



# REPORT

To: ONE Joint Investment Board  
From: Keith Taylor, Chief Investment Officer  
Date: October 20, 2020  
Re: Overview of Prudent Investor Quarterly Client Reporting Package  
Report: 20-028

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## 1. RECOMMENDATIONS

It is recommended that the Board:

- 1) Receive the report for information and approve the sample quarterly package template, included in Appendix A.

## 2. SUMMARY

ONE Investment is implementing a new portfolio management system – Harmony. Harmony provides an automated mechanism for monitoring investment portfolios and facilitates the production of industry standard performance reports for clients. ONE staff has developed a customized quarterly reporting package for Legal List client, and the first reports using this new package will be distributed in the coming months. The reporting package for Prudent Investor clients will be based on this Legal List reporting package, with some adjustments made to accommodate reporting at the ONE JIB outcome level and the Fund level.

## 3. BACKGROUND

**The Quarterly Reporting package will present returns, net of fees, on a time-weighted basis**

The package is intended to provide meaningful analysis and present the information in a format that meets the common expectations within the investment industry. All return details will be presented on a time weighted basis (i.e., returns for the funds/products rather than ‘dollar weighted returns’). Returns across periods will be geometrically chained to show annualized returns over various periods, except for periods less than one year, which will not be annualized.

It is intended that all returns presented will be returns net of fees, which are most relevant for the clients. Gross returns or index relative performance will not be included in the package but could be added in the near future.

**The Quarterly Reporting Package will contain returns, gains, losses and income on a consolidated basis, and a ONE JIB outcome level basis**

An executive summary page is included that provides a consolidated snapshot of the

Municipality's investments under care and control of ONE JIB. This executive summary will also show a summary of the fund purchases and sales, gains, losses and income in the Quarter.

The report will also have detail on each of the outcomes that the Prudent Investor client has exposure to, including the allocations to each fund, the gain/loss and income and investment performance across different time periods will also be provided. A summary of transactions by outcome will also be provided.

### **An annual summary page will be included in the Fourth Quarter Reporting package**

In the fourth quarter, to mark year end, the report will have an annual summary page included in the package to summarize the transactions in each of the ONE Funds, on a consolidated basis, and breakdown the returns as market gains versus investment income. The activities summarized on this page will cover activity in the calendar year. This page will not be included in the package during the first three quarters of the year.

### **A summary page that will detail returns at the ONE JIB outcome level and the fund level for ease of comparison is in development for the PI Quarterly Reporting package**

A page summarizing the returns for each of the PI Funds and each of the Prudent Investor Outcomes across different time periods is currently under development. The layout and design have been scoped, and the vendor needs to develop and test the page before it can be inserted into the package.

### **The Quarterly Reporting package will also include a glossary and other relevant information for appropriate report interpretation**

The reporting package will include an appendix section to incorporate other information relevant to understanding and interpreting the reports. It is intended that the information in this section will be static information. The intention is to have a summary of the ONE JIB outcomes framework in this section as well as a glossary section to explain terminology and provide detail based on calculation of metrics discussed in the report.

Drafted by: Keith Taylor, Chief Investment Officer

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