.
Local Distribution Corporation	Local Distribution Corporation or LDC means a corporation incorporated under section 142 of the Ontario <i>Electricity Act, 1998</i> , as amended from time to time.
Long-Term Funds	Long-Term Funds mean money that the Participating Municipality has defined as long-term and characterized as money that is not required immediately.
Money Not Required Immediately (MNRI)	Money Not Required Immediately means money that is not required immediately by a Participating Municipality, the control and management of which has been given to ONE JIB. There is no universal definition of MNRI and it is at the discretion of each Participating Municipality to determine its MNRI in a way that is appropriate for its circumstances.
Municipal Client Questionnaire (MCQ)	Municipal Client Questionnaire means a document which is completed by the Treasurer of each Participating Municipality, and which includes information on municipal investments and risk preferences that must be reviewed annually.
Municipality	Municipality means the [LEGAL NAME OF MUNICIPALITY].
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 **The Municipality'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 **the Municipality**.

3. Responsibility for Plan

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

4. Investment Context

4.1 Investment Goals and Objectives

Returns on investments have an impact on **the Municipality'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 **the Municipality'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 **the Municipality** has an obligation for a specific project at a specific time.

The Municipality has identified the goals and objectives for their MNRI according to the Outcome Framework used by ONE JIB. Table 1 details the investment objectives for its MNRI according to the classification scheme.

Table 1 - Objectives* Disclosed in *The Municipality'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 *the Municipality* are aligned with the Outcome Frameworks adopted by ONE JIB.

The Municipality'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 *the Municipality's* current goals, objectives, circumstances and risk tolerance, and helps direct how investment allocations will be determined. The allocation of *the Municipality's* MNRI in this Plan is consistent with the details as disclosed in *the Municipality's* IPS and MCQ.

While individually *the Municipality's* reserve and reserve funds require liquidity, collectively they provide *the Municipality* with considerable flexibility that should allow some exposure to less liquid investments as/if needed. This is more relevant for reserve and reserve funds with longer investment horizons. However, at present all ONE Investment funds are designed to be highly liquid. Less liquid investments may become available through ONE Investment at a later date.

ONE JIB uses an Outcome Framework that helps to translate the objectives as disclosed by the Participating Municipalities into investment allocations. The Outcome categories used by ONE JIB are aligned with the "Outcome Strategies" identified by *the Municipality* in Table 1 above. The MNRI of *the Municipality* 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 the Municipality in this Investment Plan.

4.2 Comments by Chief Investment Officer

The Chief Investment Officer is not recommending any changes in the allocation of MNRI in the investment Outcomes at this time. The updated MCQ and discussion with the Treasurer noted only minor changes in the investment horizon of municipal reserves vs the previous year. Additionally, the City will not make additional contributions or withdrawals from MNRI this year. The City has very good visibility on the nearer term funding needs, but the level of precision for spending needs for horizons beyond 5 years is more limited. Quinte West is in the process of updating its long-term financial plan and financial strategy which may lead to a more substantive change in the forecasts of cashflows affecting MNRI next year.

Quinte West's investment horizon is long and expects strong growth in reserve balances in coming years. It is anticipated that only about 1/3rd of the MNRI will need to be utilized within the next 5 years, with the remaining balance of MNRI potentially having a much longer investment horizon.

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 influenced by the long time horizon associated with the MNRI. The Investment Plan offers flexibility to invest monies for the long-term, but as all investments are fully liquid, access to the funds will be retained for any unforeseen circumstances. At the time of writing, the recommended overall exposure to equity within the Investment Plan was about 39%.

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 the Municipality are taken into consideration when assigning asset allocations for the Municipality 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 the Municipality'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 the Municipality's MCQ dated May xx, 2021 have been allocated into investment Outcome categories as shown in Table 2 below.

Table 2 – Investment Allocations based on MCQ updated on XX May 2021*

Outcome	Allocation (\$)	Allocation Weight (%)
Cash	\$ 4,471,071	14.8
Contingency	3,493,522	11.6
Target Date 3-5 Years	6,011,182	19.9
Target Date 5-10 Years	12,261,377	40.6
Target Date 10+ Years	3,979,112	13.2
Overall	\$ 30,216,265	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 the Municipality's circumstances will be used for each Outcome. Descriptions of these Outcomes, ONE Prudent Investment Program funds and the asset allocations for each Outcome are shown in Appendix B.

5.3 Cash Outcome

The allocation to the Cash Outcome will be approximately [INSERT NUMBER HERE]

Cash allocations are appropriate for the Municipality'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 Stable Return Outcome

The allocation to the Stable Return Outcome will be approximately \$ x.x million.

The Stable Return Outcome is specifically designed to generate stable returns that could be used as a recurring income. This Outcome's investment approach is relatively conservative, as it attempts to provide a recurring return stream while also emphasising preservation of capital. All income generated from the Stable Return Outcome will be reinvested. This Outcome has an allocation of 30% to equity investments, which will help generate annual returns to support the municipal budget and potentially provide modest growth in capital over time. The annual income needs of the municipality may be satisfied by selling securities from the Stable Return Outcome as needed. The degree to which balances invested in this Outcome can grow over time is directly influenced by the rate at which drawdowns take place.

[ENTER OUTCOME-SPECIFIC CONTEXT - REQUIRED]

[EXAMPLE: About \$23.5 million of the Municipality's MNRI has been allocated to the Stable Return Outcome. This amount is inclusive of \$73,616.81 of accumulated coupons income from the bonds held in-kind, which will be reallocated to the Stable Return Outcome.

Kenora also has an in-kind bond portfolio that is part of the MNRI portion of the CPTF. Any coupon income or proceeds from maturing bonds in the in-kind bond portfolio during the year will be reinvested into the Stable Return Outcome. Maturities in the 12-month period ending June 30,

2021 will total \$1.2 million. The Treasurer has requested to be informed of any reinvestment of monies from in-kind bond portfolio into the Stable Return Outcome for administrative purposes.]]

The allocation of the Stable Return Outcome is shown in Table 5. Stable Return monies will be invested based on the following asset mix. All income will be reinvested to facilitate continued long-term growth in the assets until they are needed.

Table 5 – Stable Return Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Cash	8	10	12	
ONE HISA		10		Bank of Canada 1 Year GIC Rate
Equity	26	30	34	
ONE Canadian Equity Fund		9		S&P/TSX Composite Index
ONE Global Equity Fund		21		MSCI ACWI (All Country World Index)
Fixed Income	55	60	65	
ONE Canadian Government Bond Fund		9		Blended – Canadian Government Bonds
ONE Canadian Corporate Bond Fund		9		Blended – Canadian Corporate Bonds
ONE Global Bond Fund		42		Bloomberg Barclays Multiverse Index
Total		100		

Further discussion on benchmarks is included in Appendix C

5.5 Contingency Outcome

The allocation to the Contingency Outcome will be approximately \$ x.x 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.

5.6 Asset Management Reserves Outcome

The allocation to the Asset Management Reserve Outcome will be approximately \$ x.x million.

The Asset Management Reserve Outcome is specifically designed as an Outcome suitable for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to fund asset management reserves. The very long-term nature of asset management reserves allows this Outcome to emphasize long-term growth, and as such, it has a significant allocation to equities. Details of the allocation of the Municipality's Asset Management Reserves Outcome are shown in Table 7. 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 7 - 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.

5.7 Target Date Outcome

The Municipality identified reserves that would be appropriate for Target Date Outcomes. Most of the Municipality's MNRI will be allocated to Target Date Outcomes, which will be allocated in a way that reflects the expected time horizon of balances and reserves. The monies invested in Target Date Outcomes will be split into separate Target Date allocations that collectively reflect the need for liquidity and growth and the time horizon in which the funds will be required. The allocation to the Target Date Outcomes will be approximately [INSERT AMOUNT], and divided among the various target date outcomes accordingly:

- Target Date 3-5 Year – \$ x.x million
- Target Date 5-10 Year – \$ x.x million
- Target Date 10+ Years – \$ x.x 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 \$6.0 million (about 20% 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

About 1/3rd of MNRI allocated to Target Date Outcomes reflect development charge reserves, most of which will not be required for at least 5 years. Approximately 41%, or \$12.25 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 11%, or \$11.8 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

5.8 Projected Investment Returns

This section has not been updated.

5.9 Non-Liquid Assets

a. Legacy Investments / Strategic Investments

the Municipality's investment in Whitby Hydro, an LDC, has a strategic purpose beyond generating investment returns. While this investment is part of the responsibility of ONE JIB, it is subject to a restriction set out in the Municipality's IPS such that ONE JIB has agreed not to dispose of or deal with that investment without the Municipality's consent. Table 12 below describes the investment in Whitby Hydro Shares.

Table 12 - The Municipality's LDC Holdings

Investment in Local Distribution Company	Amount (\$)
Whitby Hydro Shares	53,261,000

b. Transitional Investments

This section does not apply

5.10 Other Accounts

The Municipality 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. [Additionally, securities In-Kind will be under the control and management of ONE JIB but may be held for safekeeping by a custodian acceptable to ONE JIB.]

7.2 Transition Plan (including transitional investments)

This section does not apply

7.3 Accommodating Cashflow Needs

a. Investment Income and Rebates

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

a. Anticipated mid-year cashflow requests

The Municipality has not disclosed any known mid-year cashflow needs that would result in withdrawals.

b. Unanticipated mid-year cashflow requests

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



Appendix A: Process for Communicating Changes in Investment Needs

For effective investment management it is imperative that material changes in **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)

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

Additionally, update the MCQ within 90 days if:

- a. There is a significant change in the municipality's financial circumstances, or
- b. There is a significant change in the municipality's "money not required immediately"

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

1. CLIENT INFORMATION

1.1 NAME OF MUNICIPALITY: _____

1.2 ADDRESS: _____

1.3 TREASURER INFORMATION

i. Name: _____

ii. Phone Number: _____ iii. Email: _____

,

1.4 PRIMARY DAY-TO-DAY CONTACT INFORMATION*

i. Name: _____

ii. Title: _____

iii. Phone Number: _____ iv. Email: _____

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

2. INVESTMENT KNOWLEDGE AND EXPERIENCE

2.1 Which statement best describes the Municipal staff (person most responsible for managing investments)'s level of investment knowledge and experience with financial markets and products?

- ☐ Very limited knowledge
- ☐ Basic knowledge and minimal experience
- ☐ Good knowledge and some investment experience
- ☐ Strong knowledge and experience
- ☐ Advanced knowledge and extensive experience

2.2 Does Municipal staff (the person most responsible for managing investments) have prior investment industry education/designations/experience? Please describe:

2.3 Check the following list of investment vehicles with which your municipality has used within the past five years. [*Check all that apply*]

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

3. INVESTMENT OBJECTIVES AND RISK TOLERANCE

This section of the Questionnaire asks about the Municipality's Money Not Required Immediately (MNRI). In general, investors can expect a higher annualized rate of return if the investor is also willing to accept volatility or fluctuation in the market value of their investments. For example, investors can expect that the average annual rate of return for a five-year period will be higher where the portfolio's returns are varied when measured on a year-by-year basis, with some years having negative returns. A portfolio which has a steady return year over year, with little possibility of negative returns in any year, will most likely have a lower annualized return when measured on a rolling five-year average.

3.1 In relation to MNRI, which of the following best reflects the Municipality's longer-term investment objectives (return), risk tolerance (volatility of returns) and shorter-term tolerance for losses (actual or unrealized)?

	Description	Investment Objective	Risk Tolerance	Tolerance for short-term (3 year) losses*
<input type="checkbox"/>	Lower risk/return	Capital preservation is the main objective. Willingness to accept lower returns to reduce the likelihood of losses	Conservative Approach: A small chance of loss of capital over a 5-year period	Less than 5% decline
<input type="checkbox"/>	Moderate risk/return	Achieve moderate growth without excessive risk to capital	Moderate chance of loss of capital over a 5-year period	5-15% decline
<input type="checkbox"/>	Higher risk/return	Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns	Greater uncertainty of outcomes with potential of higher returns over a 5-year period	More than 15% decline

* these percentages are for illustrative purposes only, to determine sensitivity to potential capital loss, and do not represent a guarantee by ONE JIB or ONE Investment.

3.2 Other information: Is there any other information about the Municipality's investment objectives and risk tolerance for its MNRI that is relevant to the IPS or Investment Plan?

Sections 4 and 5 of this Questionnaire asks about the Municipality's assets, liabilities and cash flow and is not limited to MNRI. It is intended to assist ONE Investment in obtaining an understanding of the Municipality's financial circumstances, including its cash flow needs.

4. **FINANCIAL INFORMATION**

4.1 Please provide a table (next page or attached) showing "Money Not Required Immediately" divided into reserves and reserve funds with expected investment time horizons. A template is provided on the following page as a guide.

Note: MNRI can be determined by time, source of funds, purpose of funds, or such other means as the Municipality may decide is appropriate. For example, the 'less than 3 years' column of MNRI in the template might not be applicable for all municipalities.

Summary of Municipal Accounts for Investment Planning Purposes

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

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					
Anticipated MNRI Contributions					
Net change in MNRI					

4.3 Do the MNRI drawdown forecasts in 4.2 reflect:

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

4.4 If the Municipality has completed a capital budget and asset management plan, how many years does this forecast extend?

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

Funding/Expenditure Analysis

4.5 How does the Municipality manage unanticipated requests for funding? Can you characterize the probability that the municipality may need to draw down MNRI to fund unexpected budget shortfalls?

4.6 Is there a particular year when the Municipality had unusual, large expected capital expenditure(s)?

☐ Yes ☐ No

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

4.8 Is there any near-term (within the next 24 months) decisions or uncertainties that could have a material impact on your MNRI forecasts? (e.g., projects contingent on unsecured grants, potential significant changes to debt financing strategy, significant acquisition or disposal/divestment).
Provide details here:

5. PORTFOLIO INFORMATION

5.1 MNRI Details

Description	As of Date (DD/MM/YY)	Value
Invested in ONE JIB Outcomes as of <i>Date</i> (A)		
Pledged (in kind) Securities (Bonds, GICs, PPNs etc.) as of <i>Date</i> (B)		
Expected Contributions (withdrawals) of MNRI and <i>Date</i> fund to be remitted / paid (C)		
Locked in portion (LDC shares or notes as of <i>Date</i> (D)		
Total MNRI (A to D)		

5.2 The Municipality may pledge less liquid securities to ONE JIB as part of MNRI. Please identify below the details of pledged securities that the municipality may have.

- ☐ The Municipality does not have locked in investments that represent a portion of MNRI
- ☐ The Municipality has the following investments as pledged securities that represent a portion of MNRI (see section 6)

6. EXISTING INVESTMENTS

6.1. Please provide a table showing your current investments deemed MNRI and their characteristics, or attach a copy of a statement (if applicable).

<i>Security/Investment</i>	<i>Type</i>	<i>Manager/Institution</i>	<i>Book Value</i>	<i>Market Value</i>	<i>Maturity Date (If applicable)</i>
<i>SAMPLE CIBC Global Blue Chip Growth Deposit Notes, Series 12</i>	<i>PPN</i>	<i>CIBC</i>	<i>\$5,000,000</i>	<i>N/A</i>	<i>February 2030</i>
<i>SAMPLE London 3.2% May 9, 2026</i>	<i>Bond</i>	<i>N/A</i>	<i>\$1,000,000</i>	<i>\$1,098,000</i>	<i>May 9, 2026</i>
<i>SAMPLE Canada 2 ⁷/₈ July 2, 2028</i>	<i>Bond</i>	<i>N/A</i>	<i>\$2,000,000</i>	<i>\$1,945,000</i>	<i>July 2, 2028</i>

6.2. Describe your overall investment strategy or investment objectives.

7. OTHER INFORMATION

7.1 Please provide any additional information or context on the information provided that you consider relevant to ONE JIB's understanding of your municipality's MNRI.

8. INVESTMENT RESTRICTIONS

8.1 Are the Municipality's investments subject to any prohibited investment or other similar restrictions that are not fully disclosed in the Municipal IPS?

☐ Yes ☐ No

If Yes, please specify.



Municipal Client Questionnaire (MCQ)

9. ACKNOWLEDGEMENT

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

Dated this _____ day of _____, 20__

Name and Signature of Treasurer

Second Signature (if Required)

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)