



REPORT

To: ONE Joint Investment Board
From: Keith Taylor, Chief Investment Officer, ONE Investment
Date: March 1, 2023
Re: Canadian Fixed Income Manager – Presentation by MFS
Report: ONE JIB 2023-001

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report.

2. SUMMARY

MFS Investment Management is the external investment manager of the ONE Canadian Government Bond Fund and the ONE Canadian Corporate Bond Fund. These funds give exposure to high credit quality Canadian bonds, a key exposure in the investment allocations of ONE JIB. MFS will make a presentation to ONE JIB describing the basic features of the funds and will provide detail on their positioning, performance, and outlook.

3. BACKGROUND

The two funds that MFS manages under ONE JIB mirror similar Legal List Portfolios, but the mandates may diverge from the Legal List Portfolios in the future

ONE Investment has been working with MFS Investment Management to provide fixed income portfolios for municipalities for almost 25 years. They have helped to design and run mandates that were tailored to meet the investment restrictions of the Legal List.

The two Canadian fixed income funds managed by MFS for ONE JIB were initially designed to mirror mandates that ONE Investment has historically offered to municipalities under the Legal List. These funds offer exposure to very high credit quality bonds.

At its last meeting ONE JIB approved changes changing the mandate of the Canadian Government Bond Fund to focus primarily on short-term Canadian government bonds. ONE JIB's New Products Committee is currently evaluating potential changes to the Canadian Corporate Bond Fund for future ONE JIB consideration.

MFS's presentation will summarize the key aspects of the mandates and characterize recent performance

MFS will make a presentation to ONE JIB to explain the investment mandates and to discuss recent performance. Typically, ONE Investment's external managers present to ONE JIB on an annual basis to provide an opportunity for ONE JIB members to ask about holdings, strategy, and the performance of the mandates.

4. CONCLUSION

ONE Investment has had a very long relationship with MFS Investment Management in offering investment portfolios to municipalities, initially under the Legal List and now under the Prudent Investment Program as well. The manager's presentation to ONE JIB is an opportunity to learn more about the Fund's mandate, performance, and positioning.

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