



**ONE JIB  
Regular Board Meeting  
Agenda**

**Meeting #:** 2020-07  
**Date:** November 18 2020, 9:00 a.m.  
**Location:** Zoom Virtual Meeting

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11. Authorizing Motion
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13. Next Meeting: December 15, 2020 - 9:00 a.m.



## **ONE JIB**

### **Regular Board Meeting**

#### **Minutes**

**Meeting #:** 2020-06  
**Date:** October 20, 2020, 9:00 a.m.  
**Location:** Zoom Virtual Meeting

#### Members Present:

Board Chair B. Hughes  
Board Vice-Chair G. James  
J. Dowty  
H. Franken  
J. Giles  
M. Melinyshyn  
S. 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  
D. Kelly, Board Secretary  
E. Schneider, Program Manager, ONE Investment  
K. Taylor, Chief Investment Officer, ONE Investment

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## **1. Chair's Welcome**

Board Chair Hughes welcomed all to the meeting.

He informed the Board that Board Member Basdeo had tendered his resignation from ONE JIB on October 12, 2020 due to being appointed to a new position at Guardian Capital.

Board Chair Hughes, on behalf of the Board, expressed appreciation for Mr. Basdeo's valuable insights during the Board's start-up period and wished him well in his new position.

Board Chair Hughes also indicated that staff will be bringing forward a report to a future meeting of the Board on the nomination process to fill this position.

**2. Disclosures of Pecuniary Interest**

There were no disclosures of pecuniary interest.

**3. Minutes of Previous Meeting**

**3.a Approval of Minutes September 16, 2020**

**Moved by** Board Vice-Chair James

THAT the minutes of the September 16, 2020 ONE JIB Meeting be approved as circulated.

**Carried**

**3.b Approval of Closed Meeting Record of September 16, 2020**

**Moved by** Board Member Franken

THAT the Closed Meeting Record of the September 16, 2020 ONE JIB Meeting be approved as circulated.

**Carried**

**3.c Business Arising from Minutes**

There was no business arising from minutes.

**4. Communications**

There were no communication items in this agenda.

**5. Delegations**

There were no delegations.

## **6. Strategy and Policy**

### **6.a Strategy to grow Prudent Investor municipal participation**

Eleonore Schneider, Program Manager, ONE Investment, made a presentation on the strategy to grow municipal participation in the Prudent Investor regime.

**Moved by** Board Member Giles

THAT the Board receive the presentation from Eleonore Schneider, Program Manager, ONE Investment, and adopt the recommendation in the report (October 20, 2020) on the Update on Participating Municipality Recruitment to receive the report for information.

**Carried**

## **7. Investment Oversight**

### **7.a PricewaterhouseCoopers LLP (PwC) Portfolio Audit Presentation**

Evelyn Foo, Chief Compliance Officer, ONE Investment, made a presentation and provided key highlights from the Pooled Trusts Audit Update report that was presented to the ONE Audit Committee on September 29, 2020.

**Moved by** Board Member Melinyshyn

THAT the Board receive the presentation from Evelyn Foo, Chief Compliance Officer, ONE Investment, and adopt the recommendations in the report (October 20, 2020) on the Pooled Trusts Audit Update to receive the report and confirm Board Member Franken as ONE JIB's representative on the ONE Investment Audit Committee.

**Carried**

### **7.b Quarterly Reporting Template**

Keith Taylor, Chief Investment Officer, ONE Investment, made a presentation on the quarterly client reporting templates.

**Moved by** Board Vice-Chair James

THAT the Board receive the presentation from Keith Taylor, Chief Investment Officer, ONE Investment, on the Prudent Investor Quarterly Client Reporting Templates.

**Carried**

**Moved by** Board Member Franken

THAT the Board adopt the recommendation to receive the report (October 20, 2020) on the Overview of Prudent Investor Quarterly Client Reporting Package and approve the sample quarterly client package template that is included as Appendix A to the report.

**Carried**

**7.c Investment Managers - Manulife Asset Management**

Keith Taylor, Chief Investment Officer, ONE Investment, made a presentation to the Board on the Investment Managers - Manulife Asset Management, the Board's Global Fixed Income Manager.

**Moved by** Board Member Dowty

THAT the Board receive the presentation from Keith Taylor, Chief Investment Officer, ONE Investment, and adopt the recommendation in the report (October 20, 2020) on the Overview of Global Fixed Income Mandate and Manager to receive the report for information.

**Carried**

Mark Bischoff (Managing Director, Relationship Management), Christopher Chapman (Managing Director, Portfolio Manager), Thomas Goggins (Senior Managing Director, Senior Portfolio Manager), and David Zielinski (Managing Director, Client Portfolio Manager) at Manulife Asset Management, made a presentation to the Board.

**Moved by** Board Member Giles

THAT the Board receive the presentation from Mark Bischoff, Christopher Chapman, Thomas Goggins, and David Zielinski of Manulife Asset Management, for information.

**Carried**

## **8. Other Business**

Board Member Dowty inquired as to when staff might be reporting on ideas for strategy enhancement made by ONE JIB's Investment Manager for the Canadian Government Bond Fund and the Corporate Bond Fund, MFS Investment, at the last meeting of the Board.

Keith Taylor, Chief Investment Officer, ONE Investment indicated that a report on the ideas for strategy enhancement will come forward to the Board in the spring of 2021.

## **9. Meeting Outcomes**

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

1. Received a report and presentation from Eleonore Schneider, Program Manager, ONE Investment, on how ONE Investment will continue to bring municipalities into Prudent Investment.
2. Received a report and presentation from Evelyn Foo, Chief Compliance Officer, ONE Investment on the audit plan update for the pooled trusts.
3. Received the report and presentation from Keith Taylor, Chief Investment Officer, ONE Investment and approved the sample quarterly client reporting package template.
4. Received the Chief Investment Officer's report and presentation on an Overview of Global Fixed Income Mandates report and the presentation from Manulife Asset Management.

**10. Authorizing Motion**

**Moved by** Board Member Dowty

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

**Carried**

**11. Adjournment**

**Moved by** Board Member Dowty

THAT the Board adjourn its meeting.

**Carried**

The meeting adjourned at 11:01 a.m.

**12. Next Meeting: November 18, 2020 - 9:00 a.m.**

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Denis Kelly, Board Secretary



# MAWER

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Deputy Chief Investment Officer, Christian Deckart, CFA, Ph.D, appointed lead manager of Global Equity strategy

November 5th, 2020

**Effective September 30th, 2021**, Deputy Chief Investment Officer, Christian Deckart, CFA, Ph.D, will become lead manager of Mawer's Global Equity strategy.

Paul Moroz, CFA, Chief Investment Officer (CIO), will continue as co-manager, and focus on his role as CIO. Mr. Deckart was appointed co-manager of the Global Equity strategy in 2016. He is also lead manager of Mawer's Global Small cap strategy, which he became co-manager of in 2015.

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# REPORT

To: ONE Joint Investment Board  
From: Judy Dezell, Co-President/CEO ONE Investment  
Date: November 18, 2020  
Re: ONE JIB Recruitment Process  
Report: 20-O30

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## 1. RECOMMENDATIONS

It is recommended that the Board:

- 1) Approve the ONE JIB Recruitment Process report
- 2) Approve the ONE JIB Skills Matrix attached as Appendix A
- 3) Approve the ONE JIB Director Job Description attached as Appendix B
- 4) Direct ONE staff to provide the board with the next review of the skills matrix in Fall 2021.

## 2. SUMMARY

- ONE JIB needs to establish a clear process that Founding Municipalities and broader public can understand, as it recruits to fill two vacancies on the Board.
- ONE JIB needs to review and approve the skills matrix and job description, two key recruitment tools in ensuring that the board has both a broad range of skills and in-depth expertise
- Good governance suggests the skills matrix should be reviewed at least annually.
- The process outlined is supported by the report on the Nominating Committee.

## 3. BACKGROUND

### **ONE JIB is a skills-based board**

ONE Investment worked with the Founding Municipalities to create the ONE JIB, as required by the *Municipal Act, 2001* and Part II of *Ontario Regulation 438/97*. ONE JIB is a skills-based board with up to nine members. In addition to the municipal treasurer perspective, the skills sought for the board include investment industry experience in a range of products and markets, as well as risk management, compliance and accounting perspectives. ONE JIB launched in spring 2020 with seven members and immediately created a Nominating Committee to recruit for the one municipal treasurer position that was open. With the recent resignation of a board member, there are currently two vacancies.

### **A clear and transparent recruitment process should be followed to fill the vacancies on ONE JIB**

ONE JIB's members were initially approved by the Founding Municipalities; however, once ONE JIB

was established, the Terms of Reference make it the responsibility of ONE JIB to establish a Nominating Committee to fill future vacancies. The process outlined within this report reflects section 4.3 of the Terms of Reference for the ONE JIB:

### ***Section 4.3 Appointment of Members and Nominating Committee***

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

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

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

*The then incumbent members of ONE JIB and ONE Investment shall give consideration to individuals nominated by the Nominating Committee and a new member shall be appointed with the affirmative vote of a simple majority of members, and the approval of ONE Investment.*

As a municipal board, it is important that ONE JIB clearly establish a recruitment process with timelines that the Founding Municipalities and broader public can follow. Table 1 identifies an estimated timeline for the recruitment process.

*Table 1 – Recruitment Process Timeline*

<b>Activity</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>
Establish Recruitment Process					
Review Skills Matrix and Job Description					
Establish Nominating Committee					
Public Post Opportunity					
Close Public Posting					
Interview Potential Candidates					
Report of Nominating Committee to ONE JIB					
Orientation of New ONE JIB Members					
First Meeting for new ONE JIB Members					

## 4. ANALYSIS

### **Good governance practices suggest reviewing the skills matrix**

An effective visual tool in recruiting for a broad range of skills is the skills matrix. ONE Investment created a skills matrix, attached as Appendix A, to recruit for ONE JIB. Now that ONE JIB is a functioning board with six meetings completed it marks a good time to review the skills matrix to identify potential skill gaps, as well as consider where ONE JIB would like to head in the future in terms of product offerings. The inventory of skills identified in the skills matrix was last reviewed, by ONE, in January 2020 prior to the launch of the ONE JIB.

The skills matrix is comprehensive from the perspective of the ONE JIB's mandate. Currently, ONE Investment is not recommending any changes to the skills inventory.

### **Even stronger investment expertise would benefit the board**

ONE JIB may want to consider adding to the investment expertise already offered by existing board members. Taking into consideration the Outcomes Framework and potential future product offerings, the ONE JIB could benefit from individuals with experience in portfolio management in equities, fixed income and alternatives. Experience with investment products and operations would also be useful.

### **A job description is beneficial to potential candidates**

To help potential candidates assess fit with the ONE JIB, a job description to supplement the skills matrix would be beneficial. ONE Investment, in conjunction with the Founding Municipalities, has developed a job description, attached as Appendix B, that should be reviewed before the recruitment process starts. It was last reviewed by ONE Investment in February 2020.

### **A Nominating Committee should be established to recruit for ONE JIB**

Based on the revised skills matrix and as contemplated in the ONE JIB Terms of Reference, the ONE JIB should appoint a Nominating Committee to advertise and interview potential candidates with a goal of having a new ONE JIB member in place in early 2021. A separate Nominating Committee report provides recommendations for the committee's membership, considering the goal of adding more investment expertise to the board.

## 5. CONCLUSION

ONE JIB has an opportunity to expand its skill set while undertaking a clear recruitment process that is transparent to Founding Municipalities and the broader public.

Drafted by Judy Dezell, Co-President/CEO

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

## Appendix A

### ONE Joint Investment Board Skills Matrix

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

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

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

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

<ul style="list-style-type: none"> <li>Knowledge and understanding of the workings of equity investment markets</li> </ul>									
<b>Investments/Portfolio Management – Fixed Income</b> <ul style="list-style-type: none"> <li>Hands-on experience managing fixed income investment portfolios</li> <li>Knowledge and understanding of the workings of fixed income markets</li> </ul>			X						
<b>Investments/Portfolio Management – Alternatives</b> <ul style="list-style-type: none"> <li>Hands-on experience managing investment portfolios in alternative investments</li> <li>Knowledge and understanding of the workings of public and/or private markets for alternative investments such as infrastructure, private debt, private equity, and real estate</li> </ul>									
<b>Investment Products</b> <ul style="list-style-type: none"> <li>Understands the differences between various investment products and structures such as pooled funds, mutual funds, exchange traded funds, commingled accounts, including costs, suitability for institutional/municipal investors, tax implications</li> <li>Expertise in launching/implementing various investment products</li> </ul>				X					
<b>Investments/Managing Investment Risk</b> <ul style="list-style-type: none"> <li>Experience in managing risk inherent in investment strategies though techniques such as asset allocation, diversification, hedging etc.</li> <li>Understands the key concepts related to building efficient portfolios</li> <li>Understands asset/liability techniques</li> </ul>			X	X	X	X			
<b>Investments/Operations</b> <ul style="list-style-type: none"> <li>Understands the various operational and accounting issues related to investment operations, investment funds</li> </ul>				X					



<ul style="list-style-type: none"> <li>Understands the role of various service providers to the ONE investment program (e.g. custodian, fund accountants, compliance officers, legal, investment managers, consultants)</li> </ul>									
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## APPENDIX B

### ONE Joint Investment Board Member Job Description

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

#### Board Responsibilities

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

#### Term

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

#### Requirements

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

#### Responsibilities

The ONE JIB Member must:

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



### Time Required

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

### Qualifications

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

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

### Remuneration

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

Created: July 6, 2018

Updated: February 19, 2020



# REPORT

To: ONE Joint Investment Board  
From: Judy Dezell, Co-President/CEO ONE Investment  
Date: November 18, 2020  
Re: ONE JIB Nominating Committee  
Report: 20-O31

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## 1. RECOMMENDATIONS

It is recommended that the Board:

- 1) Appoint Chair Hughes, Vice Chair James, and Board Members Dowty and Giles to form a Nominating Committee to recruit two new board members

## 2. SUMMARY

- The Nominating Committee will recruit broadly for two individuals to fill the vacancies on the ONE JIB and use the skills matrix and job description as the basis for assessing potential candidates.

## 3. BACKGROUND

The ONE JIB's Terms of Reference authorize the creation of a Nominating Committee. The Terms of Reference describe a process for adding new board members. The Nominating Committee is ad hoc and will terminate upon completion of its work.

Section 4.3 of the Terms of Reference provides that:

The Nominating Committee, in recommending a new member or reappointing a member, shall consider:

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

## 4. ANALYSIS

### **Investment expertise is the key recruitment focus**

The board needs broad-based investment industry expertise to provide proper oversight in a prudent investing environment. This expertise is achieved by having a significant number of board members

with investment industry experience and knowledge. No single member needs to possess all of the necessary expertise, but each member should have skills that complement the skills of the other members, so as to achieve a well-rounded, high-functioning board.

In the current recruitment process, it would be helpful if the Nominating Committee could find individuals with fixed income and equity expertise, and possible expertise in alternative investments. The committee will also assess candidates against the other qualities that a ONE JIB member is expected to have.

Given the focus on investment industry experience for the recruitment, it is recommended that the Committee consist of the ONE JIB Chair, Vice Chair and Board Members Dowty and Giles.

### **Recruitment should be broad based**

To encourage a broad range of applications to the ONE JIB, ONE Investment will support the Nominating Committee by posting the board opportunity in appropriate channels. Board members will be advised of the posting details.

## **5. CONCLUSION**

The creation of a Nominating Committee is the first step in a recruitment process to fill two vacant positions on the board and add to its investment expertise.

Drafted by: Judy Dezell, Co-President/CEO

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



# REPORT

To: ONE Joint Investment Board  
From: Bill Hughes, Chair  
Date: November 18, 2020  
Re: Board Governance Self Evaluation  
Report: 20-O32

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## 1. RECOMMENDATIONS

It is recommended that the Board:

- 1) Receive the report Board Governance Self Evaluation for information.

## 2. SUMMARY

- The ONE JIB Terms of Reference contemplate an annual evaluation of the board.
- The inaugural self-evaluation will be done online and focus on the ONE JIB's start-up phase in 2020.

## 3. BACKGROUND

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

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

Section 4.13 of ONE JIB's Terms of Reference provide direction with respect to self-assessment that has informed the design of this year's first self-assessment:

At least annually, ONE JIB must review and assess:

- a) the adequacy and effectiveness of itself and any committees or subcommittee to which ONE JIB has delegated any of its functions;
- b) the independence of its members and the compensation of its members;
- c) its effectiveness as a board, as well as the effectiveness and contribution of each of its members, including a consideration of:
  - (i) these Terms of Reference;
  - (ii) the competencies and knowledge each member is expected to bring to ONE JIB;
  - (iii) the level of complexity of the issues reasonably expected to be raised by members in connection with the matters under review by ONE JIB;
  - (iv) the attendance record of each member of ONE JIB and his or her participation in meetings;

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

## 4. ANALYSIS

### **The self-assessment will enable the board to build on what has been accomplished so far**

The ONE JIB is a groundbreaking collective effort by the six Founding Municipalities. Its meetings during 2020 established the key foundations that will set the future course for the ONE JIB. Undertaking a self-assessment is a critical part of the continuous improvement process. The self-evaluation questions have been designed to focus on the key foundational work done by the ONE JIB during 2020 to identify where improvements could be made, celebrate successes, and plan future work of ONE JIB.

### **The self-assessment will be done online**

The survey questions are included in Appendix A to allow ONE JIB members the opportunity to reflect on the questions in advance of completing the survey online. ONE Investment staff will use Survey Monkey to set up the self-evaluation survey for ONE JIB members to complete by the end of November. It will be available for three weeks. ONE Investment staff will aggregate the results of Sections A, B, C and D of the survey and report back to ONE JIB at the February 2021 meeting, with recommendations for next steps.

## 5. CONCLUSION

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

## Appendix A

### ONE JIB Self-Assessment Questionnaire

#### Fall 2020

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

The rating scale for each statement is: (1) Strongly Disagree; (2) Disagree; (3) Neither agree nor disagree; (4) Agree; (5) Strongly Agree.

All ONE JIB members should answer all the questions in sections A to D.

Once completed, Sections A, B, C and D will be aggregated for discussion by the ONE JIB at a suitable time. Section E is designed for individual self-reflection; it will not be aggregated and shared with the group. The questionnaire also includes Section F, which provides optional feedback to the Chair of ONE JIB.

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

1. The start-up of the ONE JIB was successful
2. The ONE JIB has approved a sound governance structure (formation agreement, ONE JIB Agreement, Terms of Reference, service agreement with ONE Investment, procedure bylaw, code of conduct)
3. The ONE JIB has selected high quality fund managers
4. The outcomes framework is an effective means of translating municipal investment objectives into asset allocations
5. The core documents (Municipal Client Questionnaire, Investment Policy Statement template, Investment Plan template) were adequately designed for the ONE JIB start-up, bearing in mind that they are about to be revised
6. The ONE JIB scrutinized the core documents with an appropriate level of diligence
7. The ONE JIB has a sound performance reporting framework in place
8. The ONE JIB is paying sufficient attention to compliance matters
9. Looking at my answers for this section, how might the ONE JIB do a better job?

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

#### B. How well has the ONE JIB functioned?

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



to review

5. ONE JIB members participate in discussions
6. We listen to different points of view from ONE JIB members
7. We all support the decisions we make
8. There is an appropriate balance of decision items and information items on the agendas
9. The reports to the ONE JIB are well written
10. The reports to the ONE JIB contain the information we need
11. Staff do a good job of presenting the information in their reports and answering ONE JIB members' questions
12. The training received so far has been useful (Conflict of Interest, Code of Conduct, etc.)
13. The virtual meetings are working well
14. The frequency of ONE JIB meetings is adequate for the ONE JIB to deliver on its mandate
15. Looking at my answers for this section, how might the ONE JIB do a better job?

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

**C. Does the ONE JIB have effective relationships?**

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

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

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

1. Reviewing and revising the core documents (Municipal Client Questionnaire, Investment Policy Statement template, Investment Plan template)
2. Reviewing the outcomes framework
3. Building relationships with municipal investors
4. Gaining a better understanding of municipal finance as it relates to investment
5. Evaluating the current fund offerings (e.g., considering potential revisions to the fixed income offerings)
6. Evaluating the potential for expanded prudent investor offerings (e.g., real estate, infrastructure, private equity)

7. Developing a strategy for expanding municipal participation in the prudent investor program
8. Developing advice (guidance) for municipalities with respect to the choice of legal list or prudent investor regimes
9. Carefully monitoring fund manager performance
10. In-depth analysis of relevant investment issues (e.g., ESG, asset correlations, etc.)
11. In-depth analysis of municipal finance issues (reserve strategies, capital plans, infrastructure funding sources, etc.)
12. ONE JIB training (e.g., Institute of Corporate Directors' Non-Profit Governance Essentials course or similar training)
13. Developing a vision/mission/strategic plan for the ONE JIB with respect to municipal prudent investing
14. Others?

#### **E. Reflecting on my performance as a ONE JIB member**

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

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

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

#### **F. Feedback to the Chair of the ONE JIB**

This section is optional.

1. The Chair is well prepared for ONE JIB meetings
2. The Chair helps the ONE JIB stick to the agenda
3. The Chair tries hard to ensure that every ONE JIB member has an opportunity to be heard
4. The Chair is good at managing the different perspectives of ONE JIB members

5. The Chair is familiar with ONE JIB governance and procedure
6. The Chair helps the ONE JIB work well together
7. The Chair demonstrates good listening skills
8. The ONE JIB supports the Chair

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



# REPORT

To: ONE Joint Investment Board  
From: Keith Taylor, Chief Investment Officer  
Date: November 18, 2020  
Re: Review of Investment Plan, Municipal Client Questionnaire and Investment Policy Statement Templates  
Report: 20-O33

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## 1. RECOMMENDATIONS

It is recommended that the Board:

- 1) Approve the amended Municipal Client Questionnaire template as attached
- 2) Approve the amended Investment Policy Statement template as attached
- 3) Approve the amended Investment Plan template as attached
- 4) Direct staff to bring the next annual review of the templates to ONE JIB in Fall 2021.

## 2. SUMMARY

- ONE Investment facilitated debrief sessions with Founding Municipalities to seek feedback and make improvements to the templates for the Municipal Client Questionnaire (MCQ), the Investment Policy Statement (IPS) and the Investment Plan (IP).
- The templates have been reviewed and improved based on the experience of the Founding Municipalities in the formation of the ONE JIB.

## 3. BACKGROUND

**ONE Investment's goal is to create a turnkey Prudent Investment Program offering for municipalities**

The intent of the Prudent Investment Program offering is to provide a turnkey solution for municipalities interested in accessing the prudent investment regime through ONE JIB.

ONE Investment, the Founding Municipalities and ONE's legal counsel worked collectively in the development of the IPS, MCQ and IP templates prior to the launch of the ONE JIB, with a focus on including the appropriate and necessary information as required by Part II of *Ontario Regulation 438/97*. All documents are now the responsibility of ONE JIB and should be reviewed at least annually.

**ONE Investment supports municipalities with council report templates**

To augment these documents, ONE Investment has developed municipal council reports that introduce the prudent investment regime to council and explain the IPS, MCQ and Investment Plan, along with *Municipal Act* requirements for becoming a Participating Municipality in the

ONE JIB. These are not the responsibility of ONE JIB, rather part of ONE's commitment to a complete turnkey service to municipalities. The on-boarding process involves a considerable amount of work for Treasurers. Creating standard templates for both investment documents and municipal council reports supports and simplifies the process for municipal staff while also expanding municipal staff capacity to take on a new initiative like the prudent investment regime.

### The quality of Investment Plans depends on the quality of the Municipal Client Questionnaire and the municipality's Investment Policy Statement and the information they contain

Working together, municipal and ONE staff complete the MCQ and IPS during the on-boarding process, which provide foundational information for ONE JIB. Although the MCQ is not referenced in the *Municipal Act*, it is a key document in the investment industry known as a Know Your Client (KYC) Questionnaire. Prior to the launch of ONE JIB there was no template municipal KYC. ONE Investment created the template which we now refer to as MCQ. The MCQ was used by the Chief Investment Officer (in conjunction with the IPS) in the development the Founding Municipalities' Investment Plans.

The Revised Outcome Framework shown below in Table 1 is designed to be understandable for municipalities, yet still provide ONE JIB with a solid basis to allocate client Monies Not Required Immediately (MNRI), as identified in the MCQ, in an appropriate way. It provides a template that guides how information provided in the municipality's IPS and MCQ will be translated into investment allocations.

Table 1: Revised Outcomes Framework

Outcome Category	Outcome Strategy	Objective	Risk Tolerance, Liquidity	Investment Horizon	Allocation			Strategy Return	Strategy Std Dev
					Equity	Fixed Income	Cash		
Cash Plus	Cash < 3 yrs	Preservation of capital	Low risk; high liquidity	< 3 years			100%	0.9%	1.3%
	Cash Plus 3-5 yrs	Preservation of capital	Low risk; high liquidity	3 - 5 years	10%	70%	20%	3.0%	2.8%
Stable Return	Stable Return	Income generation: To generate stable returns to fund recurring needs	Moderate risk with emphasis on growth and stable returns, regular liquidity	> 5 years (Perpetual)	30%	60%	10%	3.8%	4.2%
Contingency	Contingency	Contributions for unexpected events	Higher risk, emphasis on longer-term capital growth with some liquidity	> 5 years (Perpetual)	60%	40%		4.9%	6.6%
	Asset mgt reserves	Contributions to generate stable returns to fund asset management reserves	Higher risk, emphasis on longer-term capital growth; low liquidity	> 10 years (Perpetual)	90%	10%		5.8%	9.1%
Target Date	Target Date 5-10 yrs	Contributions toward specific projects, mitigate inflation impacts and meet target funding requirements	Moderate risk, liquid	5 - 10 years	50%	50%		4.6%	5.8%
	Target Date > 10 yrs	Contributions toward specific projects, mitigate inflation impacts and meet target funding requirements	Higher risk, emphasis on long term inflation-adjusted growth	> 10 years	75%	25%		5.3%	7.9%

## 4. ANALYSIS

### Debrief sessions were held with Founding Municipalities to obtain feedback on the Municipal Client Questionnaire and Investment Policy Statement

The Founding Municipalities are municipal leaders who are committed to helping ONE Investment create a full-service Prudent Investment Program offering. ONE Investment conducted a debrief session on September 10, 2020 to discuss the potential changes to the MCQ, IPS and IP templates to improve their efficiency and effectiveness.

The main issues discussed were intended to identify challenges or successes related to:

- The usefulness of the information
- Proposed process improvements
- Solicit feedback from Founding Municipalities to improve the documents

### **The Investment Policy Statement required only minor changes**

The existing IPS is a comprehensive document. Very minor changes were required, such as the clarification of definitions. Each Founding Municipalities used the initial template as a basis and tailored it based on their specific circumstances. This process informed many of the changes in this version of the IPS, found in Appendix A, with small improvements from several Founding Municipalities' IPS incorporated. This improved wording in certain sections provided additional context and helped fine tune the IPS. The Revised Outcomes Framework was inserted into the IPS to standardize how Participating Municipalities define their investment needs. Previously, Founding Municipalities used a table to discuss the outcomes in their IPS, but defined outcomes and the associated time horizons for each outcome varied across the Founding Municipalities.

### **There is no universal definition of Money Not Required Immediately**

Each Municipality should define MNRI in their IPS as there is no universally accepted definition. This means that municipalities may define it differently. In the initial IPS, ONE Investment recommended a time-based definition, which is reflective of how the Toronto Investment Board defined MNRI and how all six Founding Municipalities defined MNRI. Four of these municipalities used an 18-month basis and two used a 24-month basis. The IPS now notes that it is the Participating Municipality's responsibility to define the basis of MNRI in a way that is most appropriate for its circumstance.

### **The Municipal Client Questionnaire underwent extensive changes to improve relevance and understandability**

The MCQ, as the working document, required many changes. The Founding Municipalities provided feedback based on ONE's initial recommendations that information be presented more succinctly. The document was refocused to request only information that was relevant to developing Investment Plans for the municipalities.

Certain questions were eliminated entirely from the MCQ, as the information was captured elsewhere, or were determined to not be relevant for the development of the Investment Plan. For example, some purely administrative details that were requested in the initial version of the MCQ were removed as ONE Investment already has access to the information. There was some additional simplification of the MCQ to streamline the process for the Treasurer to complete. For instance, the revised MCQ requests a copy of audited financial results instead of requesting the Treasurer to fill in a table with specific accounting details. Additionally, the specific financial details requested in the MCQ placed emphasis on cashflows affecting MNRI. Other financial details that did not provide insight on the MNRI nor helped provide insight on how MNRI should be invested were removed from the MCQ.

Another key change included removing questions that requested the Treasurer to subjectively

qualify risk preferences, and instead asked questions about risk preferences in a way that better defined the risk. For example, a question framing risk as high, medium or low was replaced with a question asking the acceptable one-year unrealized loss in percentage.

The Chief Investment Officer also noted that there was an implicit operational issue related to the valuation of securities transitioned into the ONE JIB. The initial contribution of municipalities to the ONE JIB included Legal List Program portfolios, whose value changes from day to day. The MNRI is defined as a value on a specified date, but the value of securities that were received later did not exactly match the MNRI disclosed in the MCQ. This section of the MCQ was reworded to eliminate this issue of market drift by specifying the value of contributed securities on a specific date as opposed to the date they are received.

The changes to the MCQ should make it easier for a Participating Municipality to complete and more relevant to staff when drafting the Investment Plan. The revised MCQ can be found in Appendix B of this report

### **The Investment Plan template did not require substantive change**

Founding Municipalities' input on the Investment Plan was solicited before the final Investment Plans were approved by the ONE JIB on June 23, 2020. The draft Investment Plans were extensively reviewed and revised before they were finalized. At this time, no substantive changes in the template for Investment Plans are required. The Investment Plan template can be found in Appendix C.

### **The Founding Municipalities assisted ONE staff in revising Council Reporting templates**

One last group of templates for which the Founding Municipalities have also helped inform changes are the council report templates prepared by ONE Investment. ONE Investment held a debrief session on September 29, 2020 to obtain feedback from Founding Municipalities on recommended improvements to reports and processes. ONE staff created these reports to assist Founding Municipalities present to and educate Council on the prudent investment regime, as well as help them navigate the necessary steps and authorizations required to create ONE JIB and become prudent investors as required under the *Municipal Act*. Based on the feedback from Founding Municipalities, the council report templates are being streamlined to remove redundancies and to reflect the existence of ONE JIB, which slightly reduces the level of effort for municipal councils contemplating becoming Participating Municipalities in the ONE JIB. Updated council report templates will be ready by early 2021.

## **5. CONCLUSION:**

ONE Investment has updated the IPS, MCQ and IP based on the feedback received from the founding municipalities and ONE staff to create better documents for the use of new Participating Municipalities. ONE JIB's approval of the revised IPS, MCQ and Investment Plan will strengthen the process for onboarding new Participating Municipalities.

Drafted by: Keith Taylor, Chief Investment Officer,  
Suzanna Dieleman, Investment Services Manager(A),  
Eleonore Schneider, Program Manager

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

**INVESTMENT POLICY STATEMENT**

**FOR**

**[MUNICIPALITY NAME]** (the “Municipality”)

**[DATE]**



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## [Municipality Name]

### Investment Policy Statement

#### [OVERVIEW]

[Municipalities that are subject to the *Municipal Act, 2001* (the “**Act**”) have no general power to invest money. Such powers must be found either in express provisions of the Act or by necessary implication.

Historically, municipalities that are subject to the Act had very limited express investment powers under section 418 of the Act. Section 418 continues to apply to all municipalities that are subject to the Act unless they elect to pass a by-law pursuant to the new section 418.1. Section 418 of the Act provides that “money that is not required immediately” can only be invested in securities prescribed by the Province in O. Reg. 438/97 (the “**Regulation**”). These prescribed securities are generally referred to as the “Legal List Securities” and are included in Part I of the Regulation.

Effective January 1, 2019, the new section 418.1 of the Act came into force. Section 418.1 provides that “money that is not required immediately” can be invested under that section in any security, provided that in making the investment the municipality exercises the care, skill, diligence and judgment that a prudent investor would exercise in making the investment. If a municipality elects to pass a by-law under section 418.1, the effect will be that its “money that is not required immediately” must be invested in accordance with the prudent investor regime. The rules, conditions and procedures that apply to investments under section 418.1 are set out in Part II of the Regulation.

Investing “money that is not required immediately” (MNRI) in Legal List Securities or in accordance with the prudent investor regime are mutually exclusive alternatives. That is to say, section 418 does not apply to a municipality that has adopted the prudent investor regime under section 418.1.

Every municipality, regardless of whether section 418 or 418.1 applies to it, has MNRI and also money that is required immediately (MRI). Municipalities retain the management and control of their MRI. The Act does not include any express provisions that deal with the investment of MRI. However, it is consistent with prudent practice to invest such money until it is actually spent, in order to preserve the capital value of that money. Accordingly, it is necessarily implied that a municipality has the power to invest such money on a short-term basis. Because the Act is silent as to how municipalities are to deal with MRI and because of the historical investment powers under the Act, a conservative approach is to invest MRI in appropriate Legal List Securities.

Municipalities that elect to pass a by-law pursuant to the new section 418.1 include in their investment policy (i) the basis upon which they distinguish between MNRI and MRI, and (ii) principles governing the investment of each category of money. This Investment Policy Statement (IPS) is intended to respond to the foregoing requirements.]

## 1. GLOSSARY AND DEFINITIONS

The following capitalized terms are defined terms which have the meanings set out below:

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

**Agent:** means any administrator, Custodian, payment servicer, portfolio manager, investment counsel, consultant, banker, broker, dealer or other service provider engaged or appointed by ONE JIB and authorized by ONE JIB to exercise any of the functions of ONE JIB pursuant to a written agreement, in the manner and to the extent provided in the Regulation and without limiting the generality of the foregoing, Agent includes ONE Investment.

**Asset Class:** An asset class is a specific category of assets or investments, such as cash, fixed income, equities, alternative investments, real estate etc.

**Asset Mix (or Asset Allocation):** means the proportion of each asset class in a portfolio. Asset classes include bank deposits, money market securities, bonds and equities, among other things.

**Authorizing By-law:** means a by-law of a Founding Municipality which authorizes: (i) the entering into of the Initial Formation Agreement; (ii) the establishment of ONE JIB; (iii) the approval of the Client Questionnaire and the adoption of the IPS; and (iv) the entering into of the ONE JIB Agreement.

**Benchmark:** means an index that is representative of a specific securities market (e.g. the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc.) against which investment performance can be compared. Performance benchmarks refer to total return indices in Canadian dollar terms.

**CFA Institute:** refers to the global, not-for-profit professional association that administers the Chartered Financial Analyst (CFA) and the Certificate in Investment Performance Measurement (CIPM) curricula and examination programs worldwide, publishes research, conducts professional development programs, and sets voluntary, ethics-based professional and performance reporting standards for the investment industry.

**Credit Risk:** means the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations. That is, the risk that a lender may not receive the owed principal and interest.

**Custodian:** means a specialized financial institution that is responsible for safeguarding a municipality's investments and is not engaged in "traditional" commercial or consumer/retail banking. Global custodians hold investments for their clients in multiple jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks").

**Derivative:** A derivative is a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks.

**Environmental, Social and Governance (ESG) Investing:** means considering and integrating ESG factors into the investment process, rather than eliminating investments based on ESG factors alone. Integrating ESG information can lead to more comprehensive analysis of a company.

**External Portfolio Managers:** means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a Pooled Fund. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation.

**Interest Rate Risk:** refers to the possibility that the value of a bond or other fixed-income investment will suffer as the result of a change in interest rates. Interest rate risk can be managed to help improve investment outcomes.

**Internal Controls:** means a system of controls that may include authorities, policies, procedures, separation and segregation of duties, compliance checks, performance measurement and attribution, reporting protocols, measures for safekeeping of property and data, and the audit process.

**Investment Plan:** means the investment plan applicable to the Long-Term Funds investments and adopted by ONE JIB under the Regulation, as it may be amended from time to time.

**Investment Policy Statement (IPS):** means the investment policy applicable to the Municipality's investments adopted and maintained by the Council of the Municipality for Long-Term Funds under the Regulation, and for Short-Term Funds, as the same may be amended from time to time. The IPS may also apply to the money and investments held by the Municipality for the benefit of persons other than the Municipality itself and may make reference to source(s) of money in which the Municipality may have an indirect interest but which the Municipality has no authority to invest.

**JIB:** is short for Joint Investment Board and means a joint municipal service board that is established under section 202 of the Act by two or more municipalities for the purposes of Part II of the Regulation.

**Legal List Securities:** means the securities and other investments and financial instruments that are included from time to time in Part I of the Regulation.

**Leverage:** means an investment strategy of using borrowed money—specifically, the use of various financial instruments or borrowed capital—to increase the potential return of an investment. Typically leverage also tends to increase investment risks.

**Local Distribution Corporation or LDC:** means a corporation incorporated under section 142 of the *Electricity Act, 1998*.

**Long-Term Funds:** means money that the municipality has defined as long-term and characterized as money that is not required immediately by the Municipality as described in section 5.2. Monies that are Long Term Funds will be invested in accordance with the Prudent Investor Standard.

**Modern Portfolio Theory:** means a theory of portfolio management that looks towards the portfolio as a whole, rather than towards the prudence of each investment in the portfolio. This is found in the CFA Institute Standards of Practice Handbook.

**Municipality:** means [insert full name of the Municipality].

**ONE JIB:** means ONE Joint Investment Board, established by certain founding municipalities under section 202 of the Act as a JIB for purposes of Part II of the Regulation, which is the duly appointed JIB for the Municipality, as constituted from time to time and which acts in accordance with the Act, the Regulation, the ONE JIB Agreement, including the Terms of Reference, this IPS and the Investment Plan.

**ONE JIB Agreement:** means the agreement effective as of [June 1, 2020], entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of the Municipality's Long-Term Funds.

**Outcome:** in the context of the municipality's IPS the word 'outcome' is used interchangeably with 'solutions'. Investment outcomes are a set of investment allocations with varying risk/return characteristics. The outcomes assigned to each investor are intended to reflect the needs and circumstances of the municipality. MNRI may be invested into several outcomes based on the characteristics of the municipality's accounts/reserves and its saving and spending needs.

**ONE JIB's Outcome Framework:** a set of Investment Outcomes designed by the ONE JIB to categorize the potential goals of investing MNRI. Each Outcome has a unique Asset Allocation with risk/return characteristics that are aligned with the intended use of the funds assigned to the outcome.

**Participating Municipality:** means from time to time each of the municipalities for whom ONE JIB acts as the JIB under the terms of the ONE JIB Agreement.

**Pooled Fund:** means a unit trust established under a trust instrument, generally not available to the public, in which institutional, sophisticated or high net worth investors contribute funds that are invested and managed by an External Portfolio Manager. Funds are pooled or combined with funds of other investors.

**Portfolio:** means any collection of funds that are grouped together and required for specific purposes.

**Proxy Voting:** means a legal transfer to another party of a shareholder's right to vote thereby allowing shareholders who cannot attend meetings to participate. External Portfolio Managers usually vote proxies on behalf of their clients.

**Prudent Effective Date:** means [June 1, 2020], the date on which the prudent investor regime applies to the Municipality.

**Prudent Investor Standard:** means the standard that applies when the Municipality invests money that it does not require immediately under section 418.1 of the Act. It requires the Municipality to exercise the care, skill, diligence and judgment that a prudent investor would exercise in making such an investment and the standard does not restrict the securities in which

the Municipality can invest. The Prudent Investor Standard makes use of Modern Portfolio Theory and applies the standard of prudence to the entire portfolio in respect of the Municipality's Long-Term Funds rather than to individual securities. It identifies the fiduciary's central consideration as the trade-off between risk and return as found in the CFA Institute Standards of Practice Handbook.

**Regulation:** means Ontario Regulation 438/97.

**Risk:** means the uncertainty of future investment returns.

**Risk Tolerance:** means the financial ability and willingness to absorb a loss in return for greater potential for gains.

**Securities Lending:** means loaning a security to another market participant. The borrower is required to deliver to the lender, as security for the loan, acceptable collateral with value greater than the value of the securities loaned. The Securities Lending program is managed by the Custodian on behalf of investors. A Securities Lending program is widely used by institutional investors to generate additional marginal returns on the total portfolio.

**Short-Term Funds:** means money that is required immediately by the Municipality as described in section 5.1 and which remains under the control and management of the Municipality. The funds can be invested in appropriate Legal List Securities.

**Sinking Fund:** means a fund established to fulfil the requirements to make annual contributions in respect of various debenture issues wherein money is to be regularly set aside for the payment of the principal of the debentures at maturity.

**Sinking Fund Required Contributions (Annual Sinking Fund Requirement):** means the amount of money to be set aside each year for deposit into a sinking fund or a retirement fund, as applicable, for each sinking fund and term debenture issue in accordance with the Municipality's debenture by-laws.

**Sinking Fund Required Earnings:** means the investment earnings needed for the Sinking Fund Contributions to continue to grow to a value sufficient to repay the principal at maturity for each issue of sinking fund and term debentures.

**Sinking Fund Excess Earnings:** means the investment earnings in excess of the required earnings.

## 2. PURPOSE AND LEGISLATIVE FRAMEWORK

### 2.1 Purpose of Policy

This IPS governs the investment of the Municipality's MNRI and MRI. It is intended, among other things, to direct the [Treasurer] in the investment of MRI and to direct ONE Joint Investment Board (ONE JIB) in the investment of MNRI by implementing the Authorizing By-law (by-law name/number) pursuant to which the Municipality authorized the establishment of guidelines for the prudent management of the Municipality's MNRI pursuant to section 418.1 of the Act.

In addition to the Municipality's MRI and MNRI, the Municipality is from time to time entrusted with the management of money and investments for a third-party beneficiary ("third-party trust funds").

There are also source(s) of money in which the Municipality may have an indirect interest but which the Municipality currently has no authority to invest. Such source(s) of money, referred to in this IPS as "designated funds", are listed in Schedule A attached hereto. The designated funds are identified in this IPS for the sole purpose of enabling the Municipality to better see, on an aggregated basis, the various financial assets in which the Municipality has an interest. The Municipality is not responsible for the investment activities or performance of designated funds.

The goals of this IPS are to:

- Define and assign responsibilities for investment of MRI and MNRI;
- Describe the Municipality's responsibilities with respect to third-party trust funds and designated funds
- Ensure compliance with the applicable legislation;
- Direct ONE JIB as to the Municipality's investment goals and risk tolerance;
- Provide guidance and limitations regarding the investments and their underlying risks;
- Establish a basis of evaluating investment performance and the underlying risks; and,
- Establish a reporting standard to Council.

This IPS applies to employees of the Municipality, to ONE JIB and to the employees of ONE Investment. ONE JIB, the [Treasurer], and any agent or advisor providing services to ONE JIB in connection with the investment of the portfolio shall accept and strictly adhere to this IPS.

## 2.2 Governing Legislation

Investments of MRI will, in accordance with this IPS, only be made in Legal List Securities.

Investments of MNRI are governed by the Prudent Investor Standard in accordance with Section 418.1 of the Act. This standard is similar to that which governs trustees and pension fund administrators and creates a fiduciary responsibility. Prudent investment in compliance with the Act and the Regulation enhances the potential for the Municipality to earn improved risk-adjusted rates of return.

Money and investments that the Municipality holds as third party trust funds or has an interest in as designated funds will be subject to applicable legislation and any related agreements or instruments.

The Act provides that the Municipality must consider the following criteria in planning investments of MNRI, in addition to other criteria relevant to the circumstances:

- General economic conditions;
- The possible effect of inflation or deflation;



- The role that each investment plays within the Municipality's total portfolio of investments;
- The expected total return from income and the appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital.

### 2.3 Prudent Investor Standard

For MNRI, the standard to be used by the Municipality and ONE JIB shall be the Prudent Investor Standard as required by section 418.1 of the Act and Part II of the Regulation in the context of managing the Municipality's MNRI and investments thereof. Investments shall be made with the care, skill, diligence, and judgment, taking into account the prevailing circumstances, that persons of prudence, discretion and integrity would exercise in the management of investments, considering the necessity of preserving capital as well as the need for income and appreciation of capital. The Act includes a duty to obtain the advice that a prudent investor would obtain under comparable circumstances.

As well, the Prudent Investor Standard makes use of Modern Portfolio Theory, which looks towards the portfolio as a whole, rather than towards the prudence of each investment in the portfolio.

Officers, employees and investment agents acting in accordance with written procedures and the IPS and exercising due diligence shall take all necessary actions to optimize performance of investments on a portfolio basis, taking into account the prescribed risk and other parameters set out in this IPS and market factors. The Municipality's staff acting in accordance with written procedures and this IPS, shall be relieved of personal responsibility for an investment's performance, provided underperformance relative to expectations is reported to Council and the liquidation or sale of investments is carried out in accordance with this IPS.

## 3. MONEY REQUIRED IMMEDIATELY AND MONEY NOT REQUIRED IMMEDIATELY

### 3.1 Determination of MNRI and MRI

Determination of the Municipality's MNRI is the responsibility of Council. In making the determination, Council may consider:

- the time horizon within which the monies are needed to meet financial obligations;
- the purpose for which the monies have been collected or set aside and are to be used;
- the source of the money; or
- any combination of the foregoing

[There is no widely accepted definition of how MRI or MNRI are defined and no guidance is provided in the applicable legislation. Some, like the Toronto Investment board, have used a time-based definition (funds needed within 18 months) as their definition. The

municipality has the responsibility to define the basis of MNRI in a way that is most appropriate for their circumstances.]

[Municipality may further elaborate on definition of MRI and MNRI here]

For certainty, all money and investments of the Municipality that have not been identified as MNRI (other than third-party trust funds and any designated funds referenced in Section 2.1) shall be deemed for purposes of this IPS to be MRI.

Determination of the Municipality's MNRI and MRI may be modified at any time and from time to time by action of Council and with respect to specific funds by the [Treasurer] in accordance with the provisions of Section 6.2.

Any changes in this IPS regarding the Municipality's MNRI and MRI must be communicated immediately in writing to ONE JIB.

### **3.2 Overview of Portfolios**

The Municipality's portfolios represent funds required for specific purposes. A high-level description of each of these portfolios and their objectives is provided in Section 5 below. This IPS applies to the following money of the Municipality, its agencies, boards and commissions including:

- MRI which is invested in Legal List Securities; and/or
- MNRI which is invested under the Prudent Investor Standard.

## **4. ROLES AND RESPONSIBILITIES**

### **4.1 Role of ONE JIB**

ONE JIB has been appointed by the Municipality in accordance with the requirements of the Act and the Regulation and on the terms and conditions set out in the ONE JIB Agreement (Appendix I).

ONE JIB exercises control and management of the Municipality's MNRI and the investments made by it in accordance with the objectives and risk tolerance established in this IPS.

Among the responsibilities of ONE JIB are the following:

- Reviewing this IPS;
- Adopting and maintaining an Investment Plan that complies with this IPS;
- Engaging External Portfolio Managers, Custodians, administrators and other investment professionals (Agents);
- Allocating the money and investments under its control and management among External Portfolio Managers;
- Monitoring the performance of the Agents; and,

- Reporting to the Municipality.

The foregoing is subject to the more detailed terms and conditions contained in the ONE JIB Agreement.

#### 4.2 Role of Municipal Staff

This IPS is approved and adopted by Council with input from the [Treasurer], and from ONE JIB with respect to MNRI. MRI of the Municipality, and any third-party trust funds referenced in Section 2.1, remain under the control and management of the [Treasurer].

Consistent with this IPS, the [Treasurer] is responsible for the implementation of the investment program and the establishment of investment procedures which shall include:

- Investment management of MRI and any third-party trust funds referenced in Section 2.1 by, or under the direction of, the [Treasurer];
- The deposit or withdrawal of MNRI, under the explicit delegation of authority regarding MNRI, and the investment thereof, to ONE JIB, which is responsible for the control and management of such funds and investments; and,
- A system of controls exercised by the [Treasurer] to regulate the activities of [subordinate officials].

No person including, without limitation, ONE JIB, may engage in an investment transaction except as provided under the terms of this IPS.

In the management of MRI of the Municipality, and any third-party trust funds referenced in Section 2.1, the [Treasurer] may engage one or more agents and service providers. ONE Investment can assist with the investment of the Municipality's MRI, in Legal List Securities, and with the investment of third-party trust funds, in accordance with the terms of the applicable trust, if permitted, at the request of the Municipality.

#### 4.3 Ethics and Conflicts of Interest

Individuals who are responsible for [name of municipality]'s Short-Term Portfolio shall comply with [name of municipality]'s Conflict of Interest guidelines and the relevant sections of the CPA Code of Professional Conduct.

ONE JIB, in its capacity as a joint municipal service board, in addition to being a local board of each member Municipality is subject to a Code of Conduct as required by the Municipal Act, 2001 (the "Act"). This Code of Conduct applies to the Chair and the other Members of ONE JIB acting in their capacity as Members of ONE JIB.

## 5. INVESTMENT

### 5.1 MRI: Short-Term Funds

The Municipality's MRI is described in this IPS as Short-Term Funds. Short-Term Funds consist of money needed to meet the short-term financial obligations of the Municipality and are controlled and managed by the [Treasurer].

#### 5.1.1 *Short-Term Funds: Investment Objectives*

The main focus of the investment of Short-Term Funds is cash management, and the interest income generated by the investment of these funds contribute to municipal revenues.

Capital preservation is the paramount objective for short-term investments, and these investments need to be highly liquid. Consequently, only high quality, short-term investments that are also Legal List Securities will be held in this portfolio. The Municipality may invest in fully liquid money market securities and deposit accounts. The Municipality aims to maximize returns subject to the constraints set out in Part I of the Regulation, as amended from time to time, with a view to preserving capital and to further manage risk through diversification by issuer and credit quality.

#### 5.1.2 *Short-Term Funds: Eligible Investments*

Short Term Funds may be invested in high quality, short-term investments that are also Legal List Securities available from banks, dealers and other financial institutions. Investments issued or guaranteed by approved institutions will be permitted by this Policy, as deemed eligible by Ontario Regulation 438/97 or as authorized by subsequent provincial regulations. Investments will be limited to securities issues maintaining a minimum credit rating by an appropriate credit rating agency.

Eligible investments include the following offerings by ONE Investment:

- ONE Investment High Interest Savings Account;
- ONE Investment Money Market Portfolio; and,
- ONE Investment Canadian Government Bond Portfolio

Investment in the foregoing is subject to the Municipality entering into the prescribed Agency Agreement with LAS and CHUMS.

[Municipality may further elaborate on investment parameters related to MRI]

The investment objectives for short term funds, ranked in priority, are as follows:

##### a) Security of Principal

The primary objective for MRI is to ensure the security of principal. To minimize the risk of loss, investments shall be subject to minimum credit ratings and shall be diversified by maturity, type of investment and issuer. Investing activities will be reviewed on a regular basis as actual, revised and forecasted operating and capital plans are completed.

Maturity dates should be staggered so that investment cash inflows occur throughout the year.

**b) Liquidity Requirements**

Liquidity is measured by the ease with which securities can be converted to cash to meet forecast spending. The investments that are eligible under Ontario's Eligible Investments and Related Financial Agreements Regulation possess different features and thus market prices will vary depending on market conditions, as well as the particular features of the type of investment.

To ensure adequate liquidity, the Municipality's investments shall be diversified by holding securities of various terms to maturity and by various types of investments and issuers and to the extent possible, the term of such investments shall match the forecasted requirements for such funds to meet expenditures.

**c) Rate of Return**

The Municipality's funds shall be invested to maximize the rate of return within acceptable risk levels while respecting the security of principal, legal constraints and the adequate liquidity needs of each investment portfolio.

The composition of each portfolio, including its term to maturity and type of investments, shall be adjusted within the guidelines of this Policy to take advantage of market opportunities. Such changes shall be made with the periodic interest rate outlook and target portfolio structure approved by the Treasurer.

[Optional: The Municipality's existing investment policy, which is referred to in Part I of the Regulation as a statement of investment policies and goals, is attached as Appendix III and will apply to its Short-Term Funds. Necessary modifications will apply and in the event of a conflict between this IPS and the attached investment policy in respect of the Short-Term Funds, the conflicting provisions of the attached investment policy will prevail.]

## **5.2 MNRI: Long-Term Funds**

The Municipality's MNRI is described in Section 3.2 as Long-Term Funds. In accordance with the ONE JIB Agreement and this IPS, ONE JIB has exclusive control and management of the Long-Term Funds and the investments made therewith.

From time to time, the Municipality may require money immediately to meet financial obligations and may require ONE JIB to liquidate one or more investments in order to generate money to pay those obligations. ONE JIB will select the investment(s) to be liquidated. The timing of such liquidation will be determined by ONE JIB in consultation with the Treasurer.

### **5.2.1 Long-Term Funds: Investment Objectives**

In setting the objectives noted below, the Municipality has taken into account the following considerations:

- Preservation of capital;
- Adequate liquidity that takes into account the needs of financial obligations and reasonably anticipated budgetary requirements;
- Diversification by asset class, market, sector, issuer, credit quality and term to maturity;
- Income and capital appreciation; and,
- Macro risks, such as inflation, economic growth and interest rates.

The municipality's Investment objectives for its Long-Term funds (MNRI) can be achieved via allocations to the Outcomes defined within the ONE JIB's Outcome Framework. A summary of this framework is described in Table 1 below.

**Table 1:**

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

Investment of Long-Term Funds is managed by ONE JIB, which balances expected investment risks and returns to generate asset mixes that create outcomes to meet the Municipality's needs and risk tolerances. Risk mitigation is achieved primarily through the diversification of investment types. For example, assets will be invested in a mix of fixed income, equity, and other investments in order to help balance volatility and returns. Returns have an impact on revenues, as well as a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. To the extent possible, the Long-Term Funds' investment horizons are aligned with the Municipality's obligations and cash flow requirements and may consist of liquid and non-liquid securities based on future cash flow requirements.

### **5.2.2 Long-Term Funds: Eligible Investments**

Eligible investments for Long-Term Funds include the following offerings by ONE Investment:

- ONE Investment High Interest Savings Account;
- ONE Investment Canadian Government Bond Fund;
- ONE Investment Canadian Corporate Bond Fund;
- ONE Investment Canadian Equity Fund;
- ONE Investment Global Bond Fund; and,
- ONE Investment Global Equity Fund.

Additionally, nothing in this IPS prevents Long-Term Funds from being held in cash, short term money market instruments, or overnight deposits.

#### **5.2.3 Long-Term Funds: Sinking Funds**

(Insert provisions for any sinking funds of the Municipality)

#### **5.2.4 Long-Term Funds: Local Distribution Corporation (LDC) Securities**

The direct investment in LDC shares and/or promissory notes, as may be applicable, prior to [June 1, 2020], shall be permitted and included as part of the Long-Term Funds/MNRI held by ONE JIB. Specific details of this investment shall be approved by Council in its sole and absolute discretion, and ONE JIB shall adhere to all terms and conditions as directed. More specifically, ONE JIB shall be prohibited from selling, transferring, assigning, or pledging the LDC shares.

LDC shares are considered restricted, special assets and remain in the custody of the [municipality name]. LDC shares are to be viewed as separate standalone investments with the subject matter expertise and administrative functions remaining under the purview of [municipality name]. Council retains direct, de facto control of the LDC shares and ONE JIB shall adhere to all terms and conditions as directed. More specifically, Council controls all acquisition and disposition decisions related to current and future LDC assets. Any voting related to LDC shares will be undertaken solely by the [municipality name].

The investment in LDC shares will not be included in calculations regarding asset mix/allocation or other constraints that apply to the Long-Term Funds.

#### **5.2.5 Long-Term Funds: [Any other portfolios go here]**

(Insert provisions for any other Long-Term Funds including for example any legacy pension plan investments, etc.)

### **5.3 Third-Party Trust Funds and Designated Funds**

In addition to the Municipality's own money, the Municipality is from time to time entrusted with third-party trust funds, and the Municipality's responsibilities and obligations with respect thereto may be subject to other legislation and governed by other agreements and instruments. To the extent that there is any conflict or inconsistency between the provisions of this IPS and the terms and conditions contained

in such other legislation, agreements or instruments applicable to third-party trust funds, the latter shall prevail.

The Municipality's third-party trust funds and the designated funds are listed in Schedule A.

For certainty, the third-party trust funds and the designated funds are not MNRI of the Municipality, and such funds are not under the control or management of ONE JIB.

## **5.4 Investment Management**

### **5.4.1 *Investment Management of Short-Term Funds***

The investment of Short-Term Funds shall be controlled and managed by the [Treasurer].

### **5.4.2 *Investment Management of Long-Term Funds***

The investment of Long-Term Funds shall be controlled and managed by ONE JIB in accordance with this IPS. An investment advisor shall be retained by ONE JIB to define and manage the asset allocation using External Portfolio Managers.

Competent External Portfolio Managers shall be appointed by ONE JIB and they shall enter into an agreement with ONE Investment that complies with this IPS and Part II of the Regulation and provide compliance and performance reports. In accordance with the applicable regulatory requirements, ONE JIB shall make any External Portfolio Manager changes deemed in the best interest of the Municipality. For each External Portfolio Manager, ONE Investment shall agree on a set of operational guidelines including constraints, discretion limits, diversification and quality standards, and performance expectations, which are documented in each External Portfolio Manager's guidelines.

## **5.5 [Transition to Prudent Investor Regime]**

[Until the Prudent Effective Date, the Municipality will continue to control and manage its MRI, MNRI and investments in Legal List Securities. Some of such investments were made with MRI and some with MNRI.

Upon and after the Prudent Effective Date, the control and management of money and investments that are determined to be not required immediately shall be given to ONE JIB. Nothing in this IPS requires that such investments need be liquidated or disposed of. It is not contrary to this IPS for investments that the Municipality does not require immediately to be held, and to continue to be held by, ONE JIB in instruments such as term deposits, guaranteed investment certificates or principal protected notes issued by a financial institution to be held to maturity and invested upon receipt of cash proceeds.

Management of third-party trust funds and any designated funds is not directly affected by the Prudent Effective Date.]



## 5.6 Investment Constraints

### 5.6.1 *Environmental, Social and Governance (ESG) Investing*

The [municipality name] supports ESG investing for Short-Term and Long-Term Funds. The Town believes that well-managed companies are those that demonstrate high ethical and environmental standards and respect for their employees, human rights, and the communities in which they do business, and that these actions contribute to long term financial performance. [Explain here how Short-Term Funds will be managed accordingly. Example:

The Town has chosen to monitor the developments of ESG factors and will reconsider its approach to ESG investing for the Short-Term Portfolio as and when appropriate to do so.]

For the investment of Long-Term Funds, ONE JIB is required to explore how External Portfolio Managers are implementing responsible investing principles at the time of hiring and during periodic reviews. It may report on results periodically, if requested. Accommodating specific ESG considerations may not be possible either due to availability or to costs.

### 5.6.2 *Securities Lending*

For the investment of Short-Term Funds [indicate whether Securities Lending is permitted. If so, explain that here or refer to the investment policy attached as Appendix III.]

For the investment of Long-Term Funds, the Municipality may invest in pooled funds, and other investment funds that are controlled by an External Portfolio Manager who may engage in Securities Lending if the policies of the External Portfolio Manager that apply to such pools permit such an action.

### 5.6.3 *Derivatives*

Derivatives may not be used for speculative purposes. They may be used for the investment of Long-Term Funds where they are fully covered by a backing asset, e.g., as for currency or other hedging, to change portfolio duration or in covered call strategies.

### 5.6.4 *[Use of Leverage]*

[Nothing in this IPS prevents the use of leverage, provided it is prudent to do so. Leverage is inherent in the use of certain types of investment strategies and instruments. Where leverage is employed, ONE JIB (for MNRI) and the Treasurer (for MRI) shall have in place monitoring procedures to manage overall exposure to any counterparty and in the

aggregate Leverage is not a strategy currently employed by ONE JIB but may be considered at a later date.]

#### **5.6.5 Pooled Funds**

All investment strategies may be pursued directly through holdings of corporate and government issuers and indirectly via pooled funds and investment funds or any combination thereof. The investment strategies may also include allocations to cash or short-term investment vehicles.

#### **5.6.6 Currency Hedging**

[The Short-Term Portfolio will not utilize currency hedging.]

The Municipality's funding requirements are in Canadian dollars. However, some exposure to foreign currencies in the Long-Term Portfolio is expected and necessary to provide diversification and potentially enhance returns. Therefore, it shall not be a violation of this IPS for investments in global mandates to be unhedged, in whole or in part, where the diversification benefits embedded in the currency exposure are considered to be beneficial or desirable by ONE JIB.

#### **5.6.7 [Prohibited Investments]**

[List here investments that in no event may be made; e.g. direct investments in commodities or commodity futures (other than broad market indices), investments in, or mortgages on, raw or undeveloped real property, foreign direct investment in countries subject to Canadian or UN economic sanctions.]

### **5.7 Performance Monitoring, Rebalancing and Management**

#### **5.7.1 Short-Term Funds**

[Explain here how the investment of Short-Term Funds will be monitored and rebalanced – at the direction of the Treasurer -- or refer to the investment policy attached as Appendix III.]

#### **5.7.2 Long-Term Funds**

For the investment of Long-Term Funds, each account's asset mix will be monitored on a periodic basis by ONE JIB. Should the asset mixes deviate outside the ranges set out in the Investment Plan, the account will be rebalanced as soon as practicable taking into consideration variations in market liquidity and the investment objectives. Cash inflows /outflows will be used to rebalance as much as possible. If they are insufficient, investments will be sold in a commercially reasonable manner and reallocated as required.

Investments are expected to achieve returns at least equal to their benchmarks measured over a rolling five-year period. ONE JIB shall provide at least annual reporting described

in Section 6.6 that demonstrates the Municipality's holdings, declares compliance with this IPS and shows External Portfolio Manager performance.

## **6. ADMINISTRATIVE POLICIES**

### **6.1 Flow of Funds and Annual Municipal Budget**

#### **6.1.1 *Transfer to ONE JIB as Part of Budget Process***

On an annual basis, as part of the Municipality's budget process, the Municipality shall identify the amount, if any, of Long-Term Funds that it holds. Any Long-Term Funds not already under the control and management of ONE JIB shall be transferred to ONE JIB as soon as practicable.

#### **6.1.2 *Transfer to Municipality as Part of Budget Process***

On an annual basis, as part of the Municipality's budget process, ONE JIB shall be notified by the [Treasurer] as to the amount, if any, required by the Municipality from the Long-Term Funds then under the control and management of ONE JIB for the Municipality's operational purposes. Such amount shall be deemed to be Short-Term Funds and shall be returned to the Municipality in a lump sum or by way of periodic payments, as directed by the [Treasurer].

### **6.2 Flow of Funds Otherwise than through the Budget Process**

#### **6.2.1 *Surplus Funds***

The Short-Term Funds capture revenues received by the Municipality during each year after the approval of the Municipality's budget for the year. Any amounts deemed to be surplus by the [Treasurer] at any such time during the year shall be transferred to ONE JIB to be under its management and control as Long-Term Funds. Amounts so transferred will be recorded annually in the Investment Plan and allocated by ONE JIB in accordance with the Investment Plan.

#### **6.2.2 *Contingencies***

The [Treasurer] is authorized, from time to time after the approval of the Municipality's budget, to direct ONE JIB to return any amounts determined by the [Treasurer] to be required to meet expenditures for unexpected contingencies not anticipated by the Municipality's budget in force for that year, provided however that the aggregate of the amounts to be returned to the Municipality under this Section 6.2.2 during the year shall not exceed [25%] of the Long-Term Funds under the control and management of ONE JIB as at the date that the Municipality approved its budget for the year (the Budgeted Long-Term Funds). In determining the Budgeted Long-Term Funds for purposes of calculating the 25% limit, any Long-Term Funds to be transferred to the control and management of ONE JIB in accordance with that year's budget pursuant to Section 6.1.1 shall be included and any amount to be returned by ONE JIB to the Municipality pursuant to Section 6.1.2 shall be excluded.

### **6.3 Valuation of Investments**

Investments shall be valued according to the values provided by the Custodian(s). For the investment of Long-Term Funds, values of unitized vehicles shall be valued according to the unit values published daily by the Custodian. Other investments shall be valued at their market value when that is available from regular public trading. If a market valuation of an investment is not available, then a fair value shall be supplied by the External Portfolio Manager to the Custodian no less frequently than quarterly.

### **6.4 Voting Rights**

Subject to the provisions of Section 5.2.4 with respect to LDC securities, where External Portfolio Managers have been appointed, such External Portfolio Managers shall assume the responsibility of exercising voting rights and will report their voting policies to ONE JIB annually. The Municipality may access these policies at any time.

### **6.5 Internal Controls**

The [Treasurer] shall establish an annual process of review of all investments made under this IPS. This review will provide internal control by assuring compliance with governing legislation and with policies and procedures established by the [Treasurer]. To the extent ONE JIB's input is needed, these requirements will be communicated in advance to ONE JIB.

### **6.6 Custodians**

All investments and assets of the investment portfolios shall be held by a Custodian and any of the Custodian's sub-custodians or nominees. For Long-Term Funds, the Custodian shall be acceptable to ONE Investment. For Short-Term Funds the Custodian shall be acceptable to ONE Investment if ONE Investment is administering the investment of the Municipality's Short-Term Funds, otherwise the Custodian shall be acceptable to the Municipality.

### **6.7 Reporting**

#### **6.7.1 Short-Term Funds**

For the investment of Short-Term Funds, the [Treasurer] shall report at least annually to Council, such report to be in such form and contain such content as Council may request. [Subject to any reporting obligations contained in the Municipality's existing investment policy attached as Appendix III] the report to Council shall include investment performance during the period covered and such other information as required under regulation and as the [Treasurer] may consider to be pertinent.

#### **6.7.2 Long-Term Funds**

The Regulation provides that ONE JIB shall submit an investment report to Council in respect of the investment of Long-Term Funds at least annually. Such report shall include the following.

- Investment performance during the period covered by the report;
- Asset mix of the total portfolio;
- A listing of individual investments held at the end of the reporting period showing, where appropriate, their average term to maturity and yield relative to the benchmark, book value, market value, realized/unrealized gains/losses and actual income received;
- Dates of all transactions including the purchase and sale prices;
- A statement by the [Treasurer] as to whether all investments were made in accordance with the IPS and as to whether all investments were made in accordance with the Investment Plan; and
- Any other pertinent information in the opinion of the [Treasurer].

All securities invested on behalf of the Municipality by ONE JIB or with the assistance of ONE Investment shall be held for safekeeping in the name of the Municipality by a Custodian, which shall provide monthly reporting showing all securities held, their book values, market values and all income received.

## **7. APPROVAL, SUBSEQUENT MODIFICATIONS AND EFFECTIVE DATE**

### **7.1 Revocation / Amendment of Previous Investment Policy**

[Add provisions rescinding, revoking or amending, as applicable, any previous investment policy or statement of investment policies and goals of the Municipality.]

### **7.2 Modifications to the IPS**

At least annually, Council shall review the IPS and update it, if required. In the course of reviewing the IPS, Council may request comments from the [Treasurer] with respect to the investment of Short-Term Funds and from ONE JIB with respect to the investment of Long-Term Funds.

Following the Council's review of the IPS, ONE JIB shall review the Investment Plan and update it, if required.

At a minimum, the annual review will take into account:

- the adequacy of funding for capital works;
- the Municipality's ability to reduce other spending;
- flexibility of the timeframe to payout; and
- sensitivity to loss.

### **7.3 Effective Date**

This IPS is adopted by Council of the Municipality effective [June 1, 2020]. The Treasurer is directed to sign a copy of this IPS to evidence approval and to deliver a copy of this IPS to ONE JIB.

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Signed by:

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[Treasurer]

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Date

## **Schedule A**

### **Third-Party Trust Funds and Designated Funds**

#### **Third-Party Trust Funds**

[For example, care and maintenance trust funds under the *Funeral, Burial and Cremation Services Act*, 2002 which are to be invested pursuant to the *Trustee Act*.]

#### **Designated Funds**

[Listed here for information and tracking purposes only. The Municipality has no authority or responsibility with respect to investment of designated funds. For example, social housing capital reserves of a local housing corporation which are to be invested in the Housing Services Corporation's pooled capital reserve funds managed by Encasa.]

## **Appendix I: ONE JIB Agreement**





## **Appendix II: Investment Policy for Short-Term Funds**

**Recommended Review:** The MCQ should be reviewed and updated annually in conjunction with the review of the Investment Policy Statement.

However, an update should happen 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"

A complete update is not needed for in-year change. Municipalities can provide written notice of changes by using the mid-year MCQ update form.

---

## 1. CLIENT INFORMATION

1.1 NAME OF MUNICIPALITY: \_\_\_\_\_

1.2 ADDRESS: \_\_\_\_\_

### 1.3 TREASURER INFORMATION

i. Name: \_\_\_\_\_

ii. Phone Number: ( ) \_\_\_\_\_ - \_\_\_\_\_ iii. Email: \_\_\_\_\_

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 Municipality'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 Check the following statements that apply to the Municipality's current investment portfolio?

[Check all that apply]

- ☐ Canadian money market securities (e.g. Cash, bank accounts, HISA etc.)
- ☐ Locked-in Investments (GIC's PPN's 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

### 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 Which of the following best reflects the Municipality's investment objectives for its MNRI?

- ☐ Capital preservation is the main objective. Willingness to accept low returns in order to avoid any years with losses.
- ☐ Achieve moderate growth without excessive risk to capital.
- ☐ Willingness to accept higher risk, including risk of loss of capital, for potentially higher returns over the longer term

3.2 What is the Municipality's risk tolerance for its MNRI?

- ☐ Conservative Approach: A very small chance of loss of capital over a 5-year period
- ☐ Moderate chance of loss of capital over a 5-year period
- ☐ Greater uncertainty of outcomes with potential of higher returns over a 5-year period

3.3 Tolerance for losses: Quantify the temporary decline (an unrealized loss) in the value of investment your Municipality can tolerate over a one-year period? Note the ONE JIB invests MNRI with the objective of attaining returns over the *long term*. Minimizing short-term volatility also reduces long term growth potential.

- ☐ Less than 5% decline
- ☐ 5-10% decline
- ☐ 10-15% decline
- ☐ More than 15% decline

3.4 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?

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*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 Summary of financial information. Kindly confirm that the municipality has provided a recent copy of its audited financial statements with this MCQ.

☐ Yes      ☐ No

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	2022	2023	2024	2025	2026-2030
Anticipated MNRI Drawdowns					
Anticipated MNRI Contributions					
Net change in MNRI					

4.3 What percentage of the MNRI portion of the portfolio is required by the Municipality in the following time periods? (Timeframes can be changed based on the Municipality's circumstances)

18 months to 3 years: \_\_\_\_\_

3 to 5 years: \_\_\_\_\_

5 to 7 years: \_\_\_\_\_

7 to 10 years: \_\_\_\_\_

More than 10 years: \_\_\_\_\_

### Funding/Expenditure Analysis

4.4 How often is a cash flow analysis of reserves, reserve funds and expected expenditures completed by the Municipality?

---

4.5 Please specify month and year of the last update to the cash flow analysis.

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4.6 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?

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4.7 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

4.8 Are the reserves and reserve funds that represent MNRI growing annually for the Municipality?

☐ Yes

☐ No

4.9 If yes, at what approximate annual rate are they growing?

☐ 1 to 2 %    ☐ 3 to 4 %    ☐ Greater than 5 %

4.10 If no, at what approximate annual rate are they declining?

☐ 1 to 2 %    ☐ 3 to 4 %    ☐ Greater than 5 %

4.11 At what annual rate is the Municipality's capital expenditures rising?

☐ 1 to 2 %    ☐ 3 to 4 %    ☐ Greater than 5 %

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

☐ Yes    ☐ No

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

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4.14 Potentially capital grants that are received could impact the municipality's MNRI. Please characterize any large grants that your municipality has a reasonable expectation of materializing.

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4.15 The use of debt financing to fund future capital projects may reduce the need to drawdown MNRI to fund the projects. Please characterize how the municipality anticipates using debt financing to fund capital projects.

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## 5. PORTFOLIO INFORMATION

### 5.1

MNRI details as at [date] _____	
ONE PI Funds + HISA (Under ONE JIB)*	\$
Locked in portion (LDC shares or notes)	\$
Pledged (in kind) Securities (Bonds, GIC's, PPN's, etc.)*	\$
Expected Additions (withdrawals) of MNRI from ONE JIB Date funds to be remitted/paid: (DD/MM/YY) ____/____/____	\$
Total MNRI	\$
* prices of securities may change between the date they are pledged to the ONE JIB and when they are actually contributed to the ONE JIB. Drift in the security price after they have been pledged to the ONE JIB should not compel the municipality to adjust their contribution to the ONE JIB.	

5.2 Less liquid securities can be pledged to the ONE JIB as part of the MNRI when the municipality joins the ONE JIB. It is contemplated that the proceeds from these pledged securities would be transitioned into the ONE Prudent Investor Outcomes at maturity or at an earlier date at the discretion of the participating municipality. 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 locked in investments that have previously been pledged to the ONE JIB as part of their MNRI
- ☐ The municipality is joining the ONE JIB and will need to include the following investments as pledged securities to the ONE JIB to represent a portion of their MNRI:

Type/Description	Amount	Maturity Date

## 6. INVESTMENT RESTRICTIONS

6.1 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.

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### 7. 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\_\_

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Name and Signature of Treasurer

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Second Signature (if Required)

## Appendix 1 – Midyear MCQ Updates Form

[ this form to be developed at a later date]



**Town of Whitby**  
**(Town or Whitby)**

**Investment Plan**

Date: **July 2, 2020**

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

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## 1. Definitions

*(Note that terms and definitions used in this Investment Plan have the same meaning as those defined in the Investment Policy Statement)*

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

**Asset Allocation (Asset Mix):** means the proportion of each asset class in a portfolio or allocation.

**Asset Class:** means a group of securities with similar characteristics and expected behaviours. Examples include Canadian stocks and global bonds.

**Benchmark:** means an independently verifiable index that is representative of a specific securities market (e.g., the S&P/TSX Composite Index, the FTSE/TMX 91 Day T-bill Index, etc.) against which investment performance can be compared. Performance benchmarks refer to total return indices in Canadian dollar terms. A Benchmark can be a single index or a combination of one or more indices.

**Custodian:** means a specialized financial institution that is responsible for safeguarding a municipality's investments and is not engaged in "traditional" commercial or consumer/retail banking. Global custodians hold investments for their clients in multiple jurisdictions around the world, using their own local branches or other local custodian banks ("sub-custodians" or "agent banks"). ONE Investment's custodian is CIBC Mellon.

**Environmental, Social and Governance (ESG) Investing:** means considering and integrating ESG factors into the investment process, rather than eliminating investments based on ESG factors alone. Integrating ESG information can lead to more comprehensive analysis of a company.

**External Portfolio Managers:** means external third-party investment management firms whose investment offerings are accessed by ONE JIB directly or through services provided to a ONE Investment Pool. External Portfolio Managers are agents authorized by ONE JIB in accordance with Part II of the Regulation;

**HISA:** means the ONE High Interest Savings Account. This is an investment product created by ONE Investment that offers competitive interest rates on daily balances. It functions in a similar way as a bank account in that it pays interest and funds can be withdrawn on demand without triggering investment gains or losses.

**[In-Kind:** means assets/securities instead of cash. In certain cases municipalities may transfer securities to ONE JIB that reflect a portion of their MNRI instead of remitting only cash to ONE JIB. As these securities mature ONE JIB would invest the proceeds into the investment Outcomes specified in the Investment Plan.]

**Investment Policy Statement (IPS):** means the investment policy adopted by Council and updated annually. It describes **Whitby's** money that it requires immediately (Short-Term Funds) and its money that it does not require immediately (Long-Term Funds), and sets out, among other things, **Whitby's** objectives and risk tolerances.

**Long-Term Funds:** means money not required immediately (MNRI) by **Whitby**.

**Municipal Client Questionnaire:** means a document which shall be completed by the Treasurer of each participating municipality and which includes information on municipal investments and risk preferences that must be reviewed annually.

**ONE Investment:** means a not-for-profit organization that will serve as an agent of ONE JIB to operationalize the investment activities of ONE JIB and provide associated administration.

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

**ONE JIB Agreement:** means the agreement effective as of July 2, 2020, entered into in accordance with the requirements of the Regulation, pursuant to which ONE JIB has control and management of **Whitby's** Long-Term Funds.

**ONE JIB's Outcome Framework:** a set of Investment Outcomes designed by the ONE JIB to categorize the potential goals of investing MNRI. Each Outcome has a unique Asset Allocation with risk/return characteristics that are aligned with the intended use of the funds assigned to the outcome.

**ONE Legal List Investment Program:** means the program for joint municipal investment in which municipalities and other eligible investors invest under the Agency Agreement.

**ONE Prudent Investment Program:** means the program for municipal investment in which a municipality has appointed ONE JIB as such municipality's Joint Investment Board and has entered into the ONE JIB Agreement.

**Outcome:** means in the context of the Investment Plan the same thing as 'solutions'. Investment Outcomes are a set of investment allocations with varying risk/return characteristics. The Outcomes assigned to each municipal investor are intended to reflect the needs and circumstances of the municipality. MNRI may be invested into several outcomes based on the characteristics of the municipality's accounts/reserves and its saving and spending needs.

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

**Regulation:** means Ontario Regulation 438/97.

**Risk:** means the uncertainty of future investment returns.

**Risk Tolerance:** means the financial ability and willingness to absorb a loss in return for greater potential for gains.

**Short-Term Funds:** means money that is required immediately (MRI) by a municipality. **Whitby's** IPS defines MRI as *(insert definition of MRI here)*.

## 2. Purpose of Investment Plan

As required under the Act's prudent investor regime, this Plan (Plan) establishes how ONE JIB will invest Whitby's money that it does not require immediately (Long-Term Funds or MNRI). This Plan complies with Whitby's IPS adopted by Council on March 9, 2020 and is based on the information in the Municipal Client Questionnaire (MCQ) dated May 8, 2020. It was approved by ONE JIB at the May 20, 2020 meeting in Report # 20-011 – Investment Outcomes. This Plan applies to all investments that are controlled and managed by ONE JIB on behalf of Whitby.

At least annually, following Council's review of its IPS, ONE JIB shall review this Plan and update it as needed.

## 3. Responsibility for Plan

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

This Plan is dependent on clear communication between Whitby, ONE JIB and ONE Investment regarding Whitby's needs, which is especially important when investment needs change. To ensure clear communication, ONE Investment employs an MCQ as part of its annual review. It is Whitby's responsibility to update the MCQ on a timely basis and to ensure that ONE Investment is aware of any needs that are not addressed in the MCQ and, as soon as practicable, of any material changes that occur during the year. It is the responsibility of ONE JIB and ONE Investment to provide liquidity to the extent possible, to adjust to changing needs in a timely fashion and to communicate any difficulties in so doing as soon as possible to Whitby. The process for communicating changes in the MCQ, IPS and other issues is set out in Appendix A. The process for moving funds in or out of ONE Investment is outlined in Appendix E.

## 4. Custodian

All investments under the control and management of ONE JIB, [except for Whitby-owned electricity assets,] shall be held for safekeeping by ONE Investment's Custodian. [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.]

## 5. Investment Goals and Objectives

Returns on investments have an impact on Whitby's revenues, and therefore a longer-term impact on future years' budgets, and are intended to keep pace with inflation over the long run.

Investments may consist of liquid and non-liquid assets, depending on future obligations. Expected investment risks and returns are balanced to create Outcomes that provide a high probability that **Whitby**'s investment objectives can be achieved.

MNRI will be invested to generate any or all of the following Outcomes:

- a. Funding contingencies, where returns are reinvested with a view to growing principal over the long-term for large withdrawals in unpredictable situations;
- b. Creating stable returns, where principal is maintained and a reliable stream of returns may be available to spend as/if needed; and,
- c. Funding target date projects, where **Whitby** has an obligation for a specific project at a specific time.

**Whitby** has identified the following details in Table 1 of its investment objectives for its MNRI according to the classification scheme.

*Table 1 - Outcomes Disclosed in **Whitby**'s IPS*

Investment Outcome	Objective	Risk Tolerance, Liquidity	Investment Horizon
<b>Contingency</b>	Contributions for unexpected events	Higher risk with emphasis on growth, liquid	very long (but readily available as needed)
<b>Stable Return</b>	To generate stable returns to fund recurring needs	Moderate risk with emphasis on stable returns, liquid	long (5+ years)
<b>Target Date</b>	Contributions toward specific projects, mitigate inflation impacts and meet target funding requirements. May also include contributions to asset management reserves	Lower risk, liquid	< 5 years
		Moderate risk with emphasis on stable returns, liquid	5 to 10 years
		Higher risk with emphasis on growth, liquid	Greater than 10 years

**Whitby**'s investment needs described in its IPS provide Council's guidance to ONE JIB in determining investment allocations. Additional context from the MCQ and dialogue with the Treasurer were used to interpret the details in Table 1. This informs ONE JIB about **Whitby**'s current goals, objectives, circumstances and risk tolerance, and helps direct how investment allocations will be determined. The allocation of the **Town**'s MNRI is consistent with the details as disclosed in the **Town**'s IPS and MCQ.

Table 2 - ONE JIB Outcomes Framework

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

While individually **Whitby**'s reserve and reserve funds require liquidity, collectively they provide the **Town** 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.

[The **Town** has significant spending needs through 2023, and this large cash outflow will be funded with MRI balances retained by the **Town** and potentially by drawing down MNRI invested with ONE Investment. In total, during the first 5 years of the Plan approximately \$48.7 million is anticipated to be drawn down from MNRI to fund pre-planned capital expenditures. The Plan has contemplated the need for these drawdowns during this time frame. The remaining portion of MNRI, which represents in excess of 50% of the initial portfolio, will be invested for longer term time horizons. The **Town** also anticipates a significant spending need in the 5 to 10-year period related to growth. ]

## 6. Investment Allocations

### 6.1 Asset Allocations

Asset allocations for each Outcome are expected to be relatively stable until the next annual review. Any changes to the amounts in each account must be communicated to ONE JIB formally as outlined in Appendix A.

The goals, objectives, constraints and circumstances of **Whitby** are taken into consideration when assigning asset allocations for **Whitby** using ONE Investment's Outcome-based approach. These decisions are informed by the requirement to comply with the Prudent Investor Standard as defined



in the Act. The Prudent Investor Standard identifies several key considerations that need to be incorporated in the decision-making process, including:

- General economic conditions;
- The possible effect of inflation or deflation;
- The role that each investment or course of action plays within **Whitby**'s portfolio of investments;
- The expected total return on investment and the appreciation of capital; and
- Needs for liquidity, regularity of income and preservation or appreciation of capital.

In drafting this Plan, these current economic conditions and the possible effect on inflation/deflation have been considered as follows:

- On March 11, 2020 the World Health Organization declared the outbreak of the coronavirus (COVID-19) pandemic. Subsequently, the Province of Ontario declared a state of emergency on March 17, 2020. The financial impact of these events on municipalities is still to be determined. Examples could include increased cash flow requirements, decreased revenue or pressure for lower property tax rate increases.
- The COVID-19 pandemic has the potential to change the economic outlook and the capital markets outlook in ways that cannot be foreseen. This should not directly affect the risk profile of the **Town** or the implementation of this Plan.
- Prior to the COVID-19 pandemic, economic conditions have been characterized as broadly positive, with modest economic growth, low interest rates and modest inflationary pressures. The global economy appeared to be in the later stage of an economic expansion with significant potential for deceleration of economic growth. The COVID-19 pandemic has clouded the outlook.
- 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, when the current economic uncertainties will likely have subsided; the use of diversification to reduce volatility and investments in securities with a potential for higher returns such as equities and bonds is expected to achieve returns that outpace inflation.

Return assumptions have been provided in section 6.6. These return assumptions were based on allocations that the Chief Investment Officer considers appropriate for **Whitby** and that have been approved by the ONE JIB. As the portfolios will be broadly diversified, these potential returns are expected to be achieved while still maintaining an appropriate risk profile.

## **6.2 Account Structure**

The amounts of MNRI, as disclosed in **Whitby's** MCQ dated **May 20, 2020** have been allocated into investment Outcome categories as shown in Table 3 below.

Table 3 - Initial Allocations

Outcome	Allocation (\$)	Allocation Weight (%)
Cash	438,287	0.4
Contingency	4,359,392	4.0
Asset Management Reserves	238,729	0.2
Target Date 3-5 Years	47,749,872	44.2
Target Date 5-10 Years	43,350,407	40.2
Target Date 10+ Years	11,818,247	10.9
<b>Total</b>	<b>107,954,934</b>	<b>100.0</b>

Mixes of ONE Prudent Investment Program funds and products appropriate for Whitby's circumstances will be used for each Outcome. Descriptions of these solutions, ONE Prudent Investment Program funds and the asset allocations for each Outcome are shown in Appendix B. [Note that Whitby holds \$6 million in securities In-Kind which represent a portion of MNRI. When these securities mature (in several years) the proceeds will be invested in the investment Outcomes in keeping with the Plan at the time of maturity.]

[The process of moving from the current investments to the target weights, both noted below, is outlined in the Transition Plan in Appendix D.]

### 6.3 Cash Outcome

Cash allocations are appropriate for relatively short-term funding needs of the Town. If the funds 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 loss as there is ample time for investment growth to allow the investment value to recover. Monies in the Cash Outcome do not have this flexibility and will be invested in the ONE HISA which has a very remote possibility for loss of capital, which helps ensure the funds will be available when needed. Whitby has approximately \$440,000 that will be allocated to the Cash Outcome. Details of the allocation of the Cash Outcome are found in Table 4. 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 4 - Cash Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
Cash	100	100	100	
ONE HISA		100		Bank of Canada 1 Year GIC Rate
<b>Total</b>		<b>100</b>		

Cash Outcome returns and risk are discussed in section 6.6.

Benchmark: Bank of Canada 1 Year GIC Rate. There is no active management involved with HISA (High Interest Savings Account) balances.

## 6.4 Contingency Outcome

**Whitby** will need to generate long-term growth for funds within the Contingency Outcome. Contingency funds 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 **Whitby's** investments is emphasized. Details of the allocation of the Contingency Outcome are shown in Table 5. Further detail about the Contingency Outcome allocations can also be found in Appendix B. These funds will be invested according to the asset mix set out in Table 5 and will be rebalanced to ensure a consistent risk profile – rebalancing is explained in more detail in section 9. All income will be reinvested to facilitate continued long-term growth in the assets until they are needed. **The initial allocation to the Contingency Outcome will be approximately \$4.4 million.**

Table 5 - Contingency Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
<b>Equity</b>	<b>55</b>	<b>60</b>	<b>65</b>	
ONE Canadian Equity Fund		18		S&P/TSX Composite Index
ONE Global Equity Fund		42		MSCI ACWI (All Country World Index)
<b>Fixed Income</b>	<b>35</b>	<b>40</b>	<b>45</b>	
ONE Canadian Government Bond Fund		6		<i>blended benchmark</i> - Canadian Government Bonds
ONE Canadian Corporate Bond Fund		6		<i>blended benchmark</i> - Canadian Corporate Bonds
ONE Global Bond Fund		28		Bloomberg Barclays Multiverse Index
<b>Total</b>		<b>100</b>		

Contingency Outcome returns and risk are discussed in section 6.6.

Benchmark: 18% x S&P/TSX Composite Total Return Index + 42% x MSCI ACWI + 6% x *blended benchmark* - Canadian Government Bonds + 6% x *blended benchmark* - Canadian Corporate Bonds + 28% x Bloomberg Barclays Multiverse Index.

The *blended benchmark* for Canadian Government Bonds is: 95% FTSE Canada Short Government Bond Index + 5% FTSE Canada 91-Day Treasury Bill Index.

The *blended benchmark* for Canadian Corporate Bonds is 48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index.

Further discussion on benchmarks is included in Appendix C.

## 6.5 Asset Management Reserves Outcome

The Asset Management Reserve Outcome is specifically designed as an Outcome suitable for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to fund asset management reserves. The very long-term nature of asset management reserves allows this Outcome to emphasize long-term growth, and as such, it has a significant allocation to equities. A small portion of Whitby's MNRI will be allocated to this Outcome, which represents about \$239,000 or approximately 0.2% of MNRI. Details of the allocation of Whitby's Asset Management Reserves Outcome are show in Table 6. 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 6 - Asset Management Reserve Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
<b>Equity</b>	<b>88</b>	<b>90</b>	<b>92</b>	
ONE Canadian Equity Fund		27		S&P/TSX Composite Index
ONE Global Equity Fund		63		MSCI ACWI (All Country World Index)
<b>Fixed Income</b>	<b>8</b>	<b>10</b>	<b>12</b>	
ONE Canadian Government Bond Fund		1.5		blended benchmark - Canadian Government Bonds
ONE Canadian Corporate Bond Fund		1.5		blended benchmark - Canadian Corporate Bonds
ONE Global Bond Fund		7		Bloomberg Barclays Multiverse Index
<b>Total</b>		<b>100</b>		

Asset Management Reserve Outcome returns and risk are discussed in section 6.6.

Benchmark: 27% x S&P/TSX Composite Total Return Index + 63% x MSCI ACWI + 1.5% x blended benchmark - Canadian Government Bonds + 1.5% x blended benchmark - Canadian Corporate Bonds + 7% x Bloomberg Barclays Multiverse Index.

The blended benchmark for Canadian Government Bonds is: 95% FTSE Canada Short Government Bond Index + 5% FTSE Canada 91-Day Treasury Bill Index.

The blended benchmark for Canadian Corporate Bonds is 48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index.

Further discussion on benchmarks is included in Appendix C.

## 6.6 Target Date Outcome

Target Date Outcomes will be managed with the objective of providing for the return of principal, income and capital gains at a target date in the future. All income will be reinvested.

The largest portion of Whitby's MNRI is intended to be invested in Target Date Outcomes. The most prominent use of funds in coming years will be to finance the infrastructure for Facility, Roads and Related Park, Fleet and Equipment and Information Technology assets. Approximately \$100 million will be spent on these and other initiatives through 2023, with additional spending needs anticipated for several years thereafter. These projects will be funded with a combination of monies from MRI and MNRI. Target date allocations are designed to provide liquidity of approximately \$47.7M to finance anticipated expenditures funded within the next five years. As the Town grows, the Commissioner of Corporate Services & Treasurer will need to supplement the balances retained in MRI with funds from MNRI to finance some of the near-term spending requirements. This means that MNRI will be impacted by large spending needs near term as balances are drawn down for

capital projects. The remaining monies will be invested primarily for longer term growth. The monies invested in Target Date Outcomes will be split into several separate Target Date Allocations which collectively are reflective of the need for growth while being reflective of the time horizon on which the funds are required.

Approximately \$47.7 million (about 44% of MNRI) will be allocated into the Target Date 3-5 Year Outcome, see Table 7, which is intended to provide some liquidity for the 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.

Table 7 - Target Date 3-5 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
<b>Cash</b>	<b>17</b>	<b>20</b>	<b>23</b>	
ONE HISA		20		Bank of Canada 1 Year GIC Rate
<b>Equity</b>	<b>8</b>	<b>10</b>	<b>12</b>	
ONE Canadian Equity Fund		3		S&P/TSX Composite Index
ONE Global Equity Fund		7		MSCI ACWI (All Country World Index)
<b>Fixed Income</b>	<b>66</b>	<b>70</b>	<b>74</b>	
ONE Canadian Government Bond Fund		10.5		blended benchmark - Canadian Government Bonds
ONE Canadian Corporate Bond Fund		10.5		blended benchmark - Canadian Corporate Bonds
ONE Global Bond Fund		49		Bloomberg Barclays Multiverse Index
<b>Total</b>		<b>100</b>		

Target Date 3 to 5 Year Outcome returns and risk are discussed in section 6.6.

Benchmark: 20% Bank of Canada 1 Year GIC Rate + 3% x S&P/TSX Composite Total Return Index + 7% x MSCI ACWI + 10.5% x blended benchmark - Canadian Government Bonds + 10.5% x blended benchmark - Canadian Corporate Bonds + 49% x Bloomberg Barclays Multiverse Index.

The blended benchmark for Canadian Government Bonds is: 95% FTSE Canada Short Government Bond Index + 5% FTSE Canada 91-Day Treasury Bill Index.

The blended benchmark for Canadian Corporate Bonds is 48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index.

Further discussion on benchmarks is included in Appendix C

Whitby is experiencing significant growth and expects that it will require large investment spending within the 5 to 10-year time frame due to continued population growth. Approximately 40%, or \$43.4 million, of MNRI will be invested in the Target Date 5–10 Year Outcome, which will be needed primarily to fund projects related to growth. Details of the allocation for this Outcome are in Table 8 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 8 - Target Date 5-10 Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
<b>Equity</b>	<b>45</b>	<b>50</b>	<b>55</b>	
ONE Canadian Equity Fund		15		S&P/TSX Composite Index
ONE Global Equity Fund		35		MSCI ACWI (All Country World Index)
<b>Fixed Income</b>	<b>45</b>	<b>50</b>	<b>55</b>	
ONE Canadian Government Bond Fund		7.5		<i>blended benchmark</i> - Canadian Government Bonds
ONE Canadian Corporate Bond Fund		7.5		<i>blended benchmark</i> - Canadian Corporate Bonds
ONE Global Bond Fund		35		Bloomberg Barclays Multiverse Index
<b>Total</b>		<b>100</b>		

Target Date 5 to 10 Year Outcome returns and risk are discussed in section 6.6.

Benchmark: 15% x S&P/TSX Composite Total Return Index + 35% x MSCI ACWI + 7.5% x *blended benchmark* - Canadian Government Bonds + 7.5% x *blended benchmark* - Canadian Corporate Bonds + 35% x Bloomberg Barclays Multiverse Index.

The *blended benchmark* for Canadian Government Bonds is: 95% FTSE Canada Short Government Bond Index + 5% FTSE Canada 91-Day Treasury Bill Index.

The *blended benchmark* for Canadian Corporate Bonds is 48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index.

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 funds invested to grow in value. More detail on the allocations for the Target Date 10+ Year Outcome are shown in Table 9.

As these funds will primarily be used for construction/development projects in the future, this 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. Based on discussions with the Commissioner of Corporate Services & Treasurer and input from the MCQ, allocations to the Target Date 10+ Year Outcome for the Town's reserve and reserve funds are lower due to uncertainties related to recent amendments to the *Development Charges Act, 1997*, specifically the change from Development Charges to Community Benefit Charges.

Table 9 - Target Date 10+ Year Outcome

Asset Class	% Weight			Benchmark
	Min	Target	Max	
<b>Equity</b>	<b>71</b>	<b>75</b>	<b>79</b>	
ONE Canadian Equity Fund		22.5		S&P/TSX Composite Index
ONE Global Equity Fund		52.5		MSCI ACWI (All Country World Index)
<b>Fixed Income</b>	<b>21</b>	<b>25</b>	<b>29</b>	
ONE Canadian Government Bond Fund		3.75		<i>blended benchmark</i> - Canadian Government Bonds
ONE Canadian Corporate Bond Fund		3.75		<i>blended benchmark</i> - Canadian Corporate Bonds
ONE Global Bond Fund		17.5		Bloomberg Barclays Multiverse Index
<b>Total</b>		<b>100</b>		

Target Date 10+ Year Outcome returns and risk are discussed in section 6.6.

Benchmark: 22.5% x S&P/TSX Composite Total Return Index + 52.5% x MSCI ACWI + 3.75% x *blended benchmark* - Canadian Government Bonds +3.75% x *blended benchmark* - Canadian Corporate Bonds + 17.5% x Bloomberg Barclays Multiverse Index.

The *blended benchmark* for Canadian Government Bonds is: 95% FTSE Canada Short Government Bond Index + 5% FTSE Canada 91-Day Treasury Bill Index.

The *blended benchmark* for Canadian Corporate Bonds is 48% the FTSE TMX Canada All Government Bond Index, 40% the FTSE TMX Canada Short Term Corporate A Index, 10% FTSE TMX Canada Universe Corporate AAA/AA Index and 2% the FTSE TMX Canada 91 Day T-Bill Index.

Further discussion on benchmarks is included in Appendix C

## 6.7 Projected Investment Returns

The prospect for improved returns with acceptable levels of investment risk is a key consideration for any municipality investing under the Prudent Investor Standard. Table 10 below provides a projection of the annual returns for each of Whitby's investment Outcomes (and consolidated Outcomes). These estimates were derived from an analysis of long-term returns based on conservative capital market assumptions and economic forecasts. They are presented for information purposes only, and actual investment results may differ materially. The source of returns (recurring income vs capital gains) is not a factor that ONE JIB actively considers for these mandates. It is largely not relevant to municipal investors because they are not subject to taxes on investment returns.

Table 10 - Projected Annual Returns

Outcome	Expected Return	Allocation Weight (%)
Cash	0.9%	0.4
Contingency	4.9%	4.0
Asset Management Reserves	5.8%	0.2
Target Date 3-5 Years	3.0%	44.2
Target Date 5-10 Years	4.6%	40.2
Target Date 10+ Years	5.3%	10.9
<b>Overall</b>	<b>4.0%</b>	<b>100.00</b>

\* The projected overall Expected Return of the asset allocations for ONE Investment prudent investor offerings was evaluated by an external consultant, Aon. Their analysis includes a proprietary return measure that projects average annual expected returns via a Monte Carlo analysis. Actual returns may differ.

The return profile of MNRI projected above is biased downward due to the large balances that are earmarked to be used to fund capital projects over the next five years, which limits the ability of ONE JIB to invest these monies for long-term growth. As the near term target date balances are drawn down, the overall investment time horizon of MNRI balances will increase and a higher rate of return will likely be achieved as the portfolio transitions to a more growth-oriented portfolio.

## **6.8 Other Accounts**

The **Town** has no other accounts ONE JIB must consider.

## **7. Constraints**

Besides those listed below, there are also constraints specific to each externally managed portfolio that are available on the ONE Investment website.

### **7.1 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 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.

### **7.2 Securities Lending**

Unitized vehicles that are controlled by an External Portfolio Manager may engage in securities lending if their policies permit such an action. ONE JIB intends to consider securities lending and may introduce a formalized policy to allow securities lending.

### **7.3 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 Funds are invested in underlying funds where the External Portfolio Manager is authorized under the constating 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.



## 8. External Portfolio Managers

ONE Investment uses External Portfolio Managers to create the portfolios and investment pools (the ONE Investment Pools) used as building blocks in the asset allocation for each Outcome. These External Portfolio Managers are chosen and monitored using a rigorous process, with oversight by ONE JIB and ONE Investment and input from an external consultant knowledgeable in the asset classes and in the range of investment options and portfolio managers suitable for institutional investors.

## 9. Rebalancing

Each account's asset mix will be monitored by ONE Investment. Each investment outcome will have target weights assigned for each holding, which collectively represent the intended asset mix for the outcome. Minimum and maximum weights will also be assigned for asset classes, and these weights will guide the rebalancing process. Should the weight deviate outside the minimum or maximum weights noted in Appendix B, the account will be rebalanced as soon as practicable to bring it within the minimum/maximum range. Given variations in market liquidity, transactions will be completed as soon as reasonably viable, taking into account the investment objectives. Cash inflows/outflows will be used to rebalance as much as possible; if they are insufficient, investments will be sold in a commercially reasonable manner and reallocated as required.

ONE Investment will rebalance all accounts to target weights twice annually based on fixed dates: April 15 and October 15 (or the following business day). Accounts that are within a 2% threshold of the intended targets will not be rebalanced.

## 10. Accommodating Cashflow Needs

This Plan is intended to be dynamic and responsive to the changing needs of Whitby. Once informed of changing needs in accordance with the ONE JIB Agreement, ONE JIB may need to revise allocations, deploy incoming monies or sell units of the investment pools accordingly. Additionally, income from investments will be automatically reinvested into the investment Outcomes where appropriate and cashflow needs of Whitby are expected to be financed with the sale of units of the investment pools. Any fee discounts that apply to Whitby are intended to be reinvested into the Contingency Outcome or as otherwise directed by the Treasurer.

## 11. Non-Liquid Assets

### 11.1 Legacy Investments / Strategic Investments

Whitby'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 Whitby's IPS such that ONE JIB has agreed not to dispose of or deal with that investment without Whitby's consent. Table 11 below describes the investment in Whitby Hydro Shares.

Table 11 - Whitby's LDC Holdings

<u>Investment in Local Distribution Company</u>	<u>Amount (\$)</u>
---	--------------------

Whitby Hydro Shares

53,261,000

## 11.2 Transitional Investments

MNRI that Whitby will transfer the control and management of to ONE JIB will consist of available cash and the proceeds from the liquidation of Whitby's ONE Legal List Investment Program products. Principal Protected Notes valued at \$6M will be included as part of Whitby's MNRI that is under the control and management of ONE JIB.

[Whitby plans to sell some or all of its ONE Legal List Investment Program products. The proceeds of the sale will be given to ONE JIB as MNRI. More details on transition planning is provided in Appendix D.]

## 12. Comments by Chief Investment Officer

Certain qualitative factors were considered in assigning the investment allocations. Whitby's reserve and reserve fund balances over the next few years will be affected by pre-planned capital expenditures. Whitby's MNRI is expected to be drawn down significantly through 2023 and periodically throughout the next 10-year period to accommodate a 40% increase in the Town's population by 2032. The Town appears to have strong cash flow to fund future needs and large balances of MRI to address recurring operating needs and provide some flexibility to finance unexpected needs. This strong financial footing should allow the MNRI to be invested with a relatively long-term horizon and assume a reasonable amount of investment risk. This offers the Town 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.

One of the investment objectives for Whitby is to achieve growth for the monies invested, with above-inflation returns. Due to the long-term time horizon for some of the Town's reserve and reserve funds and the need for returns to exceed inflation, an allocation to equities is appropriate. In the short to medium term there is limited need for recurring income from the investment portfolios and all income generated is intended to be reinvested.

The Town has cashflow flexibility in coming years as more than 50% of MNRI will not need to be utilized in the next five years. Additionally, the objective to achieve growth for the monies invested, with above-inflation returns was recognized as an important goal for the Town. Aside from the funding for the specified near-term needs, the Town has the flexibility to assume a moderate risk profile for the consolidated portfolio, and investment allocations are also influenced by the time horizon associated with the MNRI. The Chief Investment Officer has exercised discretion when choosing ONE Investment Outcomes to use in the portfolio and the overall risk profile of the portfolio was considered the most important consideration. At the time of writing, the recommended overall exposure to equity within the portfolios was 35.3%, effectively doubling the Town's overall exposure to equity investments compared to its current allocations within the legal list regime. Equity weights will rise further as balances from the Target Date 3–5 Year Outcome is drawn down. This level of diversified equity exposure is appropriate for the Town considering its circumstances and needs.





## **Appendix A: Process for Communicating Changes in Investment Needs**

For effective investment management it is imperative that material changes in **Whitby**'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 funds, 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](mailto:ONE@oneinvestment.ca) and the ONE JIB Secretary at [dkelly@oneinvestment.ca](mailto:dkelly@oneinvestment.ca). They are considered received when ONE Investment provides a formal return email acknowledgement.

## Appendix B: Description of ONE Investment Pools, Products and Outcomes

Following is a list of the ONE Investment Pools and products used to achieve target asset allocations. For more information on how these ONE Investment Pools and solutions are managed, please see further detail on the ONE Investment [website](#).

ONE Investment Pool or Product	External Portfolio Manager	Mandate	Asset Class
<b>High Interest Savings (HISA)</b>	CIBC Commercial Banking	Savings account	Cash
<b>ONE Canadian Government Bond Fund</b>	MFS	Bonds of < 5 years' maturity focused on Canadian Government bonds	Canadian short-term Fixed Income
<b>ONE Canadian Corporate Bond Fund</b>	MFS	Primarily in Canadian Corporate Bonds	Canadian Fixed Income
<b>ONE Global Bond Fund</b>	Manulife Investment Management	Global Unconstrained Fixed Income	Global Fixed Income
<b>ONE Global Equity Fund</b>	Mawer Investment Management	Global Equities inclusive of Emerging Markets exposure	Global Equities
<b>ONE Canadian Equity Fund</b>	Guardian Capital	Canadian Equity with conservative investment approach	Canadian Equities

## 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. Note that these allocations target a maximum of 70% foreign exposure, and Canadian Bond exposure targets equal allocation to the ONE Canadian Government Bond Fund and the ONE Canadian Corporate Bond Fund.

<u>Cash Outcome</u>	% Weight		
	Min	Target	Max
ONE HISA	na	100	na
<b>Total Cash</b>		<b>100</b>	

<u>Stable Return Outcome</u>	% Weight			Duration (Years)
	Min	Target	Max	
ONE HISA	8	10	12	
<b>Total Cash</b>	<b>8</b>	<b>10</b>	<b>12</b>	
ONE Canadian Equity Fund		9		
ONE Global Equity Fund		21		
<b>Total Equity</b>	<b>26</b>	<b>30</b>	<b>34</b>	
ONE Canadian Government Bond Fund		9		1.6 – 3.6
ONE Canadian Corporate Bond Fund		9		3.0 – 6.9
ONE Global Bond Fund		42		2.0 – 6.0
<b>Total Fixed Income</b>	<b>55</b>	<b>60</b>	<b>65</b>	
<b>Total Allocated</b>		<b>100</b>		

<u>Contingency Outcome</u>	% Weight			Duration (Years)
	Min	Target	Max	
ONE HISA				
<b>Total Cash</b>		<b>0</b>		
ONE Canadian Equity Fund		18		
ONE Global Equity Fund		42		
<b>Total Equity</b>	<b>55</b>	<b>60</b>	<b>65</b>	
ONE Canadian Government Bond Fund		6		1.6 – 3.6
ONE Canadian Corporate Bond Fund		6		3.0 – 6.9
ONE Global Bond Fund		28		2.0 – 6.0
<b>Total Fixed Income</b>	<b>35</b>	<b>40</b>	<b>45</b>	
<b>Total Allocated</b>		<b>100</b>		

<u>Asset Management Reserve Outcome</u>	% Weight			Duration (Years)
	Min	Target	Max	
ONE HISA				
<b>Total Cash</b>		<b>0</b>		
ONE Canadian Equity Fund		27		
ONE Global Equity Fund		63		
<b>Total Equity</b>	<b>88</b>	<b>90</b>	<b>92</b>	
ONE Canadian Government Bond Fund		1.5		1.6 – 3.6
ONE Canadian Corporate Bond Fund		1.5		3.0 – 6.9
ONE Global Bond Fund		7		2.0 – 6.0
<b>Total Fixed Income</b>	<b>8</b>	<b>10</b>	<b>12</b>	
<b>Total Allocated</b>		<b>100</b>		

## 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 funds 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 associated investment allocations will migrate to a lower risk Outcome.

Target Date Outcomes	Target Date 3- 5 Years			Target Date 5-10 Years			Target Date 10+ Years		
	Min	Target	Max	Min	Target	Max	Min	Target	Max
ONE HISA		20			0			0	
<b>Total Cash</b>	<b>17</b>	<b>20</b>	<b>23</b>		<b>0</b>			<b>0</b>	
ONE Canadian Equity Fund		3			15			22.5	
ONE Global Equity Fund		7			35			52.5	
<b>Total Equity</b>	<b>8</b>	<b>10</b>	<b>12</b>	<b>45</b>	<b>50</b>	<b>55</b>	<b>71</b>	<b>75</b>	<b>79</b>
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	
<b>Total Fixed Income</b>	<b>66</b>	<b>70</b>	<b>74</b>	<b>45</b>	<b>50</b>	<b>55</b>	<b>21</b>	<b>25</b>	<b>29</b>
<b>Total Allocated</b>		<b>100</b>			<b>100</b>			<b>100</b>	

## 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

\* Note 1: These funds have exposures that broadly parallel ONE Investment Legal List Program products and use the same performance benchmarks.



## Appendix D: Transition Plan

Notwithstanding any provision of this Plan, ONE JIB shall have the discretion to transition Whitby's MNRI as constituted on the Prudent Effective Date to the target allocations set out in this Plan in such manner and within such time as ONE JIB considers to be prudent and reasonable in the circumstances. For greater certainty, it shall not be a contravention of this Plan if the actual allocations for Whitby's MNRI are at variance from the target allocations set out herein, if the reason for such variance is that the transition plan has not been completed.

At the writing of this Plan Whitby's holdings in ONE Legal List Investment Program holdings were the following:

Whitby's ONE Investment Holdings (As at June 4, 2020)	Amount (\$)
ONE Canadian Equity Portfolio	9,031,077
ONE HISA	62,219,268
Total – ONE Investment	71,250,345

The objective is to move from existing investment to the current allocations recommended in this Plan (as noted below) as quickly and cost efficiently as practicable. The Town will liquidate the securities above, and the proceeds will be delivered to ONE JIB. The settlement cycle for ONE Legal List Investment Program products and ONE HISA is very short so no special considerations will be needed to accommodate the transfer of ONE Legal List Investment Program holdings to the ONE JIB Prudent Investment Program. Additional monies will be given to ONE JIB as MNRI. The Town will use cash plus proceeds from liquidating other short-term investments to raise the funds to transfer to ONE JIB.

ONE Investment will provide forms to Whitby's Commissioner of Corporate Services & Treasurer to facilitate the liquidation from ONE Legal List Investment Program products and HISA. These forms will be used to provide instructions in advance of July 2, 2020, and these instructions will be acted on in conjunction with trade instructions from ONE JIB. This is intended to streamline the transition process so all trading instructions can be planned in advance and coordinated so the Town's money is deployed into the ONE Prudent Investment Program offerings seamlessly. The trading instructions and forms for this transition process will differ from the routine process that municipalities used to liquidate ONE Legal List Investment Program holdings.

Below is a summary of the intended ONE Investment allocations. Table C-1 shows the allocations to the ONE Investment Outcomes while Table C-2 reflects the consolidated allocations by funds that is implied.

Table C- 1 - **Whitby's Outcomes**

<b>Outcome</b>	<b>Allocation (\$)</b>	<b>Allocation Weight (%)</b>
Cash	438,287	0.4
Contingency	4,359,392	4.0
Asset Management Reserves	238,729	0.2
Target Date 3-5 Years	47,749,872	44.2
Target Date 5-10 Years	43,350,407	40.2
Target Date 10+ Years	11,818,247	10.9
<b>Total</b>	<b>107,954,934</b>	<b>100.0</b>

Table C- 2 - **Whitby's Consolidated Holdings**

<b>ONE Investment Funds &amp; HISA</b>	<b>Total Invested (\$)</b>	<b>Portfolio Weight (%)</b>
ONE HISA	9,988,261	9.25
ONE Canadian Equity Fund	11,443,310	10.6
ONE Global Equity Fund	26,701,057	24.7
ONE Canadian Government Bond Fund	8,973,346	8.3
ONE Canadian Corporate Bond Fund	8,973,346	8.3
ONE Global Bond Fund	41,875,614	38.8
<b>Total</b>	<b>107,954,934</b>	<b>100.0</b>

Target holding weights will be maintained within the asset allocation bands identified in section 6 of this Plan until instructed otherwise. The purchase of these funds will be financed by the \$70 million from the liquidation of ONE Legal List Investment Program products with the balance being funded by cash from the **Town**.

The Town also holds \$6 million of Principal Protected Notes, see Table C-3 below, that will be transferred to ONE JIB In-Kind, representing part of its MNRI. As these securities mature over time the proceeds will be invested in ONE Investment Outcomes:

Table C- 3 - **Principal Protected Notes**

<b>Security</b>	<b>Maturity</b>	<b>Amount (\$)</b>
Scotiabank 5 Year PPN	3-Jan-24	1,000,000
Scotiabank 7 Year PPN	18-Jan-27	5,000,000
<b>Total</b>		<b>6,000,000</b>

## **Appendix E: Transferring Funds**

*These procedures will be provided at a later date.*

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# REPORT

To: ONE Joint Investment Board  
From: Keith Taylor, Chief Investment Officer  
Date: November 18, 2020  
Re: Quarterly Performance Reporting  
Report: 20-034

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## 1. RECOMMENDATIONS

It is recommended that the Board:

- 1) Receive the report for information.

## 2. SUMMARY

- ONE Investment has distributed quarterly reporting packages to the founding municipalities, using the template approved by ONE JIB (see Report 20-028 Overview of Prudent Investor Quarterly Client Reporting Package). These reporting packages can be found in the appendices to this report.

## 3. BACKGROUND

**The quarterly reporting package provides comprehensive information for founding municipalities**

The reporting package is generated from ONE Investment's portfolio management system and is intended to provide relevant investment reporting details to founding municipalities in the Prudent Investment Program. The presentation of investment results is provided on several different bases:

- (1) On a consolidated basis that covers all MNRI invested in the Prudent Investment Program;
- (2) On a fund by fund basis so the returns of the individual investment products can be reviewed; and,
- (3) On an Outcome basis, which is reflective of how the investments of each municipality were allocated based on ONE JIB's Revised Outcomes Framework.

## 4. ANALYSIS

**There are seven quarterly reporting packages for the six founding municipalities**

Attached in Appendices 1 to 7 to this report are the seven investment reporting packages for the

six founding municipalities. Not included in the reporting package are portions of the appendices, which consist of static information such as a summary of the ONE JIB Revised Outcomes Framework, and a glossary section. The City of Kenora's report is separated into two reports—the Kenora Citizens' Prosperity Trust Fund (CPTF) and the "General" account. Kenora has requested a separate performance reports segregating the Citizens' Prosperity Trust funds from the general investment portfolio. The CPTF is a segregated pool of monies within the City's portfolio of Investments. Kenora's remaining accounts are reflected in the reporting package for the 'General' account. The separation of the two accounts for Kenora is consistent with how the investment returns are presented to City Council.

These reporting packages were released to the founding municipalities on 13/11/20. Unfortunately, the quarterly return columns in the reports did not properly populate as the investments started on July 2, 2020 and do not represent a full quarter. This is a limitation of the performance reporting system. This will not be an issue in the future. The 'inception' date columns reflect the performance in the funds for the first quarter of operation.

**The reporting packages also include 'in-kind' securities that ONE JIB is holding to maturity for three founding municipalities**

Appendices 8 to 10 provide quarter end details of 'in-kind' securities of Kenora, Whitby and Muskoka. The municipalities have identified these securities as MNRI and have directed ONE JIB to hold them until maturity.

## 5. CONCLUSION

ONE Investment has distributed investment performance reports to allow staff and council of the founding municipalities evaluate the performance of MNRI invested under the ONE JIB. These reports will be distributed to clients on a quarterly basis.

Drafted by: Keith Taylor, Chief Investment Officer

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

## QUARTERLY INVESTMENT REPORT

For The Period Ended September 30, 2020

### Bracebridge Prudent Investor Portfolio

1000 Taylor Court  
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P1L 1R6

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### ONE Investment

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M5H 3C6

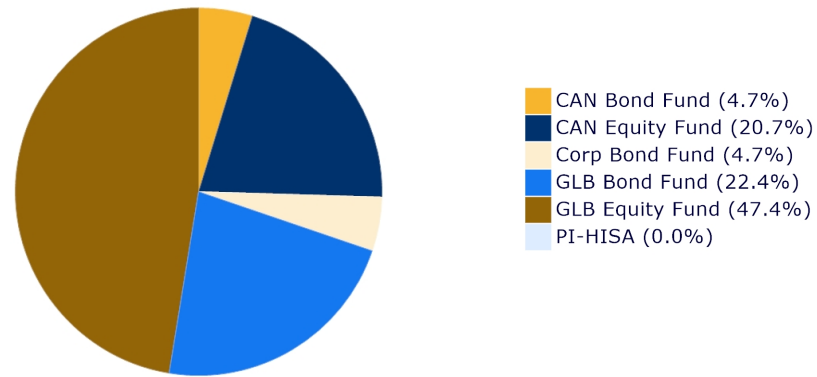
### Relationship Manager

Wardah Mir, Client Service Representative  
416-971-9856 x 351  
[wmir@oneinvestment.ca](mailto:wmir@oneinvestment.ca)

**Bracebridge Prudent Investor Portfolio**  
Executive Summary for the Quarter Ended September 30, 2020

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

**Overall Asset Allocation**



**Consolidated Portfolio Activity for Quarter**

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	272,487.50	-	-	820.63	1,089.95	274,398.08
CAN Equity Fund	1,138,087.50	-	-	62,342.84	-	1,200,430.34
Corp Bond Fund	272,487.50	-	-	904.09	1,089.95	274,481.54
GLB Bond Fund	1,271,608.40	-	-	16,971.05	6,040.14	1,294,619.59
GLB Equity Fund	2,655,537.60	-	-	91,258.08	-	2,746,795.68
PI-HISA	-	-	-	-	54.90	54.90
<b>Total</b>	<b>5,610,208.50</b>	<b>0.00</b>	<b>0.00</b>	<b>172,296.69</b>	<b>8,274.94</b>	<b>5,790,780.13</b>

**Bracebridge Prudent Investor Portfolio**  
**Performance History At**  
**September 30, 2020**

**Performance by Fund**

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	-	-	-	-	-	-	-	0.0	07/02/2020
ONE Canadian Equity Fund	-	-	-	-	-	-	-	5.4	07/02/2020
ONE Global Equity Fund	-	-	-	-	-	-	-	3.4	07/02/2020
ONE Canadian Corporate Bond Fund	-	-	-	-	-	-	-	0.7	07/02/2020
ONE Canadian Government Bond Fund	-	-	-	-	-	-	-	0.7	07/02/2020
ONE Global Bond Fund	-	-	-	-	-	-	-	1.8	07/02/2020

**Performance by Outcome**

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
Contingency Outcome	-	-	-	-	-	-	-	3.0	07/02/2020
Target Date 10+ Year Outcome	-	-	-	-	-	-	-	3.4	07/02/2020
Cash Outcome	-	-	-	-	-	-	-	0.0	07/02/2020



## **QUARTERLY REVIEW**

The market's Q2 enthusiasm continued in the third quarter. However more investors recognized that valuations have come a long way from the lows of March, leading to more modest gains in Q3. The rally in the market is less about optimism on the economy and is more reflective of massive fiscal and monetary stimulus injected by governments around the world, providing a positive foundation for markets.

However, market uncertainty remains: spiking coronavirus infections coupled with new restrictions in some countries, as well as the magnitude of damage already done to the economy, continue to weigh on company fundamentals. While the world may have entered a deep recession, the impact on corporate profits have been blunted by government's and central bank's quick response in providing fiscal and monetary stimulus. Now, investors are weighing the possibility that the economic downturn could be more punishing and long-lasting as additional stimulus remains uncertain and governments may have to intensify restrictions on business in order to halt the spread of the pandemic.

The ONE Canadian Equity Fund returned 5.4% in the quarter, while the ONE Global Equity Fund returned 3.4% in Canadian dollar terms. The lower performance of global equities reflects timing issues related to the transition of the funds being deployed into global mandates. The industrial sector outperformed, gaining almost 14% in the quarter while the energy sector had sharply negative performance in the quarter. This contributed to the performance of both the ONE Canadian Equity Fund and the ONE Global Equity Fund which had overweight allocations to industrials and significant underweight exposure to the energy sector. The low exposure to the energy sector reflects the investment manager's style which places emphasis on higher quality, sustainable business versus firms whose financial prospects are driven primarily by gyrations in commodity prices. The Global Equity Fund's positioning includes a significant underweight to the Asia Pacific and Japanese equities with an overweight to European equities. European holdings have no exposure to the still struggling European banks.

## **QUARTERLY REVIEW**

The key theme influencing capital markets in the quarter was the massive "wall of money" supplied by global central banks, which placed downward pressure on credit spreads. Despite volatility in capital markets remaining elevated, the strong technical backdrop offset outstanding risks such as concerns of a second surge of virus infections, commodity price weakness, global trade tensions, the upcoming U.S. presidential election, and tight valuation levels.

The Canadian fixed income market generated positive returns in the third quarter supported by a modest tightening of credit spreads, with corporate bonds outperforming federal and provincial bonds. Both Canadian fixed income funds generated positive returns of approximately 0.7% in the quarter. Within corporate bonds, BBBs outperformed the higher quality A and AA segments of the Canadian fixed income market. The Canadian bond holdings are focused on the higher credit quality segments of the market and hence did not benefit from this trend.

The ONE Global Bond Fund, which represents about 70% of the fixed income investments within the ONE JIB Outcomes, performed better than Canadian fixed income exposure, with returns of 1.8% in the quarter. Performance in the quarter was primarily driven by overweight exposures to high-yield corporate and convertible bonds, combined with underweight exposures to U.S. Treasuries and agency mortgage-backed securities. Currency management slightly contributed as gains from an underweight exposure to the U.S. dollar were partially offset by an underweight exposure to the euro. Duration positioning (interest rate sensitivity) had a relatively neutral impact on performance.

Global bond holdings include emerging market and high yield debt, which tend to have a higher risk profile. The ONE Global Bond Fund has avoided exposure to the more speculative segments of the high yield bond market which may be more vulnerable to an extended economic slowdown but it remains positioned to benefit from further credit spread tightening. Positioning also remains selective in emerging markets and remains cautious about the further spread of COVID-19 in countries that lack infrastructure and the ability to treat a widespread viral outbreak.

**Bracebridge Prudent Investor Portfolio**  
**Consolidated Portfolio Holdings in CAD**  
**As of September 30, 2020**

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	54.900	1.00	54.90	1.00	54.90	0.00%
CAN Equity Fund	1,138.087	1,000.00	1,138,087.50	1,054.77	1,200,430.34	20.73%
GLB Equity Fund	2,655.537	1,000.00	2,655,537.60	1,034.36	2,746,795.68	47.43%
Corp Bond Fund	273.573	1,000.01	273,577.45	1,003.31	274,481.54	4.74%
CAN Bond Fund	273.573	1,000.01	273,577.45	1,003.01	274,398.08	4.74%
GLB Bond Fund	1,277.569	1,000.06	1,277,648.54	1,013.34	1,294,619.59	22.36%
					<b>5,790,780.13</b>	<b>100.00%</b>

**Bracebridge Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

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

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	166.27	1,000.01	166,274.95	1,003.31	166,824.39	5.8%	549.44	662.45
CAN Equity Fund	496.83	1,000.00	496,837.50	1,054.77	524,053.56	18.4%	27,216.06	0.00
CAN Bond Fund	166.27	1,000.01	166,274.95	1,003.01	166,773.66	5.8%	498.71	662.45
GLB Bond Fund	776.48	1,000.06	776,529.48	1,013.34	786,844.17	27.6%	10,314.69	3,671.08
GLB Equity Fund	1,159.28	1,000.00	1,159,287.60	1,034.36	1,199,126.75	42.1%	39,839.15	0.00
			<u>2,765,204.48</u>		<u>2,843,622.53</u>	<u>100.0%</u>	<u>78,418.05</u>	<u>4,995.98</u>

**Bracebridge Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	3.0	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Bracebridge Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

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

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	107.30	1,000.01	107,302.50	1,003.31	107,657.15	3.6%	354.65	427.50
CAN Equity Fund	641.25	1,000.00	641,250.00	1,054.77	676,376.78	22.9%	35,126.78	0.00
CAN Bond Fund	107.30	1,000.01	107,302.50	1,003.01	107,624.42	3.6%	321.92	427.50
GLB Bond Fund	501.08	1,000.06	501,119.06	1,013.34	507,775.42	17.2%	6,656.36	2,369.06
GLB Equity Fund	1,496.25	1,000.00	1,496,250.00	1,034.36	1,547,668.93	52.5%	51,418.93	0.00
			<u>2,853,224.06</u>		<u>2,947,102.70</u>	<u>100.0%</u>	<u>93,878.64</u>	<u>3,224.06</u>

**Bracebridge Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	3.4	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Bracebridge Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

**Account Name: Bracebridge - Cash Outcome**  
**Account Number: 9021979612**

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	54.90	1.00	54.90	1.00	54.90	100.0%	0.00	54.90
			<u>54.90</u>		<u>54.90</u>	<u>100.0%</u>	<u>0.00</u>	<u>54.90</u>

**Bracebridge Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	0.0	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Bracebridge Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

**Account Name: Bracebridge - Contingency Outcome**

**Account Number: 570050021**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	165.61	165,613.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	165.61	165,613.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	772.85	772,858.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	496.83	496,838.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	1,159.28	1,159,288.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	0.66	662.45
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	0.66	662.45
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	3.62	3,671.08

**Bracebridge Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

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

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	106.87	106,875.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	106.87	106,875.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	498.75	498,750.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	641.25	641,250.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	1,496.25	1,496,250.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	0.42	427.50
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	0.42	427.50
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	2.33	2,369.06



**Bracebridge Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

**Account Name: Bracebridge - Cash Outcome**  
**Account Number: 9021979612**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Distributions	PI-HISA	08/06/2020	08/06/2020	54.86	54.86
Reinvested Distributions	PI-HISA	09/03/2020	09/03/2020	0.04	0.04

**Bracebridge Prudent Investor Portfolio**  
**COMPLIANCE CERTIFICATE**  
**September 30, 2020**

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

With respect to the quarter ended September 30, 2020 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

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

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

# QUARTERLY INVESTMENT REPORT

For The Period Ended September 30, 2020

### Huntsville Prudent Investor Portfolio

37 Main St. East  
Huntsville, ON  
P1H 1A1

Julia McKenzie  
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(705) 789-1751 x2251

### ONE Investment

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Toronto, Ontario  
M5H 3C6

### Relationship Manager

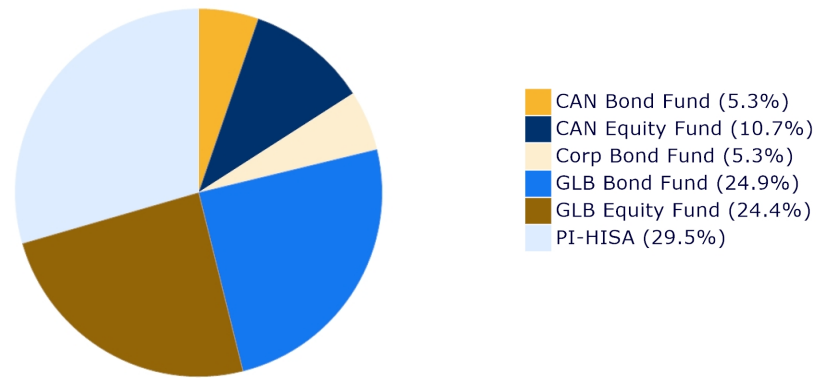
Wardah Mir, Client Service Representative  
416-971-9856 x 351  
[wmir@oneinvestment.ca](mailto:wmir@oneinvestment.ca)

## Huntsville Prudent Investor Portfolio

### Executive Summary for the Quarter Ended September 30, 2020

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	-	-	-	-	-	-	1.9%	07/02/2020

### Overall Asset Allocation



### Consolidated Portfolio Activity for Quarter

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	427,500.00	-	-	1,288.66	1,710.00	430,498.66
CAN Equity Fund	825,000.00	-	-	45,192.35	-	870,192.35
Corp Bond Fund	427,500.00	-	-	1,419.62	1,710.00	430,629.62
GLB Bond Fund	1,995,000.00	-	-	26,624.41	9,476.25	2,031,100.66
GLB Equity Fund	1,925,000.00	-	-	66,153.01	-	1,991,153.01
PI-HISA	2,401,258.51	-	-	-	3,755.72	2,405,014.23
<b>Total</b>	<b>8,001,258.51</b>	<b>0.00</b>	<b>0.00</b>	<b>140,678.05</b>	<b>16,651.97</b>	<b>8,158,588.53</b>

## Huntsville Prudent Investor Portfolio Performance History At September 30, 2020

### Performance by Fund

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	-	-	-	-	-	-	-	0.1	07/02/2020
ONE Canadian Equity Fund	-	-	-	-	-	-	-	5.4	07/02/2020
ONE Global Equity Fund	-	-	-	-	-	-	-	3.4	07/02/2020
ONE Canadian Corporate Bond Fund	-	-	-	-	-	-	-	0.7	07/02/2020
ONE Canadian Government Bond Fund	-	-	-	-	-	-	-	0.7	07/02/2020
ONE Global Bond Fund	-	-	-	-	-	-	-	1.8	07/02/2020

### Performance by Outcome

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
Contingency Outcome	-	-	-	-	-	-	-	3.0	07/02/2020
Target Date 3-5 Year Outcome	-	-	-	-	-	-	-	1.4	07/02/2020
Target Date 10+ Year Outcome	-	-	-	-	-	-	-	3.4	07/02/2020
Cash Outcome	-	-	-	-	-	-	-	0.1	07/02/2020

## **QUARTERLY REVIEW**

The market's Q2 enthusiasm continued in the third quarter. However more investors recognized that valuations have come a long way from the lows of March, leading to more modest gains in Q3. The rally in the market is less about optimism on the economy and is more reflective of massive fiscal and monetary stimulus injected by governments around the world, providing a positive foundation for markets.

However, market uncertainty remains: spiking coronavirus infections coupled with new restrictions in some countries, as well as the magnitude of damage already done to the economy, continue to weigh on company fundamentals. While the world may have entered a deep recession, the impact on corporate profits have been blunted by government's and central bank's quick response in providing fiscal and monetary stimulus. Now, investors are weighing the possibility that the economic downturn could be more punishing and long-lasting as additional stimulus remains uncertain and governments may have to intensify restrictions on business in order to halt the spread of the pandemic.

The ONE Canadian Equity Fund returned 5.4% in the quarter, while the ONE Global Equity Fund returned 3.4% in Canadian dollar terms. The lower performance of global equities reflects timing issues related to the transition of the funds being deployed into global mandates. The industrial sector outperformed, gaining almost 14% in the quarter while the energy sector had sharply negative performance in the quarter. This contributed to the performance of both the ONE Canadian Equity Fund and the ONE Global Equity Fund which had overweight allocations to industrials and significant underweight exposure to the energy sector. The low exposure to the energy sector reflects the investment manager's style which places emphasis on higher quality, sustainable business versus firms whose financial prospects are driven primarily by gyrations in commodity prices. The Global Equity Fund's positioning includes a significant underweight to the Asia Pacific and Japanese equities with an overweight to European equities. European holdings have no exposure to the still struggling European banks.

## **QUARTERLY REVIEW**

The key theme influencing capital markets in the quarter was the massive "wall of money" supplied by global central banks, which placed downward pressure on credit spreads. Despite volatility in capital markets remaining elevated, the strong technical backdrop offset outstanding risks such as concerns of a second surge of virus infections, commodity price weakness, global trade tensions, the upcoming U.S. presidential election, and tight valuation levels.

The Canadian fixed income market generated positive returns in the third quarter supported by a modest tightening of credit spreads, with corporate bonds outperforming federal and provincial bonds. Both Canadian fixed income funds generated positive returns of approximately 0.7% in the quarter. Within corporate bonds, BBBs outperformed the higher quality A and AA segments of the Canadian fixed income market. The Canadian bond holdings are focused on the higher credit quality segments of the market and hence did not benefit from this trend.

The ONE Global Bond Fund, which represents about 70% of the fixed income investments within the ONE JIB Outcomes, performed better than Canadian fixed income exposure, with returns of 1.8% in the quarter. Performance in the quarter was primarily driven by overweight exposures to high-yield corporate and convertible bonds, combined with underweight exposures to U.S. Treasuries and agency mortgage-backed securities. Currency management slightly contributed as gains from an underweight exposure to the U.S. dollar were partially offset by an underweight exposure to the euro. Duration positioning (interest rate sensitivity) had a relatively neutral impact on performance.

Global bond holdings include emerging market and high yield debt, which tend to have a higher risk profile. The ONE Global Bond Fund has avoided exposure to the more speculative segments of the high yield bond market which may be more vulnerable to an extended economic slowdown but it remains positioned to benefit from further credit spread tightening. Positioning also remains selective in emerging markets and remains cautious about the further spread of COVID-19 in countries that lack infrastructure and the ability to treat a widespread viral outbreak.

**Huntsville Prudent Investor Portfolio**  
**Consolidated Portfolio Holdings in CAD**  
**As of September 30, 2020**

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	2,405,014.230	1.00	2,405,014.23	1.00	2,405,014.23	29.48%
CAN Equity Fund	825.000	1,000.00	825,000.00	1,054.77	870,192.35	10.67%
GLB Equity Fund	1,925.000	1,000.00	1,925,000.00	1,034.36	1,991,153.01	24.41%
Corp Bond Fund	429.205	1,000.01	429,210.00	1,003.31	430,629.62	5.28%
CAN Bond Fund	429.205	1,000.01	429,210.00	1,003.01	430,498.66	5.28%
GLB Bond Fund	2,004.351	1,000.06	2,004,476.25	1,013.34	2,031,100.66	24.90%
					<b>8,158,588.53</b>	<b>100.00%</b>



**Huntsville Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

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

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	180.71	1,000.01	180,720.00	1,003.31	181,317.84	5.8%	597.84	720.00
CAN Equity Fund	540.00	1,000.00	540,000.00	1,054.77	569,580.44	18.4%	29,580.44	0.00
CAN Bond Fund	180.71	1,000.01	180,720.00	1,003.01	181,262.70	5.8%	542.70	720.00
GLB Bond Fund	843.93	1,000.06	843,990.00	1,013.34	855,200.01	27.6%	11,210.01	3,990.00
GLB Equity Fund	1,260.00	1,000.00	1,260,000.00	1,034.36	1,303,300.15	42.1%	43,300.15	0.00
			<u>3,005,430.00</u>		<u>3,090,661.14</u>	<u>100.0%</u>	<u>85,231.14</u>	<u>5,430.00</u>

**Huntsville Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	3.0	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Huntsville Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

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

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	400,625.55	1.00	400,625.55	1.00	400,625.55	19.7%	0.00	625.55
Corp Bond Fund	210.83	1,000.01	210,840.00	1,003.31	211,536.81	10.4%	696.81	840.00
CAN Equity Fund	60.00	1,000.00	60,000.00	1,054.77	63,286.72	3.1%	3,286.72	0.00
CAN Bond Fund	210.83	1,000.01	210,840.00	1,003.01	211,472.48	10.4%	632.48	840.00
GLB Bond Fund	984.59	1,000.06	984,655.00	1,013.34	997,734.19	49.1%	13,079.19	4,655.00
GLB Equity Fund	140.00	1,000.00	140,000.00	1,034.36	144,811.13	7.1%	4,811.13	0.00
			<u>2,006,960.55</u>		<u>2,029,466.88</u>	<u>100.0%</u>	<u>22,506.33</u>	<u>6,960.55</u>

**Huntsville Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	1.4	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Huntsville Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

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

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	37.65	1,000.00	37,650.00	1,003.31	37,774.97	3.6%	124.97	150.00
CAN Equity Fund	225.00	1,000.00	225,000.00	1,054.77	237,325.19	22.9%	12,325.19	0.00
CAN Bond Fund	37.65	1,000.00	37,650.00	1,003.01	37,763.48	3.6%	113.48	150.00
GLB Bond Fund	175.82	1,000.06	175,831.25	1,013.34	178,166.46	17.2%	2,335.21	831.25
GLB Equity Fund	525.00	1,000.00	525,000.00	1,034.36	543,041.73	52.5%	18,041.73	0.00
			<u>1,001,131.25</u>		<u>1,034,071.83</u>	<u>100.0%</u>	<u>32,940.58</u>	<u>1,131.25</u>

**Huntsville Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	3.4	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Huntsville Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

**Account Name: Huntsville - Cash Outcome**  
**Account Number: 9021979515**

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	2,004,388.68	1.00	2,004,388.68	1.00	2,004,388.68	100.0%	0.00	3,130.17
			<u>2,004,388.68</u>		<u>2,004,388.68</u>	100.0%	0.00	3,130.17

**Huntsville Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	0.1	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

## Huntsville Prudent Investor Portfolio

### Transaction Summary for the Quarter Ended September 30, 2020

#### TRANSACTION SUMMARY

**Account Name: Huntsville - Contingency Outcome**

**Account Number: 570050047**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	180.00	180,000.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	180.00	180,000.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	840.00	840,000.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	540.00	540,000.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	1,260.00	1,260,000.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	0.71	720.00
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	0.71	720.00
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	3.93	3,990.00

## Huntsville Prudent Investor Portfolio

### Transaction Summary for the Quarter Ended September 30, 2020

#### TRANSACTION SUMMARY

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

**Account Number: 570050054**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	210.00	210,000.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	210.00	210,000.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	980.00	980,000.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	60.00	60,000.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	140.00	140,000.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	0.83	840.00
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	0.83	840.00
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	4.59	4,655.00
Reinvested Distributions	PI-HISA	08/06/2020	08/06/2020	314.57	314.57
Reinvested Distributions	PI-HISA	09/03/2020	09/03/2020	310.98	310.98
Transfer In	PI-HISA	07/02/2020	07/02/2020	400,000.00	400,000.00

## Huntsville Prudent Investor Portfolio

### Transaction Summary for the Quarter Ended September 30, 2020

#### TRANSACTION SUMMARY

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

**Account Number: 570050062**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	37.50	37,500.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	37.50	37,500.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	175.00	175,000.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	225.00	225,000.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	525.00	525,000.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	0.15	150.00
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	0.15	150.00
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	0.82	831.25

**Huntsville Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

**Account Name: Huntsville - Cash Outcome**

**Account Number: 9021979515**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Distributions	PI-HISA	08/06/2020	08/06/2020	1,573.85	1,573.85
Reinvested Distributions	PI-HISA	09/03/2020	09/03/2020	1,556.32	1,556.32
Transfer In	PI-HISA	07/02/2020	07/02/2020	2,001,258.51	2,001,258.51



**Huntsville Prudent Investor Portfolio  
COMPLIANCE CERTIFICATE  
September 30, 2020**

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

With respect to the quarter ended September 30, 2020 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

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

---

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

# QUARTERLY INVESTMENT REPORT

For The Period Ended September 30, 2020

### **Innisfil Prudent Investor Portfolio**

2101 Innisfil Beach Rd.  
Innisfil, ON  
L9S 1A1

Audrey Webb  
Treasurer  
awebb@innisfil.ca  
(705) 436-3740 x2302

### **ONE Investment**

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

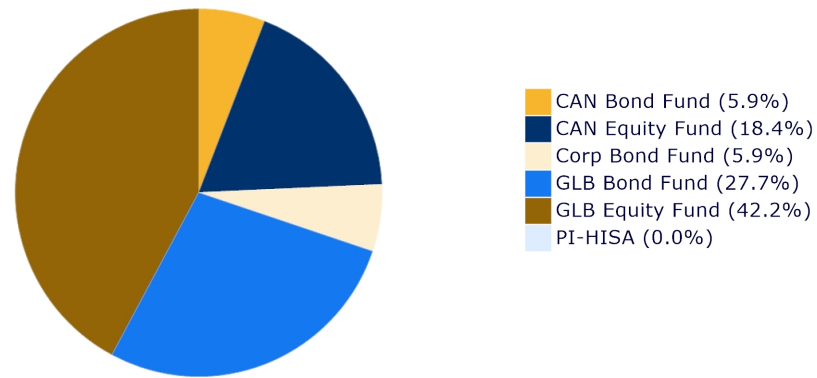
### **Relationship Manager**

Wardah Mir, Client Service Representative  
416-971-9856 x 351  
wmir@oneinvestment.ca

**Innisfil Prudent Investor Portfolio**  
Executive Summary for the Quarter Ended September 30, 2020

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	-	-	-	-	-	-	3.0%	07/02/2020

**Overall Asset Allocation**



**Consolidated Portfolio Activity for Quarter**

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	900,330.60	-	-	2,713.19	3,601.32	906,645.11
CAN Equity Fund	2,700,992.00	-	-	147,956.56	-	2,848,948.56
Corp Bond Fund	900,330.60	-	-	2,987.97	3,601.32	906,919.89
GLB Bond Fund	4,201,543.10	-	-	56,072.46	19,957.33	4,277,572.89
GLB Equity Fund	6,302,314.60	-	-	216,580.30	-	6,518,894.90
PI-HISA	-	-	-	-	243.35	243.35
<b>Total</b>	<b>15,005,510.90</b>	<b>0.00</b>	<b>0.00</b>	<b>426,310.48</b>	<b>27,403.32</b>	<b>15,459,224.70</b>

**Innisfil Prudent Investor Portfolio  
Performance History At  
September 30, 2020**

**Performance by Fund**

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	-	-	-	-	-	-	-	0.0	07/02/2020
ONE Canadian Equity Fund	-	-	-	-	-	-	-	5.4	07/02/2020
ONE Global Equity Fund	-	-	-	-	-	-	-	3.4	07/02/2020
ONE Canadian Corporate Bond Fund	-	-	-	-	-	-	-	0.7	07/02/2020
ONE Canadian Government Bond Fund	-	-	-	-	-	-	-	0.7	07/02/2020
ONE Global Bond Fund	-	-	-	-	-	-	-	1.8	07/02/2020

**Performance by Outcome**

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
Contingency Outcome	-	-	-	-	-	-	-	3.0	07/02/2020
Cash Outcome	-	-	-	-	-	-	-	0.0	07/02/2020

## **QUARTERLY REVIEW**

The market's Q2 enthusiasm continued in the third quarter. However more investors recognized that valuations have come a long way from the lows of March, leading to more modest gains in Q3. The rally in the market is less about optimism on the economy and is more reflective of massive fiscal and monetary stimulus injected by governments around the world, providing a positive foundation for markets.

However, market uncertainty remains: spiking coronavirus infections coupled with new restrictions in some countries, as well as the magnitude of damage already done to the economy, continue to weigh on company fundamentals. While the world may have entered a deep recession, the impact on corporate profits have been blunted by government's and central bank's quick response in providing fiscal and monetary stimulus. Now, investors are weighing the possibility that the economic downturn could be more punishing and long-lasting as additional stimulus remains uncertain and governments may have to intensify restrictions on business in order to halt the spread of the pandemic.

The ONE Canadian Equity Fund returned 5.4% in the quarter, while the ONE Global Equity Fund returned 3.4% in Canadian dollar terms. The lower performance of global equities reflects timing issues related to the transition of the funds being deployed into global mandates. The industrial sector outperformed, gaining almost 14% in the quarter while the energy sector had sharply negative performance in the quarter. This contributed to the performance of both the ONE Canadian Equity Fund and the ONE Global Equity Fund which had overweight allocations to industrials and significant underweight exposure to the energy sector. The low exposure to the energy sector reflects the investment manager's style which places emphasis on higher quality, sustainable business versus firms whose financial prospects are driven primarily by gyrations in commodity prices. The Global Equity Fund's positioning includes a significant underweight to the Asia Pacific and Japanese equities with an overweight to European equities. European holdings have no exposure to the still struggling European banks.

## **QUARTERLY REVIEW**

The key theme influencing capital markets in the quarter was the massive "wall of money" supplied by global central banks, which placed downward pressure on credit spreads. Despite volatility in capital markets remaining elevated, the strong technical backdrop offset outstanding risks such as concerns of a second surge of virus infections, commodity price weakness, global trade tensions, the upcoming U.S. presidential election, and tight valuation levels.

The Canadian fixed income market generated positive returns in the third quarter supported by a modest tightening of credit spreads, with corporate bonds outperforming federal and provincial bonds. Both Canadian fixed income funds generated positive returns of approximately 0.7% in the quarter. Within corporate bonds, BBBs outperformed the higher quality A and AA segments of the Canadian fixed income market. The Canadian bond holdings are focused on the higher credit quality segments of the market and hence did not benefit from this trend.

The ONE Global Bond Fund, which represents about 70% of the fixed income investments within the ONE JIB Outcomes, performed better than Canadian fixed income exposure, with returns of 1.8% in the quarter. Performance in the quarter was primarily driven by overweight exposures to high-yield corporate and convertible bonds, combined with underweight exposures to U.S. Treasuries and agency mortgage-backed securities. Currency management slightly contributed as gains from an underweight exposure to the U.S. dollar were partially offset by an underweight exposure to the euro. Duration positioning (interest rate sensitivity) had a relatively neutral impact on performance.

Global bond holdings include emerging market and high yield debt, which tend to have a higher risk profile. The ONE Global Bond Fund has avoided exposure to the more speculative segments of the high yield bond market which may be more vulnerable to an extended economic slowdown but it remains positioned to benefit from further credit spread tightening. Positioning also remains selective in emerging markets and remains cautious about the further spread of COVID-19 in countries that lack infrastructure and the ability to treat a widespread viral outbreak.

**Innisfil Prudent Investor Portfolio**  
**Consolidated Portfolio Holdings in CAD**  
**As of September 30, 2020**

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	243.350	1.00	243.35	1.00	243.35	0.00%
CAN Equity Fund	2,700.992	1,000.00	2,700,992.00	1,054.77	2,848,948.56	18.43%
GLB Equity Fund	6,302.314	1,000.00	6,302,314.60	1,034.36	6,518,894.90	42.17%
Corp Bond Fund	903.919	1,000.01	903,931.92	1,003.31	906,919.89	5.87%
CAN Bond Fund	903.920	1,000.01	903,931.92	1,003.01	906,645.11	5.86%
GLB Bond Fund	4,221.237	1,000.06	4,221,500.43	1,013.34	4,277,572.89	27.67%
					<b>15,459,224.70</b>	<b>100.00%</b>

**Innisfil Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

**Account Name: Innisfil - Contingency Outcome**  
**Account Number: 570050070**

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	903.91	1,000.01	903,931.92	1,003.31	906,919.89	5.8%	2,987.97	3,601.32
CAN Equity Fund	2,700.99	1,000.00	2,700,992.00	1,054.77	2,848,948.56	18.4%	147,956.56	0.00
CAN Bond Fund	903.92	1,000.01	903,931.92	1,003.01	906,645.11	5.8%	2,713.19	3,601.32
GLB Bond Fund	4,221.23	1,000.06	4,221,500.43	1,013.34	4,277,572.89	27.6%	56,072.46	19,957.33
GLB Equity Fund	6,302.31	1,000.00	6,302,314.60	1,034.36	6,518,894.90	42.1%	216,580.30	0.00
			15,032,670.87		15,458,981.35	100.0%	426,310.48	27,159.97

**Innisfil Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	3.0	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-



**Innisfil Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

**Account Name: Innisfil - Cash Outcome**  
**Account Number: 9021979418**

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	243.35	1.00	243.35	1.00	243.35	100.0%	0.00	243.35
			<u>243.35</u>		<u>243.35</u>	100.0%	0.00	243.35

**Innisfil Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	0.0	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Innisfil Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

**Account Name: Innisfil - Contingency Outcome**  
**Account Number: 570050070**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	900.33	900,331.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	900.33	900,331.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	4,201.54	4,201,543.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	2,700.99	2,700,992.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	6,302.31	6,302,315.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	3.59	3,601.32
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	3.58	3,601.32
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	19.69	19,957.33

**Innisfil Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

**Account Name: Innisfil - Cash Outcome**  
**Account Number: 9021979418**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Distributions	PI-HISA	08/06/2020	08/06/2020	243.19	243.19
Reinvested Distributions	PI-HISA	09/03/2020	09/03/2020	0.16	0.16

**Innisfil Prudent Investor Portfolio  
COMPLIANCE CERTIFICATE  
September 30, 2020**

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

With respect to the quarter ended September 30, 2020 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

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

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

# QUARTERLY INVESTMENT REPORT

For The Period Ended September 30, 2020

### **Kenora General Account - Prudent Investor Portfolio**

1 Main Street South  
Kenora, ON  
P9N 3X2

Charlotte Edie  
Treasurer  
[cedie@kenora.ca](mailto:cedie@kenora.ca)  
(807) 467-2013

### **ONE Investment**

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

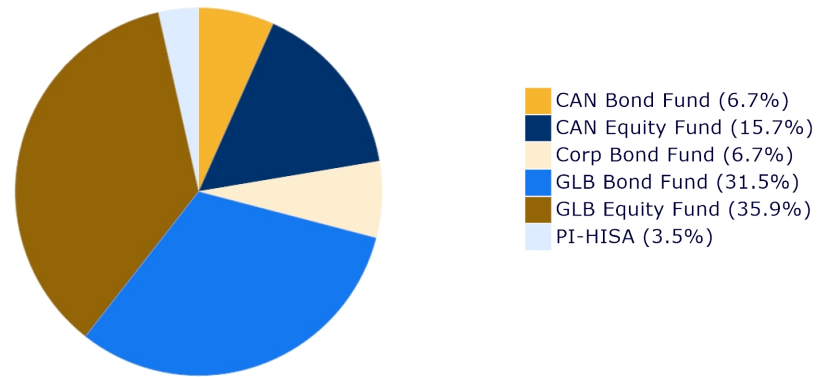
### **Relationship Manager**

Wardah Mir, Client Service Representative  
416-971-9856 x 351  
[wmir@oneinvestment.ca](mailto:wmir@oneinvestment.ca)

**Kenora General Account - Prudent Investor Portfolio**  
Executive Summary for the Quarter Ended September 30, 2020

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	-	-	-	-	-	-	2.7%	07/02/2020

**Overall Asset Allocation**



**Consolidated Portfolio Activity for Quarter**

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	1,122,508.10	-	-	3,383.80	4,490.04	1,130,381.94
CAN Equity Fund	2,513,624.80	-	-	137,692.85	-	2,651,317.65
Corp Bond Fund	1,122,508.10	-	-	3,725.64	4,490.04	1,130,723.78
GLB Bond Fund	5,238,371.10	-	-	69,910.70	24,882.26	5,333,164.06
GLB Equity Fund	5,865,124.60	-	-	201,556.18	-	6,066,680.78
PI-HISA	599,227.67	-	-	-	932.89	600,160.56
<b>Total</b>	<b>16,461,364.37</b>	<b>0.00</b>	<b>0.00</b>	<b>416,269.17</b>	<b>34,795.23</b>	<b>16,912,428.77</b>

**Kenora General Account - Prudent Investor Portfolio**  
**Performance History At**  
**September 30, 2020**

**Performance by Fund**

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	-	-	-	-	-	-	-	0.1	07/02/2020
ONE Canadian Equity Fund	-	-	-	-	-	-	-	5.4	07/02/2020
ONE Global Equity Fund	-	-	-	-	-	-	-	3.4	07/02/2020
ONE Canadian Corporate Bond Fund	-	-	-	-	-	-	-	0.7	07/02/2020
ONE Canadian Government Bond Fund	-	-	-	-	-	-	-	0.7	07/02/2020
ONE Global Bond Fund	-	-	-	-	-	-	-	1.8	07/02/2020

**Performance by Outcome**

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
Contingency Outcome	-	-	-	-	-	-	-	3.0	07/02/2020
Target Date 3-5 Year Outcome	-	-	-	-	-	-	-	1.4	07/02/2020

## **QUARTERLY REVIEW**

The market's Q2 enthusiasm continued in the third quarter. However more investors recognized that valuations have come a long way from the lows of March, leading to more modest gains in Q3. The rally in the market is less about optimism on the economy and is more reflective of massive fiscal and monetary stimulus injected by governments around the world, providing a positive foundation for markets.

However, market uncertainty remains: spiking coronavirus infections coupled with new restrictions in some countries, as well as the magnitude of damage already done to the economy, continue to weigh on company fundamentals. While the world may have entered a deep recession, the impact on corporate profits have been blunted by government's and central bank's quick response in providing fiscal and monetary stimulus. Now, investors are weighing the possibility that the economic downturn could be more punishing and long-lasting as additional stimulus remains uncertain and governments may have to intensify restrictions on business in order to halt the spread of the pandemic.

The ONE Canadian Equity Fund returned 5.4% in the quarter, while the ONE Global Equity Fund returned 3.4% in Canadian dollar terms. The lower performance of global equities reflects timing issues related to the transition of the funds being deployed into global mandates. The industrial sector outperformed, gaining almost 14% in the quarter while the energy sector had sharply negative performance in the quarter. This contributed to the performance of both the ONE Canadian Equity Fund and the ONE Global Equity Fund which had overweight allocations to industrials and significant underweight exposure to the energy sector. The low exposure to the energy sector reflects the investment manager's style which places emphasis on higher quality, sustainable business versus firms whose financial prospects are driven primarily by gyrations in commodity prices. The Global Equity Fund's positioning includes a significant underweight to the Asia Pacific and Japanese equities with an overweight to European equities. European holdings have no exposure to the still struggling European banks.



## **QUARTERLY REVIEW**

The key theme influencing capital markets in the quarter was the massive "wall of money" supplied by global central banks, which placed downward pressure on credit spreads. Despite volatility in capital markets remaining elevated, the strong technical backdrop offset outstanding risks such as concerns of a second surge of virus infections, commodity price weakness, global trade tensions, the upcoming U.S. presidential election, and tight valuation levels.

The Canadian fixed income market generated positive returns in the third quarter supported by a modest tightening of credit spreads, with corporate bonds outperforming federal and provincial bonds. Both Canadian fixed income funds generated positive returns of approximately 0.7% in the quarter. Within corporate bonds, BBBs outperformed the higher quality A and AA segments of the Canadian fixed income market. The Canadian bond holdings are focused on the higher credit quality segments of the market and hence did not benefit from this trend.

The ONE Global Bond Fund, which represents about 70% of the fixed income investments within the ONE JIB Outcomes, performed better than Canadian fixed income exposure, with returns of 1.8% in the quarter. Performance in the quarter was primarily driven by overweight exposures to high-yield corporate and convertible bonds, combined with underweight exposures to U.S. Treasuries and agency mortgage-backed securities. Currency management slightly contributed as gains from an underweight exposure to the U.S. dollar were partially offset by an underweight exposure to the euro. Duration positioning (interest rate sensitivity) had a relatively neutral impact on performance.

Global bond holdings include emerging market and high yield debt, which tend to have a higher risk profile. The ONE Global Bond Fund has avoided exposure to the more speculative segments of the high yield bond market which may be more vulnerable to an extended economic slowdown but it remains positioned to benefit from further credit spread tightening. Positioning also remains selective in emerging markets and remains cautious about the further spread of COVID-19 in countries that lack infrastructure and the ability to treat a widespread viral outbreak.

**Kenora General Account - Prudent Investor Portfolio**  
**Consolidated Portfolio Holdings in CAD**  
**As of September 30, 2020**

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	600,160.560	1.00	600,160.56	1.00	600,160.56	3.55%
CAN Equity Fund	2,513.624	1,000.00	2,513,624.80	1,054.77	2,651,317.65	15.68%
GLB Equity Fund	5,865.124	1,000.00	5,865,124.60	1,034.36	6,066,680.78	35.87%
Corp Bond Fund	1,126.983	1,000.01	1,126,998.14	1,003.31	1,130,723.78	6.69%
CAN Bond Fund	1,126.985	1,000.01	1,126,998.14	1,003.01	1,130,381.94	6.68%
GLB Bond Fund	5,262.926	1,000.06	5,263,253.36	1,013.34	5,333,164.06	31.53%
					<b>16,912,428.77</b>	<b>100.00%</b>

**Kenora General Account - Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

**Account Name: Kenora - Contingency Outcome**  
**Account Number: 570050161**

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	811.13	1,000.01	811,145.26	1,003.31	813,826.92	5.8%	2,681.66	3,231.66
CAN Equity Fund	2,423.74	1,000.00	2,423,740.70	1,054.77	2,556,509.82	18.4%	132,769.12	0.00
CAN Bond Fund	811.13	1,000.01	811,145.26	1,003.01	813,580.44	5.8%	2,435.18	3,231.66
GLB Bond Fund	3,787.93	1,000.06	3,788,172.05	1,013.34	3,838,489.34	27.6%	50,317.29	17,908.75
GLB Equity Fund	5,655.39	1,000.00	5,655,394.90	1,034.36	5,849,743.68	42.1%	194,348.78	0.00
			13,489,598.17		13,872,150.20	100.0%	382,552.03	24,372.07

**Kenora General Account - Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	3.0	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Kenora General Account - Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

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

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	600,160.56	1.00	600,160.56	1.00	600,160.56	19.7%	0.00	932.89
Corp Bond Fund	315.84	1,000.01	315,852.88	1,003.31	316,896.86	10.4%	1,043.98	1,258.38
CAN Equity Fund	89.88	1,000.00	89,884.10	1,054.77	94,807.83	3.1%	4,923.73	0.00
CAN Bond Fund	315.84	1,000.01	315,852.88	1,003.01	316,801.50	10.4%	948.62	1,258.38
GLB Bond Fund	1,474.98	1,000.06	1,475,081.31	1,013.34	1,494,674.72	49.1%	19,593.41	6,973.51
GLB Equity Fund	209.72	1,000.00	209,729.70	1,034.36	216,937.10	7.1%	7,207.40	0.00
			<u>3,006,561.43</u>		<u>3,040,278.57</u>	<u>100.0%</u>	<u>33,717.14</u>	<u>10,423.16</u>

**Kenora General Account - Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	1.4	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Kenora General Account - Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

**Account Name: Kenora - Contingency Outcome**

**Account Number: 570050161**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	807.91	807,914.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	807.91	807,914.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	3,770.26	3,770,263.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	2,423.74	2,423,741.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	5,655.39	5,655,395.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	3.22	3,231.66
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	3.22	3,231.66
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	17.67	17,908.75

**Kenora General Account - Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

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

**Account Number: 570050187**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	314.59	314,595.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	314.59	314,595.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	1,468.10	1,468,108.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	89.88	89,884.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	209.73	209,730.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	1.25	1,258.38
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	1.25	1,258.38
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	6.88	6,973.51
Reinvested Distributions	PI-HISA	08/06/2020	08/06/2020	466.79	466.79
Reinvested Distributions	PI-HISA	09/03/2020	09/03/2020	466.10	466.10
Transfer In	PI-HISA	07/02/2020	07/02/2020	599,227.67	599,227.67

**Kenora General Account - Prudent Investor Portfolio**  
**COMPLIANCE CERTIFICATE**  
**September 30, 2020**

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

With respect to the quarter ended September 30, 2020 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

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

---

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

# QUARTERLY INVESTMENT REPORT

For The Period Ended September 30, 2020

### **Kenora CPTF - Prudent Investor Portfolio**

1 Main Street South  
Kenora, ON  
P9N 3X2

Charlotte Edie  
Treasurer  
[cedie@kenora.ca](mailto:cedie@kenora.ca)  
(807) 467-2013

### **ONE Investment**

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

### **Relationship Manager**

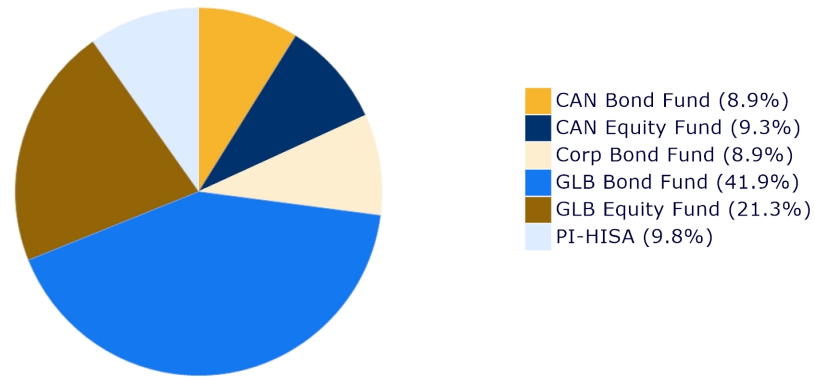
Wardah Mir, Client Service Representative  
416-971-9856 x 351  
[wmir@oneinvestment.ca](mailto:wmir@oneinvestment.ca)



**Kenora CPTF - Prudent Investor Portfolio**  
Executive Summary for the Quarter Ended September 30, 2020

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

**Overall Asset Allocation**



**Consolidated Portfolio Activity for Quarter**

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	1,962,000.00	-	-	5,913.25	7,848.00	1,975,761.25
CAN Equity Fund	1,962,000.00	-	-	107,475.61	-	2,069,475.61
Corp Bond Fund	1,962,000.00	-	-	6,512.23	7,848.00	1,976,360.23
GLB Bond Fund	9,156,000.00	-	-	122,193.92	43,491.00	9,321,684.92
GLB Equity Fund	4,578,000.00	-	-	157,323.89	-	4,735,323.89
PI-HISA	2,180,000.00	-	-	-	3,393.29	2,183,393.29
<b>Total</b>	<b>21,800,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>399,418.90</b>	<b>62,580.29</b>	<b>22,261,999.19</b>

**Kenora CPTF - Prudent Investor Portfolio**  
**Performance History At**  
**September 30, 2020**

**Performance by Fund**

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	-	-	-	-	-	-	-	0.1	07/02/2020
ONE Canadian Equity Fund	-	-	-	-	-	-	-	5.4	07/02/2020
ONE Global Equity Fund	-	-	-	-	-	-	-	3.4	07/02/2020
ONE Canadian Corporate Bond Fund	-	-	-	-	-	-	-	0.7	07/02/2020
ONE Canadian Government Bond Fund	-	-	-	-	-	-	-	0.7	07/02/2020
ONE Global Bond Fund	-	-	-	-	-	-	-	1.8	07/02/2020

**Performance by Outcome**

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
Stable Return Outcome	-	-	-	-	-	-	-	2.1	07/02/2020

## **QUARTERLY REVIEW**

The market's Q2 enthusiasm continued in the third quarter. However more investors recognized that valuations have come a long way from the lows of March, leading to more modest gains in Q3. The rally in the market is less about optimism on the economy and is more reflective of massive fiscal and monetary stimulus injected by governments around the world, providing a positive foundation for markets.

However, market uncertainty remains: spiking coronavirus infections coupled with new restrictions in some countries, as well as the magnitude of damage already done to the economy, continue to weigh on company fundamentals. While the world may have entered a deep recession, the impact on corporate profits have been blunted by government's and central bank's quick response in providing fiscal and monetary stimulus. Now, investors are weighing the possibility that the economic downturn could be more punishing and long-lasting as additional stimulus remains uncertain and governments may have to intensify restrictions on business in order to halt the spread of the pandemic.

The ONE Canadian Equity Fund returned 5.4% in the quarter, while the ONE Global Equity Fund returned 3.4% in Canadian dollar terms. The lower performance of global equities reflects timing issues related to the transition of the funds being deployed into global mandates. The industrial sector outperformed, gaining almost 14% in the quarter while the energy sector had sharply negative performance in the quarter. This contributed to the performance of both the ONE Canadian Equity Fund and the ONE Global Equity Fund which had overweight allocations to industrials and significant underweight exposure to the energy sector. The low exposure to the energy sector reflects the investment manager's style which places emphasis on higher quality, sustainable business versus firms whose financial prospects are driven primarily by gyrations in commodity prices. The Global Equity Fund's positioning includes a significant underweight to the Asia Pacific and Japanese equities with an overweight to European equities. European holdings have no exposure to the still struggling European banks.

## **QUARTERLY REVIEW**

The key theme influencing capital markets in the quarter was the massive "wall of money" supplied by global central banks, which placed downward pressure on credit spreads. Despite volatility in capital markets remaining elevated, the strong technical backdrop offset outstanding risks such as concerns of a second surge of virus infections, commodity price weakness, global trade tensions, the upcoming U.S. presidential election, and tight valuation levels.

The Canadian fixed income market generated positive returns in the third quarter supported by a modest tightening of credit spreads, with corporate bonds outperforming federal and provincial bonds. Both Canadian fixed income funds generated positive returns of approximately 0.7% in the quarter. Within corporate bonds, BBBs outperformed the higher quality A and AA segments of the Canadian fixed income market. The Canadian bond holdings are focused on the higher credit quality segments of the market and hence did not benefit from this trend.

The ONE Global Bond Fund, which represents about 70% of the fixed income investments within the ONE JIB Outcomes, performed better than Canadian fixed income exposure, with returns of 1.8% in the quarter. Performance in the quarter was primarily driven by overweight exposures to high-yield corporate and convertible bonds, combined with underweight exposures to U.S. Treasuries and agency mortgage-backed securities. Currency management slightly contributed as gains from an underweight exposure to the U.S. dollar were partially offset by an underweight exposure to the euro. Duration positioning (interest rate sensitivity) had a relatively neutral impact on performance.

Global bond holdings include emerging market and high yield debt, which tend to have a higher risk profile. The ONE Global Bond Fund has avoided exposure to the more speculative segments of the high yield bond market which may be more vulnerable to an extended economic slowdown but it remains positioned to benefit from further credit spread tightening. Positioning also remains selective in emerging markets and remains cautious about the further spread of COVID-19 in countries that lack infrastructure and the ability to treat a widespread viral outbreak.

**Kenora CPTF - Prudent Investor Portfolio**  
**Consolidated Portfolio Holdings in CAD**  
**As of September 30, 2020**

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	2,183,393.290	1.00	2,183,393.29	1.00	2,183,393.29	9.81%
CAN Equity Fund	1,962.000	1,000.00	1,962,000.00	1,054.77	2,069,475.61	9.30%
GLB Equity Fund	4,578.000	1,000.00	4,578,000.00	1,034.36	4,735,323.89	21.27%
Corp Bond Fund	1,969.822	1,000.01	1,969,848.00	1,003.31	1,976,360.23	8.88%
CAN Bond Fund	1,969.824	1,000.01	1,969,848.00	1,003.01	1,975,761.25	8.88%
GLB Bond Fund	9,198.918	1,000.06	9,199,491.00	1,013.34	9,321,684.92	41.87%
					<b>22,261,999.19</b>	<b>100.00%</b>

**Kenora CPTF - Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

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

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	2,183,393.29	1.00	2,183,393.29	1.00	2,183,393.29	9.8%	0.00	3,393.29
Corp Bond Fund	1,969.82	1,000.01	1,969,848.00	1,003.31	1,976,360.23	8.8%	6,512.23	7,848.00
CAN Equity Fund	1,962.00	1,000.00	1,962,000.00	1,054.77	2,069,475.61	9.3%	107,475.61	0.00
CAN Bond Fund	1,969.82	1,000.01	1,969,848.00	1,003.01	1,975,761.25	8.8%	5,913.25	7,848.00
GLB Bond Fund	9,198.91	1,000.06	9,199,491.00	1,013.34	9,321,684.92	41.8%	122,193.92	43,491.00
GLB Equity Fund	4,578.00	1,000.00	4,578,000.00	1,034.36	4,735,323.89	21.2%	157,323.89	0.00
			21,862,580.29		22,261,999.19	100.0%	399,418.90	62,580.29

**Kenora CPTF - Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	2.1	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Kenora CPTF - Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

**Account Name: Kenora - Stable Return Outcome**

**Account Number: 570050179**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	1,962.00	1,962,000.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	1,962.00	1,962,000.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	9,156.00	9,156,000.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	1,962.00	1,962,000.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	4,578.00	4,578,000.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	7.82	7,848.00
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	7.82	7,848.00
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	42.91	43,491.00
Reinvested Distributions	PI-HISA	08/06/2020	08/06/2020	1,698.18	1,698.18
Reinvested Distributions	PI-HISA	09/03/2020	09/03/2020	1,695.11	1,695.11
Transfer In	PI-HISA	07/02/2020	07/02/2020	2,180,000.00	2,180,000.00

**Kenora CPTF - Prudent Investor Portfolio**  
**COMPLIANCE CERTIFICATE**  
**September 30, 2020**

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

With respect to the quarter ended September 30, 2020 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

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

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



# QUARTERLY INVESTMENT REPORT

For The Period Ended September 30, 2020

### **Muskoka Prudent Investor Portfolio**

70 Pine Street  
Bracebridge, ON  
P1L 1N3

Laurie Bissonette  
Director, Finance  
[laurie.bissonette@muskoka.on.ca](mailto:laurie.bissonette@muskoka.on.ca)  
(705) 645-2100 x4208

### **ONE Investment**

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

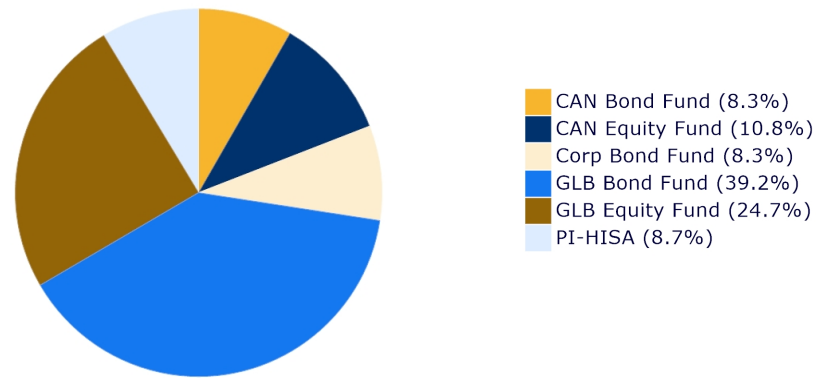
### **Relationship Manager**

Wardah Mir, Client Service Representative  
416-971-9856 x 351  
[wmir@oneinvestment.ca](mailto:wmir@oneinvestment.ca)

**Muskoka Prudent Investor Portfolio**  
Executive Summary for the Quarter Ended September 30, 2020

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	-	-	-	-	-	-	2.2%	07/02/2020

**Overall Asset Allocation**



**Consolidated Portfolio Activity for Quarter**

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	10,577,757.60	-	-	31,882.53	42,311.03	10,651,951.16
CAN Equity Fund	13,146,387.50	-	-	720,140.70	-	13,866,528.20
Corp Bond Fund	10,577,757.60	-	-	35,109.63	42,311.03	10,655,178.26
GLB Bond Fund	49,362,868.90	-	-	658,787.37	234,473.63	50,256,129.90
GLB Equity Fund	30,674,904.40	-	-	1,054,149.23	-	31,729,053.63
PI-HISA	11,089,921.78	-	-	-	17,492.19	11,107,413.97
<b>Total</b>	<b>125,429,597.78</b>	<b>0.00</b>	<b>0.00</b>	<b>2,500,069.46</b>	<b>336,587.88</b>	<b>128,266,255.12</b>

**Muskoka Prudent Investor Portfolio**  
**Performance History At**  
**September 30, 2020**

**Performance by Fund**

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	-	-	-	-	-	-	-	0.1	07/02/2020
ONE Canadian Equity Fund	-	-	-	-	-	-	-	5.4	07/02/2020
ONE Global Equity Fund	-	-	-	-	-	-	-	3.4	07/02/2020
ONE Canadian Corporate Bond Fund	-	-	-	-	-	-	-	0.7	07/02/2020
ONE Canadian Government Bond Fund	-	-	-	-	-	-	-	0.7	07/02/2020
ONE Global Bond Fund	-	-	-	-	-	-	-	1.8	07/02/2020

**Performance by Outcome**

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
Contingency Outcome	-	-	-	-	-	-	-	3.0	07/02/2020
Target Date 3-5 Year Outcome	-	-	-	-	-	-	-	1.4	07/02/2020
Target Date 5-10 Year Outcome	-	-	-	-	-	-	-	2.7	07/02/2020
Cash Outcome	-	-	-	-	-	-	-	0.1	07/02/2020

## **QUARTERLY REVIEW**

The market's Q2 enthusiasm continued in the third quarter. However more investors recognized that valuations have come a long way from the lows of March, leading to more modest gains in Q3. The rally in the market is less about optimism on the economy and is more reflective of massive fiscal and monetary stimulus injected by governments around the world, providing a positive foundation for markets.

However, market uncertainty remains: spiking coronavirus infections coupled with new restrictions in some countries, as well as the magnitude of damage already done to the economy, continue to weigh on company fundamentals. While the world may have entered a deep recession, the impact on corporate profits have been blunted by government's and central bank's quick response in providing fiscal and monetary stimulus. Now, investors are weighing the possibility that the economic downturn could be more punishing and long-lasting as additional stimulus remains uncertain and governments may have to intensify restrictions on business in order to halt the spread of the pandemic.

The ONE Canadian Equity Fund returned 5.4% in the quarter, while the ONE Global Equity Fund returned 3.4% in Canadian dollar terms. The lower performance of global equities reflects timing issues related to the transition of the funds being deployed into global mandates. The industrial sector outperformed, gaining almost 14% in the quarter while the energy sector had sharply negative performance in the quarter. This contributed to the performance of both the ONE Canadian Equity Fund and the ONE Global Equity Fund which had overweight allocations to industrials and significant underweight exposure to the energy sector. The low exposure to the energy sector reflects the investment manager's style which places emphasis on higher quality, sustainable business versus firms whose financial prospects are driven primarily by gyrations in commodity prices. The Global Equity Fund's positioning includes a significant underweight to the Asia Pacific and Japanese equities with an overweight to European equities. European holdings have no exposure to the still struggling European banks.

## **QUARTERLY REVIEW**

The key theme influencing capital markets in the quarter was the massive "wall of money" supplied by global central banks, which placed downward pressure on credit spreads. Despite volatility in capital markets remaining elevated, the strong technical backdrop offset outstanding risks such as concerns of a second surge of virus infections, commodity price weakness, global trade tensions, the upcoming U.S. presidential election, and tight valuation levels.

The Canadian fixed income market generated positive returns in the third quarter supported by a modest tightening of credit spreads, with corporate bonds outperforming federal and provincial bonds. Both Canadian fixed income funds generated positive returns of approximately 0.7% in the quarter. Within corporate bonds, BBBs outperformed the higher quality A and AA segments of the Canadian fixed income market. The Canadian bond holdings are focused on the higher credit quality segments of the market and hence did not benefit from this trend.

The ONE Global Bond Fund, which represents about 70% of the fixed income investments within the ONE JIB Outcomes, performed better than Canadian fixed income exposure, with returns of 1.8% in the quarter. Performance in the quarter was primarily driven by overweight exposures to high-yield corporate and convertible bonds, combined with underweight exposures to U.S. Treasuries and agency mortgage-backed securities. Currency management slightly contributed as gains from an underweight exposure to the U.S. dollar were partially offset by an underweight exposure to the euro. Duration positioning (interest rate sensitivity) had a relatively neutral impact on performance.

Global bond holdings include emerging market and high yield debt, which tend to have a higher risk profile. The ONE Global Bond Fund has avoided exposure to the more speculative segments of the high yield bond market which may be more vulnerable to an extended economic slowdown but it remains positioned to benefit from further credit spread tightening. Positioning also remains selective in emerging markets and remains cautious about the further spread of COVID-19 in countries that lack infrastructure and the ability to treat a widespread viral outbreak.

**Muskoka Prudent Investor Portfolio**  
**Consolidated Portfolio Holdings in CAD**  
**As of September 30, 2020**

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	11,107,413.970	1.00	11,107,413.97	1.00	11,107,413.97	8.66%
CAN Equity Fund	13,146.387	1,000.00	13,146,387.50	1,054.77	13,866,528.20	10.81%
GLB Equity Fund	30,674.904	1,000.00	30,674,904.40	1,034.36	31,729,053.63	24.74%
Corp Bond Fund	10,619.928	1,000.01	10,620,068.63	1,003.31	10,655,178.26	8.31%
CAN Bond Fund	10,619.941	1,000.01	10,620,068.63	1,003.01	10,651,951.16	8.30%
GLB Bond Fund	49,594.254	1,000.06	49,597,342.53	1,013.34	50,256,129.90	39.18%
					<b>128,266,255.12</b>	<b>100.00%</b>

**Muskoka Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

**Account Name: Muskoka - Contingency Outcome**  
**Account Number: 570050088**

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	316.85	1,000.01	316,861.10	1,003.31	317,908.41	5.8%	1,047.31	1,262.40
CAN Equity Fund	946.79	1,000.00	946,796.20	1,054.77	998,660.37	18.4%	51,864.17	0.00
CAN Bond Fund	316.85	1,000.01	316,861.10	1,003.01	317,812.74	5.8%	951.64	1,262.40
GLB Bond Fund	1,479.69	1,000.06	1,479,789.87	1,013.34	1,499,445.85	27.6%	19,655.98	6,995.77
GLB Equity Fund	2,209.19	1,000.00	2,209,191.20	1,034.36	2,285,110.50	42.1%	75,919.30	0.00
			<u>5,269,499.47</u>		<u>5,418,937.87</u>	100.0%	<u>149,438.40</u>	<u>9,520.57</u>

**Muskoka Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	3.0	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Muskoka Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

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

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	9,264,283.87	1.00	9,264,283.87	1.00	9,264,283.87	19.7%	0.00	14,587.87
Corp Bond Fund	4,875.45	1,000.01	4,875,514.76	1,003.31	4,891,632.99	10.4%	16,118.23	19,424.36
CAN Equity Fund	1,387.45	1,000.00	1,387,454.40	1,054.77	1,463,457.21	3.1%	76,002.81	0.00
CAN Bond Fund	4,875.45	1,000.01	4,875,514.76	1,003.01	4,890,151.51	10.4%	14,636.75	19,424.36
GLB Bond Fund	22,767.98	1,000.06	22,769,398.54	1,013.34	23,071,838.12	49.1%	302,439.58	107,643.34
GLB Equity Fund	3,237.39	1,000.00	3,237,393.60	1,034.36	3,348,647.28	7.1%	111,253.68	0.00
			<u>46,409,559.93</u>		<u>46,930,010.98</u>	<u>100.0%</u>	<u>520,451.05</u>	<u>161,079.93</u>

**Muskoka Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	1.4	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-



**Muskoka Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

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

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	5,427.62	1,000.01	5,427,692.77	1,003.31	5,445,636.86	7.3%	17,944.09	21,624.27
CAN Equity Fund	10,812.13	1,000.00	10,812,136.90	1,054.77	11,404,410.62	15.4%	592,273.72	0.00
CAN Bond Fund	5,427.62	1,000.01	5,427,692.77	1,003.01	5,443,986.91	7.3%	16,294.14	21,624.27
GLB Bond Fund	25,346.57	1,000.06	25,348,154.12	1,013.34	25,684,845.93	34.6%	336,691.81	119,834.52
GLB Equity Fund	25,228.31	1,000.00	25,228,319.60	1,034.36	26,095,295.85	35.2%	866,976.25	0.00
			72,243,996.16		74,074,176.17	100.0%	1,830,180.01	163,083.06

**Muskoka Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	2.7	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Muskoka Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

**Account Name: Muskoka - Cash Outcome**  
**Account Number: 9021979213**

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	1,843,130.10	1.00	1,843,130.10	1.00	1,843,130.10	100.0%	0.00	2,904.32
			1,843,130.10		1,843,130.10	100.0%	0.00	2,904.32

**Muskoka Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	0.1	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Muskoka Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

**Account Name: Muskoka - Contingency Outcome**  
**Account Number: 570050088**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	315.59	315,599.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	315.59	315,599.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	1,472.79	1,472,794.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	946.79	946,796.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	2,209.19	2,209,191.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	1.25	1,262.40
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	1.25	1,262.40
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	6.90	6,995.77

**Muskoka Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

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

**Account Number: 570050096**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	4,856.09	4,856,090.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	4,856.09	4,856,090.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	22,661.75	22,661,755.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	1,387.45	1,387,454.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	3,237.39	3,237,394.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	19.36	19,424.36
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	19.36	19,424.36
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	106.22	107,643.34
Reinvested Distributions	PI-HISA	08/06/2020	08/06/2020	7,396.61	7,396.61
Reinvested Distributions	PI-HISA	09/03/2020	09/03/2020	7,191.26	7,191.26
Transfer In	PI-HISA	07/02/2020	07/02/2020	9,249,696.00	9,249,696.00

**Muskoka Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

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

**Account Number: 570050104**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	5,406.06	5,406,068.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	5,406.06	5,406,068.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	25,228.32	25,228,320.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	10,812.13	10,812,137.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	25,228.32	25,228,320.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	21.55	21,624.27
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	21.55	21,624.27
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	118.25	119,834.52

**Muskoka Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

**Account Name: Muskoka - Cash Outcome**

**Account Number: 9021979213**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Reinvested Distributions	PI-HISA	08/06/2020	08/06/2020	1,471.56	1,471.56
Reinvested Distributions	PI-HISA	09/03/2020	09/03/2020	1,432.76	1,432.76
Transfer In	PI-HISA	07/02/2020	07/02/2020	1,840,225.78	1,840,225.78

**Muskoka Prudent Investor Portfolio  
COMPLIANCE CERTIFICATE  
September 30, 2020**

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

With respect to the quarter ended September 30, 2020 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

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

---

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

# QUARTERLY INVESTMENT REPORT

For The Period Ended September 30, 2020

### **Whitby Prudent Investor Portfolio**

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

Ann McCullough  
Director of Finance/Deputy Treasurer  
[mccullougha@whitby.ca](mailto:mccullougha@whitby.ca)  
(905) 430-4300 x2246

### **ONE Investment**

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

### **Relationship Manager**

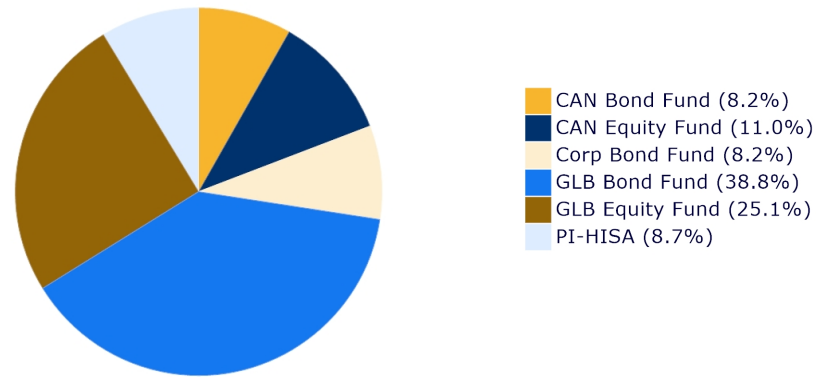
Wardah Mir, Client Service Representative  
416-971-9856 x 351  
[wmir@oneinvestment.ca](mailto:wmir@oneinvestment.ca)



**Whitby Prudent Investor Portfolio**  
Executive Summary for the Quarter Ended September 30, 2020

	Time-Weighted Rate of Return in CAD for Consolidated Holdings						Since Inception	Inception Date
	Quarter	Year to date	1 Year	2 Years	3 Years	5 Years		
Consolidated Portfolio Returns	-	-	-	-	-	-	2.2%	07/02/2020

**Overall Asset Allocation**



**Consolidated Portfolio Activity for Quarter**

Portfolio	Starting Balance	Contribution	Withdrawals	Change in Market Value	Income	Ending Balance
CAN Bond Fund	8,971,756.20	-	-	27,040.59	35,887.03	9,034,683.82
CAN Equity Fund	11,442,856.10	-	-	626,823.63	-	12,069,679.73
Corp Bond Fund	8,971,756.20	-	-	29,778.73	35,887.03	9,037,421.96
GLB Bond Fund	41,868,195.50	-	-	558,764.82	198,873.93	42,625,834.25
GLB Equity Fund	26,699,997.30	-	-	917,550.74	-	27,617,548.04
PI-HISA	9,546,946.58	-	-	-	16,835.52	9,563,782.10
<b>Total</b>	<b>107,501,507.88</b>	<b>0.00</b>	<b>0.00</b>	<b>2,159,958.51</b>	<b>287,483.51</b>	<b>109,948,949.90</b>

## Whitby Prudent Investor Portfolio Performance History At September 30, 2020

### Performance by Fund

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	-	-	-	-	-	-	-	0.1	07/02/2020
ONE Canadian Equity Fund	-	-	-	-	-	-	-	5.4	07/02/2020
ONE Global Equity Fund	-	-	-	-	-	-	-	3.4	07/02/2020
ONE Canadian Corporate Bond Fund	-	-	-	-	-	-	-	0.7	07/02/2020
ONE Canadian Government Bond Fund	-	-	-	-	-	-	-	0.7	07/02/2020
ONE Global Bond Fund	-	-	-	-	-	-	-	1.8	07/02/2020

### Performance by Outcome

	Quarter	Year to Date	% Annualized Returns					Since Inception	Inception Date
			1 Year	2 Years	3 Years	4 Years	5 Years		
Contingency Outcome	-	-	-	-	-	-	-	3.0	07/02/2020
Target Date 3-5 Year Outcome	-	-	-	-	-	-	-	1.4	07/02/2020
Target Date 5-10 Year Outcome	-	-	-	-	-	-	-	2.7	07/02/2020
Asset Management Reserves	-	-	-	-	-	-	-	3.7	07/02/2020
Target Date 10+ Year Outcome	-	-	-	-	-	-	-	3.4	07/02/2020
Cash Outcome	-	-	-	-	-	-	-	0.0	07/02/2020

## **QUARTERLY REVIEW**

The market's Q2 enthusiasm continued in the third quarter. However more investors recognized that valuations have come a long way from the lows of March, leading to more modest gains in Q3. The rally in the market is less about optimism on the economy and is more reflective of massive fiscal and monetary stimulus injected by governments around the world, providing a positive foundation for markets.

However, market uncertainty remains: spiking coronavirus infections coupled with new restrictions in some countries, as well as the magnitude of damage already done to the economy, continue to weigh on company fundamentals. While the world may have entered a deep recession, the impact on corporate profits have been blunted by government's and central bank's quick response in providing fiscal and monetary stimulus. Now, investors are weighing the possibility that the economic downturn could be more punishing and long-lasting as additional stimulus remains uncertain and governments may have to intensify restrictions on business in order to halt the spread of the pandemic.

The ONE Canadian Equity Fund returned 5.4% in the quarter, while the ONE Global Equity Fund returned 3.4% in Canadian dollar terms. The lower performance of global equities reflects timing issues related to the transition of the funds being deployed into global mandates. The industrial sector outperformed, gaining almost 14% in the quarter while the energy sector had sharply negative performance in the quarter. This contributed to the performance of both the ONE Canadian Equity Fund and the ONE Global Equity Fund which had overweight allocations to industrials and significant underweight exposure to the energy sector. The low exposure to the energy sector reflects the investment manager's style which places emphasis on higher quality, sustainable business versus firms whose financial prospects are driven primarily by gyrations in commodity prices. The Global Equity Fund's positioning includes a significant underweight to the Asia Pacific and Japanese equities with an overweight to European equities. European holdings have no exposure to the still struggling European banks.

## **QUARTERLY REVIEW**

The key theme influencing capital markets in the quarter was the massive "wall of money" supplied by global central banks, which placed downward pressure on credit spreads. Despite volatility in capital markets remaining elevated, the strong technical backdrop offset outstanding risks such as concerns of a second surge of virus infections, commodity price weakness, global trade tensions, the upcoming U.S. presidential election, and tight valuation levels.

The Canadian fixed income market generated positive returns in the third quarter supported by a modest tightening of credit spreads, with corporate bonds outperforming federal and provincial bonds. Both Canadian fixed income funds generated positive returns of approximately 0.7% in the quarter. Within corporate bonds, BBBs outperformed the higher quality A and AA segments of the Canadian fixed income market. The Canadian bond holdings are focused on the higher credit quality segments of the market and hence did not benefit from this trend.

The ONE Global Bond Fund, which represents about 70% of the fixed income investments within the ONE JIB Outcomes, performed better than Canadian fixed income exposure, with returns of 1.8% in the quarter. Performance in the quarter was primarily driven by overweight exposures to high-yield corporate and convertible bonds, combined with underweight exposures to U.S. Treasuries and agency mortgage-backed securities. Currency management slightly contributed as gains from an underweight exposure to the U.S. dollar were partially offset by an underweight exposure to the euro. Duration positioning (interest rate sensitivity) had a relatively neutral impact on performance.

Global bond holdings include emerging market and high yield debt, which tend to have a higher risk profile. The ONE Global Bond Fund has avoided exposure to the more speculative segments of the high yield bond market which may be more vulnerable to an extended economic slowdown but it remains positioned to benefit from further credit spread tightening. Positioning also remains selective in emerging markets and remains cautious about the further spread of COVID-19 in countries that lack infrastructure and the ability to treat a widespread viral outbreak.

**Whitby Prudent Investor Portfolio**  
**Consolidated Portfolio Holdings in CAD**  
**As of September 30, 2020**

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	9,563,782.100	1.00	9,563,782.10	1.00	9,563,782.10	8.70%
CAN Equity Fund	11,442.856	1,000.00	11,442,856.10	1,054.77	12,069,679.73	10.98%
GLB Equity Fund	26,699.997	1,000.00	26,699,997.30	1,034.36	27,617,548.04	25.12%
Corp Bond Fund	9,007.524	1,000.01	9,007,643.23	1,003.31	9,037,421.96	8.22%
CAN Bond Fund	9,007.534	1,000.01	9,007,643.23	1,003.01	9,034,683.82	8.22%
GLB Bond Fund	42,064.450	1,000.06	42,067,069.43	1,013.34	42,625,834.25	38.77%
					<b>109,948,949.90</b>	<b>100.00%</b>

**Whitby Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

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

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	262.60	1,000.01	262,609.76	1,003.31	263,478.14	5.8%	868.38	1,046.26
CAN Equity Fund	784.69	1,000.00	784,690.60	1,054.77	827,674.85	18.4%	42,984.25	0.00
CAN Bond Fund	262.60	1,000.01	262,609.76	1,003.01	263,398.02	5.8%	788.26	1,046.26
GLB Bond Fund	1,226.35	1,000.06	1,226,427.79	1,013.34	1,242,718.45	27.6%	16,290.66	5,797.99
GLB Equity Fund	1,830.94	1,000.00	1,830,944.60	1,034.36	1,893,865.38	42.1%	62,920.78	0.00
			<u>4,367,282.51</u>		<u>4,491,134.84</u>	<u>100.0%</u>	<u>123,852.33</u>	<u>7,890.51</u>

**Whitby Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	3.0	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Whitby Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

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

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	9,563,782.10	1.00	9,563,782.10	1.00	9,563,782.10	19.7%	0.00	16,835.52
Corp Bond Fund	5,032.12	1,000.01	5,032,195.59	1,003.31	5,048,831.64	10.4%	16,636.05	20,048.59
CAN Equity Fund	1,432.04	1,000.00	1,432,042.00	1,054.77	1,510,487.26	3.1%	78,445.26	0.00
CAN Bond Fund	5,032.13	1,000.01	5,032,195.59	1,003.01	5,047,302.36	10.4%	15,106.77	20,048.59
GLB Bond Fund	23,499.65	1,000.06	23,501,121.69	1,013.34	23,813,279.84	49.1%	312,158.15	111,102.59
GLB Equity Fund	3,341.43	1,000.00	3,341,431.30	1,034.36	3,456,260.25	7.1%	114,828.95	0.00
			<u>47,902,768.27</u>		<u>48,439,943.45</u>	<u>100.0%</u>	<u>537,175.18</u>	<u>168,035.29</u>

**Whitby Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	1.4	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Whitby Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

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

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	3,264.24	1,000.01	3,264,285.62	1,003.31	3,275,077.17	7.3%	10,791.55	13,005.12
CAN Equity Fund	6,502.56	1,000.00	6,502,561.10	1,054.77	6,858,762.29	15.4%	356,201.19	0.00
CAN Bond Fund	3,264.24	1,000.01	3,264,285.62	1,003.01	3,274,085.27	7.3%	9,799.65	13,005.12
GLB Bond Fund	15,243.76	1,000.06	15,244,712.45	1,013.34	15,447,203.62	34.6%	202,491.17	72,070.05
GLB Equity Fund	15,172.64	1,000.00	15,172,642.40	1,034.36	15,694,053.29	35.2%	521,410.89	0.00
			43,448,487.19		44,549,181.64	100.0%	1,100,694.45	98,080.29

**Whitby Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	2.7	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-



**Whitby Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

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

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	3.59	1,000.08	3,595.22	1,003.31	3,606.83	1.4%	11.61	14.32
CAN Equity Fund	64.45	1,000.00	64,456.80	1,054.77	67,987.65	27.4%	3,530.85	0.00
CAN Bond Fund	3.59	1,000.08	3,595.22	1,003.01	3,605.74	1.4%	10.52	14.32
GLB Bond Fund	16.78	1,000.08	16,790.38	1,013.34	17,013.06	6.8%	222.68	79.38
GLB Equity Fund	150.39	1,000.00	150,399.30	1,034.36	155,567.80	62.7%	5,168.50	0.00
			238,836.92		247,781.08	100.0%	8,944.16	108.02

**Whitby Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	3.7	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Whitby Prudent Investor Portfolio**  
**Holdings by Account**  
**At September 30, 2020**

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

**For the Quarter Ending**  
**September 30, 2020**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
Corp Bond Fund	444.95	1,000.01	444,957.04	1,003.31	446,428.18	3.6%	1,471.14	1,772.74
CAN Equity Fund	2,659.10	1,000.00	2,659,105.60	1,054.77	2,804,767.68	22.9%	145,662.08	0.00
CAN Bond Fund	444.95	1,000.01	444,957.04	1,003.01	446,292.43	3.6%	1,335.39	1,772.74
GLB Bond Fund	2,077.88	1,000.06	2,078,017.12	1,013.34	2,105,619.28	17.2%	27,602.16	9,823.92
GLB Equity Fund	6,204.57	1,000.00	6,204,579.70	1,034.36	6,417,801.32	52.5%	213,221.62	0.00
			11,831,616.50		12,220,908.89	100.0%	389,292.39	13,369.40

**Whitby Prudent Investor Portfolio**  
**Performance History**  
**At September 30, 2020**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	-	-	-	-	-	-	-	3.4	07/02/2020

**% Calendar Year Returns**

	2019	2018	2017	2016	2015
Return Net of Fees	-	-	-	-	-

**Whitby Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

**Account Name: Whitby - Contingency Outcome**

**Account Number: 570050112**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	261.56	261,564.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	261.56	261,564.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	1,220.63	1,220,630.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	784.69	784,691.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	1,830.94	1,830,945.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	1.04	1,046.26
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	1.04	1,046.26
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	5.72	5,797.99

**Whitby Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

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

**Account Number: 570050120**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	5,012.14	5,012,147.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	5,012.14	5,012,147.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	23,390.01	23,390,019.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	1,432.04	1,432,042.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	3,341.43	3,341,431.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	19.98	20,048.59
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	19.98	20,048.59
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	109.63	111,102.59
Reinvested Distributions	PI-HISA	08/06/2020	08/06/2020	9,410.23	9,410.23
Reinvested Distributions	PI-HISA	09/03/2020	09/03/2020	7,425.29	7,425.29
Transfer In	PI-HISA	07/02/2020	07/02/2020	9,546,946.58	9,546,946.58

**Whitby Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

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

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	3,251.28	3,251,281.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	3,251.28	3,251,281.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	15,172.64	15,172,642.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	6,502.56	6,502,561.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	15,172.64	15,172,642.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	12.96	13,005.12
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	12.96	13,005.12
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	71.12	72,070.05

**Whitby Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

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

**Account Number: 570050146**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	3.58	3,581.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	3.58	3,581.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	16.71	16,711.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	64.45	64,457.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	150.39	150,399.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	0.01	14.32
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	0.01	14.32
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	0.07	79.38

**Whitby Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended September 30, 2020**

**TRANSACTION SUMMARY**

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

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	CAN Bond Fund	07/02/2020	07/02/2020	443.18	443,184.00
Buy	Corp Bond Fund	07/02/2020	07/02/2020	443.18	443,184.00
Buy	GLB Bond Fund	07/02/2020	07/02/2020	2,068.19	2,068,193.00
Buy	CAN Equity Fund	07/02/2020	07/02/2020	2,659.10	2,659,106.00
Buy	GLB Equity Fund	07/02/2020	07/02/2020	6,204.58	6,204,580.00
Reinvested Distributions	CAN Bond Fund	09/30/2020	09/30/2020	1.76	1,772.74
Reinvested Distributions	Corp Bond Fund	09/30/2020	09/30/2020	1.76	1,772.74
Reinvested Distributions	GLB Bond Fund	09/30/2020	09/30/2020	9.69	9,823.92

**Whitby Prudent Investor Portfolio  
COMPLIANCE CERTIFICATE  
September 30, 2020**

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

With respect to the quarter ended September 30, 2020 to the best of the knowledge and belief of ONE Investment, all assets of the Participating Municipality under the management and control of ONE JIB pursuant to the ONE JIB Agreement have been invested and are held in accordance with the terms of the ONE JIB Agreement, and in a manner consistent with the IPS and the Investment Plan of the Participating Municipality.

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

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



# Securities Pledged to ONE JIB - Appendix 8

## City of Kenora - CPTF

City Of Kenora - CPTF  
Securities Pledged to ONE JIB  
As at September 30, 2020

Identifier	Description	Maturity	Price	Quantity	Market Value
CA13596Z4B88	CANADIAN IMPERIAL BK OF COMM	2023-07-11	106.444	295,000	314,009.80
CA13596ZNQ41	CANADIAN IMPERIAL BANK OF COMM	2022-03-21	102.154	228,000	232,911.12
CA064151UU54	BANK OF NOVA SCOTIA	2022-04-27	102.190	194,000	198,248.60
CA68333ZAB37	PROV OF ONTARIO	2023-09-08	106.154	276,000	292,985.04
CA06368BJ907	BANK OF MONTREAL	2023-06-20	105.978	150,000	158,967.00
CA064151WY58	BANK OF NOVA SCOTIA	2024-06-28	105.351	387,000	407,708.37
CA891160K519	TORONTO DOMINION BANK	2022-03-23	102.172	303,000	309,581.16
CA780086QC12	ROYAL BANK OF CANADA	2023-05-01	105.997	225,000	238,493.25
CA13596ZSZ94	CANADIAN IMPERIAL BANK OF COMM	2022-07-11	103.112	239,000	246,437.68
CA748148RY18	PROV OF QUEBEC	2024-02-22	105.846	212,000	224,393.52
CA13509PHJ53	CANADA HOUSING TRUST NO 1	2024-12-15	105.061	80,000	84,048.80
CA62620DAJ06	MUNICIPAL FINANCE AUTH OF B C	2024-06-03	105.258	110,000	115,783.80
CA68333ZAF41	PROV OF ONTARIO	2024-09-08	106.400	106,000	112,784.00
CA13509PHN65	CANADA HOUSING TRUST NO 1	2025-06-15	101.541	89,000	90,371.49
CA803854JW90	PROV OF SASKATCHEWAN	2024-06-03	109.348	82,000	89,665.36
CA8911452R48	TORONTO DOMINION BANK	2021-12-22	102.662	181,000	185,818.22
CA626209JP62	MUNICIPAL FINANCE AUTH OF BC	2024-10-14	108.874	93,000	101,252.82
CA69363TAH55	PSP CAPITAL INC	2024-04-04	109.664	529,000	580,122.56
CA891288DJ86	TORONTO ONTARIO	2024-05-21	109.622	52,000	57,003.44
CA614852NP21	MONTREAL QUEBEC	2024-09-01	110.584	66,000	72,985.44
CA06367XYL95	BANK OF MONTREAL	2021-10-28	101.266	311,000	314,937.26
CA891145T792	TORONTO DOMINION BANK	2024-07-24	109.201	88,000	96,096.88
CA110709GB20	PROV OF BRITISH COLUMBIA	2022-12-18	105.123	77,000	80,944.71
CA013051DG93	PROV OF ALBERTA	2022-12-15	104.680	62,000	64,901.60
CA154728AN92	CENTRAL 1 CREDIT UNION	2022-11-07	102.778	130,000	133,611.40
CA40427HTG88	HSBC BANK CANADA	2022-09-15	102.804	91,000	93,551.64
CA62957ZGE93	NHA MBS SCOTIA CAP INC	2024-07-01	100.000	48,000	48,000.00
CA68333ZAK36	PROV OF ONTARIO	2025-09-08	104.522	140,000	146,330.80
				Total =	\$ 5,091,945.76

# Securities Pledged to ONE JIB - Appendix 9

## The District of Muskoka

**The District of Muskoka**  
**Securities Pledged to ONE JIB**  
**As at September 30, 2020**

Symbol	Status	Quantity	Average Unit Cost (\$)	Book Cost (\$)	Market Price (\$)	Market Value (\$)	% of Portfolio
<b>Cash and Equivalents</b>							
MUSKOKA, ONT 2.85% 15NOV20	SEG	150,000	101.290	151,935.00	100.308	152,078.30 <sup>(4)</sup>	4.9
DIS MUN MUSKOKA 4.65% 5MAY21	SEG	126,000	106.720	134,467.20	102.586	131,634.06 <sup>(4)</sup>	4.2
<b>Total Cash and Equivalents</b>				<b>286,402.20</b>		<b>283,712.36</b>	<b>9.1</b>
<b>Fixed Income Securities and Fixed Income Funds</b>							
MUSKOKA, ONT 3.05% 15NOV21	SEG	20,000	102.290	20,458.00	103.067	20,844.03 <sup>(4)</sup>	0.7
DIS MUN MUSKOKA 4.75% 5MAY22	SEG	325,000	108.460	352,495.00	106.981	353,947.84 <sup>(4)</sup>	11.4
DIS MUN MUSKOKA 4.8% 5MAY23	SEG	89,000	109.010	97,018.50	111.122	100,630.79 <sup>(4)</sup>	3.2
DIS MUN MUSKOKA 4.9% 5MAY24	SEG	46,000	111.430	51,257.80	115.209	53,910.09 <sup>(4)</sup>	1.7
DIS MUN MUSKOKA 4.95% 5MAY25	SEG	211,000	112.650	237,691.50	119.014	255,354.57 <sup>(4)</sup>	8.2
DIS MUN MUSKOKA 5% 5MAY26	SEG	105,000	112.991	118,641.00	122.618	130,877.67 <sup>(4)</sup>	4.2
DIS MUN MUSKOKA 5.05% 5MAY27	SEG	295,000	112.065	330,590.50	125.869	377,354.18 <sup>(4)</sup>	12.1
DIS MUN MUSKOKA 5.05% 5MAY28	SEG	360,000	109.856	395,482.00	128.376	469,525.22 <sup>(4)</sup>	15.1
DIS MUN MUSKOKA 5.1% 5MAY29	SEG	400,000	104.270	417,080.00	131.082	532,599.78 <sup>(4)</sup>	17.1
DIS MUN MUSKOKA 5.1% 5MAY30	SEG	137,000	116.369	159,425.00	133.261	185,400.65 <sup>(4)</sup>	6.0
DIST MUN MUSKOKA 2.95% 27NOV30	SEG	100,000	98.240	98,240.00	114.142	115,160.36 <sup>(4)</sup>	3.7
DIST MUN MUSKOKA 3% 27NOV31	SEG	100,000	98.120	98,120.00	114.477	115,512.62 <sup>(4)</sup>	3.7
DIST MUN MUSKOKA 3.05% 27NOV32	SEG	100,000	98.010	98,010.00	115.584	116,636.88 <sup>(4)</sup>	3.8
<b>Total Fixed Income Securities and Fixed Income Funds</b>				<b>2,474,509.30</b>		<b>2,827,754.68</b>	<b>90.9</b>
<b>Total Account Value - CAD Cash</b>				<b>2,760,911.50</b>		<b>3,111,467.04</b>	<b>100.0</b>

# Securities Pledged to ONE JIB - Appendix 10 Town of Whitby

**The Town Of Whitby**  
***Securities Pledged to ONE JIB***  
***As at September 30, 2020***

Quantity	Description	Average cost price	Cost value	Market price	Market value	Percent of total	Div/ int.	Annualized income	Yield	Unrealized gain/loss	
										Value	Percent
Fixed income and related securities											
Fixed income											
50,000.000	BNS EQTY AC DEPOSIT NTS S2 PP	100.000	5,000,000	96.930	4,846,403	79.83%			0.00%	-153,507	-3.07
10,000.000	BNS TSX LOW VLT Y INDX DEP NTS	100.000	1,000,000	122.470	1,224,700	20.17%			0.00%	224,700	22.47
Total fixed income			\$6,000,000		\$6,071,193	100.00%			0.00%	\$71,193	
Total fixed income and related securities			\$6,000,000		\$6,071,193	100.00%			0.00%	\$71,193	
Total portfolio value in Canadian \$			\$6,000,019		\$6,071,212	100%			0.00%	\$71,193	