

# QUARTERLY INVESTMENT REPORT

For The Period Ended December 31, 2022

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

1 Main Street South  
Kenora, ON  
P9N 3X2

Marsh, Ryan  
Director of Finance/City Treasurer  
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(807)-467-2013

## **ONE Investment**

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

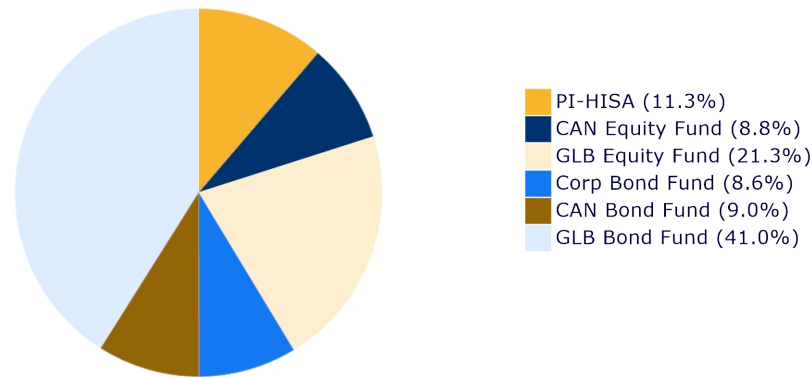
## **Relationship Manager**

Wardah Mir, Client Service Representative  
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**Kenora CPTF - Prudent Investor Portfolio**  
**Executive Summary for the Quarter Ended December 31, 2022**

	<b>Time-Weighted Rate of Return in CAD for Consolidated Holdings</b>						<b>Since Inception</b>	<b>Inception Date</b>
	<b>Quarter</b>	<b>Year to date</b>	<b>1 Year</b>	<b>2 Years</b>	<b>3 Years</b>	<b>5 Years</b>		
Consolidated Portfolio Returns	3.8%	-7.5%	-7.5%	-0.8%	-	-	1.3%	07/02/2020

**Overall Asset Allocation**



**Consolidated Portfolio Activity for Quarter**

<b>Portfolio</b>	<b>Starting Balance</b>	<b>Contribution</b>	<b>Withdrawals</b>	<b>Change in Market Value</b>	<b>Income</b>	<b>Ending Balance</b>
PI-HISA	3,931,020.41	-	-	-	37,850.72	3,968,871.13
CAN Equity Fund	2,897,649.32	-	-	186,707.04	18,385.86	3,102,742.22
GLB Equity Fund	6,905,944.81	-	-	512,452.47	65,095.70	7,483,492.98
Corp Bond Fund	3,024,835.25	-	-	13,835.98	5,646.36	3,044,317.59
CAN Bond Fund	3,142,033.38	-	-	20,842.16	-	3,162,875.54
GLB Bond Fund	13,990,117.19	3,100.44	-	(141,279.32)	600,596.96	14,452,535.27
<b>Total</b>	<b>33,891,600.36</b>	<b>3,100.44</b>	<b>0.00</b>	<b>592,558.33</b>	<b>727,575.60</b>	<b>35,214,834.73</b>

**Kenora CPTF - Prudent Investor Portfolio**  
**Performance History At**  
**December 31, 2022**

**Performance by Fund**

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
One High Interest Savings Account	0.9	2.0	2.0	1.2	-	-	-	1.1	07/02/2020
ONE Canadian Equity Fund	7.0	-7.7	-7.7	5.4	-	-	-	11.1	07/02/2020
ONE Global Equity Fund	8.3	-10.8	-10.8	4.1	-	-	-	6.0	07/02/2020
ONE Canadian Corporate Bond Fund	0.6	-8.3	-8.3	-5.3	-	-	-	-3.8	07/02/2020
ONE Canadian Government Bond Fund	0.6	-3.8	-3.8	-2.6	-	-	-	-1.7	07/02/2020
ONE Global Bond Fund	3.2	-8.6	-8.6	-4.3	-	-	-	-1.6	07/02/2020

**Performance by Outcome**

	% Annualized Returns							Since Inception	Inception Date
	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years		
JIB2KENCSTAB	3.8	-7.5	-7.5	-0.8	-	-	-	1.3	07/02/2020

## **QUARTERLY REVIEW**

Equity markets rallied strongly in 4th quarter after a very challenging year with the outlook for inflation being a key driver of returns. Inflation, which recently hit 40-year highs, showed signs of abating somewhat in the quarter, which was received positively by investors. Interest rates across the globe increased dramatically in 2022 as central banks attempted to fight inflationary pressures. The sharp rise in interest rates experienced earlier in the year had been a significant headwind for equities, but in the fourth quarter the equity markets responded positively as it appeared that inflation was starting to moderate and the pace of interest rate hikes by central banks may slow. Despite the strong fourth quarter rally, equity markets had negative returns for the full year. The ONE Canadian Equity Fund had returns of positive 7.0% in the fourth quarter, bringing full year returns to negative 7.7%.

Commodity related industries tended to perform well in the quarter, which the fund was not able to fully benefit from. The fund typically holds much less exposure to the Materials and Energy sector than the benchmark that helps to reduce the volatility of returns. The fund does hold a large position in Finning International, which rents / sells Caterpillar equipment used in the construction and resource sectors. This holding, which represents about 4% of the fund rose 39.7% in the quarter, made a significant contribution to overall fund returns in the quarter. While this holding may not be part of the Energy or Materials sectors, it was a benefit from the strength in these sectors.

There remains considerable uncertainty about the outlook for equity markets. Many hope that global central banks can bring inflation figures back to more reasonable levels without triggering a recession, but it is not yet clear if this can be achieved. Economic growth remains strong and labour markets remain tight, but the affect of higher interest rates may impact the economy with a lag. The prospects for lower inflation figures or a slowing/reversal of interest rate hikes will likely remain the driver of returns for the equity markets in the coming year.

## **QUARTERLY REVIEW**

The performance of global equities improved in the fourth quarter of 2022 after 3 successive quarters of negative performance. The Russian invasion of Ukraine, a spike in inflation rates and rapidly rising interest rates set the tone for markets in previous quarters that led to weak performance, but market sentiment improved in the fourth quarter. Signs that the inflation pressures were starting to abate gave investors hope that interest rate hikes by global central banks would slow and potentially even be reversed in the coming year. The ONE Global Equity Fund had strong returns in the fourth quarter of positive 8.3%, which partially offset losses in the previous 3 quarters, leading to calendar year returns of negative 10.8%. The weak full year returns reflect the challenging environment for equities in 2022.

The investment manager's focus on security selection contributed to fund performance in the quarter. Several individual holdings made a significant contribution to return including Moderna, Inc. with returns of 51.9%. Holdings in BMW also made a significant contribution as the preferred and common shares held, which collective represent 4.7% of the fund were up about 19%. The performance of FTI Consulting, Inc., which represents 3.5% of the fund, was a drag on fund performance with returns of negative 4.2% in the quarter.

Currency movements in the quarter contributed to performance. The fund does not hedge foreign currency exposure so large currency movements can affect total returns. During the quarter many major currencies strengthened vs the Canadian dollar with the pound sterling up 6%, the euro up 7%, Yen up 8%. The translation of local currency returns of foreign holdings back to Canadian dollars terms collectively contributed to fund returns, increasing the total returns by about 1.9%.

## **QUARTERLY REVIEW**

Global bond markets had their worst annual returns in modern history last year as sharply higher interest rates led to significant weakness in bond prices. For the 2022 calendar year the ONE Canadian Government Bond Fund, the ONE Canadian Corporate Bond Fund and the ONE Global Bond Fund had weak returns of negative 3.6%, negative 8.3%, and negative 8.6% respectively. The ONE Canadian Government Bond Fund was less affected by rising interest rates during the year due to the shorter maturity profile of bonds held

The performance of global bond markets improved in the fourth quarter after a very difficult year for fixed income investors. In the fourth quarter both ONE's Canadian bond funds had returns of 0.6% while the ONE Global Bond Fund had better performance, with returns of 3.2%. The stronger performance of the ONE Global Bond Fund in the quarter was largely a result of credit spreads, the extra yield offered by corporate bonds above sovereign bond yield, which narrowed in the quarter. The ONE Global Bond Fund has a large exposure to high yield and investment grade corporate debt, which benefitted from the narrowing credit spreads.

It remains a changing macro economic backdrop where strong economic growth has caused a spike in inflation rates. Global central banks raised interest rates sharply in 2022 to fight inflation, but in the fourth quarter there were signs that the pace of central bank rate hikes would slow amid signs that elevated inflation was starting to slow. While economic growth remains robust and labour markets remain tight, the tightening efforts of central banks in 2022 may lead to a deceleration in economic growth. It is hoped that central banks can bring inflation back to target levels without causing a recession, but it is too early to tell if this can be achieved. How central banks respond to the changing economic outlook, and trajectory for inflation will provide further clarity on the interest rate outlook and outlook for bond markets this year.

**Kenora CPTF - Prudent Investor Portfolio**  
**Consolidated Portfolio Holdings in CAD**  
**As of December 31, 2022**

Security	Quantity	Unit Cost	Book Value	Price	Market Value	% Weight
PI-HISA	3,968,871.130	1.00	3,968,871.13	1.00	3,968,871.13	11.27%
CAN Equity Fund	2,609.107	1,075.57	2,806,299.94	1,189.19	3,102,742.22	8.81%
GLB Equity Fund	7,047.299	1,060.57	7,474,192.33	1,061.89	7,483,492.98	21.25%
Corp Bond Fund	3,465.926	983.60	3,409,115.04	878.35	3,044,317.59	8.64%
CAN Bond Fund	3,396.480	981.27	3,332,877.96	931.22	3,162,875.54	8.98%
GLB Bond Fund	17,093.053	994.67	17,002,109.73	845.52	14,452,535.27	41.04%
					<b>35,214,834.73</b>	<b>100.00%</b>

**Kenora CPTF - Prudent Investor Portfolio**  
**Holdings by Account**  
**At December 31, 2022**

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

**For the Quarter Ending**  
**December 31, 2022**

Holdings	Quantity	Unit Cost	Book Value	Price	Market Value	Weight	Market Value Gain (Loss)	Income Received
PI-HISA	3,968,871.13	1.00	3,968,871.13	1.00	3,968,871.13	11.2%	0.00	37,850.72
CAN Equity Fund	2,609.10	1,075.57	2,806,299.94	1,189.19	3,102,742.22	8.8%	186,707.04	18,385.86
GLB Equity Fund	7,047.29	1,060.57	7,474,192.33	1,061.89	7,483,492.98	21.2%	512,452.47	65,095.70
Corp Bond Fund	3,465.92	983.60	3,409,115.04	878.35	3,044,317.59	8.6%	13,835.98	5,646.36
CAN Bond Fund	3,396.48	981.27	3,332,877.96	931.22	3,162,875.54	8.9%	20,842.16	0.00
GLB Bond Fund	17,093.05	994.67	17,002,109.73	845.52	14,452,535.27	41.0%	(141,279.32)	600,596.96
			<u>37,993,466.13</u>		<u>35,214,834.73</u>	<u>100.0%</u>	<u>592,558.33</u>	<u>727,575.60</u>

**Kenora CPTF - Prudent Investor Portfolio**  
**Performance History**  
**At December 31, 2022**

**% Annualized Returns**

	Quarter	Year to Date	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception	Inception Date
Return Net of Fees	3.8	-7.5	-7.5	-0.8	-	-	-	1.3	07/02/2020

**% Calendar Year Returns**

	2021	2020	2019	2018	2017
Return Net of Fees	6.2	-	-	-	-



**Kenora CPTF - Prudent Investor Portfolio**  
**Transaction Summary for the Quarter Ended December 31, 2022**

**TRANSACTION SUMMARY**

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

**Account Number: 570050179**

TRANSACTION TYPE	SECURITY	TRADE DATE	SETTLEMENT DATE	QUANTITY	TRADE AMOUNT (CAD)
Buy	GLB Bond Fund	11/08/2022	11/08/2022	3.63	3,100.44
Reinvested Capital Gains	GLB Equity Fund	12/30/2022	12/30/2022	23.35	24,801.07
Reinvested Distributions	Corp Bond Fund	12/30/2022	12/30/2022	6.42	5,646.36
Reinvested Distributions	GLB Bond Fund	12/30/2022	12/30/2022	710.32	600,596.96
Reinvested Distributions	CAN Equity Fund	12/30/2022	12/30/2022	15.46	18,385.86
Reinvested Distributions	GLB Equity Fund	12/30/2022	12/30/2022	61.30	65,095.70
Reinvested Interest	PI-HISA	10/05/2022	10/05/2022	11,449.01	11,449.01
Reinvested Interest	PI-HISA	11/03/2022	11/03/2022	12,702.41	12,702.41
Reinvested Interest	PI-HISA	12/05/2022	12/05/2022	13,699.30	13,699.30

**Kenora CPTF - Prudent Investor Portfolio**  
**COMPLIANCE CERTIFICATE**  
**December 31, 2022**

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 December 31, 2022 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

# ANNUAL INVESTMENT REPORT

**For The Period Ended December 31, 2022**

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

1 Main Street South  
Kenora, ON  
P9N 3X2

Marsh, Ryan  
Director of Finance/City Treasurer  
[rymarsh@kenora.ca](mailto:rymarsh@kenora.ca)  
(807)-467-2013

## **ONE Investment**

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M5H 3C6

## **Relationship Manager**

Wardah Mir, Client Service Representative  
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**Kenora CPTF - Prudent Investor Portfolio**  
**For the Period December 31, 2022**  
**(Consolidated Holdings)**

**Book Value Summary by Security**

Security	Opening Balance	Contribution	Withdrawals	Reinvested Income	Reinvested Capital Gains	Realized Gains/(Loss)	Cost Basis Adjustment	Closing Balance
PI-HISA	3,629,738.43	260,000.00		79,132.70				3,968,871.13
CAN Equity Fund	2,787,914.08			18,385.86				2,806,299.94
GLB Equity Fund	6,861,068.67	523,226.89		65,095.70	24,801.07			7,474,192.33
Corp Bond Fund	3,403,468.68			5,646.36				3,409,115.04
CAN Bond Fund	3,332,877.96							3,332,877.96
GLB Bond Fund	15,947,045.96	454,466.81		600,596.96				17,002,109.73
<b>Total</b>	<b>35,962,113.78</b>	<b>1,237,693.70</b>	<b>0.00</b>	<b>768,857.58</b>	<b>24,801.07</b>	<b>0.00</b>	<b>0.00</b>	<b>37,993,466.13</b>

**Market Value Summary by Security**

Security	Opening Balance	Contribution	Withdrawals	Reinvested Income	Reinvested Capital Gains	Change in Market Value	Closing Balance
PI-HISA	3,629,738.43	260,000.00		79,132.70			3,968,871.13
CAN Equity Fund	3,362,106.48			18,385.86		(277,750.12)	3,102,742.22
GLB Equity Fund	7,813,240.80	523,226.89		65,095.70	24,801.07	(942,871.48)	7,483,492.98
Corp Bond Fund	3,322,382.53			5,646.36		(283,711.30)	3,044,317.59
CAN Bond Fund	3,290,977.52					(128,101.98)	3,162,875.54
GLB Bond Fund	15,338,967.45	454,466.81		600,596.96		(1,941,495.95)	14,452,535.27
<b>Total</b>	<b>36,757,413.21</b>	<b>1,237,693.70</b>	<b>0.00</b>	<b>768,857.58</b>	<b>24,801.07</b>	<b>(3,573,930.83)</b>	<b>35,214,834.73</b>

**Kenora CPTF - Prudent Investor Portfolio**  
**For the Period December 31, 2022**  
**Summary By Account**

**Book Value Summary by Account**

<b>Account</b>	<b>Opening Balance</b>	<b>Contribution</b>	<b>Withdrawals</b>	<b>Reinvested Income</b>	<b>Reinvested Capital Gains</b>	<b>Realized Gains/(Loss)</b>	<b>Cost Basis Adjustment</b>	<b>Closing Balance</b>
JIB2KENCSTAB	35,962,113.78	1,237,693.70		768,857.58	24,801.07			37,993,466.13
<b>Total</b>	<b>35,962,113.78</b>	<b>1,237,693.70</b>	<b>0.00</b>	<b>768,857.58</b>	<b>24,801.07</b>	<b>0.00</b>	<b>0.00</b>	<b>37,993,466.13</b>

**Market Value Summary by Account**

<b>Account</b>	<b>Opening Balance</b>	<b>Contribution</b>	<b>Withdrawals</b>	<b>Reinvested Income</b>	<b>Reinvested Capital Gains</b>	<b>Change in Market Value</b>	<b>Closing Balance</b>
JIB2KENCSTAB	36,757,413.21	1,237,693.70		768,857.58	24,801.07	(3,573,930.83)	35,214,834.73
<b>Total</b>	<b>36,757,413.21</b>	<b>1,237,693.70</b>	<b>0.00</b>	<b>768,857.58</b>	<b>24,801.07</b>	<b>(3,573,930.83)</b>	<b>35,214,834.73</b>

**Kenora CPTF - Prudent Investor Portfolio**  
**For the Period December 31, 2022**  
**Summary By Account for CAN Bond Fund**

**Book Value Summary by Account for CAN Bond Fund**

Account	Opening Balance	Contribution	Withdrawals	Reinvested Income	Reinvested Capital Gains	Realized Gains/(Loss)	Cost Basis Adjustment	Closing Balance
JIB2KENCSTAB	3,332,877.96							3,332,877.96
<b>Total</b>	<b>3,332,877.96</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,332,877.96</b>

**Market Value Summary by Account for CAN Bond Fund**

Account	Opening Balance	Contribution	Withdrawals	Reinvested Income	Reinvested Capital Gains	Change in Market Value	Closing Balance
JIB2KENCSTAB	3,290,977.52					(128,101.98)	3,162,875.54
<b>Total</b>	<b>3,290,977.52</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(128,101.98)</b>	<b>3,162,875.54</b>

**Kenora CPTF - Prudent Investor Portfolio**  
**For the Period December 31, 2022**  
**Summary By Account for CAN Equity Fund**

**Book Value Summary by Account for CAN Equity Fund**

Account	Opening Balance	Contribution	Withdrawals	Reinvested Income	Reinvested Capital Gains	Realized Gains/(Loss)	Cost Basis Adjustment	Closing Balance
JIB2KENCSTAB	2,787,914.08			18,385.86				2,806,299.94
<b>Total</b>	<b>2,787,914.08</b>	<b>0.00</b>	<b>0.00</b>	<b>18,385.86</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,806,299.94</b>

**Market Value Summary by Account for CAN Equity Fund**

Account	Opening Balance	Contribution	Withdrawals	Reinvested Income	Reinvested Capital Gains	Change in Market Value	Closing Balance
JIB2KENCSTAB	3,362,106.48			18,385.86		(277,750.12)	3,102,742.22
<b>Total</b>	<b>3,362,106.48</b>	<b>0.00</b>	<b>0.00</b>	<b>18,385.86</b>	<b>0.00</b>	<b>(277,750.12)</b>	<b>3,102,742.22</b>

**Kenora CPTF - Prudent Investor Portfolio**  
**For the Period December 31, 2022**  
**Summary By Account for Corp Bond Fund**

**Book Value Summary by Account for Corp Bond Fund**

<b>Account</b>	<b>Opening Balance</b>	<b>Contribution</b>	<b>Withdrawals</b>	<b>Reinvested Income</b>	<b>Reinvested Capital Gains</b>	<b>Realized Gains/(Loss)</b>	<b>Cost Basis Adjustment</b>	<b>Closing Balance</b>
JIB2KENCSTAB	3,403,468.68			5,646.36				3,409,115.04
<b>Total</b>	<b>3,403,468.68</b>	<b>0.00</b>	<b>0.00</b>	<b>5,646.36</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,409,115.04</b>

**Market Value Summary by Account for Corp Bond Fund**

<b>Account</b>	<b>Opening Balance</b>	<b>Contribution</b>	<b>Withdrawals</b>	<b>Reinvested Income</b>	<b>Reinvested Capital Gains</b>	<b>Change in Market Value</b>	<b>Closing Balance</b>
JIB2KENCSTAB	3,322,382.53			5,646.36		(283,711.30)	3,044,317.59
<b>Total</b>	<b>3,322,382.53</b>	<b>0.00</b>	<b>0.00</b>	<b>5,646.36</b>	<b>0.00</b>	<b>(283,711.30)</b>	<b>3,044,317.59</b>



**Kenora CPTF - Prudent Investor Portfolio**  
**For the Period December 31, 2022**  
**Summary By Account for GLB Bond Fund**

**Book Value Summary by Account for GLB Bond Fund**

<b>Account</b>	<b>Opening Balance</b>	<b>Contribution</b>	<b>Withdrawals</b>	<b>Reinvested Income</b>	<b>Reinvested Capital Gains</b>	<b>Realized Gains/(Loss)</b>	<b>Cost Basis Adjustment</b>	<b>Closing Balance</b>
JIB2KENCSTAB	15,947,045.96	454,466.81		600,596.96				17,002,109.73
<b>Total</b>	<b>15,947,045.96</b>	<b>454,466.81</b>	<b>0.00</b>	<b>600,596.96</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>17,002,109.73</b>

**Market Value Summary by Account for GLB Bond Fund**

<b>Account</b>	<b>Opening Balance</b>	<b>Contribution</b>	<b>Withdrawals</b>	<b>Reinvested Income</b>	<b>Reinvested Capital Gains</b>	<b>Change in Market Value</b>	<b>Closing Balance</b>
JIB2KENCSTAB	15,338,967.45	454,466.81		600,596.96		(1,941,495.95)	14,452,535.27
<b>Total</b>	<b>15,338,967.45</b>	<b>454,466.81</b>	<b>0.00</b>	<b>600,596.96</b>	<b>0.00</b>	<b>(1,941,495.95)</b>	<b>14,452,535.27</b>

**Kenora CPTF - Prudent Investor Portfolio**  
**For the Period December 31, 2022**  
**Summary By Account for GLB Equity Fund**

**Book Value Summary by Account for GLB Equity Fund**

Account	Opening Balance	Contribution	Withdrawals	Reinvested Income	Reinvested Capital Gains	Realized Gains/(Loss)	Cost Basis Adjustment	Closing Balance
JIB2KENCSTAB	6,861,068.67	523,226.89		65,095.70	24,801.07			7,474,192.33
<b>Total</b>	<b>6,861,068.67</b>	<b>523,226.89</b>	<b>0.00</b>	<b>65,095.70</b>	<b>24,801.07</b>	<b>0.00</b>	<b>0.00</b>	<b>7,474,192.33</b>

**Market Value Summary by Account for GLB Equity Fund**

Account	Opening Balance	Contribution	Withdrawals	Reinvested Income	Reinvested Capital Gains	Change in Market Value	Closing Balance
JIB2KENCSTAB	7,813,240.80	523,226.89		65,095.70	24,801.07	(942,871.48)	7,483,492.98
<b>Total</b>	<b>7,813,240.80</b>	<b>523,226.89</b>	<b>0.00</b>	<b>65,095.70</b>	<b>24,801.07</b>	<b>(942,871.48)</b>	<b>7,483,492.98</b>

**Kenora CPTF - Prudent Investor Portfolio**  
**For the Period December 31, 2022**  
**Summary By Account for PI-HISA**

**Book Value Summary by Account for PI-HISA**

Account	Opening Balance	Contribution	Withdrawals	Reinvested Income	Reinvested Capital Gains	Realized Gains/(Loss)	Cost Basis Adjustment	Closing Balance
JIB2KENCSTAB	3,629,738.43	260,000.00		79,132.70				3,968,871.13
<b>Total</b>	<b>3,629,738.43</b>	<b>260,000.00</b>	<b>0.00</b>	<b>79,132.70</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,968,871.13</b>

**Market Value Summary by Account for PI-HISA**

Account	Opening Balance	Contribution	Withdrawals	Reinvested Income	Reinvested Capital Gains	Change in Market Value	Closing Balance
JIB2KENCSTAB	3,629,738.43	260,000.00		79,132.70			3,968,871.13
<b>Total</b>	<b>3,629,738.43</b>	<b>260,000.00</b>	<b>0.00</b>	<b>79,132.70</b>	<b>0.00</b>	<b>0.00</b>	<b>3,968,871.13</b>

*APPENDIX*

# City Of Kenora - CPTF Securities

## Pledged to ONE JIB

As At December 31, 2022

Identifier	Description	Maturity	Price	Quantity	Market Value
CA06368BJ907	BANK MONTREAL QUE 2.89 20JUN23	2023-06-20	99.083	150,000.00	148,624.50
CA064151WY58	BANK N S HALIFAX 2.29 28JUN24	2024-06-28	96.192	387,000.00	372,263.04
CA13509PHJ53	CANADA HSG TR NO 1 1.8 15DEC24 144A	2024-12-15	95.651	80,000.00	76,520.80
CA13509PHN65	CANADA HSG TR NO 0.95 15JUN25 144A	2025-06-15	92.906	89,000.00	82,686.34
CA13596Z4B88	C I B C CDS- 2.97 11JUL23	2023-07-11	98.972	295,000.00	291,967.40
CA614852NP21	MONTREAL QUE 3.5 01SEP24	2024-09-01	98.598	66,000.00	65,074.68
CA626209JP62	MUNICIPAL FIN AUTH BRI 2.95 14OCT24	2024-10-14	97.692	93,000.00	90,853.56
CA62620DAJ06	MUNICIPAL FIN AUTH BRI 2.15 03JUN24	2024-06-03	96.918	110,000.00	106,609.80
CA62957ZGE93	NHA MTG-BACKED 97514581 1.9 01JUL24	2024-07-01	96.703	48,000.00	28,118.96
CA68333ZAB37	ONTARIO PROV MED TERM P 2.6 08SEP23	2023-09-08	98.650	276,000.00	272,274.00
CA68333ZAF41	ONTARIO PROV MED TERM P 2.3 08SEP24	2024-09-08	96.831	106,000.00	102,640.86
CA68333ZAK36	ONTARIO PROV MED TERM 1.75 08SEP25	2025-09-08	94.205	140,000.00	131,887.00
CA69363TAH55	PSP CAP INC 3.29 04APR24	2024-04-04	98.513	529,000.00	521,133.77
CA748148RY18	QUEBEC PROV CDA 2.25 22FEB24	2024-02-22	97.609	212,000.00	206,931.08
CA780086QC12	ROYAL BK CDA MONTREAL 2.949 01MAY23	2023-05-01	99.391	225,000.00	223,629.75
CA803854JW90	SASKATCHEWAN PROV CDA 3.2 03JUN24	2024-06-03	98.392	82,000.00	80,681.44
CA891145T792	TORONTO DOMINION BK O 3.226 24JUL24	2024-07-24	97.385	88,000.00	85,698.80
CA891288DJ86	TORONTO ONT CDA 3.4 21MAY24	2024-05-21	98.644	52,000.00	51,294.88
				Total Bonds=	2,938,890.66
				Cash =	104,763.27

## ONE JIB - Outcome Framework - Target Allocations

Outcome							<u>Allocation</u>			
	HISA	Canadian Equity Fund	Global Equity Fund	Canadian Government Bond Fund	Canadian Corporate Bond Fund	Global Bond Fund	Equity	Fixed Income	Cash	Total
Cash	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%			100.0%	100%
Stable Return	10.0%	9.0%	21.0%	9.0%	9.0%	42.0%	30.0%	60.0%	10.0%	100%
Contingency	0.0%	18.0%	42.0%	6.0%	6.0%	28.0%	60.0%	40.0%		100%
Asset Management	0.0%	27.0%	63.0%	1.5%	1.5%	7.0%	90.0%	10.0%		100%
Target Date 3-5	20.0%	3.0%	7.0%	10.5%	10.5%	49.0%	10.0%	70.0%	20.0%	100%
Target Date 5-10	0.0%	15.0%	35.0%	7.5%	7.5%	35.0%	50.0%	50.0%		100%
Target Date 10+	0.0%	22.5%	52.5%	3.75%	3.75%	17.5%	75.0%	25.0%		100%

## ONE JIB - Outcome Framework - Defined

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

## **Glossary and Definitions for Quarterly Reports**

### **Account**

ONE Investment clients have one or more custodial accounts. All Prudent Investor Funds will be administered with ONE Investment's custodian, CIBC Mellon. Unlike Legal List accounts, MNRI invested in the ONE Investment Prudent Investor Funds will be under the control of the ONE Joint Investment Board. In most cases, the Prudent Investor clients will have multiple accounts with the custodian, with the account structure based on the investment outcomes assigned to each client. This will allow reporting to the municipal client based on the investment outcome framework.

**Annual and Annualized Returns:** please see Returns below.

### **Asset Allocation**

Asset allocation is the single biggest driver of fund returns and should be set taking into account municipal risk tolerance. Also known as asset mix, it is the combination of asset classes in a fund and is normally shown as the percentage weights in each. Example asset classes are money market, Canadian bonds, global bonds, Canadian stocks and global stocks. Each of the ONE JIB Outcomes has an associated asset allocation that is designed to be appropriate for the intended investment Outcome.

**Asset Mix:** See Asset allocation.

### **Benchmark**

The Benchmark is the standard against which investors compare their portfolio returns to understand its performance. Benchmark can be set either at the asset class level or for the overall portfolio. At the asset class level, benchmarks are usually chosen to represent the entire market; active managers seek to outperform their benchmarks by at least the amount of fees they charge.

For example, a typical benchmark for Canadian stocks is the S&P/TSX Composite Index which is calculated by Standard and Poor's (S&P) and for Canadian money market, the typical benchmark is the FTSE 182-Day Treasury Bill Index from the Financial Times Stock Exchange Group (FTSE). For a portfolio that aims to have risk halfway between these two asset classes, the total portfolio benchmark might be 50% S&P/TSX Composite Index and 50% FTSE 182-Day Treasury Bill Index.

Benchmark returns are always time weighted. (See Returns below for more detail on time weighted returns)



### **Blended Benchmark**

A blended benchmark is a benchmark that is constructed from two or more underlying benchmarks. The weights of each underlying benchmark used in a blended benchmark remain constant over time.

### **Canadian Corporate Bond Fund**

The ONE Investment Canadian Corporate Bond Fund holds short and mid-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Fund is 4.5 to 7.51 years. MFS aims to outperform the benchmark, which is:

- 48% FTSE Canada Universe All Government Bond Index +
- 40% FTSE Canada Short-Term Corporate A Index +
- 10% FTSE Canada Universe Corporate AAA/AA Index +
- 2% FTSE Canada 91-Day Treasury Bill Index.

### **Canadian Equity Fund**

The ONE Canadian Equity Fund holds Canadian stocks managed by Guardian Capital. Guardian aims for below-market risk, achieved with a ONE-imposed constraint on the weight of Material and Energy sectors because of the expected above-market volatility of these sectors.

### **Canadian Government Bond Fund**

This ONE Government Canadian Bond Fund holds short-term Canadian bonds managed by MFS. Based on the benchmark duration at June 30, 2020, the permitted duration range for the Bond Fund is 1.73 to 3.73 years. MFS aims to outperform the benchmark, which is:

- 95% FTSE Canada Short-Term Government Bond Index +
- 5% FTSE Canada 91-Day Treasury Bill Index.

### **Book Value**

Book value is the Unit Cost of each holding multiplied by the number of units. It represents the amount originally paid to invest in the holding and takes into account all contributions and withdrawals.

## **CAD**

This is a short form for “Canadian dollars”. Although the outcomes have exposure to foreign securities, all returns in the report reflect Canadian dollar-based returns. Foreign holdings will be impacted by movements in foreign currencies which may impact investment returns. This impact can be reduced by currency hedging strategies. The global equity exposure does not hedge currency exposure, but the global bond exposure may use hedging. The degree to which global bond exposure is hedged back to the Canadian dollar may vary and will reflect the currency hedging strategy of the external manager.

## **Consolidated Holdings**

Consolidated holdings are the aggregate value of all investments with ONE Investment. Consolidated holdings detailed in this report only reflect MNRI balances invested in ONE Investment’s Prudent Investor Funds and HISA balances under the control of the ONE JIB. In certain cases, clients may hold ONE Investment Legal List portfolios or HISA which will not be reflected in consolidated holdings in this report. Additionally, ‘in-kind’ securities pledged to the ONE JIB will not be reflected in this report.

## **Discounts**

Certain fee discounts apply for investors in the ONE Investment Prudent Investor offering. These discounts include a 4bps discount that applies to AUM of Founding Members, and ‘tier discounts’ that apply for any investors with balances in excess of certain thresholds. These discounts would not apply to HISA balances but would apply to balances in Legal List portfolios (if applicable). Discounts will be rebated to the municipalities on a quarterly basis. These discounts are not taken into consideration in the performance details in this investment report.

**Distribution:** a cash payment of interest or dividends made by ONE Investment from a fund.

## **Duration**

This statistic applies to bonds and is similar in concept to term to maturity. The difference is that duration also takes into account the size and timing of interest payments. A bond with higher coupon payments will have a shorter duration than one with the same term to maturity and lower coupon payments: the reason is that the higher-coupon bond receives more of its return earlier. The higher the duration of a bond, the higher its sensitivity to interest rate movements.

## **Fees**

Fees include all expenses involved in managing the fund: external investment manager fees, custody costs, ONE Investment's costs and administrative costs.

## **Global Bond Fund**

The ONE Global Bond Fund is an unconstrained global bond mandate managed by Manulife Asset Management. The unconstrained nature of the mandate means that the fund will contain a mix of global government, corporate and securitized debt, including emerging markets and high-yield securities. The mandate is not constrained by sector or currency. Manulife aims to outperform the benchmark, which is Bloomberg Barclays Multiverse Index Unhedged.

## **Global Equity Fund**

The ONE Global Equity Fund holds Global stocks managed by Mawer Investment Management. Mawer aims to outperform the benchmark, which is MSCI All Country World Index (ACWI). This mandate invests in both emerging and developed markets. Manager will allocate capital to the best global opportunities, which may include both large and small capitalization companies. This mandate is intended to be a broadly diversified portfolio of wealth-creating companies bought at discounts to their intrinsic values that typically employ a long-term holding period.

## **High Interest Savings Account (HISA)**

This bank account is provided by CIBC. Its very short-term nature precludes it from being considered an investment. Interest income from HISA will be reflected only in the executive summary page as will a list of HISA transitions. As the HISA product is a demand deposit, its value of his does not fluctuate daily. In this way it differs from the ONE Investment fund whose price change in response to changes in the value of underlying investments. Returns for individual accounts holding HISA will not be presented in the report beyond what is disclosed in the executive summary. HISA balances held in the Prudent Investor Offering reflect MNRI and will be under the control of the ONE JIB.

**Holdings:** the ONE Investment funds or HISA Balances held in client accounts.

## **Inception Date**

The inception is the first date that an investment was made. For each account, this will be the first time funds were transferred in; for funds offered by ONE Investment, it is the date the funds started. For ONE JIB Founders, the Inception date is July 2, 2020.

## **Income**

Income is a cash flow generated by an investment and normally includes interest on bonds and dividends on stocks. It is differentiated from capital gains, which also contribute to returns, but which are not considered income.

## **Investment Manager**

Investment managers are external firms hired by ONE Investment to create funds to our specifications. These are MFS Investment Management Canada for Canadian fixed income, Manulife Asset Management for global fixed income, Guardian Capital Group Ltd for Canadian equity, and Mawer Investment Management Ltd for global equity.

## **Market Value**

The value of an investment at current market prices, calculated by multiplying the Price (defined below) by the number of units held.

## **ONE Joint Investment Board (ONE JIB)**

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

## **Outcome**

Outcome means, in the context of the Investment Plan, the same thing as ‘solution’. Investment Outcomes are a set of investment allocations with varying risk/return characteristics. The Outcomes assigned to each municipal investor are intended to reflect the needs and circumstances of the municipality. ONE JIB has five pre-defined basic outcomes:

### **Cash:**

The Cash Outcome is designed for investments with a time horizon of less than 3 years. Preservation of capital and liquidity are the highest priorities. Investments allocated to this outcome are expected to be transferred back to the care and control of the municipal treasurer when the funds are reclassified as MRI.

### **Contingency:**

The Contingency outcome is designed for investing contingency reserves. The funds in this outcome may be drawn upon to meet unexpected needs and infrequent events. The investment horizon for this outcome is typically greater than 5 years, with an emphasis placed on long-term growth and preservation of purchasing power is a key consideration.

### **Asset Management Reserves:**

The Asset Management Reserve Outcome is specifically designed for very long investment horizons with a well-defined purpose. Allocations to this Outcome are intended to generate returns to help fund asset management objectives. The long-term nature of asset management reserves allows this Outcome to emphasize long-term growth.

### **Stable Return:**

The Stable Return Outcome is designed to provide an annual income while preserving the value of the principal investment. The principal amount is often invested in perpetuity with no intent to withdraw for the foreseeable future. This outcome is frequently used by municipalities looking to replace the income stream of a utility that has been sold, with some or all proceeds of the sale acting as the principal.

### **Target Date:**

The Target Date Outcomes are designed for contributions toward planned capital projects. There are three target date designs for different time horizons: 3 to 5 years; 5 to 10 years; and greater than 10 years. For capital projects in the 3-to-5-year range, preservation of capital is prioritized. For projects in the 5-to-10-year range, emphasis is placed on inflation mitigation and meeting target funding requirements. For projects in the greater-than-10-year range, emphasis is placed on longer-term inflation adjusted growth.

### **Price**

The price of ONE funds is the unit price at a point in time, also known as the net asset value, which is calculated daily by CIBC Mellon. This price takes into account the last traded prices of all securities held by the manager, the bid/ask spread where no recent trade is available and a daily accrual for all fees including investment management and administration.

### **Prudent Investor Standard**


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

### **Quality**

This statistic refers to the creditworthiness of bonds based on ratings provided by bond rating agencies such as S&P, DBRS, Fitch and Moody's. The highest quality bonds are rated AAA and range down from there to AA, A and BBB, all of which are investment grade ratings. Ratings below BBB are considered high yield. The lower a credit rating, the higher a bond's yield to maturity and commensurate risk of default on interest payments or principal. The credit rating on an entire fund is calculated as a weighted average.

### **Realized and Unrealized Gains**

Capital gains reflect the movement in the Price of investments as they rise over time relative to their average Unit Cost. Negative gains are losses, meaning that the Price of the units in the account is lower than the average Price paid for them (Unit Cost). Because gains / losses are calculated based on net asset values, they are diminished by the amount of fees. (Please see Fees, Price and Unit Cost.)



- **Unrealized gains** exist “on paper” until the investment is sold in return for cash, at which point they become realized.
- **Realized gains** are generated by withdrawals from accounts during the time period in question based on the unit Price compared to the Unit Cost.

## Returns

Returns measure the percentage increment in value generated by investments over a period of time. Unless otherwise noted, time-weighted total returns are reported here, which include all forms of income and capital gains. There are different aspects to return calculations explained below.

- Calendar Year Return: reflects the total return generated by investments in the specified year any between January 1 to December 31.
- Annualized Returns: the total return generated by investments in each year for holding periods greater than one year. Annualized returns are the geometric average over a multi-year period, meaning they represent the compound return. For periods of one year or less, the actual return is shown without the effect of compounding.
- Returns in this report are calculated net of fees based on the Prices of the ONE Investment funds. These are calculated daily by CIBC Mellon and take into account all fees and costs associated with managing the fund.
- Return details in this report do not account for fee discounts that may apply for some Prudent Investor clients.
- Time-weighted returns: returns in this report are time-weighted in order for them to be compared to the benchmarks. Time-weighted returns are calculated in a way that excludes the effect of the timing of contributions and withdrawals (cash flows) from the fund. (To capture the effect of cash flows and measure their impact on returns, investors would instead need use dollar-weighted return calculations.)

## Unit Cost

Unit Cost is the weighted average Price paid for all the Fund units held in the account and reflects the impact of units bought and sold over time.

**Unrealized Gains:** Please see Realized and Unrealized Gains

**Value Added:** The return generated by an investment manager above (or below, if negative) the benchmark.

**Year to Date:** The time period beginning January 1 and ending at the most recent quarter end.