



# REPORT

To: ONE Joint Investment Board  
From: Keith Taylor, Chief Investment Officer  
Date: May 19, 2020  
Re: Investment Manager Benchmarks  
Report: 20-012

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## 1. RECOMMENDATIONS

1. That the ONE JIB approves the benchmarks recommended by the investment manager as the benchmarks for the Prudent Investor Funds.
2. That the ONE Global Unconstrained Bond Fund benchmark be hedged to CAD.

## 2. SUMMARY

This report seeks ONE JIB's approval of the official benchmarks for Prudent Investor Funds used for the measurement of investment performance.

### Key Points:

- The performance benchmarks that are used by the external managers will be used internally for performance evaluation purposes.
- The benchmarks for 'cloned' Legal List Funds will be identical to those used for Legal List portfolios.
- Manulife presents two versions of their index (the Barclays Bloomberg Multiverse Index), one being hedged to CAD and the other unhedged.
- Either could be valid benchmarks for the Global Unconstrained Bond Fund, but the hedged version is more appropriate for our client base.

## 3. BACKGROUND

- The table below details the benchmark to be used for the performance evaluation purposes of the Prudent Investor Funds.
- ONE Investment has no intent of using these benchmarks in marketing materials or in any promotional collaterals.
- It is worthy to note that the manager considers the primary performance benchmark for the ONE Global Unconstrained Bond Fund as the unhedged version of the Barclays Bloomberg Multiverse Index, but many Canadian clients instead use the CAD Hedged version.



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- Blended benchmarks for the ONE Investment Outcomes will use the ONE Investment Prudent Investor Fund benchmarks below in proportion to their target asset allocation weights.

<b>ONE High Interest Savings Account (HISA)</b>	na
<b>ONE Global Unconstrained Bond Fund</b>	<b>Bloomberg Barclays Multiverse Index Hedged to CAD</b>
<b>ONE Canadian Government Bond Fund</b>	<b>(same as LL) 95% FTSE Canada Short Government Bond Index + 5% FTSE Canada 91-Day Treasury Bill Index</b>
<b>ONE Canadian Corporate Bond Fund</b>	<b>(same as LL) 48% FTSE Canada Universe Government Bonds + 40% FTSE Canada Short-Term Corporate A + 10% FTSE Canada Corporate AAA/AA + 2% FTSE Canada 91-Day Treasury Bills</b>
<b>ONE Canadian Equity Fund</b>	<b>(Same as LL) S&amp;P/TSX Composite index</b>
<b>ONE Global Equity Fund</b>	<b>MSCI ACWI (net)</b>

\* LL means Legal List. Three of the above funds have exposures that parallel ONE Investment Legal List products and use the same performance benchmarks.

## 4. ANALYSIS

Each of the benchmarks are reputable and well-known in the investment industry. The portfolio managers of each mandate were consulted along with the CIO at ONE Investment. Historical tracking of these benchmarks was demonstrated with other mandates managed by these portfolio managers to be relevant. Therefore, these benchmarks represent an appropriate guideline with which to measure the performance of the portfolio management as it relates to the specific ONE mandates listed in the above table.

Drafted by: Keith Taylor, Chief Investment Officer

Approved for submission by: Evelyn Foo, Chief Compliance Officer